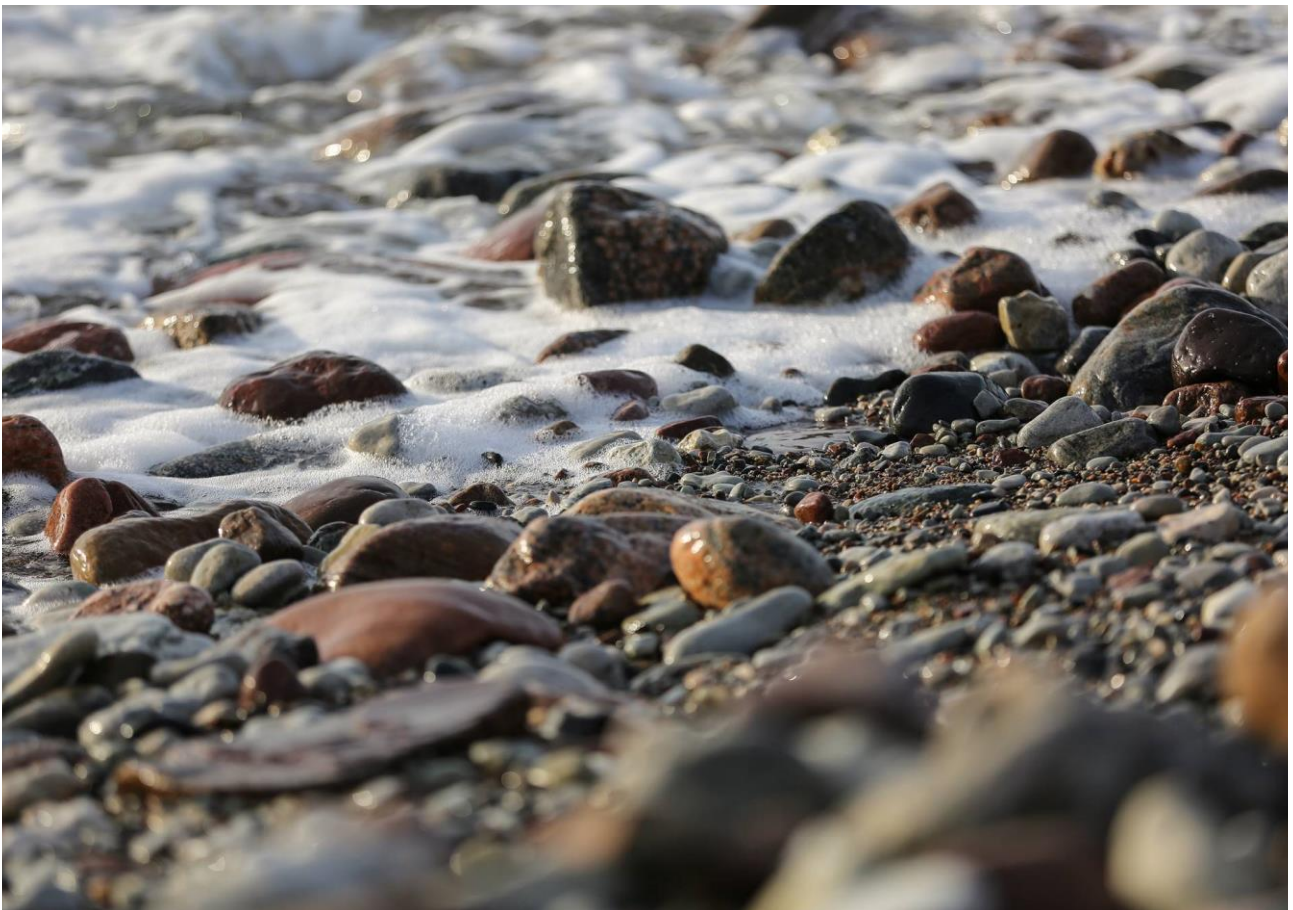


Livelihood Restoration Framework

Baltica 2 OWF

PUBLIC



Prepared by	Status	Reviewed by	Approval pending	Date of issue
Paulina Kupczyk-Kuriata (Sweco sp. z o.o.)	Final	Magdalena Mitas	JVB	12-07-2024
Adam Perz (Sweco sp. z o.o.)		Justyna Pacek		
Marek Szołucha		Joanna Wis-Bielewicz		
Piotr Dudzic		Piotr Kaszczyszyn		

Table of contents

1	List of Figures	4
2	List of tables.....	5
	List of abbreviations.....	6
1	Introduction.....	8
	1.1 LRF target	8
1.2.	Project Description	10
	1.2.1 Location.....	10
	1.2.2. Basic data	11
1.3.	Methodology and limitations.....	13
1.4.	Legal framework	14
	1.4.1. IFI requirements - EBRD and IFC.....	14
1.5.	EU regulations	18
1.6.	Polish law	19
	1.6.1. Construction of offshore wind farms	19
	1.6.1.1. Course of action	19
	1.6.1.2. Public consultation	19
	1.6.1.3. Social impact assessment	20
	1.6.1.4. Compensation in connection with expropriation of land	20
	1.6.1.5. Determining permanent restrictions to real property management based on the Transmission Special act and the Real Estate Management Act.....	21
	1.6.1.6. Temporary occupation of real property on the basis of on the Transmission Special act and the Real Estate Management Act.....	22
	1.6.1.7. Compensation for fishermen	22
1.7.	Gap analysis	23
2.	Public consultation related to the Baltica 2 Project.....	24
	2.1. Public consultation on the location of the OWF.....	24
	2.2. Consultation within the Sector Deal	24
	2.3. Past consultations in Choczewo Commune with regards to Offshore and Onshore Facilities and the Choczewo Wind-Driven Commune Programme.....	28
	2.3.1. Working meetings with the authorities and planners of the Choczewo municipality.....	29
	2.3.2. Agreements with other entities connected to SE Choczewo and with PSE	29
	2.3.3. Talks with local authorities.....	29

2.3.4.	Information and consultation activities with residents of areas adjacent to the planned projects and owners of properties potentially affected by the development	30
2.3.5.	Working meetings with representatives of the local community in the Municipality of Choczewo	31
2.3.6.	Information desks in municipal offices with distribution of brochures and leaflets in Choczewo Municipality	31
2.4.	Dedicated meetings with the fishing community	31
2.5.	The Choczewo Wind-Driven Commune Programme	33
3.	Impacts on livelihood	36
3.1.	Onshore part.....	36
3.1.1.	LSE line	36
3.1.2.	15 kV back-up power supply	41
3.1.3.	Consultation with affected persons regarding onshore part	43
3.1.4.	Summary of land impact.....	44
3.1.5.	Compensation for Loss of Income.....	54
3.2.	Offshore part.....	54
3.2.1.	Occupied fishing squares and importance of the area for fishing	54
3.2.2.	Fishing fleet and fishing techniques.....	55
3.2.3.	Fishing.....	57
3.2.4.	Impacts on fishermen	57
3.2.5.	Data update.....	59
4.	Livelihood restitution framework	60
4.1.	Minimization measures	60
4.2.	Compensatory measures	62
4.2.1.	Onshore part.....	62
4.2.2.	Offshore part.....	62
5.	Sources	68
5.1.	Investor Documents.....	68
5.2.	Other documents.....	68
5.3.	Online sources.....	71
	Appendix 1 – Relevant international, EU and Polish regulations.....	72
	Appendix 2 – Solutions adopted in the EU on compensation for fishermen	79

1 List of Figures

Figure 1	Location of the Project (Source: Investor)	11
-----------------	--	----

Figure 2 Connection infrastructure OWF Baltica 2 – cable bench and onshore substation36

Figure 3 Location of the Baltica 2 offshore wind farm and its against the background of fishing squares. Source: own elaboration based on Investor’s data54

2 List of tables

Table 1 Parameters of planned OWFs 11

Table 2 List of properties of the cable section in the area of the shoreline passage37

Table 3 List of properties of the cable line of the onshore section37

Table 4 Summary of land impacts of on-shore components of the Project 44

Table 5 Number of fishing vessels fishing in fishing squares O6, N7, O7, L8, M8, N8, year 2016-2020 55

Table 6 Number of fishing units by length class fishing in the 15 analyzed fishing squares from 2012 to 2022 56

Table 7 Number of fishing units by fishing ports from which units went out to fish in the 15 fishing squares analyzed in 2012-2022 56

Table 8 Entitlement matrix **Błąd! Nie zdefiniowano zakładek.**

List of abbreviations

Abbreviation	Explanation
Baltica 2 OWF	Planned offshore windfarm, described in chapter 1.2
BPD	Baltic Action Plan
CFP	Regulation (EU) No. 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No. 1954/2003 and (EC) No. 1224/2009 and repealing Council Regulations (EC) No. 2371/2002 and (EC) No. 639/2004 and Council Decision 2004/585/EC (OJ L 354, 28.12.2013, pp. 22-61
CSO	Central Statistical Office
EBRD	European Bank for Reconstruction and Development
EIA	Environmental impact assessment
EIA Directive	Directive 2011/92/EU of the European Parliament and of the Council of December 13, 2011 on the assessment of the effects of certain public and private projects on the environment
EIA Report	Environmental impact report
EMFRA	European Maritime, Fisheries and Aquaculture Fund
EU	European Union
ICES	International Council for the Exploration of the Sea
IFC	International Finance Corporation.
IP	connection infrastructure
KE	European Commission
LPSSE	Local power system
LRF	Livelihood Restoration Framework.
LRP	Livelihood Restoration Plan.
LSE	Land Electricity Substations.
LST	Land transformer station
MSE	Marine Substations
MIR	National Marine Fisheries Research Institute
MV	Medium voltage

Abbreviation	Explanation
NPCPC	Concept of Spatial Development of the Country
NPS	National Electricity System
OWF	Offshore Wind Farm
PAP	People Affected by the Project.
PE	European Parliament
PL.POM	Spatial Plan of the Internal Sea, Territorial Sea and Exclusive Economic Zone at a scale of 1:200,000
PR5	Performance Requirement 5: Land Acquisition and Involuntary Resettlement
PS5	Performance Standard 5: Land Acquisition and Involuntary Resettlement
PSE	Polskie Sieci Energetyczne S.A.
PZPOM	Maritime Spatial Plan
RAP	Resettlement Action Plan
RES	Renewable energy sources
RODO	Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation)
SCP	Social Commitment Plan
SE	Power grid
SIA	Social Impact Assessment
UOOŚ	Act of October 3, 2008 on providing information on the environment and its protection, public participation in environmental protection and environmental impact assessments

1 Introduction

The project consisting of the Baltica 2 Offshore Windfarm (the “Project”) has been designed to be developed in accordance with applicable national environmental and social laws and regulations, including applicable European Union law as implemented in Polish law.

The competent authorities have granted to the Project the environmental decisions (the “Environmental Decisions”) following Environmental Impact Assessments (“EIA”), prepared in accordance with the requirements of Polish laws and regulations. These Environmental Decisions contain conditions and requirements ensuring that the Project will comply with Polish laws and the *acquis communautaire* of the European Union, as transposed into Polish law during its implementation and operating phases.

The Project is expected to be financed, amongst others, by the European Bank of Reconstruction and Development (“EBRD”), at least one export credit agency (“ECA”) and Equator Principles Financial Institutions (“EPFIs”). In order to be considered for financing by these potential lenders, the Project shall be required to comply with specific, additional requirements derived from each respective lenders’ “Environmental and Social Standards”, including the benchmarks of the Equator Principles (“EP IV”), the IFC Performance Standards (“IFC PSS”) and the EBRD Performance Requirements (“EBRD PRs”), which are additional to the requirements identified by the EIA and the competent Polish authorities’ “Environmental Decisions”.

Actions required to ensure the Project is developed in line with these additional requirements (which the Project’s promoter has committed to implement) are presented in the Environmental and Social Action Plan (the “ESAP”).

1.1 LRF target

The primary goal of this Livelihood Restoration Framework (LRF) is to enhance and, at a minimum, restore the livelihoods of Project-Affected Persons (PAPs) covered by these frameworks, as stated in PR5. Our commitment extends beyond mere financial compensation; it is centred on promoting the well-being and sustainable improvement of the lives of the affected individuals and communities. To fulfil this commitment, the LRF establishes a comprehensive framework and guiding principles aimed at mitigating and offsetting the negative impacts resulting from restricted access to natural resources, in

conjunction with the Baltica 2 and Baltica 3 Offshore Wind Farm Project. The LRF provides the foundation for the subsequent development of the Livelihood Restoration Plan, aligning with the requirements of prominent lenders, including international financial institutions such as EBRD and IFC.

This LRF covers mainly livelihood restoration issues related to the restriction of access to the certain maritime areas, which may cause a deterioration of the income sources. All aspects of the Project linked to the land acquisition of the on-shore part are covered in separate documentation (Livelihood Acquisition Strategy) – a summary only of land acquisition actions to date is provided in this LRF. Compensation will be paid for locating infrastructure on properties owned by private owners. To date, it is not expected that there will be a negative effect on livelihoods.

The Land Acquisition Strategy was used by the Project to 'guide' all onshore land acquisition although originally devised only for the onshore OWF power evacuation lines. While we are aware of the necessity to establish a specific Livelihood Restoration Plan, it is crucial to acknowledge that, at this stage, there is no possibility to finalizing a detailed LRP. Off-shore exclusions and restrictions during construction and operations will be defined by the relevant Polish regulator (Maritime Office in Gdynia) and are not known at this point. Also the detailed and specific regulations and guidelines for compensation, along with associated principles, have to be collaboratively determined in conjunction with other investors who are constructing wind farms in adjacent areas. This collaborative effort is essential to ensure that compensation mechanisms are consistent and fair across the entire region and aligned with international standards and best practices.

Therefore, the key objectives of this LRF are to:

- present Poland's existing legal framework for awarding compensation for land acquisitions and restricting access to resources,
- present the results of an assessment of impacts on PAP livelihood,
- outline potential measures to minimize, mitigate, and compensate for these impacts,
- present a preliminary assessment of potential impacts to land and livelihoods of Project on-shore and off-shore parts;
- present a preliminary baseline of livelihoods that could potentially be affected by the Project;

- present potential measures meant to avoid, minimise, mitigate and compensate livelihood impacts of project on-shore and off-shore parts;
- present the guidelines to the further development of an LRP.

It is crucial to ensure that affected communities receive just and equitable compensation, and that compensation mechanisms are established in accordance with the law and international standards. We are dedicated to actively monitoring legal developments, engaging in transparent discussions with relevant authorities, other investors, and stakeholders, and swiftly preparing the Livelihood Restoration Plan as soon as clear and mutually agreed-upon regulations and guidelines for compensation become available.

1.2. Project Description

1.2.1 Location

The map below shows the planned location of the Project, both in terms of offshore wind farms and connection infrastructure.

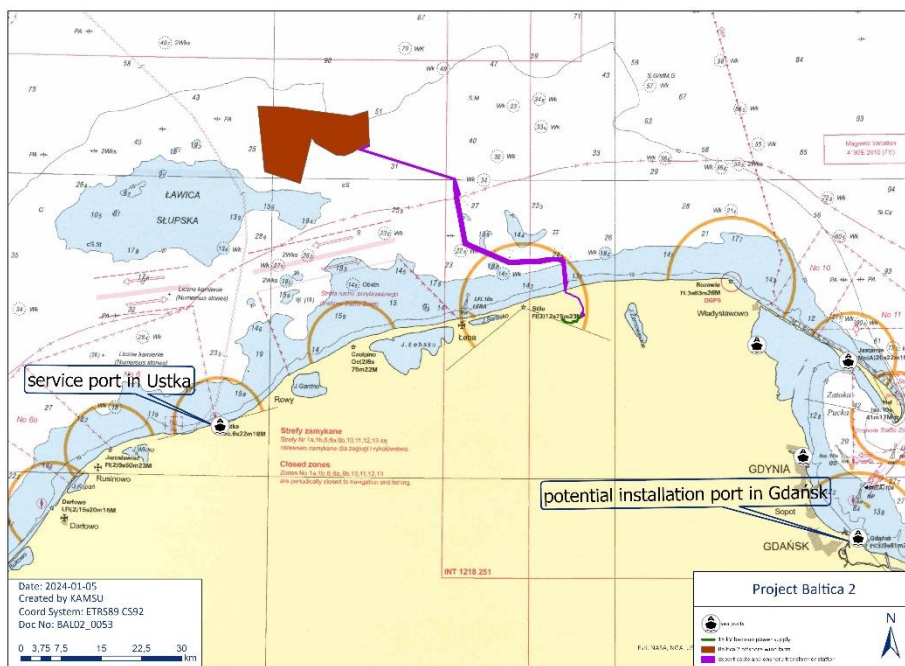


Figure 1 Location of the Project (Source: Investor)

1.2.2. Basic data

Offshore wind farm

The following are the most important parameters of the planned OWFs.

Table 1 Parameters of planned OWFs

Parameter	Value
Maximum installed capacity [MW].	2550
Maximum number of wind turbines [pcs]	209
Maximum rotor diameter [m]	222
Minimum clearance between rotor working area and water surface [m]	20
Maximum height [m]	251
Maximum number of secondary structures [pcs]	25
Maximum diameter of gravity foundation [m]	40
Maximum bottom area occupied by gravity foundation [m ²]	1257
Maximum bottom area occupied by foundations [m ²]	262 713
Maximum length of cable routes of installations inside the OWF [km]	418

Source: EIA report for the OWF, ED for the OWF.

Connection infrastructure

The main components of the connection infrastructure will be:

- Marine LV AC power cable lines with fiber-optic cables inserted into special connection terminals in electrical switchboards located on MSE platforms, along with internal connections between MSEs;
- Marine cable line connections including accessories;
- Connections of offshore and onshore cable lines located on land (individual cable lines will be connected to each other in underground "wells" located in the area of the construction site for drilling);
- Onshore power cables along with fiber optic cable lines;
- Land cable line connections with accessories;
- Onshore substation (subscriber LSE) with the infrastructure necessary for proper operation;

- Busbar systems connecting for the connection of onshore substation (LSE) with the NPS of the transmission system operator PSE S.A.;
- Service roads between the sea-land drilling chambers and the LSE;
- Access road to substation.

Access to the connection infrastructure will be provided by public roads, and service roads will be located on properties acquired for the connection infrastructure. It will not be necessary to reconstruct or improve any public road in order to access the investment.

As for the water supply connection, LSE will be supplied with water using an individual deep well and a water treatment station. Alternatively, if the water supply network is expanded by a local government unit, it will be possible to directly connect to the collective network.

As for the sewage connection to the LSE, it will use a septic tank for domestic and municipal sewage. Rainwater will be discharged via a rainwater installation to the retention and absorption tank through a pollution separator.

15 kV power back-up supply

A part of the Project is also a backup power supply line of own needs 15 kV, i.e. reconstruction of the line on the section of 6 km, which will connect the electrical switching station 15kv GPZ Jackowo with the substation. The course of the line is 93% outside the built-up area.

The line will be implemented underground. Cables will be laid mostly in an open trench with a maximum width of 1m. At intersections with roads, canals, water facilities or other linear objects, the cables will be laid using a trenchless method.

Access to the connection infrastructure will be provided by public roads. It will not be necessary to reconstruct or improve any public road in order to access the investment.

Port of Ustka

The construction of the "Operations and Maintenance Base in the Port of Ustka" will serve to prepare a base providing facilities for the operation of offshore wind farms. The Base's facilities will provide technical and administrative support for the maintenance of wind farms located in the Baltic Sea. The Base will include the following buildings: a welfare and office building with a warehouse, internal roads and a parking lot, maneuvering area, two container bunkering stations

and associated infrastructure. In addition, the reconstruction of wharves and minor dredging works (to deepen the port basin) are planned. The base will be built on the territory of the Ustka Sea Port, on an area of about 2.9 hectares.

The real estate on which the port in Ustka will be located consists of plots with registration numbers: 1560/38, 1560/39, 1560/40, 1560/41, 1560/45, 1560/70, 1560/71, 1560/46, 1560/47, 1560/42, 1560/48, 1560/49, 1560/50, 1560/51, 1560/52, 1560/53, 1560/54, 1560/55, 1560/56, 1560/57, 1560/58, 1560/60 owned by the State Treasury and in perpetual usufruct of the investor. Access to the property is provided by public roads.

As far as the water supply and sewage connection is concerned, the water supply and sewage line is located in the immediate vicinity of the property where the operational and service base will be located.

As part of the contract concluded with the water supply and sewage infrastructure manager, appropriate connections will be built.

DCT Port in Gdańsk

The DCT port in Gdansk will serve as a temporary installation terminal for offshore wind farms. As part of the project, DCT (Baltic Hub) is constructing the T3 terminal, which will temporarily be used as an installation port for the implementation of offshore wind farms in the Polish part of the Baltic Sea. The project includes dredging the approach and maneuvering tracks from the current depth of 7 meters to reach 17 meters. The area covered by these works is max. 40 ha. In addition, the seabed will be reinforced, in the area of the construction of the T3 site of up to 100 hectares.

Baltica 2 sp. z o.o. is not the initiator or investor of this work.

1.3. Methodology and limitations

This LRF is based on information contained in documents provided by the Employer, in particular:

- Environmental impact assessment report,
- Spatial Plan, which is part of the construction project,
- Strategies for acquiring rights to dispose of real estate for OWF power lead lines,
- Stakeholder Engagement Plan.

Also taken into account were data available in the public domain such as the register of fishing vessels, municipal development strategies, the Strategic Environmental Impact Assessment of the Draft Spatial Plan for Internal Sea, Territorial Sea and Exclusive Economic Zone at a scale of 1: 200,000, and data from the Central Statistical Office.

Due to the framework nature of this document, direct consultation with PAPs was not carried out during its development. Such consultations will be carried out at the stage of developing the LRP as an integral part of the work on this document.

There was no direct consultation with the PAP as part of the work on the LRF. Such consultations will be carried out at the stage of developing the LRP, as part of the work on the document. It is necessary to base the impact assessment for the fishing sector on updated data. Data used in the EIA report and presented briefly above concern the period 2012–2016 and therefore do not reflect current fishing data. New data are being collected on periodic basis and they were not made available for the preparation of the document. The latest data will be made available at the stage of finalizing the LRP and will be included in this document.

1.4. Legal framework

1.4.1. IFI requirements – EBRD and IFC

The project will be financed by International Financing Institutions (IFIs). Each IFI has its own operational requirements for impacts related to loss of access to natural resources or livelihoods. The differences between these requirements are minor due to the process of convergence of requirements. They are based on general principles:

- avoid and, where this is not possible, minimize impacts on PAPs,
- conducting substantive public consultations,
- to improve or at least restore the PAP's livelihood and standard of living compared to the pre-Project condition.

EBRD PR 5 refers to livelihood restoration as the process of assisting displaced individuals in regaining their sources of income and improving their living standards after involuntary resettlement due to land acquisition or restrictions on natural resource access. It entails the implementation of measures and initiatives to support affected communities and individuals in recovering their livelihoods to pre-project levels or even enhancing them sustainably.

Livelihood restoration can take various forms, including enterprise-based, wage-based, or employment-based approaches. It may involve providing training and skills development programs, facilitating access to credit or capital for starting new businesses, assisting in job placement or income generation opportunities, and offering support for agricultural or vocational activities.

The goal of livelihood restoration is to empower displaced persons to rebuild their lives, enhance their socio-economic status, and achieve sustainable development in their new resettlement locations. By restoring or enhancing their livelihoods, individuals can regain stability, income sources, and a sense of well-being after experiencing displacement.

Effective implementation of livelihood restoration measures necessitates early and comprehensive planning, close collaboration with affected persons and host communities, and ongoing monitoring and evaluation to ensure alignment with the objectives of the Resettlement Action Plan (RAP) and the principles outlined in the environmental and social policies.

By prioritizing the restoration of livelihoods, addressing the specific needs of vulnerable and at-risk groups, and providing tailored support, livelihood restoration programs aim to mitigate the adverse impacts of involuntary resettlement and promote sustainable socioeconomic development for displaced individuals and communities.

The PR5 requires the following:

1. Implement measures to improve or restore the livelihoods and living standards of displaced persons to pre-project levels.
2. Offer enterprise-based, wage-based, and/or asset-based livelihood restoration measures.
3. Engage in consultations with affected persons, including host communities, during decision-making processes related to resettlement.
4. Make special provisions for consultations involving Indigenous Peoples and vulnerable groups.
5. Establish a grievance mechanism to address concerns raised by displaced persons and host communities.
6. Conduct a census and socio-economic baseline assessment in the affected area.
7. Develop a Resettlement Action Plan (RAP) for projects involving physical displacement.

8. Address the mitigation of negative impacts, potential development benefits, and matrixes of affected persons in the RAP.
9. Provide adequate compensation for lost assets, at least equal to the replacement cost.
10. Include provisions for housing replacement, relocation assistance, and livelihood improvement/restoration in the RAP.
11. Describe institutional responsibility for implementing the RAP, grievance redress procedures, monitoring, and evaluation.
12. Ensure that vulnerable and at-risk groups, as well as women, are not disadvantaged during the resettlement process.
13. Provide legal assistance to displaced persons, if needed, for administrative requirements and seeking redress.
14. Summarize and disclose information regarding compensation procedures and project stages to affected people.
15. Conduct monitoring of the RAP with the participation of key stakeholders.
16. Consider resettlement complete when adverse impacts align with the RAP objectives and this policy.

According to IFC PS5, livelihood restoration refers to the process of assisting displaced persons or communities affected by involuntary resettlement to recover, improve, or regain their means of making a living or sustaining their livelihoods. It aims to mitigate the adverse socio-economic impacts resulting from project-related land acquisition or restrictions on land use. When displacement is unavoidable, the client (the party responsible for implementing and operating the project) is obligated to offer compensation for loss of assets at full replacement cost and provide other assistance to help affected communities and individuals improve or restore their standards of living or livelihoods.

The client should ensure transparent compensation standards consistently applied to all affected communities and individuals. If the livelihoods of displaced persons are land-based or if the land is collectively owned, the client should, where feasible, offer land-based compensation. The client must take possession of acquired land and related assets only after making compensation available, providing resettlement sites (if applicable) and moving allowances, and completing compensation payments.

Furthermore, community engagement is crucial throughout the planning, implementation, monitoring, and evaluation of compensation

payments, livelihood restoration activities, and resettlement. The client should disclose relevant information and involve the affected communities and individuals in decision-making processes to achieve outcomes consistent with the objectives of Performance Standard 5. It is particularly important to ensure that consultations include Indigenous Peoples if they are affected.

The key requirements of the PS5 include:

1. Explore alternative project designs to avoid or minimize displacement, paying attention to impacts on the poor and vulnerable.
2. When displacement is unavoidable, offer displaced communities and individuals compensation for loss of assets at full replacement cost and other assistance to improve or restore their standards of living or livelihoods.
3. Maintain transparent and consistently applied compensation standards for all affected communities and individuals. Offer land-based compensation when livelihoods are land-based or when land is collectively owned.
4. Provide compensation to displaced persons before taking possession of acquired land and related assets. Also, offer additional support such as resettlement sites, moving allowances, and development opportunities.
5. Engage with affected communities throughout the process, ensuring stakeholder participation, disclosing relevant information, and considering options and alternatives. Consultations should include the perspectives of women and prioritize the needs of vulnerable groups.
6. Establish an effective grievance mechanism early on to address concerns and disputes related to compensation and relocation impartially.
7. Conduct a census to collect socio-economic baseline data and determine eligibility for compensation and assistance in cases of inevitable resettlement. Clearly communicate the eligibility cut-off date.

These requirements aim to minimize the adverse impacts of involuntary resettlement and promote the restoration of livelihoods for affected communities and individuals.

1.5. EU regulations

Impact assessment and public consultation

A procedural framework allowing the public to participate in decision-making processes related to projects that may affect the environment is established by Directive 2011/92/EU of the European Parliament and of the Council of December 13, 2011 on the assessment of the effects of certain public and private projects on the environment (the EIA Directive). It also contains some provisions for assessing impacts on people, but does not stipulate an obligation to conduct a social impact assessment (SIA).

In terms of public consultation, according to aspects of the planned project, both through public notices and other available means, such as electronic media. This information includes the nature of possible decisions, details of the bodies responsible for making decisions, and information on the possibility of public participation.

Member states are required to allow the public to participate early and effectively in decision-making procedures, allowing them to express their opinions and comments before a final decision is made on an application for a development permit. Details of public information and consultation are determined by member states, which may include publishing in local newspapers, putting up posters, or holding public hearings.

Within the relevant timeframe, stakeholders have the right to access all information collected in the EIA process, major reports and advice, as well as other information that becomes available at a later date.

Once a decision is made, in accordance with Article 9 of the EIA Directive, the competent authorities shall inform the public of its content, conditions, main reasons and circumstances on which the decision is based, taking into account information on public participation.

In turn, Article 11 of the EIA Directive 11 allows members of the public to have access to a review procedure before a court or other independent and impartial body established by law to challenge the legality of decisions, acts or omissions subject to the directive's provisions on public participation.

1.6. Polish law

1.6.1. Construction of offshore wind farms

1.6.1.1. *Course of action*

The procedure for the implementation of offshore wind farms in Polish territorial waters is complex and multi-stage. The investor is required to obtain a number of administrative decisions, in particular:

- Permit for the erection and use of artificial islands, structures and devices in Polish maritime areas,
- Permit to locate and establish conditions for maintenance of cables in internal sea waters and territorial sea areas (issued by the Director of the Maritime Office)
- Decision on environmental conditions,
- Conditions for connection to the power grid.
- Building permits
- Decision on the location of investment in the strategic transmission network.

1.6.1.2. *Public consultation*

The rules for conducting public consultations are set forth in the Act of October 3, 2008 on providing information on the environment and its protection, public participation in environmental protection and environmental impact assessments (EIA). According to this law, consultations are carried out as part of the EIA. EIAs are conducted in the procedure for issuing an environmental decision. The authority issuing the environmental decision is responsible for conducting them.

In the case in question, public consultations were carried out by the Regional Director of Environmental Protection in Gdansk separately for the onshore part of the project and separately for its offshore part.

Affected persons may actively participate in the proceedings at any stage of the project, submit comments, motions, letters, own opinions, expert opinions, etc. The entire file of the proceedings is open to these persons and must be made available to them upon their request. The administrative body is obliged to refer to all comments, applications, letters, etc. submitted by a party. In addition, it is possible to hold an administrative hearing open to affected persons (parties), especially if there are disputed issues in the case.

1.6.1.3. *Social impact assessment*

During the course of the EIA, it is necessary to assess the impact of the project on people and material assets and to conduct a social conflict analysis. The EIA also imposes an obligation to conduct public consultations during the EIA process and requires a detailed response to comments and requests made during these consultations. The EIA is carried out in the procedure for issuing an environmental decision, which allows for an early assessment of social impacts associated with the implementation of the project and the design of appropriate minimizing and preventive measures.

1.6.1.4. *Compensation in connection with expropriation of land*

Mechanisms directly related to the loss or restriction of ownership and other rights in rem to land, as well as the loss or restriction of rights under leases and rental agreements, are set forth in the Transmission Special Act and the Real Estate Management Act. The expropriation of real estate or parts thereof, as well as permanent and certain temporary restrictions on the use of real estate or parts thereof, takes place in the decision on determining the location of the project. Expropriation takes place as soon as this decision becomes final.

Due to the transfer of ownership of real estate to the State Treasury, the owner of the real estate or its perpetual usufructuary is entitled to compensation in cash or in the form of replacement real estate (if such real estate exists). The amount of compensation is determined separately for each property, through individual negotiations between the governor and the existing owner or perpetual usufructuary. Negotiations are conducted on the basis of an independent and objective appraisal by a licensed real estate appraiser.

The amount of compensation is not determined based on the value and condition of the property on the day the building permit is issued, but on the value and condition of the property on the day the amount of compensation is determined, i.e. after the completion of construction.

The above methodology allows for the correct determination of whether, as a result of the investment, there has been a decline in the value of the property and whether it is possible to continue using the property in an unchanged manner, and consequently allows for a reliable determination of the amount of compensation.

If the provincial governor and the expropriated person come to an agreement on the amount of compensation, a written agreement is

concluded specifying the amount of compensation, the date and manner of its payment. However, if no agreement on the amount of compensation can be reached within 2 months from the date of issuance of the final location decision, the amount shall be determined by the competent administrative body by decision. Before issuing the decision, the authority shall appoint its own independent expert. A party may appeal against the issued decision determining the amount of compensation.

It is also possible for an investor to acquire real estate for his own account (not for the account of the State Treasury) before the start of the investment project and before applying for a location decision. In such a case, the transaction is concluded on a fully voluntary basis and occurs on terms agreed upon by both parties. In such a case, there can be no talk of payment of compensation, since the selling party receives the agreed sales price; nor is it obliged to conclude a sales contract.

1.6.1.5. Determining permanent restrictions to real property management based on the Transmission Special act and the Real Estate Management Act

Instigating the proceedings to issue the decision on determining the location of the project requires a request by the Investor who is obligated to, amongst others, indicate the real property which do not become property of the State Treasury, which are subject to permanent restrictions applied to its use (hereinafter PR). Such a request has to be considered and, pursuant to the findings of the administrative body, disclosed in the decision on determining the location of the project. Such properties will not be subject to permanent change to the manner in which they are managed and in principle the owner (perpetual usufruct holder) will be able to use them in a manner similar to that before investment implementation, however - after the completion of the task - always with certain functional restrictions.

These restrictions and the associated inconveniences, restrictions to the real property's economic and market potential (e.g. building prohibition, prohibition to plant trees, etc.) have a negative effect on the real property's market value and have to be compensated by way of an appropriate compensation.

1.6.1.6. *Temporary occupation of real property on the basis of on the Transmission Special act and the Real Estate Management Act*

In accordance with the *Transmission Special Act* the decision on determining the location of the project may also specify temporary restrictions on the use of the real property which is not transferred to the State Treasury.

After the construction of technical infrastructure facilities and after the expiry of the period for which the permit for temporary occupation of real property has been granted, the real property should be restored to its previous state. If it is not possible to restore the real property to its previous state, compensation for the losses incurred in this respect is payable corresponding to the value of the damage suffered (Art. 128(4) of the Real Estate Management Act). If, as a result of failure to restore the real property to its previous state, the value of the real property decreases, the compensation shall be increased by the amount corresponding to that decrease.

1.6.1.7. *Compensation for fishermen*

The provisions of Polish law do not contain provisions on compensation for fishermen in connection with the restriction of the possibility of conducting fishing activities or the lengthening of the access route to fisheries in connection with the construction of an offshore wind farm. If such regulations arise, they will have a significant impact on the compensation process and it will be necessary to re-examine the legal status and revise this LRF.

As part of the Code of Good Practices under preparation, the investors declare guaranteeing a transparent and inclusive communication process, building joint initiatives on the basis of good practices, i.e. reskilling, guard vessels, environmental studies - the projects are presented in detail in the SEP, and indicate, based on the work of the working group, the possibility of paying compensation to fishermen whose fishing will be hindered due to the construction of the OWF.

In parallel to the work on the Code of Good Practices, the Maritime Institute of Fisheries (MIR) has developed a proposal for a model on the payment of compensation to fishermen owners. The model presented by MIR indicates the inclusion, in the compensation payments, of fishing shipowners – due to the lost fishing opportunities given the exclusion of areas occupied by offshore wind farms and due to extended routes to fishing grounds.

In the course of discussions among investors in offshore projects in Poland, there are ideas to establish a special fund for the payment of compensation related to the restriction of fishing areas or the lengthening of the route to the fishing grounds. Due to the timing of the project, the JV partners assume that the work on establishing the fund may go beyond the crucial stage of preparation for construction, so Baltica 2 is preparing a process that will enable individual negotiations with fishermen fishing in the project area.

The following stages are included in the process:

1. data on the number of units and the scale of fishing in the Baltica 2 area have been acquired,
2. these data must be confirmed and refined so the project has individual fishing data of the owners of the vessels fishing in the Baltica 2 area,
3. for this purpose, mediators will be hired to consult with fishermen to obtain consent to confirm individual data within 6 months,
4. then the negotiating team, within the IPT structure of the project consisting of representatives of permitting, stakeholders management team and regulation departments, taking into account the model developed within the framework of the Code of Good Practices, will begin negotiations with the association indicated by the shipowners.

1.7. Gap analysis

The provisions of Polish law do not contain provisions on compensation for the means of livelihood or loss of income sources.

Polish law does not require also planning specific measures aimed at additionally assisting especially vulnerable social groups (the elderly, the handicapped, the poor, and other groups with special needs).

Provisions of Polish law do not contain an obligation to prepare a socio-economic baseline and prepare a LRP as well as there is no obligation to monitor or evaluate its implementation.

Proposed corrective action is to prepare the LRP in accordance to PS5/PR5 requirements and implement necessary measures to ensure that the objectives of PS5/PR5 are met.

2. Public consultation related to the Baltica 2 Project

2.1. Public consultation on the location of the OWF

Public consultation on the location of the OWF was carried out as part of the public consultation for the Spatial Plan for Internal Sea, Territorial Sea and Exclusive Economic Zone. As part of the work on this document, an analysis of the relevance of individual sea squares for the fishing sector was carried out. This allowed to minimize the conflict between fishermen and the renewable energy sector at the stage of spatial planning.

A detailed description of these public consultations can be found at the following website: https://www.umgdy.gov.pl/plan_morski/spotkanie-w-sprawie-rybolowstwa/.

2.2. Consultation within the Sector Deal

On September 15, 2021, the Sector Deal for Offshore Wind Energy Development in Poland was concluded. The parties to the Sector Deal are representatives of government administration: Minister of Climate and Environment, Minister of State Assets, Minister of National Defense, Minister of Internal Affairs and Administration, Minister of Education and Science, Minister of Finance, Funds and Regional Policy, Minister of Agriculture and Rural Development, Labor and Technology, Government Plenipotentiary for RES, as well as representatives of local government units, entities of the educational system, higher education and science, financial and budgetary units of investors and the industry - the Polish Wind Energy Association and the Polish Offshore Wind Energy Society.

The Sector Deal is intended to provide a permanent platform for cooperation between government, and local government authorities, current and future investors and operators of offshore wind farms in Poland, as well as representatives of the supply and service chain, scientific and research entities, and financial and insurance institutions, to achieve the purpose of the Sector Deal, by ensuring coordinated action for the dynamic development of the offshore wind energy sector in Poland, with a focus on strengthening national energy, environmental, economic and social benefits. The Sector Deal, in paragraph 4., provides for the development of a "Code of Good Practices for the Coexistence of OWFs and Fisheries" defining

recommendations on the principles and conditions of fishing activities in the area of OWF projects and within the export infrastructure, including: how to verify possible losses and possible and adequate methods and scale of their compensation for documented lost fishing opportunities for owners and operators of fishing vessels, potential possibilities of using fishing vessels for construction or operation of OWF projects, potential possibilities of stocking and fish farming in selected and agreed areas of OWF projects, insurance for owners of fishing vessels, methods of communication between investors and the fishing community. In turn, Annex 3 to the Sector Deal indicates that the Parties declare cooperation to develop appropriate methods of providing assistance to fishing-related entities that have demonstrated losses in the situation of the need to completely or temporarily cease commercial fishing activities or the need to change the current way of conducting these activities, as a result of OWF projects, within the framework of jointly developed solutions. These actions will be implemented after individual agreement between the operators of the OWF and entities engaged in fishing-related activities in the zone of influence of a given investment, taking into account the conditions set forth in the decisions and permits issued by the competent authorities for a given OWF.

Currently, investors participating in the first phase of Poland's wind power development (i.e., generators that have been granted the right to cover the negative balance on the basis of individual decisions by the President of the Energy Regulatory Office, rather than as a result of an auction) – including PGE Baltica Sp. z o.o. – are participating, within the framework of the Sector Agreement for Offshore Wind Energy Development in Poland, concluded on September 15, 2021, in cyclical discussions with representatives of the fishing community and administrative bodies of marine fisheries (including fishing associations). The purpose of these meetings, also held within the framework of initiated industry associations, is to develop basic solutions to normalize these unprecedented solutions under Polish law in a way that takes into account the interests of the fishing community.

These meetings are held in subgroup 6.3 on cooperation in the field of fisheries, which aim to develop rules that will enable the safe coexistence of sea fisheries and offshore wind farms, among others through the development of a "Code of Good Practice for the Coexistence of the Offshore Wind Farms and Fisheries". In addition, the subgroup is a forum for the exchange of knowledge and experience aimed at bringing both communities closer together to allow for non-invasive implementation of investments in offshore wind – detailed

actions that are undertaken in the field of fisheries are presented in Annex 3 to the Sector Deal (sector deal Annex 3, page 32). As part of the meetings of subgroup 6.3, among others, the following issues were developed:

- Some of the offshore investors implementing projects under the so-called Phase 1 (including PGE and Ørsted) gave presentations on the implementation of their offshore wind farm projects, taking into account issues related to the coexistence of offshore wind farms with the fishing industry – based on experience from other countries where offshore wind farms are already operating;
- Representatives of the fisheries sector gave a presentation on the different types of fishing gear used in the areas where the offshore wind farms will be built, together with an analysis of the potential risks associated with snagging/damaging these gears to the elements of the offshore wind farm;
- Investor representatives drafted an outline of a Code of Good Practice for the coexistence of offshore wind farms and the fisheries sector;
- This document was then consulted with representatives of the fisheries sector, through the exchange of written comments and discussions during the meetings of the sub-group; it was agreed that the Code itself, after the University of Gdańsk has developed its draft, will also be consulted as part of the work of the subgroup;
- Discussions were held on possible legal solutions for the introduction of restrictions on fishing activities in the area of offshore wind farms – in particular, the concept of issuing a single regulation specifying the rules in this respect for all areas of offshore wind farms and the currently existing solution consisting in issuing separate orders for the areas of individual offshore wind farms by the relevant maritime offices directors was analyzed;
- The Marine Fisheries Institute gave a presentation on the possible method of calculating compensation for difficulties in fishing activities caused by the construction and operation of offshore wind farms;
- Any other topics concerning, among others, the organisation of the work of sub-group 6.3, the exchange of information on the nature of fishermen's work, their needs and expectations in relation to the process of construction and operation of the OWFs.

Also on the side of investors' interests, the Ministry of State Assets and the Ministry of Climate and Environment take part in the consultations, which, given the development of offshore wind farms on their agenda and the need to ensure the country's energy security, are particularly interested in concluding agreements on the coexistence of offshore wind farms and marine fisheries.

The investors – after prior consultations with the fishing community – are taking steps to develop a "Code of Good Practices for Coexistence of OWF and Fisheries" (CGP). The commissioning of such a project was entrusted to the University of Gdansk, which has adequate knowledge, experience and human resources to prepare the document. The draft will then be reviewed and discussed with the fishing community in order to ensure that the public has a real influence on the provisions of the code and to achieve to the greatest extent possible the investors' goal of respecting other stakeholders in the process of the necessary energy transition. The process of preparation and consultation of this code will allow to map the necessary needs and opportunities for the fishing community, related to the implementation and future operation of the OWFs.

The scope of the CGP will include:

- Preamble with a declaration of cooperation between OWF investors and entities engaged in sea fishing in Polish maritime areas;
- Introduction with characteristics of areas intended for the development of offshore wind energy in the Polish exclusive economic zone, along with an analysis of fisheries conducted in these areas, the markings of offshore wind farms, an analysis of legal regulations, identification of potential impacts of offshore wind farms on sea fisheries and ichthyofauna, and the procedure of amendments or additions to the CGP;
- Rules for the use of offshore wind areas by sea fisheries, including the rearing or breeding of marine organisms, at the stage of construction, operation and decommissioning of investments, determined on the basis of analyses of safety and the applicability of individual fishing gear;
- Agreements of investors and owners of fishing vessels on the principle of assessment of fishing activity in the areas of planned offshore wind farms and accompanying infrastructure;
- Involvement of the fishing community in work related to the OWF, among others, with possible cooperation in research projects

- related to the operational activities of the OWFs, or joint initiatives to improve occupational safety at sea;
- Recommendations on how to verify possible losses and possible and adequate methods and scale of their compensation for documented lost fishing opportunities for owners of fishing vessels;
 - Insurance for investors and owners of fishing vessels;
 - Measures to mitigate the impact of offshore wind on ichthyofauna;
 - Communication between investors and fishing shipowners.

It should be particularly emphasized that within the scope of the legal regulations in force in Poland, there are currently no draft regulations relating to permissible vocation tools, methodology for calculating compensation or other issues that may affect the financial aspects of OWF investments. There is also no legislative work in progress in this respect. It should be noted, however, that Directors of Maritime Offices may, on the basis of Article 24 of the Law on Maritime Areas, issue orders establishing safety zones around, among others, OWF elements or cables, introducing restrictions on, among others, fishing.

In the absence of existing regulations and previous market practices, in terms of an agreement with the fishing community, PGE Baltica and its partner are analyzing the possibility of also entering into individual discussions with representatives of the industry. At this stage, it cannot be ruled out that compensation will be paid on the basis of individually concluded agreements with fishermen.

2.3. Past consultations in Choczewo Commune with regards to Offshore and Onshore Facilities and the Choczewo Wind-Driven Commune Programme

At the local level for the Project, mandatory public consultations were conducted as part of the environmental impact assessment. Since 2020 the Investor has also conducted voluntary consultations at the local level (among others: with the municipality head, municipal council, local leaders, PSE), which are described in detail in the document "Stakeholders Engagement Plan", section 4.1.

2.3.1. Working meetings with the authorities and planners of the Choczewo municipality

In 2021 the Investor has held working meetings with local authorities in Choczewo municipality. The purpose of those meetings was primarily to obtain more detailed information than that publicly available in the public space. This applies primarily to planned changes in the municipal areas - including areas against which the municipality has development plans. Such meetings made it possible to identify areas that are attractive both in terms of settlement, nature and landscape, valuable to local communities, etc.

2.3.2. Agreements with other entities connected to SE Choczewo and with PSE

Cooperation in the working team with entities such as PSE and other entities implementing investments in the connection infrastructure of offshore wind farms, which will also use the same PSE infrastructure in the future - the Choczewo substation, made it possible to undertake joint planning, coordination and implementation of joint information and consultation activities. In 2021, thanks to the cooperation undertaken, it was possible to propose the joint location of the PSE substation infrastructure and the stations of offshore wind farm investors to the municipality and the local community. It is worth noting that locating all the stations in one area will reduce the interference of the aforementioned investment in space and minimize its impact on both the environment and the landscape. The investors' agreement has enabled much better and more transparent information and consultation activities.

2.3.3. Talks with local authorities

In 2020 joint meetings were held with local authorities, dedicated to a comprehensive presentation of all projects envisaged in the Choczewo municipality. During the meetings, the characteristics of the PSE and Investors' station investments in connection infrastructure were presented, as well as the schedule and stages of the planned work. The proposed location of future infrastructure was also presented at this stage. The dates of the meetings were agreed with the local authorities, and their form depended on the individual needs of the local government. The investors aimed to have all municipal councilors, but also village heads from areas in the immediate vicinity of the project, participate in the discussions. During these discussions, one of the

important and thoroughly discussed points was the Investors' planned communication and consultation activities with local communities.

2.3.4. Information and consultation activities with residents of areas adjacent to the planned projects and owners of properties potentially affected by the development

After agreement with the municipal councils, the draft locations of, among others, the investment in question were presented to residents, including owners of properties where connection infrastructure facilities were planned. In the period May 2020 to June 2021 were held 12 meetings for the Choczewo Municipality in the following localities: Choczewo, Zwartówko, Łętowo, Starbienino, Choczewko, Słajkowo and Kopalino. Investors held full and face-to-face information and consultation meetings, despite the restrictions in place due to the COVID-19 pandemic. A formula was proposed for expert standby meetings held at facilities in the villages covered by the investment. The on-call sessions were open to the public.

Information about the dates and locations of the meetings was communicated to:

- municipal offices for publication on the offices' websites, municipal newsletters, social media channels and municipal boards (posters),
- village heads to publish on village heads' communication channels, village boards (posters), provide direct information to residents,
- Owners of properties potentially affected by the investment - in writing to the mailing address, through the website pomorzedajemoc.pse.pl and through the local media.

The meeting during the information duty allows for a one-on-one conversation with representatives of the Investors. The entire scope of investments necessary for the derivation of power from offshore wind farms was presented, followed by the scope covering a given municipality and village, to finally discuss the proposed location of the facility in relation to, for example, the place of residence or property of a given stakeholder. During the meetings, the next steps of the administrative procedures leading to obtaining a construction permit were presented in an open and accessible manner.

2.3.5. Working meetings with representatives of the local community in the Municipality of Choczewo

Since February 2022, cyclical meetings have been held in the Choczewo municipality, attended by representatives of: the Investors, municipal authorities and the local community (councilors and representatives of the villages where the investment is planned). The purpose of the meetings is to maintain and further develop dialogue with the local community, including: providing information on the progress of the ongoing work, informing about the next steps taken by the Investors, responding to emerging doubts and questions. Last informational meetings were held in December 2023.

2.3.6. Information desks in municipal offices with distribution of brochures and leaflets in Choczewo Municipality

In 2022 information materials prepared by the Investors were available at the municipal offices for any interested resident on specially adapted racks, located at the main entrances to the offices. The materials provided contact information for questions about the Baltica 2+3 Offshore Wind Farm; pgebaltica@gkpge.pl - website: <https://baltica.energy/pl-pl>

2.4. Dedicated meetings with the fishing community

Due to the location and scope of the tasks of the planned OWF, as well as the direct users of the sea in the area at the early stage of investment preparation, the Applicant decided to conduct information meetings with the fishing community. Informational meetings were held with representatives of fishermen's organizations in June 2017. Two information meetings were held: in the city of Łeba and Ustka. Presentations and informational materials were prepared. The main conclusions of the information meetings held in 2017 were as follows:

- addressed the issue of occupation of the fishing areas by the OWF Area, transit through the OWF Area, and how to co-use the OWF Area for fishing and transit of fishing vessels to the fishing areas north of the OWF Area and the extension of the route to these fishing areas,

- The fishermen showed interest in the methods of the surveys conducted and the acquired data and results of the surveys and natural inventories on the environment, primarily in terms of ichthyofauna and birds and the state of the ecosystem, in the context of the return of fish after the construction phase in the OWF Area and the disappearance of the mussel in the OWF Area;
- The fishing side has indicated the possibility and need for further discussions under different thematic scopes, which could include impacts on fishing activities, impacts on the marine environment, regulations related to access to the OWF Area, technological issues - both in terms of offshore wind farm construction technology and permissible forms of fishing use of the OWF Area;

As for the latest activities undertaken with the fishing community 13 monthly meetings within the framework of the Sector Deal, since September 2022 to November 2023, were held between investors and fishermen with the participation of the Ministry of Climate and the Ministry of Agriculture. The meetings were held within the 6.3. group. The last stationary meeting was conducted in November 2023 in Warsaw during the Offshore Wind Poland 2023 Conference. There was also a possibility of joining the meeting on the MS TEAMS platform.

Matters discussed within the meeting were among others: proposals for the Ministry of Agriculture and Rural Development on the detailed conditions for the performance of sea fishing in the area of the OWF and within the export infrastructure, as well the concept of legal regulations for compensating for the negative impact of the OWF on the marine fisheries sector. A very meaningful element of the discussions was the shown concept of Polish legal regulations, developed by the Ministry of Internal Affairs and Administration, that will assume the issuance of a regulation specifying the method of estimating fishermen's losses and calculating the amount of compensation for losses and lost fishing opportunities. The legislative provisions under preparation will introduce the obligation of investors to negotiate with fishermen on compensation. Meanwhile, in order to facilitate the negotiations in question, a regulation will be issued based on a methodology whose draft, commissioned by the Ministry of Internal Affairs and Administration, was developed by the Maritime Institute of Fisheries - National Research Institute.

The conclusions and actions to be taken after the meeting were to consider the conditions discussed relevant to prepare regulations on

the performance of marine fishing in the area of the OWF and within the export infrastructure as well on estimating losses and the amount of compensation to fishermen. Further meetings will be continued in 2024. At the moment the group is also conducting activities to develop "Code of good practices for Coexistence of OWF and Fisheries".

2.5. The Choczewo Wind-Driven Commune Programme

Entities implementing the construction of infrastructure in the commune of Choczewo for the purpose of deriving power from offshore wind farms, hereinafter referred to as "OWF Investors", have made a joint decision to launch the program "Choczewo. Commune Powered by Wind" - aimed at supporting the community of Choczewo commune by operators of Offshore Wind Farms:

- Baltic Power sp. z o. o.
- PGE Baltica sp. z o. o
- Orsted Polska OF Services sp. z o.o.
- OW Poland sp. z o.o.

Support may be allocated to Applicants based in the Choczewo Municipality:

- Foundations and associations pursuing social goals of residents of the Choczewo municipality,
- social enterprises - organizations that carry out economic activities, which set strictly social goals and which invest the surpluses generated depending on the goals set for themselves in the activity or in the community,
- Choczewo Commune, organizational units of Choczewo Commune and village administrations,
- other organizations, institutions and entities acting for the public good, including groups of residents of the Choczewo Commune - provided that their Project is consistent with the objectives of the Program and is intended to benefit the wider community of the Choczewo Commune. If such an entity has no legal personality, it may become an applicant jointly with another entity indicated above, acting then on its behalf and for its benefit.

To date, OWF Investors have conducted two editions of the program and covered the following areas selected during meetings by residents:

1. Social initiatives, community development

Development of social activity, support for the development of the competence of local leaders, support for the implementation of grassroots social initiatives, social activities and programs aimed at different groups of residents (e.g. seniors, families, children, concerning intergenerational integration).

2. Security

Support for local organizations and TSO units (retrofitting and training), training programs and educational activities, support for water safety (WOPR), support for grassroots initiatives to improve the safety of residents. Development of infrastructure to improve the safety of Choczew residents. Co-financing of investments possible when the investment is carried out or is in the investment plans.

3. Support of the socio-districts

Support for local meeting places, through retrofitting for the implementation of activities for the benefit of residents based on their needs and to develop the offer to the local community. Possible investment subsidy possible in a situation where the investment is carried out or is in investment plans.

4. Cultural heritage

Supporting initiatives to cultivate and promote local elements of cultural heritage (e.g., educational trails, guidebooks, initiatives to promote local culture, educational programs).

5. Environmental protection and environmental education

Supporting environmental initiatives and activities, including the implementation of environmental education programs to strengthen pro-environmental attitudes among residents.

6. Development of children and adolescents

Supporting organizations working for the benefit of children and young people and supporting the conduct of activities and programs aimed at children and young people from the Choczewo commune (e.g., extra-curricular, extracurricular activities, sports activities, programs of activities for children in villages), with particular emphasis on activities involving children and young people in the active design and implementation of programs. Including sub-area: small youth grants to finance the preparation and implementation of youth initiatives, in amounts up to PLN 7,000.

The following activities were implemented under the program:

- Identification of community leaders at the municipal and village level and NGOs,
- April 2022: Interviews with leaders (55 people),
- April 2022: 8 workshops. Informal meetings allowed information about the program to be conveyed to larger groups of residents. The needs and expectations of participants were explored during discussions held with a map and materials to create notes on the fly,
- April 2022: 14 open-ended research walks to explore specific locations in each of Choczew's socio-districts, learn about residents' opinions on the surrounding space and gather ideas for improving it,
- June 2022 - meeting to discuss results of diagnostic work; work in thematic groups,
- July 2022: Design workshops in sub-teams - during five meetings of thematic sub-teams, the submitted ideas were verified against the program's guidelines. The subteams recommended projects for funding by offshore wind farm investors,
- February/March 2023: validation of the 1st edition of the Program and update of the diagnosis. Forty-five interviews were conducted with beneficiaries and active participants of the 1st edition of the Program, and residents were met at an evaluation workshop, thanks to which we learned their opinion about the Program and what could be improved in it.
- April 2023 - inaugural meeting of the 2nd edition,
- May 2023: design workshops in sub-teams. Six meetings were held, thematic sub-teams recommended projects for funding.
- December 2023: II edition summary meeting.
- April 2024: Inauguration of the III edition of the program.

The meetings also discussed issues related to investments in offshore wind farms and power derivation stations in the Choczewo municipality.

In 2022, the first edition of the program supported 45 projects proposed by the local community. In 2023, 68 projects were implemented under the second edition.

3. Impacts on livelihood

3.1. Onshore part

3.1.1. LSE line

All land for the underground connection from the beach to the Baltica sub-station and the sub-station itself is secured and available for construction purposes.

Land between the beach and the sub-station, where the underground connection lines will be built, is public forest land. No landowner or land user was affected.

Land for the Baltica 2 sub-station was acquired from a private landowner residing in the neighboring community. Land was used for agricultural purposes directly by the landowner (growing Christmas trees). The expropriation process was not triggered as it was possible to negotiate terms agreeable to both parties. Compensation has been entirely paid by the Project.

Type of property occupied

The routes of the designed power take-off line run through the territory of 21 parcels (shoreline passage + cable lines of the onshore section) within Kierzkowo, in the Choczewo municipality, Wejherowo county. Most of these parcels are State Treasury land managed by the State Forest Holding – Choczewo Forest District.

Connection infrastructure OFW Baltica 2 – cable lines and onshore substation

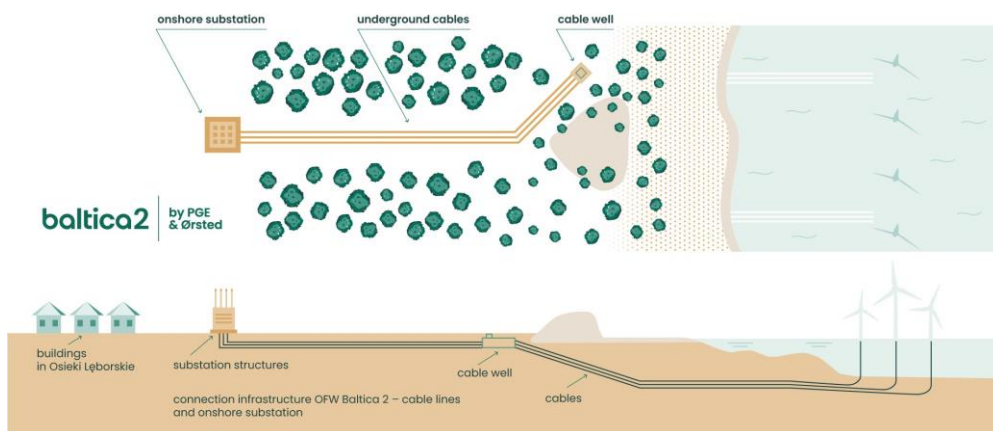


Figure 2 Connection infrastructure OFW Baltica 2 – cable bench and onshore substation

Shoreline passage

The area where the shoreline crossing is planned includes 5 parcels of land all from the Kierzkowo precinct, Choczewo Commune, which are listed in the table below:

Table 2 List of properties of the cable section in the area of the shoreline passage

	Owner	Comments
1	State Treasury	
2	State Treasury	coastal technical belt
3	State Treasury	coastal technical belt
4	State Treasury (National Forests)	
5	State Treasury (National Forests)	

Cable lines of the onshore section

The projected routes of the LSE line from the offshore wind farm Baltica-2 runs through the area of 18 plots located within Kierzkowo, Choczewo Municipality, Wejherowo county. Most of them (16 plots) are in the State Treasury ownership (State Forests). Of the remaining two, one is owned by the Choczewo municipality, and the other is a plot on which LSEs will be located and is currently in the possession of an individual.

Table 3 List of properties of the cable line of the onshore section

	Owner	Comments
1	State Treasury (National Forests)	
2	State Treasury (National Forests)	
3	State Treasury (National Forests)	
4	State Treasury (National Forests)	
5	State Treasury (National Forests)	
6	State Treasury (National Forests)	
7	State Treasury (National Forests)	
8	State Treasury (National Forests)	
9	State Treasury (National Forests)	
10	State Treasury (National Forests)	
11	State Treasury (National Forests)	
12	State Treasury (National Forests)	

	Owner	Comments
13	State Treasury (National Forests)	
14	State Treasury (National Forests)	
15	State Treasury (National Forests)	
16	Choczewo Municipality	
17	Private owner	

Use of the property

The areas within the limits of the route of the OWF Baltica cable line are diverse in terms of landscape. The width of the beach there is about 70–80 m, and just behind it stretches a belt of coastal dunes, which on the Slowinski Coast reach up to 1 km inland.

The beach and the surrounding villages are areas of great tourist attraction, which as tourist destinations operate primarily during the summer season. Tourism is the main source of income for many residents of the area. However, it is worth noting that the area through which the cable is to run is not a typical tourist destination. The considerable distance from the village, the lack of a direct descent to the beach, as well as the lack of convenient access for cars, which must be parked about 1 km from the beach, makes this particular section of the beach unpopular with tourists. No tourist or other infrastructure has been located on this stretch, which could be a source of income for the local population.

The further part of the cable's route is an area of pine forest, which, moving inland, turns into agricultural land. In this area, the location of the LSE is planned with the exception that there is currently no agricultural activity (agricultural crops or cattle grazing) in the area designated for the LSE.

In the vicinity of the planned project there are villages such as Lubiatowo, Szklana Huta, Osieki Lęborskie and Kierzkowo, which form a settlement network in close proximity to the project site. These properties are outside the area of acoustic impacts of the project. There are no properties or parts thereof in the project area that are used by the local community for residential purposes. No other buildings, structures or crops subject to occupation for the project have been identified either.

Most of the land that will be occupied for the project is public land. These areas have been used by the local community for years. Traditional uses include recreation and harvesting of undergrowth such as berries and mushrooms. Harvesting of undergrowth is done primarily for personal use and is recreational in nature. It should be stressed, that the collection and sale of the fruits and mushrooms is not a source of income for the households in the area.

There are also rare cases of illegal amber prospecting in the coastal strip, as confirmed by the "Nature Protection Program for 2014-2023" issued by the Choczewo Forest District. This activity is prohibited under Polish law.

Impacts on the local community

In terms of impacts on the local community in the areas near the implementation of the planned project, the following types of potential impacts can be distinguished, requiring analysis:

- Impact on traditional uses of the property due to the change in the nature of the land,
- Limiting access to recreational areas,
- Impact on tourism, which is a major source of income for local residents,
- Impact on residents' income due to the lack of opportunities to sell undergrowth.

In analyzing these impacts, it should be pointed out that:

1. In terms of impact on tourism - routing the cable underground in the coastal zone will preserve the natural landscape, which will ultimately contribute to the harmony of the environment. Thus, the potential threat to tourism from negative impacts on the landscape will be almost completely eliminated.
The project site is not economically used for tourism. Therefore, direct impacts on tourism or other activities are unlikely. In addition, it should be pointed out that as far as the impact of the construction of the Baltica 2 OWF on tourism is concerned, from the studies carried out in this regard for other wind farms, it appears that their implementation did not have a significant impact on the decrease in tourists visiting the region and on the related income of residents¹,

2. In terms of the impact on the related restriction of access to recreational areas, the works, although carried out in sections, may lead to a temporary restriction of access to some forest areas. For many residents who enjoy walking or other forms of recreation in the forest, this may be a bit of an inconvenience. Residents may have to adjust their walking routes or recreation areas, avoiding the area affected by the work. However, the small extent of the occupation and the availability of other forest areas in close proximity make this impact limited. Given the small extent of the properties affected by the project and the fact that the works will be carried out in sections, any inconvenience to residents will be short-lived. Once the work is completed and the area is restored to its original state, residents will be able to return to their existing forms of recreation,
3. In terms of the impact on revenue from the sale of forest crops, the impact will not occur. Although part of the forest area will be occupied for the project, it is only a small strip of property. By conducting the work in sections, potential interruptions in access to harvesting areas will be short-lived. Moreover, residents have access to other forest areas in close proximity to the project area. Therefore, the possible inaccessibility of one area does not completely eliminate the possibility of harvesting undergrowth in the area. Of course, it is not out of the question that some "favorite" mushroom and berry gathering places will be occupied, but this is more relevant in terms of the impact on the emotions of local residents, rather than their income. After all, harvesting of undergrowth is practiced for recreational purposes.

In terms of impacts directly related to expropriation of real estate, the occurrence of such impacts has not been identified. The properties on which the investment is located are mostly public properties. Two of the properties planned for occupation for the purposes of the investment are properties of private individuals (physical and legal), but their acquisition will be on a voluntary basis. The properties are not developed, are not used economically, and no structures (residential or non-residential) or crops are located on them. The project does not provide for compulsory seizure of real estate.

3.1.2. 15 kV back-up power supply

In 2021, the Land Acquisition Strategy was developed for the 15 kV medium voltage (MV) backup power supply of the Land Transformer Stations (LSE) for OWF Baltica-2 and OWF Baltica-3.

The routing of 15 kV power back-up supply line has been selected in order to avoid disruption to settlement Osieki Lęborskie and Kierzkowo and also to minimize disruption to agriculture land. That is why the cable will be buried along the settlements and agricultural plots borders.

State Treasury Plots

Of the 4 plots of land owned by the State Treasury, 1 is in the ownership of the State Forestry Division Choczewo. The remaining plots of land owned by the State Treasury, as indicated in the land registry, are land under ditches and covered by surface waters, including flowing waters (3 plots). For 3 of them, an encumbrance of an easement of passage and travel is disclosed, and for one an easement of transmission for an overhead line.

Business Plots

In the group of 8 properties owned by the Business, the vast majority (5 plots) are road plots. For the remaining three, the records indicate use in the form of agricultural land and green areas - areas of other development, recreation and leisure. An analysis of the land registry records showed that only 1 plot is encumbered by a limited property right in the form of an easement for transmission.

Private plots

Private plots make up the largest group of parcels of land on which the location of a backup power supply is being considered. The land registry excerpts included in the land registry indicate that virtually all of them are agricultural plots. With the exception of 3 properties, the land registries of the remaining properties show encumbrances, with encumbrances by easements (personal, crossing, transmission) revealed for 13 plots. The group of private plots also includes 4 which are owned by business entities. 1 property is owned by OSD ENERGA S.A. and the remaining 3 are owned by a business entity.

Status of land rights acquisition

The Pomeranian Governor issued:

- Decision dated 20.09.2023, WI-III.747.1.17.2023.NS on the determination of the location of the investment “Construction of connection infrastructure of the offshore wind farm Baltica-2 (set of equipment for power derivation) – medium voltage cable line for backup power supply of the Offshore Baltica-2 substation”;
- Decision dated 19.09.2023, WI-III.747.1.19.2023.AM on the determination of the location of the investment “Construction of connection infrastructure of the offshore wind farm Baltica-2 (set of equipment for power derivation) – medium voltage cable line for backup power supply of the Offshore Baltica-2 substation”;
- Decision dated 19.09.2023, WI-III.747 .1.19.2023.AM on the determination of the location of the investment “Construction of the connection infrastructure of the OWF Baltica-3 (set of power derivation equipment) – medium voltage cable line for backup power supply of the OWF Baltica-3 Land Power Station”; - Certificates of finality of the above decisions were applied for, which were obtained on 30.11.2023 and 08.11.2023.

As of the date of preparation of this LRF, compensation for temporary occupations and permanent restrictions has not yet been paid.

Impact on livelihood

The construction on 15 kV power back-up supply will not have any impact on livelihood. There is no displacement or resettlement induced by the power backup supply. No economical displacement will occur.

The occupation of plots for the duration of the construction will be minimal and located at the edges of the plots, which allows for the practically entire plot to be used in the usual way. This is particularly important for agricultural plots, where the continuation of farming activities will be undisturbed. Additionally, the works related to cable installation will be conducted outside the vegetation period, which will limit the impact of the works on agricultural activities. After the completion of the works, the plots will be able to be used as before the start of the investment

3.1.3. Consultation with affected persons regarding onshore part

During the work on the documentation of applications for decisions on determining the strategic location of an investment in the field of transmission network for the location of a set of devices used to evacuate power in order to obtain legal titles to part of the real estate on which the investment will be located, first attempts were made to obtain these titles by way of consensual.

Contact was made with the owners or managers of the properties in question or their representatives, commissioned the preparation of appraisal reports determining the amount of the fee for establishing a transmission easement, and on their basis, negotiations were initiated with the owners or managers of the properties regarding the conclusion of easement agreements.

Notarial agreements establishing a transmission easement have been concluded in relation to real estate whose owners or managers have consented to the establishment of a transmission easement.

However, real estate whose owners or managers refused to establish an easement by consensus were included in the application for a decision to determine the strategic location of an investment in the transmission network as real estate in relation to which the decision in question is to limit the use of the real estate, in accordance with Art. 22 section 1 of the Act of July 24, 2015 on the preparation and implementation of strategic investments in the field of transmission networks.

3.1.4. Summary of land impact

4. The following table presents a summary of land impacts of on-shore components of the Project (table 2 -7).
5. The table below for individual properties where the investment will be located indicates the appropriate type of legal title to the property, which is closely related to the type of payment for obtaining this legal title.
6. It is specified as follows:
 7. 1) **transmission or land easement** (legal title type), which is established in the form of an agreement for remuneration (payment type),
 8. 2) **ownership** (legal title type) that is obtained by purchasing real estate through a notarial agreement for remuneration (payment type)
 9. 3) **limited use** of real estate (legal title type), which is obtained by issuing a decision by the competent authority determining the location of a strategic investment in the transmission network, establishing this legal title on a given real estate against compensation (payment type); this compensation is estimated only after the investment has been built, because only then can it be reliably assessed whether the market value of the property on which the investment was built has decreased and whether it is possible to continue using the property in the current manner; The estimated compensation will therefore include: a) compensation for the decrease in the market value of the property after the construction of the investment, if any, compensation for the loss of the ability to continue the current use of the property after the construction of the investment, if any, compensation for any damage to the property or loss, e.g. in crops or cultivation, if any destroyed during the investment.

Table 4 Summary of land impacts of on-shore components of the Project

Precint	Use according to land records	Number of owners	Owners category	Type of legal title to real estate	A type of document granting legal title to real estate	Payment type
<u>Shoreline passage</u>						
Kierzkowo	waste lands	1	state treasury - permanent administration of local government unit	transmission easement	agreement	remuneration

Kierzkowo	forests	1	state treasury - permanent administration of the maritime office	transmission easement	agreement	remuneration
Kierzkowo	waste lands	1	state treasury - permanent administration of local government unit	transmission easement	agreement	remuneration
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Cable lines of the onshore section						
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation

Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation

Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	road	1	business	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	1	business	ownership	agreement	remuneration
<u>Onshore power station</u>						

Kierzkowo	road	1	business	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	1	business	transmission easement	agreement	remuneration
Kierzkowo	agricultural use	1	business	ownership	agreement	remuneration
<u>Access road to the onshore power station</u>						
Kierzkowo	road	1	business	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	road	1	business	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	1	business	land easement	agreement	remuneration
<u>Telecommunications connection from SE Choczewo to the FW Lotnisko - SE Żarnowiec Line</u>						
Kierzkowo	agricultural use	1	business	transmission easement	agreement	remuneration

Kierzkowo	agricultural use	1	business	limited use	decision of the Pomeranian Voivode, decision of the Minister of Development and Technology	potential compensation
Lublewo	agricultural use	1	business	limited use	decision of the Pomeranian Voivode, decision of the Minister of Development and Technology	potential compensation
Lublewo	railway area	1	state treasury - permanent administration of national railways	limited use	decision of the Pomeranian Voivode, decision of the Minister of Development and Technology	potential compensation
<u>15 kV power back-up supply</u>						
Jackowo	urbanized area	1	business	limited use	decision of the Pomeranian Voivode	potential compensation
Jackowo	agricultural use	1	private individual	limited use	decision of the Pomeranian Voivode	potential compensation
Jackowo	agricultural use	2	private individual	limited use	decision of the Pomeranian Voivode	potential compensation

Kierzkowo	agricultural use	1	private individual	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	1	private individual	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	forests	1	state treasury - permanent administration of national forests	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	land under surface water	1	state treasury - permanent administration of polish waters	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	2	private individual	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	2	private individual	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	road	1	business	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	1	private individual	limited use	decision of the Pomeranian Voivode	potential compensation

Kierzkowo	land under ditches	1	state treasury - permanent administration of polish waters	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	1	private individual	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	land under ditches	1	state treasury - permanent administration of polish waters	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	1	private individual	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	2	private individual	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	2	private individual	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	road	1	business	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	5	private individual	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	pastures	1	private individual	limited use	decision of the Pomeranian Voivode	potential compensation

Kierzkowo	agricultural use	4	private individual	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	pastures	2	private individual	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	2	private individual	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	road	1	business	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	1	business	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	road	1	business	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	road	1	business	limited use	decision of the Pomeranian Voivode	potential compensation
Kierzkowo	agricultural use	1	business	ownership	agreement	remuneration

The General Contractor is responsible for carrying out the work in accordance with the terms of the contract. He will be responsible for any damages or shortcomings and is obliged to repair them. A contract engineer was hired to verify the Contractor's work, who will verify the Contractor's work on the construction site.

3.1.5. Compensation for Loss of Income

Since the onshore part of the Project will not affect the income of the local community members, no framework for compensation for the loss of income has been defined.

3.2. Offshore part

3.2.1. Occupied fishing squares and importance of the area for fishing

The Baltica offshore wind farm and its IP is located in the area of 6 fishing squares: O6, N7, O7, L8, M8 and N8 (see below).

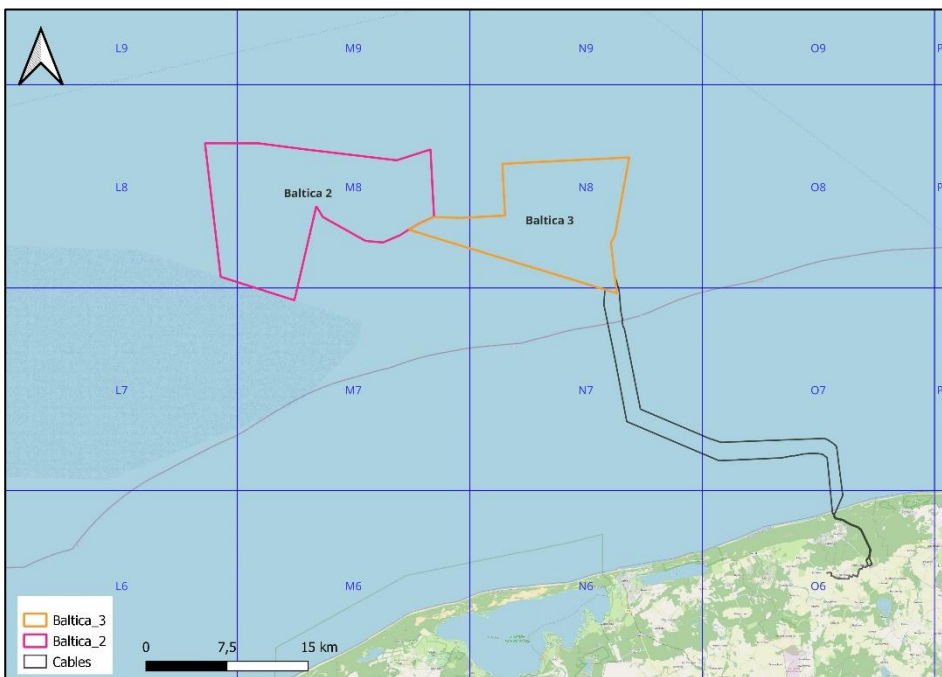


Figure 3 Location of the Baltica 2 offshore wind farm and its against the background of fishing squares. Source: own elaboration based on Investor's data

The relative importance of the Baltic Sea Area varies depending on where the fishing vessels are stationed. Naturally, the highest share of the volume and value of catches realized in the area of the six fishing quadrants in relation to total catches in the Baltic Sea is accounted for by vessels registered in the ports closest to the analyzed area. These include vessels registered in Ustka, Leba, Darlowo and Dziwnow.

3.2.2. Fishing fleet and fishing techniques

Both small vessels, up to 12 meters, and larger vessels above 12 meters, are used for fishing in the area of the fishing squares shown in Section 6.2.1. Statistics, however, indicate the dominance of smaller vessels, which make up the majority of the fleet.

In recent years, fishing activities in the waters under review have encountered numerous difficulties. The instability of fish stocks and the low quality of the fish caught, which translates into reduced market prices, put many fishing entities in a situation of economic pressure. This situation particularly affects small family fishing farms. This problem is further exacerbated by the ban on cod fishing starting in 2019 (see Section 4.2.4). Although cod are still being caught, they are treated only as bycatch, which further affects the economic hardship of fishermen. Further restrictions on herring fishing are also planned. Following of the cod fishing ban and the general adjustment of the fishing sector by the government and the EU they encourage the cessation of fishing activities through various means of compensation.

This is not the only problem facing the industry. The current fishing fleet largely consists of vessels that are on average 50 to 60 years old. There is an urgent need to thoroughly modernize these vessels to make them more efficient, environmentally friendly and safe.

According to the EIA report on fishing in the area of fishing squares O6, N7, O7, L8, M8, N8, the number of fishing units fluctuated between 2016 and 2020. In 2020, there was a significant decrease in the number of operating units compared to previous years, especially in the category of smaller boats. The main reason for this trend was a reduction in cod fishing efficiency, especially in shallow waters.

Table 5 Number of fishing vessels fishing in fishing squares O6, N7, O7, L8, M8, N8, year 2016-2020

Year	Number of fishing vessels			Participation of IP OWF Baltica/Baltic	
	Under 12 m	12 m and more	Total	Baltic	
2016	31	43	74	812	9
2017	36	43	79	797	10
2018	34	36	70	777	9
2019	30	31	61	786	8

2020 14 27 41 806 5

As for the gear used in fishing, set gears such as gill nets and hooks predominate. In 2016 they were used in as much as 85% of the catches in the analysis although their share dropped to 51% in 2020. Bottom and pelagic trawls are used to a lesser extent. In 2020, the share of bottom trawling was only 6%.

Faced with these challenges, many fishermen are looking for alternative sources of income. About 35% of small-scale fishermen engage in tourism services, showing that adaptation and diversification are key to survival in this difficult environment.

The following tables (9 and 10) show the number of fishing vessels by fishing length class and by fishing ports in the fishing quadrants occupied by all planned OWFs in the Polish exclusive economic zone of the Baltic Sea.

Table 6 Number of fishing units by length class fishing in the 15 analyzed fishing squares from 2012 to 2022

Unit length range [m]	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<12	53	53	54	51	46	48	50	39	20	25	21
≥12	144	141	150	135	137	111	119	97	95	84	75
TOTAL	197	194	204	186	183	159	169	136	115	109	96

[source: own compilation based on CMR data]

Table 7 Number of fishing units by fishing ports from which units went out to fish in the 15 fishing squares analyzed in 2012-2022

Fishing Ports	Darłowo	Dziwnów	Hel	Kołobrzeg	Łeba	Mrzeżyno	Ustka	Władysławowo
2012	19	5	13	48	22	10	67	39
2013	20	6	6	52	20	10	57	24
2014	17	8	7	55	20	10	53	45
2015	17	7	9	47	19	13	49	37
2016	20	11	11	51	10	8	56	30
2017	8	3	9	48	14	9	45	28

2018	13	9	10	45	22	8	43	29
2019	7	4	9	38	11	9	33	27
2020	3	1	4	46	12	3	22	24
2021	5	4	2	45	11	3	25	11
2022	3	4	3	42	5	6	19	12

3.2.3. Fishing

The Baltica 2 OWF area, despite its location close to the ports of Ustka and Leba, does not play a key role in Baltic fisheries. Changing conditions, the crisis in fish stocks and the economic decisions of fishermen mean that the importance of the area in terms of fishing is steadily declining.

Although the Baltica offshore wind farm area is closest to the ports of Ustka and Leba, the share of fish caught there in the total catch of these vessels is relatively small. In 2016–2020, the average share of fish caught in the region by units from Ustka was 0.9% in terms of quantity and 3.0% in terms of value. For units from Leba, these indicators were slightly higher – 2.7% in quantity and 6.7% in value.

The total volume of fish catches in 2020 in the analyzed area was about 70 tons, which accounted for only 0.1% of the total volume of Polish Baltic catches. The value of these catches was estimated at about 300 thousand PLN, which is only 0.2% of the total value of realized landings from Polish Baltic fisheries. In the 2016–2020 perspective, the average multi-year share of catches from this area in the total Baltic catches was 0.2% in quantity and 0.6% in value.

One of the most important factors influencing the decline of fishing in the Baltic offshore region is the crisis in cod stocks and the ban on their fishing from 2019² and the ban on the herring fishing. Although cod are now only a bycatch, their declining productivity, especially in shallow waters, has significantly influenced fishermen's decisions to reduce activity in this area.

3.2.4. Impacts on fishermen

The construction of the Baltica 2 OWF has diversified impacts on fishermen fishing in the area and the local community. Although the Baltica 2 OWF area is not a key fishing location in the Baltic Sea (most ships only pass through the area and do not fish in it), it accounts for a certain percentage of catches for vessels registered in ports such as Ustka and Leba. In years 2016–2020 for vessels registered in Ustka and Leba, the share of fish caught in the area of

² Another important factor is also the recently introduced ban on herring fishing.

the planned project in relation to the overall catch was only 0.9% and 2.7% in quantity and 3.0% and 6.7% in value. Despite this, the investor does not exclude the possibility that for some fishermen (especially boat fishermen) fishing in this area, the introduction of a potential ban on fishing in the area may mean not only a decrease in the income, but also additional costs and difficulties associated with the need to move to other fishing areas. This issue should be studied in detail at the stage of preparing the LPR.

The potential ban on fishing in the Baltica offshore wind farm area and the lengthening of the route to the fishing areas according to the data from 2019 might have a potential impact on 68 vessels. In extreme cases, some individuals may find it unprofitable for them to continue fishing, which could lead to the elimination of few jobs. In addition, it should be pointed out that fishermen are not the only ones who depend on catching fish; there are other jobs in the region in fishing areas related to support of the fishing sector – such as repair and maintenance of fishing equipment or support work. A reduction in fishing activity could affect the demand for these services, but Baltica 2 OWF is not expected to have a significant impact on job losses among the fishing industry and leading to job losses in these sectors as well as it is not located in an important area of fishing.

However it should be noticed, that it is not the construction of Baltica 2 OWF that is the main cause of the decline in catches and job losses in the fishing sector, but the general situation related to the decline of fish stocks in the Baltic Sea. According to the HELCOM report³ only four out of fifteen commercial stocks that could be fully evaluated showed good status on average. Eight out of seventeen evaluated stocks failed to achieve their threshold value for the fishing pressure indicator. For the stock size indicator, two pelagic stocks, four demersal stocks and eels failed to reach their threshold values. Fourteen stocks were evaluated with respect to a new indicator for age or size structure. Three of these showed negative trends, while the others showed a positive or no significant trend over time, though in several cases this reflects the indicator remaining at low levels. The deterioration of fish stocks affects the prospects of fisheries and results of more fishing bans.

In this regard it should be emphasized, that while the impacts associated with the construction of the Baltic 2 offshore wind farm may have some significance for local fishermen, the key factor affecting their socioeconomic

³ State of the Baltic Sea 2023

situation was the introduction of a ban on cod fishing in 2019 and currently planned ban on herring fishing.

Cod was an important component of the fishery for many vessels operating in the study area. The fishing ban directly affected the loss of an important source of revenue for local fishermen. Even if the vessels were able to switch to other species, the replacement of cod with other, potentially less profitable fish species did not compensate for the losses incurred. In this context, the additional burden from the construction of the Baltica 2 offshore wind farm could pose another challenge for fishermen. On the other hand, looking at the current situation of fisheries in the Baltic sea, the construction of Baltica 2 OWF may be an opportunity for fishermen to re-branch or even diversify their income.

It should also be pointed out that in the context of the 2019 cod fishing ban, fishermen already feel burdened by the consequences of environmental decisions that have affected their traditional way of life. In addition, their economic situation is affected by the lack of timely release of EFMRA funds. From this perspective, the construction of the Baltica 2 OWF may be perceived as another blow to their professional and cultural identity. Therefore, it is important to draw PAP's attention not only to the risks, but also to the opportunities associated with the planned investment.

In conclusion, the construction of the Baltica 2 OWF may affect fishermen by extending routes to major fishing areas and potentially increasing operating costs. However, the main factor affecting them is the current state of fish stocks and the imposed ban on cod fishing. In the face of these challenges, fishermen may need to rethink their future in the industry, especially if they are unable to adapt to changing operational and economic conditions. In this context, OWF projects can be an opportunity for fishermen to find their way in the labor market.

3.2.5. Data update

At the LRP stage, it will be necessary to update data on the volume of catches, the value of fish caught, and the possible impact of changes related to the implementation of fishing and transportation restrictions on fishermen's income. It will also be necessary to include updated data on inflation, changes in fuel prices, labor costs and other economic factors affecting fishermen's operating costs.

4. Livelihood restitution framework

4.1. Minimization measures

The Baltica Offshore Wind Farm was designed to avoid potential conflicts related to property occupation or loss of access to resources. This location has also been confirmed in the planning process in the maritime areas, i.e. during the preparation of the Study of Spatial Development Conditions of the Polish Maritime Areas - Study (link to documentation: https://www.umgdy.gov.pl/plan_morski/studium-uwarunkowan-zagospodarowania-przestrzennego-polskich-obszarow-morskich/) and the PZPOM. In the offshore part, it has been located in a part of a body of water of relatively low importance for fishing. In the onshore part, the route of the connection cable was designed to avoid residential areas, places with high tourist traffic and places with high natural values. Cooperation with local authorities (such as the Choczewo Municipality and the Choczewo Forestry Commission) allowed us to develop the optimal location and conditions for the implementation of the land part of the project.

The following minimization measures should be taken into account when designing and implementing the project:

1. Use of guided drilling - in order to minimize the impact on tourist areas (beaches) and areas of significant natural interest, in these areas the project involves the use of trenchless methods during the construction of cable lines
2. Reduced logging - by placing the infrastructure of various investors in one common cablebank, the negative impact of the possibility of traditional community use of forests is minimized
3. The movement of vessels (fishing, research, tourist) may be allowed depending on the deployment of offshore wind farms, on terms worked out with the Investor. Final decisions in this regard will be made by the relevant maritime administration authorities. They will be included in the target LRP.
4. The passage of fishing vessels through the OWF will be carried out in accordance with the law and administrative decisions so as to ensure safety for people and property.
5. The investor marked the shipping corridor between the Baltica 2 and Baltica 3 OWF. Such marked corridor continues in the western part of the area of Polenergia's/Equinor MFW Bałtyk III offshore wind farm. This corridor will be available for fishing vessels.
6. The developer will conduct outreach and consultation activities with stakeholders, including the PAP on the terms and in the manner described in the Stakeholder Engagement Plan.

7. In order to ensure the coexistence of fisheries and renewable energy production at offshore wind farms in the Baltic Sea area, it is crucial to cooperate with fishermen's organizations at various stages of OWF implementation so as to minimize negative effects on fisheries. Within the framework of the concluded sectoral agreement for the development of offshore wind energy in Poland, the Investor participates in cyclical talks with representatives of the fishing community and administrative bodies of marine fisheries.
8. After its drafting, the Investor will adequately implement the provisions of the Code of Good Practices for Coexistence of OWF and Fisheries. Currently, this draft is under development. It will be adopted after an opinion and discussion with the fishing community, which will guarantee the public party's influence on the provisions of this code.
9. In the event that unexpected or additional shipping shutdowns or restrictions are necessary for the duration of construction, information about these shutdowns or restrictions will be published in the main affected ports or otherwise made public in such a way as to make the information known to those affected by the restrictions or shutdowns.
10. Prior to the start of construction, the Baltic offshore wind farm will hold briefings at the main affected ports on fishing and tourism restrictions and exemptions.
11. OWF Baltica will prepare an information brochure specifically for fishermen, which will be made available on the OWF Baltica website, Baltica.energy.com through port captains and fishing associations and other available communication tools, e.g. local newspapers, portals, SM channels.
12. OWF Baltica will launch a complaint mechanism that will be tailored to fishermen's complaints and questions.

4.2. Compensatory and livelihood restoration measures

4.2.1. Onshore part

4.2.2. Compensatory measures are limited to the compensation for restriction in using land and for purchasing a property. In both cases cash compensation will be provided. To date, it is not expected that there will be a negative effect on livelihoods. Offshore part

At the beginning, it should be particularly emphasized that there are currently no draft regulations in Poland, in terms of the methodology for calculating compensation or other issues that may affect the financial aspects of OWF investments. In the event that the minimization measures applied by the Investor do not effectively minimize the negative impact of the Project on fisheries, the Investor shall develop appropriate compensation measures so as to ensure effective support of the affected people in restoring their sources of income (Table 9). The measures applied may include, depending on the needs and individual situation of the PAP and depending of the provisions of the Code of Good Practices:

1. Monetary compensations – in the event of negative impacts of the Project on fishermen's income (it is necessary to establish a cause and effect relationship between the implementation of the Project and a decrease in fishermen's income), monetary compensations on this account may be paid to eligible fishermen for the period of construction or operation of the OWF, depending on the established impacts. However, it should be noted that some effects of the activity cannot be avoided. The estimated amount and method of determining and paying compensation will be determined at the stage of developing the LRP, after the provisions of the Code of Good Practices are adopted. Compensation will be determined and paid in accordance with the official catch data obtained from fishermen, requirements and good practices, the application of which will be agreed with shipowners.
2. Support for adaptation to change – compensatory measures may include monetary compensation or specialized training and courses for fishermen that will provide them with the skills they need to work in other offshore sectors, including wind energy. In this regard, it is possible to create retraining programs that include a change of career direction (e.g., as technicians in offshore wind farms) with an

offer of employment. It is also possible to apply entrepreneurship support programs – assistance in establishing their own companies that can provide services in the offshore energy industry. Proposing specific measures depends on the type of restrictions introduced by the maritime administration and their impact on the economic situation of fishermen, the decisions made in the project (by PGE and Orsted) and the provisions of the Code of Good Practices.

3. Other support – compensatory measures may also include support in the process of termination of activities and obtaining compensation to which fishermen are entitled as described in detail in Appendix 2 to this document. Support may include technical and legal support to properly complete documents and guide PAPs through the process of obtaining compensation. Final decisions in this regard will be made by the project (by PGE and Orsted), according to the the Code of Good Practices.

The Entitlement Matrix for this Project is provided below (Table 8).

Table 8 Entitlement matrix

Asset/livelihoods	Specification	Affected party	Entitlements
<i>Land based impacts (temporary) – during construction phase</i>			
Loss of agricultural, forest land and/or pastures	Land designed for agricultural purposes such as cropped land, forested land, orchards and pasture lands	Land-owners/users as confirmed by inventory	<ul style="list-style-type: none"> • Cash compensation for affected land at full replacement cost without deduction for taxes, transaction, registration or transfer costs and other applicable payments • Restoration of land to its original condition
Damage to/loss of crops	Annual crops as confirmed by inventory	Land-owners/users as confirmed by inventory	<ul style="list-style-type: none"> • Cash compensation for crops damaged during construction work and compensation for lost agricultural produce at full replacement cost
<i>Land-based impacts (permanent) – during construction phase</i>			

Asset/livelihoods	Specification	Affected party	Entitlements
Restrictions on land use	Limitation on types of crops and structures	Land-owners/users as confirmed by inventory	<ul style="list-style-type: none"> • Cash compensation for loss of land value at full replacement cost
Permanent Structures	Non-residential structures	Land-owners/users as confirmed by inventory	<ul style="list-style-type: none"> • Cash compensation at full replacement cost with no deduction for depreciation or transaction costs • Compensation to include the value of affected connections to water supply or other public utilities for structures.
Temporary structures	Movable structures	Owners/users as confirmed by inventory	<ul style="list-style-type: none"> • Cash compensation at full replacement cost with no deduction for depreciation or transaction costs • Compensation to include the value of affected connections to water supply or other public

Asset/livelihoods	Specification	Affected party	Entitlements
			utilities for movable structures, as relevant
Trees	Non-productive trees	Land-owners/users as confirmed by inventory	<ul style="list-style-type: none"> • Cash compensation at full replacement cost
Livelihood-based impacts			
Partial or full loss of livelihoods	Any livelihoods activities impacted by the Project	Fishers and those employed onshore in the fisheries sector;	<ul style="list-style-type: none"> • Entitlements offered under Sector Deal to compensate for partial/full loss of access to the fishing area developed/used for the Project (within exclusion zone) and additional costs incurred in reaching fishing grounds due to presence of exclusion zones • Entitlements proposed under the Project aimed at providing livelihoods support measures

			<p>with an ultimate objective being to compensate for partial/full loss of access to fisheries-based livelihoods.</p> <ul style="list-style-type: none">• Livelihoods support measures seeking to enable affected parties to build new skills/capabilities and transition to alternative livelihoods strategies.• Other livelihoods support measures based on the results of livelihoods baseline survey and entitlements formulated under a Livelihoods Restoration Plan.
--	--	--	---

5. Sources

5.1. Investor Documents

- Report on the environmental impact of the Baltica Offshore Wind Farm.
- Report on the Environmental Impact of the Offshore Baltica B-2 and B-3 Connection Infrastructure
- Stakeholder Engagement Plan and Grievance Redress Mechanism for Baltica 2 OWF.
- Preparation of a feasibility study, construction designs and obtaining a building permit for the Baltica-3 offshore wind farm connection and a feasibility study on the Baltica-2 offshore wind farm connection SOCIAL COMMUNICATION PROGRAMME September.2021
- Construction of connection infrastructure of offshore wind farm Baltica-2 (set of equipment for power derivation) Land Development Project
- Decision No. 1/DS./20
- Decision No. 2/DS./20
- Decision 2/K/19
- Decision 3/K/19
- Environmental decision for offshore wind farm Baltica 2 and Baltica 3
- Environmental decision for connection infrastructure
- Conducting feasibility studies, construction designs and obtaining a construction permit decision for the connection of offshore wind farm Baltica - 3 and feasibility study for the connection of offshore wind farm Baltica- 2 Obtaining the rights to dispose of real estate for the line of power output from the offshore wind farm 07.05.2021

5.2. Other documents

- Statistical Yearbook of the Maritime Economy 2022
- European Parliament resolution of July 7, 2021 on the impact of offshore wind farms and other renewable energy systems on the fisheries sector (2019/2158(INI))
- RESEARCH FOR PECH COMMITTEE - Impact of the use of offshore wind and other marine renewables on European fisheries (europa.eu)
- M. Alem-Fonseca, T. Herberz, V. Karanayil, A. Fardin: Qualitative meta-analysis of the socioeconomic impacts of offshore wind farms,

- December 2020, *Sustinere Journal of Environment and Sustainability* 4(3):155-171
- Socio-economic Impact Assessment Scoping Study Proposed Argyll Offshore Wind Farms Argyll Renewables Communities (ARC); 5th February 2010.
 - Guidance on assessing the socio-economic impacts of offshore wind farms (OWFs) John Glasson, Bridget Durning, Tokunbo Olorundami and Kellie Welch Impact Assessment Unit (IAU), Oxford Brookes University [best-practice-guidance---final-oct-2020.pdf](#) ([vattenfall.com](#))
 - 4: European Offshore Wind Deployment Centre (EOWDC) (Aberdeen Offshore Wind Farm): Socio-Economic Impacts Monitoring Study , John Glasson, Bridget Durning, Tokunbo Olorundami and Kellie Welch Impacts Assessment Unit, Oxford Brookes University
 - The Impact and Compensation of Offshore Wind Farm Development: Analysing the Institutional Discourse from a French Case Study, Ch. Kermagoret, H. Levrel, A. Carlier Antoine, *Scottish Geographical Journal* September 2014, Volume 130 Issue 3 Pages 188-206
 - Polish Offshore Wind Sector Deal, hereinafter referred to as the "Agreement" concluded in Warsaw, on September 15, 2021,
 - Overview of the effects of offshore wind farms on fisheries and aquaculture EASME/EMFF/2018/011 Lot 1: Specific Contract No. 03 Final Report, EUROPEAN COMMISSION European Climate, Infrastructure and Environment Executive Agency
 - Impact of the use of offshore wind and other marine renewables on European fisheries Policy Department for Structural and Cohesion Policies Directorate-General for Internal Policies PE 652.212 - November 2020
 - Full transcript of the July 7, 2023 meeting of the Committee on Maritime Affairs and Inland Navigation (No. 158).
 - ENVIRONMENTAL AND SOCIAL POLICIES European Bank for Reconstruction and Development (European Bank for Reconstruction and Development (EBRD)
 - Performance Standards on Environmental and Social Sustainability January 1, 2012, IFC
 - International Finance Corporation's Guidance Notes: Performance Standards on Environmental and Social Sustainability,
 - European Parliament resolution of July 7, 2021 on the impact of offshore wind farms and other renewable energy systems on the fisheries sector (2019/2158(INI))
 - Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the

- Committee of the Regions, 21.02.2023: EU Action Plan: protecting and restoring marine ecosystems for sustainable and resilient fisheries
- Ordinance of the Council of Ministers of April 14, 2021 on the adoption of a spatial development plan for internal marine waters, territorial sea and exclusive economic zone at a scale of 1:200,000, together with the Regulatory Impact Assessment
 - Technical Report 4: European Offshore Wind Deployment Centre (EOWDC) (Aberdeen Offshore Wind Farm): Socio-Economic Impacts Monitoring Study , John Glasson, Bridget Durning, Tokunbo Olorundami and Kellie Welch Impacts Assessment Unit, Oxford Brookes University
 - HELCOM-Thematic-assessment-of-economic-and-social-analyses-2016-2021
 - Recommendations for positive interactions between offshore wind farms and fisheries Short Background Study, May 2020, European Commission
 - Resolution No. 123 of the Council of Ministers of October 15, 2019 on the adoption of the "Strategy for sustainable development of rural areas, agriculture and fisheries 2030"
 - Rules for granting financial assistance to owners or co-owners of fishing vessels for starting a business, ARMiR
 - Supreme Audit Office's Post-Audit Speech P/21/065 Offshore wind energy development
 - Environmental Impact Assessment of the Draft Spatial Development Plan for Internal Sea, Territorial Sea and Exclusive Economic Zone at a scale of 1: 200,000 Draft Assessment (v. 4) Task 5
 - Forest Management Plan for CHOCZEWO Forest District (Choczewo, Młot concessions) drawn up for the period from January 1, 2014 to December 31, 2023, based on the state of the forest on January 1, 2014.
 - Nature Protection Program for 2014-2023 Choczewo Forest District (Choczewo and Hammer concessions) prepared for the period from January 1, 2014 to December 31, 2023, based on the state of the forest on January 1, 2014.
 - DIAGNOZA OF THE SOCIO-ECONOMIC SITUATION OF AGRICULTURE, RURAL AREAS AND FISHING IN POLAND A document for the development of the Strategy for Sustainable Development of Rural Areas, Agriculture and Fisheries 2030 Warsaw, May 2019.
 - IDENTIFICATION AND EVALUATION OF SELECTED DEMOGRAPHICAL EVENTS IN POLAND (with particular emphasis on villages and urban-rural relations) Przemysław Śleszyński Study prepared for the Ministry of Agriculture and Rural Development

- Annual report on measures to achieve a balance between fishing capacity and fishing opportunities for the period from January 1 to December 31, 2022.
- Annual report on measures to achieve a balance between fishing capacity and fishing opportunities for the period from January 1 to December 31, 2021.
- Annual report on measures to achieve a balance between fishing capacity and fishing opportunities for the period from January 1 to December 31, 2020.
- Annual report on activities to achieve a balance between fishing capacity and fishing opportunities for the period from January 1 to December 31, 2019.
- Annual report on activities to achieve a balance between fishing capacity and fishing opportunities for the period from January 1 to December 31, 2018.
- Fisheries News, No. 3-4 March-April 2022,
- OFFSHORE WIND AND FISHERIES IN DENMARK, offshore_wind_and_fisheries_in_dk.pdf (ens.dk),

5.3. Online sources

- Legalis C.H.Beck – source of legal acts,
- [Fishermen in Estonia to be compensated due to offshore wind farm development - Baltic Wind](#)
- [Grupy robocze - Morska Energetyka Wiatrowa - Portal Gov.pl \(www.gov.pl\)](#)
- [Zakaz połowu dorsza oznacza bankructwo. Armatorzy: Od 1 stycznia nasze rodziny zostaną bez środków do życia | Dziennik Bałtycki \(dziennikbaltycki.pl\)](#)
- [Aktualności | Choczewo. Gmina Napędzana Wiatrem \(gmina-napedzana-wiatrem.pl\)](#)
- [Marine Kompensation als Voraussetzung für eine umweltverträgliche Energiewende im Meer - NATURSCHUTZ UND LANDSCHAFTSPLANUNG \(nul-online.de\)](#)
- [Rybaczy rekreacyjni: rząd zostawił nas bez środków do życia - Dziennik Warto Wiedzieć \(wartowiedziec.pl\)](#)
- [Wspólna polityka rybołówstwa | Noty tematyczne o Unii Europejskiej | Parlament Europejski \(europa.eu\)](#)
- [Our Baltic conference \(europa.eu\)](#)

- [Sustainable fishing in the EU: state of play and orientations for 2024 \(europa.eu\)](https://europa.eu)
- [Program Operacyjny „Rybacktwo i Morze” \(PO RYBY 2014-2020\) – Ministerstwo Rolnictwa i Rozwoju Wsi – Portal Gov.pl \(www.gov.pl\)](https://www.gov.pl)
- [Energetyka wiatrowa dobieje rybaków. Jak przekwalifikować się w technika turbiny wiatrowej? – Money.pl](https://money.pl)
- [Narzędzia i metody połowowe | Marine Stewardship Council \(msc.org\)](https://msc.org)
- [» Harmonogram wykonania projektu planu zagospodarowania przestrzennego polskich obszarów morskich w skali 1:200000 \(umgdy.gov.pl\)](https://umgdy.gov.pl)
- [Rybacy do rządu: wypełnić porozumienie! Blokada trasy na półwysp helski | PortalMorski.pl](https://portal.morski.pl)
- [Protest rybaków we Władysławowie. Blokują drogę na Hel – Polsat News](https://polsatnews.pl)
- [KE przyjmuje zmianę przepisów dotyczących niewielkich kwot pomocy dla sektora rybołówstwa i akwakultury | PortalMorski.pl](https://portal.morski.pl)
- [Ciecióra: KE chce uniemożliwić połowy śledzia centralnego na Bałtyku od 1 stycznia; nie zgadzamy się | PortalMorski.pl](https://portal.morski.pl)
- [KE proponuje uprawnienia do połowów na Bałtyku na 2024 rok | PortalMorski.pl](https://portal.morski.pl)
- [Władysławowo: Rybacy rekreacyjni wypłynęli z portów na protest. Planują dalsze działania. Gdzie i kiedy kolejne protesty? \[ZDJĘCIA\] | Dziennik Bałtycki \(dziennikbaaltycki.pl\)](https://dziennikbaaltycki.pl)
- [W Łebie protestowali rybacy i przetwórcy. Domagają się wypłaty rekompensat w związku z zakazem połowu dorsza \[zdjęcia, wideo\] | Dziennik Bałtycki \(dziennikbaaltycki.pl\)](https://dziennikbaaltycki.pl)
- Baltic Power Offshore Wind Farm (Poland) Livelihood Restoration Framework (LRF)

Appendix 1 – Relevant international, EU and Polish regulations

Common fisheries policy

Regulation (EU) No. 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No. 1954/2003 and (EC) No. 1224/2009 and repealing

Council Regulations (EC) No. 2371/2002 and (EC) No. 639/2004 and Council Decision 2004/585/EC (OJ L 354, 28.12.2013, pp. 22–61) defines the basic principles of the Common Fisheries Policy (CFP) in the European Union (EU).

The priority of the CFP is to conserve resources by matching fishing capacity with fishing opportunities. For exploitation to be sustainable, fish stocks must be managed according to the principle of maximum sustainable yield. Each year, the EU allocates fishing opportunities for most commercial species, expressed as total allowable catches. Based on scientific assessments by the International Council for the Exploration of the Sea (ICES) and the Scientific, Technical and Economic Committee for Fisheries, the Commission submits its proposals for allowable catches to the Council by the end of each year. The CFP is also working to reduce the fishing fleet, in particular by scrapping fishing boats

Fishing opportunities are allocated to individual member states so as to ensure the relative stability of each state's fishing activities for the fishery resources in question. This principle, based in particular on past catch levels, requires each member state to maintain a fixed percentage of authorized fishing effort for major species of commercial value.

The CFP consists of four pillars:

- fisheries management;
- international politics;
- market and trade policy;
- Financial support, i.e., the European Maritime, Fisheries and Aquaculture Fund.

In achieving these goals, EFMRA's primary focus is on the sustainability and profitability of small-scale coastal fisheries and the sustainable development of maritime activities in the outermost regions. EFMRA's budget for 2021–2027 is EUR 6,108,000,000 (in 2021 prices). The mobilization of these funds for Polish fishermen has not yet begun as a result of delays on the Polish side.

Other EU documents

On 7.07.2021. The European Parliament issued a resolution on the impact of offshore wind farms and other renewable energy systems on the fisheries sector. The Resolution emphasized that fishing, while having a relatively small impact on GDP, is crucial for many fishing communities in member states. About 80% of all fishing vessels in the EU are small vessels, mostly family-owned businesses. They operate primarily in coastal waters.

Monitoring and analysis of fishing practices at every stage of offshore wind farm projects was considered crucial. The introduction of such energy sources should bring environmental, social and economic benefits,

benefiting not only the energy industry, but also fishermen and local communities.

The European Parliament stressed that decisions on the location of offshore wind farms should be made after thorough research and consultation with stakeholders, including fishing communities. It is important that offshore wind farms be placed where fishing is limited in order to minimize the impact on the sector. In addition, the EP noted the potential impact of such installations on fisheries, both due to changes in ecosystems and from an operational perspective.

The Parliament pointed out the need for dialogue with fishermen at an early stage of the project, taking into account the peculiarities of local ecosystems and ensuring adequate compensation in case of negative impacts on fisheries. With the development of offshore wind farms, it is also crucial to adjust insurance schemes for the fishing industry and harmonize monitoring and data collection programs.

The European Parliament stressed the need for further research on the impact of offshore wind farms on fisheries, as well as increased coordination and sharing of best practices among member states.

According to the Communication from the Commission to the European Parliament and the Council: Sustainable fishing in the EU: current situation and directions for 2024, cod and herring fishing will continue to be halted in the Baltic Sea, with the removal of the exemption for small-scale coastal fishing for herring in 2024. The EC has indicated that member states must reduce the capacity of fleets that are out of balance by preparing annual reports on the biological and economic sustainability of the fleets. Where there is evidence of imbalance, they must submit action plans to restore it within a clearly defined timeframe. Fishing capacity that has been withdrawn with public assistance cannot be replaced.

Other relevant legislation

Directive 2014/89/EU of the European Parliament and of the Council – maritime spatial planning

The document that defines the framework for planning in the Baltic Sea area, which was adopted on July 23, 2014 due to, among other things, the high and rapidly growing demand for marine space for use for various purposes, such as renewable energy generation facilities, oil and gas exploration and exploitation, marine transportation and fishing activities, ecosystem and biodiversity protection, tourism, aquaculture facilities and underwater cultural heritage, as well as the presence of numerous pressures on coastal resources, requiring an integrated planning and management approach. As the main objective of marine spatial planning,

Directive 2014/89/EU states: "to promote sustainable development and define the use of marine areas for various purposes and to manage the uses of space and conflicts in marine areas" (19 and Art. 1. para. 1).

This directive establishes a framework for marine spatial planning aimed at promoting sustainable growth in the maritime economy, sustainable development of marine areas and sustainable use of marine resources. The outcome of the maritime spatial planning process should be a "comprehensive plan that depicts the various uses of marine space and takes into account long-term changes caused by climate change" and defines "the spatial and temporal distribution of significant activities already underway or future and uses of marine waters."

Convention on the Protection of the Marine Environment of the Baltic Sea Area, 1992 (Helsinki Convention)

Within the framework of the Helsinki Convention, efforts to protect the Baltic Sea focus on the implementation of the Baltic Sea Action Plan (BPD), adopted at the HELCOM Ministerial Meeting in 2007. The Baltic Action Plan aims to achieve a good ecological status of the Baltic Sea by 2021, and sets out fields of action towards this goal.

The overarching strategic objective of Segment IV, "Offshore Operations," is that maritime transportation and business activities should be conducted in the Baltic Sea in a marine-friendly manner.

One of the priorities is to minimize risks from offshore structures. Countries have agreed under the BPD to follow appropriate procedures and make efforts to eliminate, reduce or offset potential negative environmental impacts that may be caused by marine structures.

The 2013 Ministerial Conference in Copenhagen adopted Recommendation 34E/1 on the protection of important bird habitats and migration routes in the Baltic Sea from the negative effects of offshore wind and wave energy production. The document emphasizes the positive aspect of wind energy development in the context of climate change, recommending specific steps that can help reduce the negative environmental impact of investments.

Polish law and strategic documents

Spatial planning

Spatial planning in the investment area is shaped by the provisions of two legal acts: the Act of March 21, 1991 on the maritime areas of the Republic of Poland and maritime administration, and the Act of March 27, 2003 on spatial planning and development.

Issued on the basis of the first of the aforementioned Acts, the marine spatial plans resolve, among other things, the designation, including primary functions, of marine areas, prohibitions or restrictions on the use of these areas, the location of public purpose investments, directions for the development of transportation and technical infrastructure, as well as areas and conditions for environmental protection, fishing and aquaculture, and renewable energy generation. Draft plans for the development of marine waters require a strategic environmental impact assessment and public consultation (see Chapter 2.1 in this regard).

On the basis of the Law on the Maritime Areas of the Republic of Poland and Maritime Administration, the Council of Ministers on April 14, 2021 adopted by decree the Spatial Plan of the Internal Sea, Territorial Sea and Exclusive Economic Zone at a scale of 1:200,000. The Plan diagnoses the spatial conditions of development, defines the components of the spatial system and their mutual relations, and indicates their desired shape. The plan prioritizes selected uses and ensures the coherence of the overall proposed solutions. This is done by assigning the bodies of water allocated in the Plan a basic function that defines the leading use of the body of water, which cannot be interfered with by other uses.

For the basin, for which the primary function is to obtain renewable energy, the performance of fishing is allowed, with the proviso that until the rules for fishing in the basin are worked out, fishing is prohibited in the safety zones of each structure and in places that threaten the safety of the internal connection infrastructure. The FMP also requires the territorially competent director of the maritime office to issue restrictions on fishing in the safety zones established for each project.

Fragmentarily the area of subscriber substations and entirely the area of 400 kV busbar systems connecting bringing power from subscriber substations to the NPS will be located in the area covered by the provisions of the local spatial development plan "Wiatraki w Osiekach", Choczewo commune [Resolution No. XIV/145/2008 of Choczewo Commune Council of March 19, 2008. (Official Gazette of Pomeranian Voivodeship of June 25, 2008, No. 59, item 1662)]. There are agricultural areas and areas for the location of electric power equipment For the remaining land part of the project, no local zoning plan has been adopted (source: EIA report).

Strategic documents relevant to the implementation of the OWF

Maritime Policy of the Republic of Poland until 2020 (with an outlook until 2030)

The document was adopted by Resolution of the Council of Ministers No. 33/2015 of March 17, 2015 on the Maritime Policy of the Republic of Poland

until 2020 (with an outlook until 2030). The planned project is in line with Goal 8: Strengthening the country's energy security, according to which the following measures have been adopted to achieve the goal: 1. creation of conditions for the use of energy from renewable sources at sea, i.e. wind, sea currents and wave energy. 2. construction and modernization of offshore transmission infrastructure [...].

In the Maritime Policy of the Republic of Poland until 2020 (with an outlook until 2030), it was determined that the real potential for the development of offshore wind energy in Poland, which can bring the greatest benefits to the Polish energy balance and the Polish economy, is 6 GW of installed capacity in OWFs by 2030. The creation of conditions for the construction of offshore wind farms was identified as a measure to improve energy security.

Coastal protection program

The document adopted by the Act of March 28, 2003 on the establishment of the multi-year program "Program for the protection of sea shores" (i.e., Journal of Laws 2016, item 678) contains a list of projects aimed at securing sea shores. The planned project will be implemented in the area of 162.5–162.8 km of the seashore (according to the kilometerage of the Maritime Office in Gdynia), for which there are no tasks scheduled for implementation until 2023.

Concept of Spatial Development of the Country 2030

The Concept for Spatial Plan of the Country 2030 (KPZK) was adopted by Resolution No. 239 of the Council of Ministers on December 13, 2011. It is the main document on spatial development in the long term, and defines the goals and directions of the country's spatial planning policy. It addresses the need for the development of offshore wind farms (OWFs) with connection infrastructure to address underinvestment in energy infrastructure and improve the country's energy security. The development of offshore wind energy will contribute to the reduction of CO₂ emissions as agreed by the European Union (EU). The concept specifies that wind energy will account for 45% of the energy obtained from RES.

The need to build new transmission lines with associated infrastructure, the need to consider bird migration air corridors and landscape protection, and weather variability were identified as barriers to RES development in Poland.

According to the findings of the Concept, the planned project is located in the zone of distributed renewable wind energy development. There are 6 goals set in the NSPCC that implement the strategic goal. The planned project is part of the realization of objective 5: "Increasing the resilience of the spatial structure to natural hazards and loss of energy security, as well as the formation of spatial structures that support the state's defense

capabilities". One of the directions of activities implementing this goal is "to increase the use of renewable energy sources through the construction of new capacities that will reduce energy transmission losses and increase energy security at the national, regional and local levels." "One of the elements of support for the diversification of energy sources that also has positive effects on reducing CO2 emissions is to increase energy generation from renewable sources. In Polish conditions, this type of sources with the greatest economic potential should include wind energy [...]." "It is planned that by 2020 at least 15% of gross final energy consumption will come from renewable energy sources."

Poland's Energy Policy until 2040

Poland's Energy Policy until 2040, approved by the Council of Ministers on February 2, 2021, indicates that the implementation of offshore wind power together with the implementation of nuclear power and increasing the role of distributed and civic energy will be the primary way to decarbonize the energy sector. According to the provisions of the Policy, offshore wind farms will play a special role in achieving at least a 23% share of RES in gross final energy consumption in 2030. The incorporation and transmission of power produced by OWFs will be realized through the expansion of the transmission grid in northern and northwestern Poland.

National Energy and Climate Plan 2021-2030 (NERP)

The Minister of State Assets on December 30, 2019 submitted the National Energy and Climate Plan for 2021-2030 to the European Commission, thus fulfilling the obligation imposed on Poland by the provisions of Regulation (EU) 2018/1999 of the European Parliament and of the Council of December 11, 2018, on governance of the energy union and climate action, amending Regulations (EC) No. 663/2009 and (EC) No. 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No. 525/2013 of the European Parliament and of the Council (Official Journal of the EU L 328/1 of 21.12.2018). The National Energy and Climate Plan 2021-2030 (NERP) was adopted by the Committee for European Affairs at its meeting on December 18, 2019. The NERP presents assumptions and goals, as well as policies and actions for the implementation of the 5 dimensions of the energy union, namely: 1. energy security; 2. internal energy market; 3. energy efficiency; 4. decarbonization; and 5. research, innovation and competitiveness.

Pomeranian Voivodeship Spatial Development Plan 2030

The plan was adopted by Resolution No. 318/XXX/16 of the Pomeranian Regional Assembly on December 29, 2016. In terms of spatial policy, it focuses, among other things, on increasing electricity production and transforming the region into a national leader in renewable energy production. Among the spatial policy measures and projects in the Pomorskie Voivodeship Spatial Development Plan (SDP) 2030 are listed: "[...] construction of transmission and distribution networks and substations for power derivation from new system and renewable energy sources (wind farms, including offshore..) [...] expansion of the 400/110 kV Żarnowiec substation for the possibility of connecting offshore wind farms to the National Power System (NPS) [...]".

Appendix 2 – Solutions adopted in the EU on compensation for fishermen

1. Solution adopted in connection with the construction of wind farms

In the EU, there is no Community legislation regulating compensation for fishermen's loss of income due to offshore wind farms. Only some EU countries have adopted a legal framework for compensating fishermen. Countries such as Germany, Belgium and the Netherlands lack procedures for compensating fishermen. In France, a tax on offshore wind farms has been introduced, the revenue from which is donated to local fishermen's organizations and rescue organizations.

Estonia has introduced a tribute given to municipalities whose coastline is closer than 20 km to an OWF. The amount of the tribute depends on the power and price of electricity. In addition, if fish catches decrease due to the wind farm they will receive monetary compensation.

In Denmark, a solution has been adopted whereby all fishermen fishing in the affected area are entitled to compensation. Compensation should be paid for documented losses based, for example, on two to ten years of data. The Danish Fishermen's Association and the Investor usually negotiate together, and the Danish Fishermen's Association should involve the relevant local organizations. However, an individual fisherman may also choose to negotiate on his own, and the Investor is obliged to negotiate. A voluntary agreement can also be entered into between the parties: for example, Energinet.dk has entered into a voluntary agreement with the Danish Fishermen's Association to allow bottom trawling over the export cable connecting the Horns Rev 2 offshore wind farm to land on the west coast of Denmark. With this voluntary agreement, no compensation was

paid. Other mitigation measures can facilitate the negotiation process, such as:

- Limiting exclusion zones by dividing the construction area into different stages;
- Provide alternate income by involving some fishing units or fishermen in the construction and operation of the offshore wind farm, such as guard units;
- Permission to fish with fixed equipment inside the wind farm.

2. Legal framework for compensation paid to fishermen in connection with the termination of their activities

In the current fisheries regulations, there are no provisions on compensation for fishermen in connection with the restriction of the possibility of conducting fishing activities or the lengthening of the access route to fisheries in connection with the construction of an offshore wind farm.

Financial assistance for the cessation of fishing activities is provided by the European Maritime, Fisheries and Aquaculture Fund and national funds.

Under EFMRA, a call for applications for financial assistance to the owner or co-owner of a fishing vessel for the commencement of economic activity (obligation to permanently cease fishing activity no later than 24 months from the date of conclusion of the agreement on granting assistance) was conducted until November 15, 2022. As of 24.02.2023, an analogous call is being conducted under the national funds. The aid is intended for the commencement of business activities, excluding certain activities such as fishing and agriculture.

In addition, in December 2022 and September 2023, fishermen were able to apply for support for additional costs incurred by fishery and aquaculture operators due to market disruptions caused by Russia's aggression war against Ukraine and its impact on the supply chain of fishery and aquaculture products.