

Economy, finance and sustainable development

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Sustainable growth in activities of public corporations, as exemplified by the bank Citi Handlowy

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1. Introduction

Banks in Poland operate as joint-stock companies.¹ They have a considerable effect on the economy, which is why their actions related to sustainable growth could influence society and the environment in a positive way. They therefore play an important part in promoting sustainable development. For several years, the ESG criteria (Environment, Social, Corporate Governance) are being taken into consideration by leading subjects of global banking, such as Citibank, JP Morgan and Bank of America.² According to W. Kiciński – vice-president of the Polish Banks Association – plans prepared by the European Union authorities indicate that efforts to take ESG aspects into account in the economies of Member States should start with banks.³ According to J. Papierski – vice-president of the management board of PKO Bank Polski – when it comes to sustainable growth, banks are starting to play the exact same role towards their clients, as the investors once played towards the banks, namely to effectively popularise the requirements stated in the ESG documents. Nowadays, Polish banks are

¹ According to Art. 12 of the Act of 29 August 1997 – Banking Law (Journal of Laws of 2022, item 2324, as amended), banks may be established as banks in the form of joint-stock companies (in addition, there may be state-owned banks and cooperative banks).

² See more: *E. Kulińska-Sadocha*, W jaki sposób banki mogą wspierać transformację gospodarki w kierunku modelu zrównoważonego?, dSPACE.uni.lodz.pl/xmlui/bitstream/handle/11089/43850/17-Kulinska_Sad%C5%82ocha%20311_331.pdf?sequence=1&isAllowed=y (accessed: 20 July 2023).

³ See: Banki liderami zrównoważonego rozwoju?, bank.pl/banki-liderami-zrownowazonego-rozwoju/?id=362250&catid=27735&cat2id=25928, Banki liderami zrównoważonego rozwoju?, bank.pl/banki-liderami-zrownowazonego-rozwoju/?id=362250&catid=27735&cat2id=25928 (accessed: 20 July 2023).

more committed to the initiatives concerning environmental protection, the social responsibility of business and sustainable finances. Examples of this can be seen through them creating offers of sustainable commerce and credit products, deposits or investments to meet ESG requirements, support renewable energy initiatives, eliminate single-use packaging and limit the use of paper.⁴

In this area, financial optimisation is obviously crucial, meaning that every action is conducted with this factor in mind. According to J. Papierski, 'the availability of data concerning emissions is one of these crucial challenges that bother bankers endlessly',⁵ because a lot of low-emission projects are much more expensive than classic ones. Nevertheless, banks in Poland take the low profitability into account via various actions enabling sustainable development. These include:

1. Sustainable financing: banks offer financial products that support renewable energy, energy effectiveness, low-emissions transportation and other 'green' initiatives. Credit accommodation for projects following the rules of sustainability helps with the transformation of the economy into a more ecological and low-emission one.
2. ESG and risk analysis: banks in Poland are increasingly taking environmental, social and governance (ESG) factors into consideration when evaluating the credit risks. An ESG analysis helps to evaluate how firms manage risks tied to environmental, social and governance factors, which, in turn, leads to more responsible financing.
3. Green bonds: banks in Poland have committed to investing in green bonds, which finance projects that have a positive effect on the environment. Devoting capital to green bonds leads to growth in the ecological infrastructure, renewable energy and actions undertaken to stop climate change.
4. Educational programmes: Polish banks organise educational programmes that serve to raise clients' awareness of sustainable growth and finance management. Through these training sessions, seminars and information campaigns, banks aim to educate their clients about the benefits of investing in sustainable projects.
5. Social responsibility of business: Polish banks often invest in social, educational, cultural and sporting programmes, supporting various aspects of social growth.

⁴ According to research conducted by KPMG and BNP Paribas Bank Polska one ream of paper gives off 2 kg CO₂, media.bnpparibas.pl/pr/657260/dzieki-digitalizacji-bank-bnp-paribas-zaoszczedzil-niemal-1-4-mln-kartek-papieru (accessed: 20 July 2023).

⁵ *Ibidem*.

6. Reporting sustainable development: many banks in Poland publish reports concerning sustainable growth, in which they describe their actions towards sustainability. These reports include information about their greenhouse gas emissions and electrical effectiveness, enrolment policies and goals tied to sustainable growth, as well as their progress in the completion of this task.

2. Actions undertaken by Bank Handlowy w Warszawie S.A.

The bank Citi Handlowy is aware of climate change and through its actions aims to implement environment-friendly solutions, such as responsible financing, the automation and digitalisation of their operation processes and undertaking actions aimed at reducing the direct environmental footprint in the bank, including a constant search for possible ways to neutralise these emissions and better use renewable energy. The need for real action concerning sustainable development, care for the environment and counteracting climate change consequences has led to environmental issues being implementing into the bank's business strategy.⁶

Implemented in 2020 and binding for 2022–2024, Citi Handlowy's strategy combines sustainable growth goals with its business goals ESG is one of the bank's five priorities for this period. The bank supports its clients in the transformation of their business models to become more favourable of sustainable development along with environmental, social and corporate governance issues are taken into consideration in the bank's decision making. The bank supports its clients in their low-emission economy by:

- 1) dedicating PLN 1 million to the green transition of clients,
- 2) introducing a full cycle of green solutions for its clients: advice, financing, risk management and FX(*Foreign Exchange*), financing the suppliers and green deposits,
- 3) advising on key ESG trends affecting clients' business models – the reduction of greenhouse gas emissions, renewable energy sources, energy efficiency, waste management, sustainable packaging methods and reducing the use of raw materials.

Taking environmental and social factors into consideration in the credit processes is based on creating criteria of sustainable financing to classify

⁶ 2022 Report on non-financial investments, citibank.pl/poland/homepage/raport_roczny_2022/files/raport_roczny_2022_sprawozdanie_informacje_niefinansowe.pdf (accessed: 20 July 2023).

the bank's green actives: circular economy, clean technology, energy efficiency, sustainable transportation, renewable energy sources and water quality and inducing two types of financing: directed, included in the sustainable growth criteria and a general one, for enterprises (*pure players*), whose 90% of income comes from the activities that comply with the criteria. In terms of reducing its own carbon footprint, the bank is on schedule to reduce its greenhouse gas emissions by around 50% by 2023 and energy usage about 40%, in comparison to data from 2019.⁷

According to Citi Handlowy's Environmental Policy, one of the main principles of conduct by bank employees is caring for the natural environment. The bank's activity is based on the ecological and socially responsible guidelines, as well as rules and regulations on sustainable growth. Every ecologically beneficial action conducted by the bank is gradually being improved at the same time that potential harmful influences on the natural environment are minimised and eradicated.

The bank has pledged to:

- 1) conduct its activity according to the provisions of law as well as internal regulations concerning the natural environment,
- 2) implement, maintain and constantly upgrade the environmental management system, in line with norm ISO 14001:2004.

The bank is considered an environmental institution, and as such it identifies its influence on the natural environment and monitors it. The bank's impact on the environment can be divided into two separate areas:

- 1) direct influence, as a result of operational activity, incl. waste production and air pollution, paper, water and energy usage,
- 2) indirect influence, being a result of the services provided by the bank.

The bank's internal actions are aimed at reducing the negative impact of the conducted operational activity on the natural environment. External actions are directed towards the bank's clients and is intended to support them by undertaking the environmental protection initiatives.

The bank makes strenuous efforts for these two goals to implement and thrive themselves.

By conducting educational and informative activities, the bank raises its clients' environmental awareness. It also attempts to encourage its subcontractors and suppliers to minimise their negative impacts on the environment and supports them in undertaking pro-ecological initiatives.

⁷ 2022-2024 Bank Handlowy Group Strategy, citibank.pl/poland/homepage/english/files/strategy_of_the_bank_2022.pdf (accessed: 20 July 2023).

The bank's goal is:

- 1) increasing waste segregation and recycling,
- 2) limiting carbon dioxide emissions,
- 3) minimising the use of natural resources.⁸

The bank also integrates the risks to sustainable growth in the process of its financial advice. This is a risk management process by which the bank aims to support long-term investment returns, taking into consideration the risks to sustainable growth (ESG risks), namely situations and environmental, social and governance (corporate wellness) factors that – if they occur – could have a real or potential crucial influence on the value of the investment. At the same time, when offering investment advice, the bank ensures that its actions in the area of the investment it undertakes and promotes do not have any material negative impact (*principal adverse sustainability impact*, PASI) on environmental, social and work conditions, issues of human rights and counteracting corruption and bribery. According to the bank, the risk factors for sustainable development are a crucial part of any assessment on adding an financial element to the offer or recommending an investment. Because of that, in connection with the services it provides, the bank tries to integrate and assess crucial risks to sustainable growth in its processes. This means that, aside from its more traditional financial criteria, the bank systematically considers whether, and to what extent, crucial ESG finance risks can influence the clients' investments. However not all factors and risks of sustainable development are meaningful to every product or investment. The meaning and the value of these assets depends on a series of factors, including the type of product or investment, the chances of encountering the risks that come with sustainable development and the likely influence it could have. Because of that, even though the bank takes great interest in these factors in its decision-making process, it does not put them above all others, they are not decisive in considering whether a certain product will be included in the bank's offer or not, or whether it will be placed on the list of recommended products or not. Their role is therefore just one of guidance and they are considered along with other factors used by the bank's units when making decisions. In order to assess investment products using all the criteria, the bank uses information given by the producer of the given bank product using the standard EET (*European ESG Template*⁹). If it becomes necessary to fill in any missing data, the bank can use additional information from the producers delivered in a different manner, including information published

⁸ Citi for the environment, citibank.pl/las/srodowisko.htm (accessed: 20 July 2023).

⁹ See: findatex.eu (accessed: 20 July 2023).

on their websites or fund cards. The bank assesses whether and to what extent the investment product is environmentally sustainable (following EU taxonomic standards), or sustainability and having a positive effect on the social and environmental state (in the understanding of the SFDR¹⁰) strictly on the basis of EET reports. The bank assesses whether the product it is considering offering incorporates the risk of any harmful effects to sustainable development, it looks closely through the EET report submitted by the producer of the product, along with any declarations by the producer. The bank investigates the main negative influence for the sustainability factors for the proposed product by looking at certain crucial factors: greenhouse gas emissions, waste, water, emissions, energy efficiency, green securities, biological diversity and human rights, as well as counteracting corruption and bribery.¹¹

An example of an agreement signed by the bank in order to achieve its goals of responsible business and sustainable growth is a finance deal with Żabka Polska sp z o.o., signed in 2022. The agreement mentions Żabka's goals coming from its Responsibility Strategy (ESG): the reduction of greenhouse gas emissions and an increase in the value of sales that promote a balanced lifestyle.

If the stated factors are not accomplished in the assumed time frame, Żabka will transfer additional financial resources to actions supporting the sustainable growth goals. Under the agreement with Citi Handlowy, Żabka can post bank guarantees of up to PLN 100 million. At the same time, the bank and the company agreed in a deal markers of sustainable development (KPIs), which Żabka will strive to achieve. The goals stated in the agreement include an overall reduction of greenhouse gas emissions by 25% and a reduction of greenhouse gas emissions in the stores by about 70% by 2016 (accordingly to the figures from 2020). Żabka is also obliged to double private label products sale promoting a balanced lifestyle by 2025. If the company fails to meet two or more of these markers, it will transfer additional financing for actions supporting the sustainable growth goals. This would serve as a recompense for Żabka's failure to meet the goals stated in the sustainable development strategy. The company's responsibility strategy is based on four pillars: a balanced lifestyle, a positive impact on the environment, responsible organisation and a green planet. Actions

¹⁰ *Sustainable Finance Disclosure Regulation* from 6 June 2022, knf.gov.pl/dla_rynku/Finansowanie_zrownowazonego_rozwoju?articleId=80508&p_id=18 (accessed: 20 July 2023).

¹¹ See: Integrowanie i zarządzanie czynnikami ryzyka dla zrównowazonego rozwoju (*sustainability risk*) w procesach z zakresu usługi doradztwa inwestycyjnego banku. Niekorzystne skutki dla czynników zrównowazonego rozwoju, citibank.pl/files/documents/investments/zarzadzanie-czynnikami-ryzyka-dla-zrownowazonego-rozwoju-esg.pdf (accessed: 20 July 2023).

in the area of sustainability and responsible business are developed by the company in a strategic manner, integrating environmental, social and corporate governance (ESG) factors and business strategy. One of its ambitious goals is achieving, by 2025, environmental neutrality in its internal operations. Żabka is the first company in Poland and the first modern convenience store chain in Central Europe whose decarbonisation goals have been scientifically verified and accepted by the international initiative Science Based Targets (SBTi).¹²

A report from 2022¹³ states that, in terms of sustainable development, in the bank:

- 1) almost 400 million 'green activities' were carried out in 2022 (completion of 38% of the goals stated in the 2022 – 2024 strategy, which aimed to reach a billion green activities)
- 2) social and environmental factors were included in credit processes
- 3) corporate clients were actively supported in their business transformations towards low-emission operations
- 4) a full range of solutions was prepared for clients: ESG advice, financing (green credits) and there is a plan to incorporate products concerning vault activity (including security of interest rate risk) and transaction activity products (green deposits).

Finally, in terms of reducing its own carbon footprint in its operational activity, the actions undertaken by the bank, which also led to an increase in the results, were focused on achieving investments in innovative solutions and technologies in the area of renewable energy – exchanging a car fleet into hybrid vehicles and purchasing energy created from renewable energy sources (contracted purchase of 60% of renewable energy for 2023). As an effect of these actions, the bank's own CO₂ emissions were reduced in 2022 by 64% vs 2019 – achieving 100% of the goals stated in the 2022–2024 strategy.¹⁴

¹² See: magazyn.citibank.pl/203583-zabka-i-citi-handlowy-razem-na-rzecz-esg (accessed: 20 July 2023).

¹³ Raport Roczny Grupy Kapitałowej Banku Handlowego w Warszawie S.A. za 2022 rok, citibank.pl/poland/homepage/raport_roczny_2022/index.htm, accessed date: 21 July 2023. See 2022 Sprawozdanie na temat inwestycji niefinansowych, citibank.pl/poland/homepage/raport_roczny_2022/files/raport_roczny_2022_sprawozdanie_informacje_niefinansowe.pdf (accessed: 20 July 2023).

¹⁴ See: citibank.pl/poland/homepage/raport_roczny_2022/files/raport_roczny_2022_sprawozdanie_informacje_niefinansowe.pdf (accessed: 20 July 2023).

3. Conclusion

Looking at the values and activities connected with sustainable growth carried out by Citi Handlowy leads to the following conclusions:

1. It is the only bank in Poland that has achieved its goals of sustainable growth to such an advanced extent.
2. It offers financial products that support projects linked to renewable energy, energy efficiency, low-emission transportation and other green initiatives. Lending for projects connected to the rules of sustainability helps transform the economy into a more ecological and low-emission one.
3. It includes environmental, social and management (ESG) factors into its credit risk assessment process.
4. It reports on the benefits of investing in sustainable projects.
5. It made a deal with the Żabka convenience store chain in achieving the goals of sustainable growth.
6. In its ongoing and future strategy, the bank has undertaken, for example, to lend its clients PLN 1 billion in 'green financing'. The bank's solutions in this area include advising, suppliers financing and green deposits.
7. With its global know-how, the bank shares knowledge about crucial ESG trends and their influence on business models, including organising seminars for clients.
8. The bank publishes reports covering sustainable development, where it demonstrate its actions for sustainable growth. These reports contain information about greenhouse gas emissions, the energy efficiency of the bank's buildings and employment policies, as well goals connected with sustainable growth and progress in achieving them.

The economic activity of national parks in light of nature conservation objectives

Michał Biliński

1. Introduction

The issue of national parks conducting economic activity is an interesting legal subject that comes with a number of controversies. It should be noted that a national park is an organisational unit with a statutory purpose and a partially defined catalogue of activities that should serve its implementation. In such legal circumstances, question raised about the acceptable scope and scale of commercial activity that would possibly be undertaken in this form should be considered justified. As part of the area of consideration, issues related to the commercial use of the area of national parks and the commercial exploitation of their natural resources should be treated as particularly interesting. In both these areas of activity, it is necessary to determine the impact that statutory nature conservation objectives should have on restrictions on the freedom to undertake such activities.

2. National parks – legal background and statutory tasks

In the Polish legal order, national parks operate in the form of state entities managed by the director of a national park.¹ It is equally important to note that national parks constitute one of the forms of nature conservation catalogued by the legislator in Article 6 sec. 1 of the Nature Conservation Act. Each of the forms of nature conservation listed in that provision (where national

¹ See: Art. 8a sec. 1, Art. 8c and Art. 8d of the Nature Conservation Act of 16 April 2004, Journal of Laws of 2022, item 916, as amended, (hereinafter: the NCA).

parks are listed in first place) should, in turn, be perceived as one of the ways to achieve the objectives of nature conservation, which quite clearly results from the wording of Article 3 point 2 of the NCA. On this basis, it should be concluded that the fundamental reason for the existence of national parks was closely linked to the values listed in Article 2 sec. 2 of the NCA. It is worth emphasising here that, pursuant to that provision, nature conservation objectives include, among other things, maintaining ecological processes and ecosystem stability; preserving biodiversity; preserving the geological and paleontological heritage, as well as ensuring the continued existence of plant, animal and mushroom species, along with their habitats, by maintaining or restoring them to a proper conservation status.²

Article 8 sec. 2 of the NCA remains in the substantive connection with the indicated foundations. Pursuant to this provision, a national park is created in order to preserve biodiversity, resources, creations and components of inanimate nature and landscape values, to restore the proper state of resources and components of nature and to restore distorted natural habitats, habitats of plants, animals and mushrooms. At the same time, it must be emphasised that the objectives listed in Article 8 sec. 2 of the NCA, in the assumption of the legislator, constitute the primary mission that should be carried out by national parks (see Article 8b sec. 1 point 1 of the NCA). In the longer term, the tasks of national parks also include issuing authorisations to use the national park area (Art. 8b sec. 1 point 2 of the NCA) and conducting educational activities (Art. 8b sec. 1 point 3 of the NCA). Significantly, this catalogue is not closed, as is clearly shown from the use of the phrase “in particular” used in Article 8b sec. 1 of the NCA. This means that among the tasks of national parks permitted by law, there are also other activities that are not listed directly in Article 8b sec. 1 of the NCA.

From the point of view of the subject of this study, Article 8b sec. 2 of the NCA, according to which national parks may conduct economic activity (on the terms set out in the Entrepreneur law), with restrictions resulting from the NCA, should be considered of key importance. It should be noted here that the wording of Article 8b of the NCA may lead to several doubts in the interpretation of the scale of any commercial activity potentially conducted by national parks.

² Other nature conservation objectives listed in Art. 2 sec. 2 of the NCA also include the protection of landscape values, greenery in towns and villages and wooded areas; maintaining or restoring natural habitats, as well as other resources, creations, and components of nature to the proper conservation status; shaping appropriate human attitudes towards nature through education, information and promotion in the area of nature conservation.

First of all, there is the process of issuing authorisations to use a park area, i.e. one of the tasks of national parks, which is clearly specified in Article 8b point 2 of the NCA. It should be noted that, when explaining the concept of “issuing use authorisations” in Article 5 point 22 of the NCA, the legislator allowed national parks to be able to issue authorisations to use areas of the parks also in order to make a profit. This, in turn, leads to questions about the limits of admissibility of this type of activity. In addition, the very scope of the meaning of the phrase “issuing authorisations to use a park area” may raise fundamental doubts. In particular, it could be asked whether strictly commercial undertakings of national parks can be included in this type of activity.

In practice, this problem is quite well illustrated by the issue of organising commercial sports events in the areas of national parks (e.g. running events). The above problem has already been the subject of my interest.³ At this point, it is worth mentioning that treating commercial permission to use national park areas for the purposes of organised sporting events as “issuing authorisations to use a park area,” as referred to in Article 8b point 2, is, in my opinion, incorrect. The above conclusion may be derived primarily from the wording of Article 15 sec. 1 of the NCA. This is a provision setting out a prohibition on certain activities in national parks (e.g. destruction of the soil, hunting, picking mushrooms, using motor boats, etc.) and therefore activities (as it seems) contrary to the nature conservation objectives mentioned above. At the same time, it should be noted that in point 27 of that provision, the legislator prohibited the organisation of recreational and sporting events in a national park without the consent of the director of the national park. As a result, it should be concluded that the legislator’s assumption was to perceive the events listed in this provision as contrary to both the general objectives of nature conservation and the values protected in national parks. In this state of affairs, it is difficult to accept the qualification of organised sporting events among the grounds justifying the admissibility of “issuing authorisations to use” a park area. In my opinion, it would be illogical and contrary to the purpose of the NCA to place activities that are generally banned and inconsistent with the assumptions of nature conservation as part of the basic tasks of national parks.⁴

The above conclusion, however, does not allow for a full resolution of the dilemma accompanying all profit-making initiatives undertaken by national

³ See: *M. Biliński*, Prawne aspekty organizacji imprez sportowych na terenach parków narodowych, [in:] *P. Cybula* (ed.), *Prawne aspekty podróży i turystyki – historia i współczesność. Prace poświęcone pamięci Profesora Janusza Sondla*, Kraków 2018, pp. 117 ff.

⁴ *Ibidem*, p. 22.

parks. Even if they are not treated as issuing authorisations to use a park area for profit, i.e. one of the tasks listed directly in Article 8b of the NCA, their undertaking is allowed by other provisions of that act. As already mentioned, firstly, the catalogue of tasks of national parks is open. Secondly, Article 8b sec. 2 of the NCA directly allows for the economic activity of national parks.

In this state of affairs, the issue of the correct determination of acceptable boundaries for the economic activity of national parks becomes of fundamental importance. A general answer to this question was provided by the legislator already in Article 8b sec. 2 of the NCA, indicating that this activity may be performed subject to the restrictions resulting from this Act.

With this in mind, we should first look at the solutions dedicated to the financial management of national parks. The most significant limitation relating to the commercial manifestations of the activities of national parks is the introduction of the lack of freedom in managing the profit. This already results from Article 8g sec. 1 of the NCA, according to which a national park conducts its own financial management using the acquired funds and generated revenue to cover the costs of financing the tasks specified in the act, including the tasks of the National Park Services and operating costs. Article 8h of the NCA is equally important for this issue. It includes catalogued revenues of national parks. What is extremely important, in Article 8h sec. 4 of the NCA, the legislator also indicated those revenues that must be allocated exclusively to implementing the tasks referred to in Article 8b sec. 1 of the NCA. Among the above sources, you can find: subsidies from the state budget, proceeds from the lease, rental or use of real estate and subsidies from the budgets of local government units for the implementation of tasks related to the conservation of natural or cultural values of a region.

It should be considered significant that the catalogue of sources of financing that mandatorily must be allocated to the implementation of the tasks listed in Article 8b sec. 1 of the NCA do not include either the proceeds from the fees for issuing authorisations to use a national park area (Art. 8h sec. 1 point 4 of the NCA) or proceeds from economic activity (Art. 8h sec. 1 point 15 of the NCA). The above solution means that the previously mentioned revenues can be used to cover the operating costs of national parks. The literature points out that, in practice, this may turn out to be unfavourable, because it may lead to the commercialisation of national parks, i.e. forcing them to obtain funds for their operating costs from the exploitation or sharing of their own natural resources.⁵

⁵ Cf. W. Zbaraszewski, *Działalność i finansowanie parków narodowych w Polsce*, Prace naukowe Uniwersytetu Ekonomicznego we Wrocławiu 2011, Nr 173, p. 218.

As a result, national parks, especially in the case of increasing operating costs, could try to obtain additional income from the exploitation of their natural resources. The best example here is the sale of wood, which is one of the main items of revenue of national parks.⁶

Taking into account the imperfection of the regulations concerning the financial management of national parks indicated above, it should be pointed out that, in the scope of determining the limits of permissible economic activity of national parks, particular importance should be sought among the generally defined objectives of nature conservation and the related principle of sustainable development.

3. Economic activity of national parks in light of nature conservation objectives

As already indicated in this article, the objectives of nature conservation are set out in Article 2 sec. 2 of the NCA. The literature indicates that they meet the *sui generis* role of nature conservation principles, and therefore all the provisions of that act should be interpreted in accordance with them.⁷ On this basis alone, it can be concluded that the scale of the economic activity of national parks cannot come into contradiction with their basic function as set out in the act. This was pointed out by W. Zbaraszewski, who emphasised, among other things, that the revenues from the economic activity of national parks cannot be achieved in a manner contrary to the objectives for which they were established.⁸ At the same time, this leads to a number of detailed statutory solutions in connection with the above, fairly general conclusion.

Firstly, conservation plans, which need to be prepared for each national park, must be in line with nature conservation objectives. Conservation plans specify, among other things: the rules of conduct and ways of implementing the tasks of national parks (see Art. 20 sec. 3 point 1 of the NCA). What is more, the legislator requires that conservation plans indicate places where manufacturing, commercial and agricultural activities may be performed (Art. 20 sec. 3 point 6), as well as areas and places made available by the park (Art. 20 sec. 3 point 5). At

⁶ See Parki narodowe zarabiają coraz więcej, głównie ze sprzedaży drewna i turystyki, polskieradio24.pl, 22 November 2018 (accessed: 5 June 2023).

⁷ K. Gruszecki, Ustawa o ochronie przyrody. Komentarz, ed. 3, Warsaw 2013, p. 25.

⁸ W. Zbaraszewski, Działalność gospodarcza parków narodowych, *Ekonomia i Środowisko* 2016, Nr 2/57, p. 257.

the same time, it must be noted that, pursuant to Article 19 sec. 5 of the NCA, the minister in charge of the environment is obliged to refuse to establish a plan for the conservation of a national park if the plan is not compatible with the objectives of nature conservation.

Secondly, from the point of view of the considerations undertaken, the solution contained in Article 7 sec. 2 of the Forest Act,⁹ according to which forest management in forests constituting nature reserves and being part of national parks must take into account “the principles set out in the provisions on nature conservation.”

As already noted, this role can be attributed to the objectives of nature conservation, as listed in Article 2 sec. 2 of the NCA. However, the reference to the principle of sustainable development should be considered equally important. In the literature, the above issue is discussed by M. Michalak, who emphasises that, when it comes to the principles that should be followed in the interpretation and application of the NCA, since it is part of the Environment Protection Act, the general principles of this branch of law also apply.¹⁰

The principle of sustainable development was expressed in Article 5 of the Constitution of the Republic of Poland. For the issue in question, it should be considered of fundamental importance, because the obligation to ensure environmental protection is considered as one of the most important functions of the state.¹¹ In the literature, the requirement to comply with the principle of “sustainable development” is understood as the need to ensure not only that the interference with the environment is as minor as possible (the least harmful), but that the social benefits achieved are at least proportional or socially appropriate to the losses that are then incurred.¹²

It should also be emphasized that Article 5 of the Constitution of the Republic of Poland has a normative meaning both in the process of making and applying the law.¹³ As a result, the principle of sustainable development should be the basic factor influencing the manner in which the state and public authorities perform specific tasks.

⁹ Journal of Laws 2022.672, consolidated text of 25 March 2022.

¹⁰ M. Michalak, Ustawa o ochronie przyrody. Komentarz w perspektywie unijnej, Lex/el. 2016, commentary on Art. 2.

¹¹ Cf. A. Barczak, Kontrola podmiotów korzystających ze środowiska, Warszawa 2020.

¹² P. Sarnecki, [in:] L. Garlicki (ed.), Konstytucja Rzeczypospolitej Polskiej. Komentarz, t. I, commentary on Art. 5.

¹³ P. Tuleja, [in:] P. Tuleja (ed.), Konstytucja Rzeczypospolitej Polskiej, Lex/el. 2021, commentary on Art. 5.

The obligation to take into account the principles of environmental conservation and sustainable development is explicitly defined in Article 8 of the Environment Protection Act of 27 April 2001.¹⁴ This legal act defines “sustainable development” as socio-economic development in which the process of integrating political, economic and social activities takes place, while maintaining a balance in nature and the durability of basic natural processes in order to guarantee the possibility of meeting the basic needs of individual communities or citizens of both the current and future generations.

Transferring the above considerations to the examples discussed in this publication, it should be stated that the commercial activity conducted by national parks can by no means be arbitrary. However, the permissibility of commercial activities of national parks should absolutely fall within the framework of a particular standard, which is built on a catalogue of nature conservation objectives and environmental conservation principles (taking into account the principle of sustainable development). At the same time, it should prove to be a factor limiting the scale of activities of national parks consisting in the exploitation of natural resources and commercial access to their areas.

4. Conclusion

With everything that has been set out above, it should be emphasised that the objectives of nature conservation and the principle of sustainable development must be one of the decisive guidelines necessary to determine the permissible limits of economic activity of national parks. For public authorities, this should also give rise to the obligation to ensure adequate financing for the tasks of these structures, so that they do not have to consider expanding their strictly commercial activities in ways that could be in contradiction with the standard set in this way.

The principle of sustainable development must be a factor limiting the freedom of directors of national parks in planning and implementing the tasks of national parks.

¹⁴ Journal of Laws of 2022, item 2556.

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