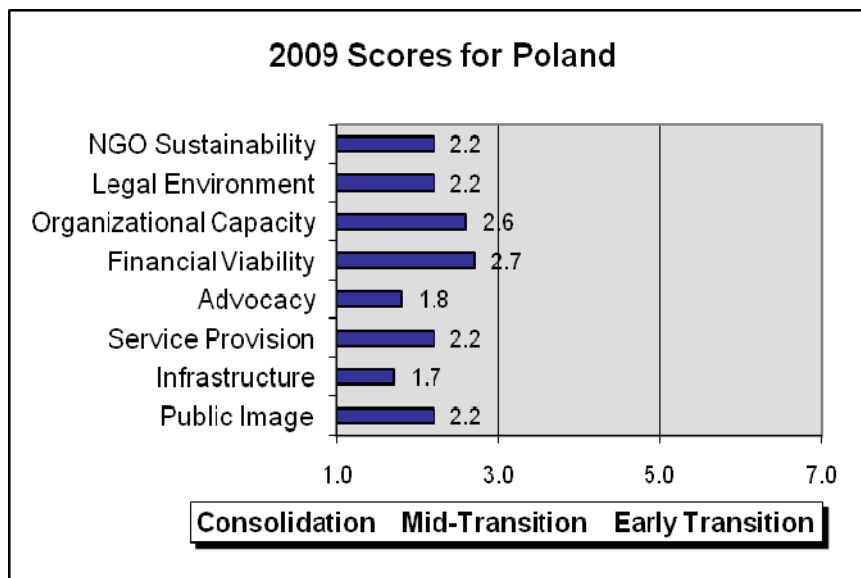


POLAND



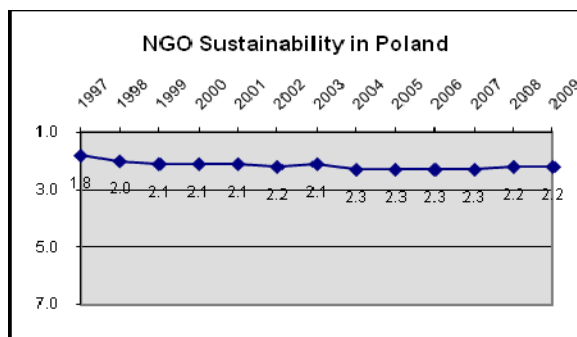
Capital: Warsaw

Polity:
Republic

Population:
38,463,689 (July 2010 est.)

GDP per capita (PPP):
\$17,900 (2009 est.)

NGO SUSTAINABILITY: 2.2



By the end of the third quarter of 2008 (the most recent data available), Poland had about 73,000 registered NGOs, of which 63,500 were associations and 9,500 were foundations. The number of registered NGOs is growing every year, but because the registry does not remove NGOs that have ceased to exist, determining the actual number of active NGOs is impossible. The existing data also shows that the number of newly registered NGOs has been declining for some years.

LEGAL ENVIRONMENT: 2.2

The legal environment governing the NGO sector improved slightly in 2009, mostly in the area of local legal capacity. A growing number

Since most of the EU funding for 2008–2013 is managed by regional governments, Polish organizations tend to focus more and more on public funding. The increased availability of public money improved NGOs' general financial condition in 2009, but the trend has also had negative consequences. By focusing on seeking public funds and delivering contracted services, NGOs have been ignoring other funding sources and have become more distant from local constituencies.

The overall condition of Polish NGOs improved little in 2009. The only improvements—which were too small to affect the overall condition of the third sector—occurred in the areas of legal environment and advocacy. Awareness of the necessity of mutual dialogue between government and NGOs has increased, and some results of advocacy efforts were visible in 2009.

of lawyers understand NGO sector specifics and, thanks to EU funding, there are more legal aid centers. The scale of free legal support for

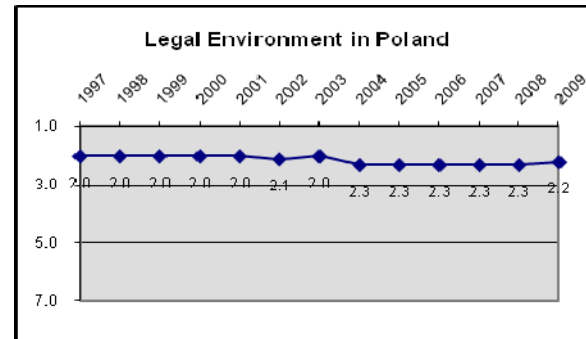
nonprofits provided by the Pro Bono Center, established in 2008, has been growing.

Until the end of 2008, donors needed to pay VAT on donated items, while they could deduct VAT if they threw away the unused goods. This discouraged goods donations and was especially harmful to services for the hungry, such as food banks. At the end of 2008, the act on VAT was amended (effective in the beginning of 2009), enabling donors to pay zero percent VAT on goods donated to organizations with public benefit status.

NGOs are legally allowed to compete for government contracts and procurements at the local level and increasing numbers of organizations do. NGOs are also allowed to engage in commercial activities, yet they generally prefer to earn income from the provision of goods and services through

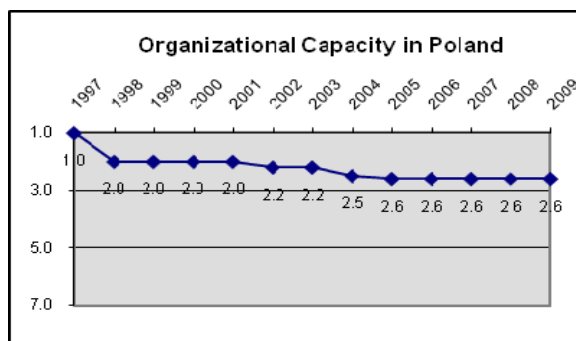
activities that do not generate a profit. Such activities exempt NGOs from various taxes put on commercial activities, yet put a cap on staff salaries.

The registration process has not changed; it still takes far too long and is quite complicated, which discourages many individuals from setting up NGOs.



ORGANIZATIONAL CAPACITY: 2.6

As in previous years, 2009 brought further technical advancement of NGOs, which can be attributed to several factors. Computer equipment prices have decreased, making technology more accessible to NGOs, and many companies regularly replace their equipment, donating older, but still good, equipment to NGOs.



There has also been some improvement in the area of employment. Larger organizations that are able to win large and multi-year EU projects can hire more staff, including higher-level specialists, and offer attractive salaries. Still, most NGOs hire people only for particular projects.

Strategic planning and constituency building deteriorated in 2009. It is difficult to develop a strategy without stable resources and most Polish organizations operate from one project to another. All NGOs have mission statements, but most try to make them as broad as possible in order to avoid blocking access to possible funding. Large and strong NGOs that have a chance of receiving funding from various sources analyze which might be most cost effective. Smaller organizations, especially those with only one source of funding, are engaged in small, straightforward endeavors and do not do any strategic planning.

The capacity of NGOs to build local constituencies has deteriorated as well. In most cases, the only time when organizations try to reach out to citizens on national or local levels is during the campaigns for 1 percent of citizens' tax liabilities. At the same time, 2009 was the second year in which taxpayers were allowed to specify an organization to which they want to pay 1 percent of their tax liabilities. Donors remained anonymous, however, which deprived NGOs of the opportunity to thank them and use the mechanism to build local constituencies.

NGO members' contributions in terms of work and membership fees are insignificant in comparison to funding from other sources. NGOs tend to be more oriented towards institutions or persons that can provide funding rather than towards their constituencies. Similarly, the professionalization of NGOs has had a negative impact on volunteering. Organizations see professional staff time as too precious to be used to train volunteers, who may come and go.

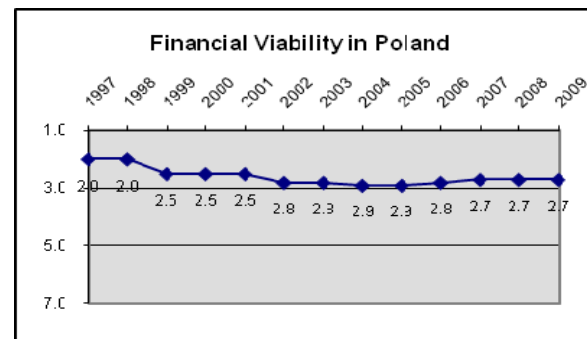
Additionally, citizens are less interested in being NGO members or volunteers. The level of volunteering in Poland has been deteriorating for several years. The decline in the unemployment rate has also lowered the volunteering rate, as many young people become volunteers only to get experience when they cannot find paid employment.

FINANCIAL VIABILITY: 2.7

The financial viability of Poland's NGO sector did not change much in 2009. NGOs receive most of their funding from local sources—largely from local and regional governments that, to a growing degree, are responsible for distributing EU funding. Growing numbers of organizations have access to this funding. The support of local businesses and local constituencies has decreased, probably due to the economic crisis. But NGOs in general have not greatly experienced the effects of the economic crisis, as they depend on public rather than private funds. The only real effect is that waiting times to receive public funding installments may have increased.

to mark selected organizations on their tax returns. This further increased the amount of money transferred to the NGO sector, yet it was generally the largest, richest national NGOs with access to national mass media that received most of this funding. Additionally, the mechanism has resulted in a decrease in traditional donations from individuals.

Because of the availability of public funding, many organizations stop looking for funding from other sources or end their engagement in commercial activities once they receive access to EU funding. Half of all NGOs have only one or two sources of income (mostly from local governments and membership fees). Over one-third of organizations charge fees for their services, and 7 percent conduct commercial activities.



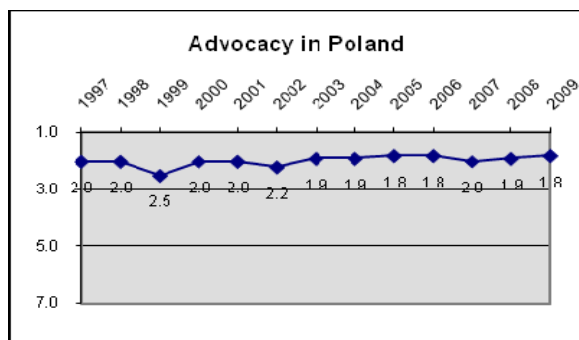
In 2009, for the second year, instead of paying 1 percent of their tax liabilities to organizations with public benefit status and then waiting months for reimbursement, citizens needed only

A growing number of NGOs do proper accounting and have financial management systems in place; these systems are required by many grant institutions. Many public benefit organizations, however, eschew requirements to submit annual reports to the appropriate government departments, as there are no sanctions for noncompliance. Still, the quality of reports has improved; organizations are learning how to write project proposals and report on projects.

ADVOCACY: 1.8

Advocacy remains the strongest dimension of Poland's NGO sector, and it further improved in

2009. The cooperation between NGOs and governments at the central and local levels has



continued to grow, and not only in terms of funding. More and more local groups and “committees of dialogue” aim to increase communication between representatives of the public and the NGO sector. NGOs have established various coalitions that do not represent the interests of the whole sector but only the interests of NGOs in a given field. Observers of the sector argue that this is a natural outcome of a sector whose members represent a wide variety of interests.

In 2009, there was intensive cooperation between government and NGO representatives on the amendment of the Act on Public Benefit

Activity and Volunteer Work, the main law regulating NGOs. For the first time, NGOs were invited to present their ideas about the legislation and were treated as equal partners of the government. The amended act is likely to be passed at the beginning of 2010.

In 2009, an example of coalition-building was the cycle of seminars and research on the future of Polish foundations that was organized and conducted by the Polish Donors’ Forum. During the seminars, which were attended by NGO activists, NGO experts from Poland and abroad, and representatives of the Polish public administration, participants discussed various aspects of the foundations’ operations. During the final conference, various proposals for amending the Law on Foundations were presented.

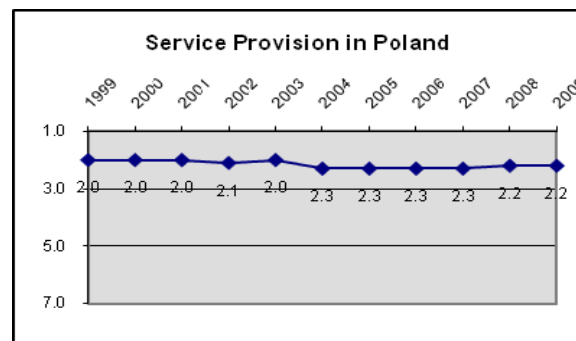
Similarly, a coalition of organizations that work to assist people with disabilities was established in 2009, with the intent of drafting a proposal for a new law on the social and occupational rehabilitation of people with disabilities.

SERVICE PROVISION: 2.2

As in 2008, service contracting continued to improve as both local governments and NGOs became more familiar with contractual procedures. Since NGOs have greater public funding, they take on more public tasks and deliver services in a wider range of fields and to larger groups of beneficiaries than their constituencies.

A small group of NGOs engaged in social entrepreneurship frequently seeks market niches and unmet local needs. In most cases, however, the kinds of services and products provided by NGOs do not reflect citizens’ real and most pressing needs. Most of the services NGOs deliver are contracted or subsidized by public sources. They reflect the priorities of public administration officials at the local, regional, or

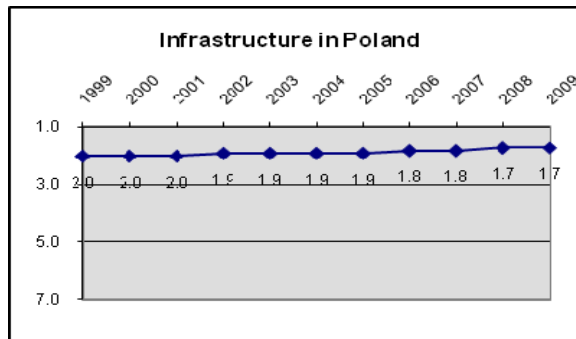
national levels—or, to a growing degree, the EU level.



Overall, cost recovery did not change much in 2009, though NGOs gained some experience in charging fees for services to recover costs.

INFRASTRUCTURE: 1.7

The infrastructure of NGOs improved only slightly in the last year. There have been a number of intersectoral partnerships between NGOs and local governments, but partnerships between NGOs and business are still quite rare.



Support centers created within the framework of EU-funded projects provide numerous trainings, often free of charge, to NGOs. However, the quality of training is not always high.

The portal www.ngo.pl/, run by the Klon Jawor Association, continues to constitute the database of NGOs in Poland and publishes information of

PUBLIC IMAGE: 2.2

The overall public image of NGOs did not change much in 2009. The media has become more interested in covering the work of NGOs, but primarily this is local media. Few journalists write articles about NGOs; if they do, they write about scandals in the sector or spectacular events organized by large charities. Commercial media promote their own foundations. The campaigns for 1 percent of citizens' tax liabilities have contributed to the growth of cooperation with the media, and various media (mostly local newspapers) give space to NGOs at a reduced price or for free during these campaigns.

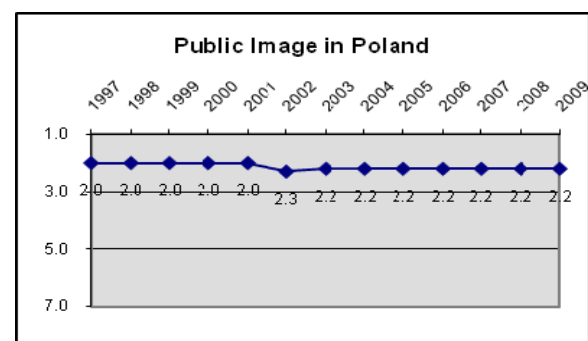
A growing number of organizations invest in public relations. Public opinion polls show that most citizens still do not understand the notion of a nongovernmental sector, yet the percentage of those that do has been growing. People tend

interest to NGOs on a daily basis, including analyses of legal changes and announcements of upcoming conferences, trainings, and job vacancies. Readers post a large portion of the available information.

The number of local grantmaking organizations established by businesspeople hoping to invest in their communities has barely increased, as many of these professionals are facing financial difficulties and have fewer profits or reserves to donate.

Several NGO coalitions of organizations working in similar fields have formed with the aim of influencing government policies. Since 2003, a Public Benefit Activity Council, made up of NGO and government representatives, has advised the Cabinet of Ministers. NGOs nominate and elect members of the council; representatives from smaller, lesser-known NGOs are unable to get enough votes to win a seat, so council members tend to come from large NGOs and to represent their interests.

to identify only specific national charity organizations and actions that are popularized in



the national media by celebrities. Few people are aware of the diversity of the NGO sector.

The government, however, increasingly appreciates the role of NGOs in providing

professional services and is beginning to look to NGOs for expertise and information.

More NGOs say that they publicize their activities and promote their public image, which generally consists of creating and maintaining a website. However, NGOs tend to concentrate on creating a good image among potential donors rather than seeking the support of local communities.

Due to a lack of sanctions, a majority of organizations do not submit financial reports as required, let alone engage in other actions to promote transparency. Few NGOs publish annual reports, and the documents they prepare are written in hard-to-understand language and are often difficult to find on their websites. Many websites do not contain contact details for staff, and the descriptions of activities are vague. Financial information or donor lists are often regarded as trade secrets.