



POLISH-AMERICAN FREEDOM FOUNDATION



2014 ANNUAL REPORT

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LETTER FROM
THE PAFF LEADERSHIP

LETTER FROM THE PAFF LEADERSHIP

We are pleased to present you with our Annual Report that summarizes the activities of the Polish-American Freedom Foundation in its fifteenth year of operation.

A truly noteworthy event, though falling in the period beyond this report, was the Foundation's 15th anniversary, which we celebrated on May 15, 2015. The jubilee ceremony was attended by many eminent guests. Among them: Poland's First Lady Anna Komorowska, the wife of the President; the former Prime Minister and President of the European Parliament Professor Jerzy Buzek; President of the Constitutional Tribunal Professor Andrzej Rzepliński; President of the Supreme Audit Office Krzysztof Kwiatkowski; U.S. Ambassador to Poland Stephen Mull; Head of the Chancellery of the President of Poland Jacek Michałowski; and other representatives of the public sector, media and business.

The gala was attended by members of the PAFF Board of Directors, the managers of the Foundation's programs, participants of the "PAFF Leaders" Program and their tutors, local activists, representatives of groups and institutions cooperating closely with the Foundation, among them the leaders of civic organizations from all over Poland. The Foundation received letters of congratulations on its jubilee from Polish President Bronisław Komorowski, U.S. Vice President Joe Biden and former Polish Presidents Lech Wałęsa and Aleksander Kwaśniewski. During the ceremony, the PAFF program managers, with whom the Foundation has cooperated for many years, were honored with jubilee statuettes. PAFF's 15th anniversary event was combined with the reunion of the Lane Kirkland Scholarship Program alumni attended by 300 people from 11 countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Lithuania, Moldova, Russia, Slovakia and Ukraine.

The Polish-American Freedom Foundation was established by the Polish-American Enterprise Fund; since 2000 the Fund has transferred \$255 million to PAFF's endowment. Over 15 years of operation, the Foundation has earmarked over \$155 million for its program activity out of the \$187 million generated from the Foundation's endowment.

Undertaking its mission to consolidate the results of the Polish transformation and share Poland's experiences with other countries in Central and Eastern Europe, the Foundation has launched 35 programs over these 15 years, making it possible to finance 26,000 scholarships for youngsters from less well-off families, train 65,000 teachers in modern teaching methods, and carry out 11,000 local initiatives addressed to hundreds of thousands of individuals. Some 13,000 schools directly benefited from the Foundation's program activities, while 20,000 leaders and NGO workers participated in training efforts aimed at developing their skills and enhancing their qualifications.

One of the most successful PAFF activities was its 7-year partnership with the Bill and Melinda Gates Foundation. The result of this partnership was the unique, for Poland, Library Development Program. It facilitated access to computers and the Internet, along with providing training for the staff of Polish public libraries located in small localities. The program, which ran from 2008 to April 2015 and was managed by the Information Society Development Foundation, was primarily financed by a \$31 million grant provided to the Polish-American Freedom Foundation by the Bill and Melinda Gates Foundation. Microsoft donated computer software worth an estimated \$18 million. As a result of the program, almost 4,000 libraries in 1,256 communities have been transformed into modern, multi-functional local centers of information, culture, education and civic activity. We are committed to continue supporting these libraries to strengthen the sustainability of the program.

In the past year we consolidated the achievements of the "Citizen and Law" Program, which for 12 years supported the development of free legal counseling in Poland. In the course of the program, 190 projects were funded, making it

possible to provide over 170,000 legal and civic consultations to individuals in difficult financial or life situations and to open over 200 consultancy points. The program also furthered the Foundation's mission by supporting a network of non-governmental organizations and volunteers dealing with consultancy services, thereby strengthening civic society. It stimulated public debate on access to legal aid as well, which resulted in the development of systemic reform proposals. The achievements of the program are now popularized via the www.obywateliprawo.pl website.

As regards initiatives in education in the past year, especially noteworthy was the "PROJECTOR – Student Volunteers" Program that celebrated its 10th anniversary. It is currently one of the largest initiatives in Poland involving volunteers. With the help of 11,000 student volunteers, 27,000 educational projects have been carried out in about 2,000 schools, involving almost 290,000 children and adolescents. Another program that attracts great interest among youth is "Equal Opportunities". In 2014, we added a grant competition, giving the organizations managed by the most active young program leaders a chance to receive grants for the implementation of their own educational projects.

"PAFF Leaders" is a successful program, which also celebrated its 10th anniversary. So far 500 such leaders, civic activists enthusiastically engaged in initiatives serving their local communities, have participated in the program. Of that number, 154 ran for office in local government elections in the autumn of 2014. Our congratulations to the 67 mayors, councilmen and administrators who managed to win them! We believe the experience they gained through community involvement will contribute to devoted and effective governance at the local level.

Another Foundation initiative that reinforces the development of civic society is "Act Locally". The largest of the Foundation's grant programs, it supports and galvanizes communities in small towns and rural areas; some 7,000 local projects have already been carried out. The network of 60 Act Locally Centers (ALC) plays a significant role in this undertaking. It consists of dynamic organizations encompassing nearly 580 communities that organize grant competitions in order to encourage and fund various civic initiatives conducive to building social capital. In the past year, PAFF awarded certificates 12 ALCs declaring that they had met the highest standards in carrying out "Act Locally". The best practices of the "Act Locally" Program were presented last year at the "Capacity Development Forum" in Kiev attended by some 1,000 non-governmental organizations from Ukraine.

We also extended the scope of "PAFF Local Partnerships", the undertaking drawing on the experiences of "Act Locally". In the fourth round, launched in 2014, eight new partnerships entered the program, increasing the number of partnerships to 30, encompassing 73 communities and undertaking projects involving over 300 partners, 6,000 volunteers and nearly 70,000 local community members.

The "ICT for Local Development" Program is now focusing primarily on delivering knowledge that helps to determine how information and communication technologies can be applied by non-governmental organizations. To this end, a network of TechClubs has been established. They meet regularly in 16 Polish cities with representatives of non-governmental organizations, local businesses, scientific organizations and local governments to compare experiences on how they use new technologies. In the first year of the TechClubs' operation, over 3,000 individuals attended the meetings.

Since the beginning of 2014 we have followed closely, and with deep concern, the developments in Ukraine. Initiatives supporting the participants of the European integration movements and democratic transformation beyond the Polish Eastern border were undertaken as early as February by the Education for Democracy Foundation, the manager of the "RITA" Program, and the "Study Tours in Poland" team from the Jan Nowak-Jeziorański College of Eastern Europe. The measures, implemented in cooperation with the Solidarity with Ukraine Citizens' Committee, involved pro-

viding assistance for injured Ukrainian citizens who received treatment in Poland. In addition, the Education for Democracy Foundation conducted a fund-raising campaign. The funds were used for the purchase of medicines, medical expenses and food for people treated in hospitals and in field hospitals at the Kiev Maidan and other Ukrainian cities. They also served to support people and their families engaged in activities for the democratic transformation in Ukraine.

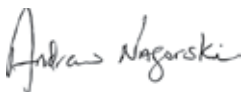
Under PAFF programs, a number of initiatives have been launched to stimulate the implementation of reforms undertaken by the new Ukrainian authorities. For example, the "Study Tours to Poland" Program, in close cooperation with the Association of Polish Cities and the Silesian Association of Communes and Districts in partnership with the Association of Ukrainian Cities, organized study visits by representatives of Ukrainian local governments.

As part of six several-day visits, 120 city mayors and other members of local authorities from 83 Ukrainian cities visited Poland. Opening meetings were held at the Presidential Palace where the guests were received by the Head of the Chancellery of the President of Poland Jacek Michałowski and Minister Olgierd Dziekoński. The agendas covered the financing of local governments, transparency in spending for local projects and regional politics. An event of special importance was the visit to Warsaw by a dozen vice ministers of the Ukrainian government responsible for European integration. The visit took place in November 2014 in cooperation with the College of Europe, Natolin Campus. Altogether, in the last year, the Foundation played host to more than 500 individuals from Ukraine.

Several months before preparing this report, the Foundation noted with deep sadness the passing of Fred Bohem, who served as a member of the PAFF Board of Directors until 2014. Fred served as Chairman of the Foundation's Investment Committee. He played critical role in the strengthening of the financial and organizational base of the Foundation, allowing us to keep developing and expanding our program initiatives. He will be greatly missed.

On this fifteenth anniversary of the Polish-American Freedom Foundation, we wish to thank many our friends: all the members of the Board of Directors and staff, along with our partners and other civic leaders in Poland who actively collaborate with the Foundation in the implementation of joint initiatives and provided so much support to all our endeavors. We trust that we can continue to work together to ensure the successful realization of the Foundation's mission for many years to come.

New York / Warsaw, June 2015



Andrew Nagorski
Chairman of the Board of Directors



Jerzy Koźmiński
President and Chief Executive Officer

THE FOUNDATION'S PROGRAMMATIC FIELDS

Initiatives in Education

ENGLISH TEACHING
EQUAL OPPORTUNITIES
LEARNING SCHOOLS (LES)
PROJECTOR – STUDENT VOLUNTEERS
BRIDGE SCHOLARSHIPS
THIRD AGE UNIVERSITIES (TAU)

Development of Local Communities

ACT LOCALLY
SUPPORT FOR NGOs
THE “PRO PUBLICO BONO” COMPETITION
PAFF LOCAL PARTNERSHIPS
PAFF LEADERS
THE LIBRARY DEVELOPMENT PROGRAM
ICT FOR LOCAL DEVELOPMENT
CITIZEN AND LAW

Sharing the Polish Experiences in Transformation

THE LANE KIRKLAND SCHOLARSHIP PROGRAM
REGION IN TRANSITION (RITA)
STUDY TOURS TO POLAND (STP)

Monitoring, Evaluation and Analyses (MEVA)



Initiatives in Education

ENGLISH TEACHING
EQUAL OPPORTUNITIES
LEARNING SCHOOLS (LES)
PROJECTOR – STUDENT VOLUNTEERS
BRIDGE SCHOLARSHIPS
THIRD AGE UNIVERSITIES (TAU)

Initiatives in Education

ENGLISH TEACHING

Introduced in 2000, this program launches and supports activities that promote the English language as well as improve the quality of English teaching to children and teenagers in small towns and rural areas. Thus it also promotes their equal access to educational opportunities. At the same time, the program contributes to the professional development of English language teachers working in small localities.

“English Teaching” is an undertaking designed to promote the study of English as well as stimulating and developing a variety of civic initiatives. Their results often transcend the original goals and frequently stimulate activity of local communities. The program’s actions are mainly addressed to English language teachers at public elementary and junior high schools as well as kindergartens in rural areas and small towns. The program’s offer includes training for teachers and it provides them with the possibility to carry out small projects along with consultancy in their preparation.

Within the program’s editions to date, conducted in 2000-2014, 860 projects were funded in grant competitions addressed to schools and non-governmental organizations from localities of up to 20,000 inhabitants. As a result, clubs of admirers of Anglo-Saxon culture and English language, lit-

tle libraries of English-language books and press as well as theater circles were set up in many schools. Numerous contests of knowledge about English writers, culture and history as well as song festivals were held. Children and young people had a chance to watch English-language films in their original versions and take part in lessons conducted by native speakers. More than 49,000 students and approx. 3,000 teachers directly participated in the projects financed within the grant competitions. Indirectly they engaged over 130,000 parents and other members of local communities.

The program includes “Weekends with English Teaching” methodological training sessions for English language teachers in localities with a population of up to 20,000 inhabitants. So far, 109 such training sessions have been conducted with more than 5,000 people participating.

The most active teachers participating in the program have a chance to expand their qualifications at a three-week Teaching English to Speakers of Other Languages (TESOL) Summer Institute, organized by Gonzaga University in the USA.

Under the program, 12 annual nationwide “English Teaching Market” meetings have been organized for teachers of English and interested institutions, organizations, schools and publishers. A total of approx. 6,300 people have participated in them. The meetings are aimed at the development of cooperation networks of English-language teachers from small localities and are additionally supported by the community portal and regular e-news on other educational initiatives such as grants, training sessions and competitions.



→ The Foundation has disbursed
\$ 6,054,424,
 including \$ 488,914 in 2014.

→ Program Manager:
The “NIDA” Development Foundation

→ more information at:
www.english-teaching.org.pl

EQUAL OPPORTUNITIES

The objective of the program, implemented since 2001, is to support civic initiatives fostering equal opportunities for a better start on the road to adulthood for young people from rural areas and small towns (of up to 20,000 inhabitants). That is achieved by improving their competencies and developing social skills, such as teamwork, the ability to win support for achieving one's goals and planning various activities.

Within the program NGOs, community centers, libraries and informal groups apply for grants to finance projects stimulating the intellectual and creative aspirations of children and teenagers, developing their ability to achieve independently and realistically set goals, shaping active and open attitudes. Such projects also encourage efforts benefiting their communities and enable young people to participate in activities extending beyond a standard curricula offered by schools. In 2014, 134 projects were funded within the "All-Poland Grant Competition" and the "Regional Grant Competition".

Rounding out the program are training sessions for project coordinators. The sessions deal with ways of conducting projects, particularly emphasizing the involvement of young people in the role of active creators, participants and direct implementers of an undertaking. The project coordinators can take ad-

vantage of ICT training sessions as part of the "ICT for Local Development" Program; in 2014, they were participated by 66 people.

An important component of the "Equal Opportunities" Program are its Local Forums, held by organizations participating in the program. The Forums are a place for institutions and individuals involved in activities benefiting the youth in their communities to discuss the potential of the local environment as well as barriers limiting the development opportunities for young people living in small towns. In 2014, 9 forums were held with participation of 250 people.

Last year, the second edition of the summer-school workshops for the most active project participants was held. These are meant to upgrade their skills in the implementation of initiatives serving their local communities

as well as to develop their leadership skills. Those who complete the summer school are eligible to apply for grants to implement projects benefiting their local communities.

In 2014, as part of the program, a special competition was held to engage youth in undertakings commemorating the 25th anniversary of democratic transformation in Poland. 15 projects were awarded grants for the organization of competitions, festivals, exhibitions, runs, happenings, and field games. Almost 400 young people and 3,600 residents were directly engaged in them.

The program's fourteen editions resulted in the implementation of 2,233 projects involving nearly 132,000 participants (indirectly nearly 428,000 people have been involved) and stimulation as well as integration of local communities around activities benefiting children and youth. 22 publications have been issued, describing the methodology of selected model projects, which could be implemented in other parts of Poland. The publications are available at the program's website www.rownacszanse.pl. In addition, 150 local non-governmental organizations have been established and many projects are continued after the financial support provided by the program ceases.

Through the program the Foundation provides support to the "Young Explorer Clubs" initiative, which is an extension of the model project launched



Initiatives in Education

in 2002 by the Education Society of Klodzko and currently implemented by the Copernicus Science Center. The goal of the “Young Explorer Clubs” is to promote interest in science among children and youth. The Clubs are based on learning through discovery and self-directed experiments with simple and easily accessible materials. Currently, 300 “Young Explorer Clubs” are in operation across Poland. Last year,

the third edition of the “Young Explorer Clubs” Forum was held which gathered more than 220 people. The event was attended by representatives of the Ministry of Education, the Sejm Education and Youth Commission as well as caretakers of the clubs operating in Poland and foreign guests. The forum is the platform of contacts and exchange of experiences, serving also the promotion of Young Explorer Clubs.

→ The Foundation has disbursed
\$ 11,377,573,
 including \$ 661,977 in 2014.

→ Program Manager:
The Polish Children and Youth Foundation

→ more information at:
www.rownacszanse.pl

LEARNING SCHOOLS (LES)

Under the “Learning Schools” (LES) Program, implemented since 2000, comprehensive activities have been conducted to improve the quality of Polish education on the basis of the best foreign models. The quality of Polish schools, especially those in rural areas and small towns, is raised chiefly by improving the teaching techniques of teachers. The “LES” Program introduces an original quality-enhancement system into their daily practice which ultimately increases the autonomy of the teaching staff, bolsters the position of the headmaster as the leader of his school’s transformation process and improves teamwork. All this leads to improved teaching results.

A broad offer of the “LES” Program encompasses teacher training, staff workshops, conferences for headmasters, Internet courses, a systemic program facilitating the introduction of formative assessment, educational labs and post-graduate studies. Schools participating in the program develop organization-

al solutions professionalizing teachers’ performance and monitoring the effects of their efforts as well as sharing the best practices. The program’s implementation has resulted in quality improvement in key areas of the school’s activities: effective education (teaching and learning), the school as an institution

and the school’s relations with the outside community.

In the course of the program’s 14-year history, more than 3,000 schools have participated, including more than 1,200 in the core part of “LES”, introducing them to the basis of the formative as-



→ The Foundation has disbursed
\$ 9,008,843,
 including \$ 1,032,291 in 2014.

→ Program Manager:
The Center for Citizenship Education Foundation

→ more information at:
www.sus.ceo.org.pl

assessment. More than 65,000 teachers have taken advantage of the training opportunities offered within all components of the “LES” Program.

Two major projects have been carried out since 2009 – the “Online Teachers Academy” (OTA) and the “Students’ Academy”. The former is Poland’s largest online distance training system for teachers of various subjects in different types and levels of schools as well as kindergartens. “OTA” courses make use of e-learning and online coaching and among other things, serve to prepare teachers to use modern information technologies in their work with pupils. “OTA” offers seven year-long courses. In the 2013/14 school year 1,743 teachers took part in “OTA” training courses.

The long-standing experiences of the program are used in the “Students’ Academy” initiative, financed from European Union funds. The purpose of the program is to promote mathematics

and science subjects among junior-high school students. By 2014 the project encompassed 300 junior high schools and more than 33,000 junior-high school students. The schools received funds for conducting extracurricular activities through scientific clubs for mathematics, physics, chemistry and biology. This also involved additional remuneration for overtime hours of teachers overseeing the clubs. Additionally, the schools received Young Explorer’s sets and the opportunity to participate in science festivals.

Since 2007, the “Post-Graduate Studies for Educational Leaders” Program has been carried out in cooperation with Collegium Civitas and the All-Poland Educational Management Staff Association. Their objective is skill-improvement training for management staff: headmasters and supervisory organs as well as the staff of the school superintendents’ offices. So far, 257 headmasters and deputy headmasters of all school

levels have received the post-graduate study program’s completion diplomas.

PAFF is a partner of the “School with Class 2.0” undertaking, promoting the use of information and communication technologies in learning and teaching. It expands on the “School with Class” mass campaign, launched in 2002 and inspired by the “LES” Program. It was conducted by the Center for Citizenship Education in cooperation with the “Gazeta Wyborcza” daily newspaper. By the end of 2014, all stages of the undertaking were completed by 8,500 schools from all over Poland. The campaign gave birth to the “Teacher with Class” initiative, the “Student with Class” initiative, and the “School of Thinking” initiative. In 2014, a pilot undertaking “The 1st grade Teacher with Class” was launched offering training, expert support and the platform for the exchange of experiences and inspirations between early childhood education teachers.

PROJECTOR – STUDENT VOLUNTEERS

This program is aimed at equalizing educational opportunities for children and youth living in rural areas and small towns. Within the program groups of student volunteers (2 to 3 persons) implement educational projects they have prepared to develop the knowledge, skills and interests of children and youth. The projects are implemented in free time during the school year as well as during summer vacations and winter breaks.

The projects involve a specific field of knowledge, a subject or a selected area of activity, and consist of activities such as classes in fine arts, sports, information technology, theater, and linguistics. The program encourages pupils to develop their skills by promoting positive role models and shapes university students’ sense of social responsibility while providing them with an attractive way to discover and fulfill their passions and interests.

Since 2003, in all program editions, over 27,000 educational projects have been carried out all over Poland in 2,000 schools involving almost 11,000 student volunteers and nearly 290,000 pupils.

The program was supported by two former prime ministers, professor Jerzy Buzek and professor Marek Belka, who in 2007 volunteered to conduct vacation activities for children in several ru-

ral communes. In 2012, the Foundation for the Development of Voluntary Service, in cooperation with the Chancellery of the President of Poland, carried out the “Modern Patriotism” project, in which Ministers and Advisors at the President’s Chancellery visited eight schools in small localities. The project under the honorary patronage of President Bronisław Komorowski was designed to popularize knowledge of patriotism, instill civic values among

Initiatives in Education



young people, teach local traditions and national symbols and foster tolerance and respect for other people.

Since 2011, the program has been monitored and projects carried out by student-volunteers have been evaluated on a regular basis. It serves both the direct measurement of the program results as well as recognition and understating of its impact. Among the greatest advantages mentioned by student-volunteers are the opportunity to gain new, practical experiences, the development of communication skills, the possibility

to establish new contacts, and the fact that schools of higher education acknowledge their civic activity. Educational institutions also find the program beneficial. It broadens their educational offer and improves school attractiveness making parents pleased that their children are part of the undertaking.

For years the “PROJECTOR – Student Volunteers” Program has been supported by the network of institutional partners (schools of higher education, local authorities and media). At present it affiliates more than 40 institutions in-

→ The Foundation has disbursed
\$ 5,339,877,
 including \$ 512,647 in 2014.

→ Program Manager:
**The Foundation for the
 Development of Voluntary Service**

→ more information at:
www.projektor.org.pl

cluding the Ignacy Łukasiewicz PGNiG Foundation, which is a strategic partner, the National Bank of Poland Foundation, the BGK Foundation, the Information Society Development Foundation, the Orange Foundation, the Unit for Social Innovation and Research “Shipyard” Foundation, Intel, Microsoft, PGNiG SA, the Ministry of Treasury, IBM, Euro<26, TVP INFO and the NGOs’ portal www.ngo.pl.

The Ministry of National Education has assumed an honorary patronage over the program.

BRIDGE SCHOLARSHIPS

This undertaking was launched in 2002 in response to a serious social problem – the clear disparity of access to higher education between urban and rural youth. The program helps talented young people from small localities, including former state-owned farm areas, make the decision to begin university studies by offering them first-year scholarships.

The Bridge Scholarships Program is a joint undertaking of various partners. It is financed by the Polish-American Freedom Foundation, the National Bank of Poland, the PZU Foundation (State Insurance Group), the BGK

Foundation, the Orange Foundation, the BGŻ Foundation, the Rural Development Foundation and a coalition of some 100 local NGOs. The undertaking is implemented with the organizational assistance of the Agricultur-

al Property Agency and in cooperation with Professor Bronisław Geremek’s Center as well as the Unit for Social Innovation and Research “Shipyard” Foundation. During the twelve editions of the program the Partners have

disbursed close to PLN 90.4 million, including PLN 53.7 million provided by the Polish-American Freedom Foundation.

Since 2006, under the “Diploma of Dreams” campaign intended to encourage and support additional local NGOs to become involved in scholarship initiatives, 119 organizations have extended assistance to 2,674 scholarship holders.

Since the beginning of the program, a total of over 18,000 scholarships have been awarded. Scholarships for the first year of full-time day studies leading to a Master’s degree have been granted to more than 13,000 high-school graduates. Under the program’s 13th edition (2014/15) 811 scholarships in the amount of PLN 500 per month have been granted to first-year students.

The program is currently a scholarship system whose offer goes beyond support for the first year of studies. Scholarship holders who do extremely well in their academic pursuits have a chance for assistance in successive years of study – for the second year they may enter the “Top Student” competition. They may also try for corporate scholarships for their third

and fourth years, a “Study Abroad” initiative and doctoral scholarships. The program’s offer also includes language scholarships and workshops preparing scholarship holders for entering the job market.

Also available under the program are summer internships in the United States (“the Polish-American Internship Initiative”), organized in cooperation with the U.S. Embassy in Warsaw. In the years 2011-2014, 73 students have worked as interns in the following companies: Chevron North America, Boeing, Citi, General Electric Hitachi, Pittsburgh Glass Works LLC, Raytheon BBN Technologies, Sikorsky Aircraft Corporation and Westinghouse Electric Company.

One segment of the program offered scholarships addressed to high-performing students of economics from small towns and rural areas, enrolled in non-state institutions and private business schools. Since 2001, nearly 7,000 such scholarships have been awarded.

A survey conducted among scholarship holders revealed that nearly 40 percent of them would not have been able to undertake university studies were

it not for the financial assistance of the Bridge Scholarships Program. Nearly 60 percent of graduates had grade averages of “good” or better, and 80 percent completed them without any delays. A mere 3 percent dropped out. More than 50 percent of them plan to continue their education after graduation.

Through its Bridge Scholarships Program, the PAFF also lends support to the scholarship initiatives and volunteer activities conducted by the Good Network Foundation. These include www.mojestypendium.pl portal, Poland’s largest internet service dedicated to scholarships, as well as the “Good Scholarships” competition promoting the best scholarship programs carried out by local governments, schools of higher education, companies and non-governmental organizations.

An honorary patronage over the 13th round of the Bridge Scholarships Program has been assumed by Poland’s First Lady Anna Komorowska.

The program’s media partners are “Forum Akademickie” (the Academic Forum) and “Perspektywy” (Perspectives) monthly.



→ The Foundation has disbursed

\$ 18,534,405,
including \$ 1,579,669 in 2014.

→ Program Manager:

**The Educational Enterprise
Foundation**
The Good Network Foundation
**(“My Scholarship” and
“e-volunteering”)**

→ more information at:

www.stypendia-pomostowe.pl
www.paii.pl
www.dobrasiec.org

Initiatives in Education

THIRD AGE UNIVERSITIES (TAU)

The objective of this program, launched in 2005, is to support education and stimulate social energy of the elderly as well as to promote their civic involvement. It is mainly carried out by supporting and promoting the civic initiatives of senior citizens and harnessing their potential, knowledge, experience and time to benefit communities. Support for the Third Age Universities' environment is also provided.

Within the "Seniors in Action" grant competition, grants and training are offered to people over 60 years of age, who wish to carry out civic and inter-generational actions based on their own ideas. The competition is addressed to active senior citizens involved in activities both within the framework of Third Age Universities and in cooperation with various organizations and institutions. So far 231 intergenerational projects stimulating seniors to act for the benefit of their communities and promoting their voluntary work have been carried out. 33 projects are implemented within the 7th edition of the competition.

Within the framework of support for Third Age Universities, the program offers training, workshops and an opportunity to share experiences at national conferences for TAU representatives. In 2004-2012 all-Poland gatherings were held in Kraków, Bydgoszcz, Słupsk, Płock, Warszawa Nowy Sącz and Katowice. In 2011-2013, the program gave its support to 14 regional meetings of the Third Age Universities. Since 2013, the TAU representatives have been provided with an opportunity to take part in a series of workshops "TAU for Local Communities", which support the establishment of voluntary sections at TAU

and initiate cooperation with local communities.

In 2005-2008, within the grant competition addressed directly to the Third Age Universities 131 grants were awarded for projects improving the quality of the educational offer, including computer and Internet courses enabling the Third Age Universities' to reach a wider audience of senior citizens as well as stimulating seniors' involvement in activities benefiting their local communities, particularly through voluntary work.



→ The Foundation has disbursed
\$ 3,461,910,
 including \$ 301,542 in 2014.

→ Program Manager:
**The Association of the Creative
 Initiatives "e"**

→ more information at:
www.seniorzywakcji.pl



Development of Local Communities

ACT LOCALLY
SUPPORT FOR NGOs
THE "PRO PUBLICO BONO" COMPETITION
PAFF LOCAL PARTNERSHIPS
PAFF LEADERS
THE LIBRARY DEVELOPMENT PROGRAM
ICT FOR LOCAL DEVELOPMENT
CITIZEN AND LAW

Development of Local Communities

ACT LOCALLY

The objective of this program, launched in 2000, is to assist and encourage local communities in villages and small towns by lending support to civil initiatives that foster developmental aspirations, improve the quality of life and contribute to building social capital. Under the program support is offered to encourage the activity of local communities, the members of which define their own needs and undertake joint initiatives. People are different, as are their needs, traditions, experiences, and available resources. Therefore, the program supports a wide range of projects.

Grants are awarded at the local level in open grant competitions, organized each year by a network of Act Locally Centers (ALC) which encompasses associations and foundations in localities with up to 50,000 residents. Their area of activity may cover from four communes to several districts. The ALC network has successively expanded from 15 centers in 2004 to 60 organizations in 2015. At present, it involves nearly 600 communes. There is at least one Act Locally Center in each voivodship. New ALCs are selected in open recruitment procedure by the Competition Committee. The beneficiaries of local competitions are NGOs and informal groups of citizens on whose behalf applications may be submitted by organizations and local public institutions (schools, community centers, libraries) operating in localities of less than 20,000 inhabitants.

In the first three editions of the “Act Locally” Program, started in 2000, 356 projects were supported in the national grant competition, involving more than \$1 million from PAFF funds. In 2004 local competitions were launched as well through the agency of Local Grant Organizations (currently known as Act Locally Centers). In the years 2004-2012, grants were awarded in nationwide competitions to 99 projects, while 4,886 grants were provided through the Act Locally Centers’ network. As part of the program’s 8th edition, in two grant competitions, in 2013 and 2014, 1578 grants were awarded. The financially assisted initiatives mainly center around strengthening local community cooperation, creating new personal-development and leisure-time opportunities as well as enhancing the attractiveness of a given region.

The common denominator of the assisted projects has been local involvement enabling local residents to acquire news skills, learn how to self-organize better and react to new problems. A total of nearly three million participants including close to 150,000 volunteers joined forces to carry out close to 7,000 projects. For those implementing financially assisted initiatives a “Tell me...” competition has been organized. Prizes are presented for the most interesting ways of promoting and communicating the project’s activities. Also, for several years a competition has been organized awarding the most creative ideas for carrying out campaigns informing about the possibility of submitting 1% of the income tax to the public charity organization.

Improvement of the Act Locally Centers’ operations is served by training



→ The Foundation has disbursed
\$11,418,352,
 including \$ 940,117 in 2014.

→ Program Manager:
**The Academy for the Development
 of Philanthropy in Poland**

→ more information at:
www.dzialajlokalnie.pl

sessions, workshops, regional meetings and study visits organized under the program. They make it possible to share best practices, improve knowledge and qualifications and strengthen cooperation within the network. ALCs meeting the highest standards in the implementation of the program are awarded with certificates. This is the form of appreciation for outstanding involvement and professionalism in carrying out activities aimed at the development and stimulation of local communities, which can serve as model for other organizations.

The experience thus acquired is put to good use by the Act Locally Centers in other Foundation's undertakings such as "PAFF Local Partnerships". There they can play a leadership role in coalitions with different beneficia-

ries of the Foundation's programs jointly engaged in projects benefiting the local community. In the "PAFF Leaders" Program, ALC representatives serve as leaders and tutors, and in the "ICT for Local Development" Program they belong to the network of Mobile Advisors assisting other organizations in ICT use. Since 2013, the Act Locally Centers have taken part in the project of the National Bank of Poland and the Academy for the Development of Philanthropy in Poland with PAFF acting as a supporting partner: "Invest Well in Good. New Horizons on Financial Management".

Within the program, PAFF supports the "Benefactor of the Year" Competition and maintains patronage of the "Local Involvement" category, which promotes the civic engagement of compa-

nies, which in cooperation with ALCs contribute to long-term local changes. The Foundation is also the main partner of the "Civic Leader of the Year" Competition, organized by "Newsweek Polska" (the Academy for the Development of Philanthropy in Poland is the content partner). The aim of the Competition is to award pro-civic attitudes and to promote the activities of individual people and organizations, standing behind them in solving various social problems.

The Foundation also supports the "Charity Stars" plebiscite organized by the Academy for the Development of Philanthropy in Poland. It awards well-known people for their charitable activities.

SUPPORT FOR NGOs

The program provides institutional support for non-governmental organizations and community leaders in Poland, especially in small towns and rural areas. The support includes access to information, advice and training. It leads to the improvement of the conditions in which third sector organizations operate and thus to more effective operations and successful implementation of civic projects.

At present, the program operates along four paths.

The first is the "Mutual Information Society" ("MIS@NGO") – the NGO information system whose main component is the Non-Governmental Organizations' Portal ngo.pl. In 2014, it scored a monthly average of more than 870,000 page views a month and more than 656,000 users. The system also comprises an Informatorium (information center) with its 801-646-719 hotline, research and publications as well as "Third Sector" quarterly journal published by the Institute of Public Affairs.

The second is "EURO-NGO+" – it is aimed at increasing the nonprofit organizations' ability to acquire European Union funds. It is a continuation of PAFF's "EURO-NGO" Program carried out in 2003-2006, thanks to which Polish NGOs learned about structural funds and increased their competences, which enabled them to apply successfully for EU funds. The program supported third sector organizations in building partnerships, advocacy activities and becoming involved in planning structural funds for the years 2007-2013 and currently – 2014-2020. Information activities

such as the www.eu.ngo.pl service are conducted by the Federation of Polish NGOs "Szpitalna Center", while advocacy activities by the National Federation of Polish NGOs. The offer includes experts' support.

The third path – "NGO Training" comprises two components. The first is the "Financial Management for NGOs" ("FIM@NGO") which includes training, counseling and publications for people responsible for financial management of nonprofit organizations, mainly those operating beyond major metropolitan areas. All told, dur-

Development of Local Communities



ing the period 2000-2013 more than 3,500 people representing 2,500 organizations from all over Poland took advantage of such training opportunities. The training courses are implemented by the Civil Society Development Foundation. The second component, launched in 2013, includes a comprehensive educational offer for NGO managers. It comprises the training program “PROMENGO”, the “Kursodrom” e-learning platform as well as workshops devoted to NGO management. It is implemented by the Academy of Civic Organizations Foundation, set up by PAFF.

The fourth path is to continue selected activities conducted by the Institute of Public Affairs as part of the “Citizen and Law” Program, completed in 2014. The purpose of the program was to make citizens’ access to civil counseling broader and easier and to encourage them to avail themselves of their rights in the public sphere. The continuation is aimed at popularizing its effects, supporting information and publishing activity e.g. via the www.obywateliprawo.pl portal and monitoring the activities aimed at the regulation of access to free legal and civic counseling.

→ The Foundation has disbursed

\$6,826,853,

including \$ 632,218 in 2014.

→ Program Manager:

The Klon/Jawor Association
The Civil Society Development Foundation (“MIS@NGO”)
The Academy of Civic Organizations Foundation (“PROMENGO”)
The Institute of Public Affairs (“Citizen and Law”)

→ more information at:

www.ngo.pl; www.frso.pl
www.promengo.pl
www.obywateliprawo.pl

Additionally, under the program the PAFF has been a co-organizer of the annual meeting of rural organizations in Maróz. Nearly 500 representatives of 200 organizations from different regions of Poland have participated in the meetings which promote integration, experience sharing, the acquisition of new knowledge and skills as well as cooperation. The meetings are organized by the Rural Development Foundation and the “Nida” Development Foundation. PAFF also supports the third sector condition research which is carried out cyclically.

THE “PRO PUBLICO BONO” COMPETITION

The “Pro Publico Bono” Competition for the Best Civil Initiative was initiated in 1999 by Prime-Minister Jerzy Buzek. Since 2000 the Polish-American Freedom Foundation has funded the prizes awarded in the Competition.

The purpose of the Competition is to support the development of civil society by awarding the most valuable and creative activities undertaken by non-governmental organizations – on a national, regional, and especially

local level – in the fields of education, culture and national heritage, health protection, social and charitable assistance, environmental protection and regional development, public diplomacy and European integration.

When considering an initiative, the Chapter or evaluating body (whose first honorary chairman was Jan Nowak-Jeziorański) takes into account the social importance of the initiative, its innovativeness, impact on the development

and competitiveness of local communities, and the effectiveness and transparency with which it makes use of public funds. Also, the Chapter considers the institutional stability of the nominee, compliance with ethical standards in its activity, and its cooperation with public administration and other institutions. The competition winners are rewarded with financial support which most frequently is allocated for the continuation of their efforts.

In 2014 – the year of the 25th anniversary of political transformation and 15th anniversary of the “Pro Publico Bono” Competition – jubilee “Pro Publico

Bono” Independence Rebirth Awards were presented to the Cultural Promotion Association of Aleksander Tansman seated in Łódź and to the Polish Academy of Arts and Sciences seated in Kraków. Distinctions went to the “East Bound” Association for Civilizational Development from Sejny and “Doctors of Hope” Association from Krakow.

In 2013, within the “Pro Publico Bono” Competition the Boleslaw Wierzbiański’s Prize was also awarded to local newspapers from localities of up to 100,000 inhabitants. The prize went to the editorial staff of the “Mazowieckie to i owo” (Mazovian This and That)

weekly. Until 2011, the prize had been awarded by the Polish Journalists Association. Currently its host is the Local Press Association.

→ The Foundation has disbursed
\$ 2,403,134,
 including \$ 124,411 in 2014.

→ Program Manager:
The “Pro Publico Bono” Competition Foundation

→ more information at:
www.propublicobono.pl

PAFF LOCAL PARTNERSHIPS

The purpose of the “PAFF Local Partnerships” Program is to initiate and develop cooperation among the beneficiaries of various PAFF programs promoting the creation of partnerships around the implementation of social projects important to local communities. The program uses the method of animating local communities and bringing them together around the idea of the common good, which is defined on the basis of a previously conducted social diagnosis.

Thanks to PAFF’s broad and diversified program offer, in many local communities in Poland projects have been carried out which create opportunities to unleash new civic energy. The “PAFF Local Partnerships” Program offers an opportunity to create partnership projects utilizing this potential in work benefiting their local communities, helping to better consolidate local social capital through building synergies between the experiences gained and results achieved as part of various initiatives. In the communes where PAFF programs have been implemented local partnerships emerge comprising beneficiaries of PAFF programs (who form the Initiative Group as the core of the coalition) which are then joined by local-governments, NGOs, institutions,

firms and the local media that have not taken part in the Foundation’s programs in the past. In the first three editions the partnerships were led by the Act Locally Centers. On a pilot basis in the program’s fourth edition, which began in January 2014, the partnerships may also be led by organizations taking part in one of the following programs: “English Teaching”, “Equal Opportunities”, “Learning Schools”, “PAFF Leaders”, Library Development Program, and “Region in Transition” (RITA). Numerous local residents and volunteers are engaged in the implementation of the program.

Within the program’s first two editions (in 2009 and 2010) grants were awarded for initiatives submitted by 15 part-

nerships. They were implemented in 30 communes in various regions of Poland with the participation of more than 200 partners. The results of the projects include e.g. a change of legal regulations in order to reduce air pollution in Żywiec, setting up the first Internet youth radio in Nidzica, creating a mobile facility for civic participation in Pelplin and Gniew and creating a “Rafters Club” in Solec nad Wisłą.

In the third edition of the program completed in December 2013 grants were awarded to 7 partnerships active in 19 communes. The outcomes of the projects carried out by 130 partners include setting up a local Internet civic television in Grodzisk Mazowiecki jointly created by local people and vol-

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unteers, upgrading a public park in Biłgoraj and building a common space open to all, as well as renewal of friendly relations between the communes of Drawsko Pomorskie and Złocieniec through the joint reenactment of a historical battle for a cannon. The activities were summed up in autumn 2013 at a gala meeting with Minister of Labor and Social Policy Władysław Kosiniak-Kamysz. Currently, the third-round partnerships get extra financial support from PAFF to carry on their work of developing a strategy for the consolidation of their results, making those results sustainable and ensuring the durability of the coalitions.

The program's current, 4th edition is participated by eight new partnerships which implement projects in 24 communes. Partner activities center around creating the district voluntary center near Dębica, a reconstruction group in Stoczek Łukowski, cultural-civic stops in Ełk, and youth village councils in Staszów. In Supraśl the residents design their common space and

in Dolina Baryczy they promote their regional product – a carp. In Trzciel a miscellany fair is organized while in Strachówka the history of the Cyprian Norwid family has been restored.

So far in all editions of the program a total of 30 partnerships have been established which cover 73 communes, with nearly 400 partners involved.

A two-day seminar with Polish and foreign experts held in 2013 inaugurated a pilot initiative for the alumni called "The Common Good Lab". It is addressed to the partnerships set up in the first two editions. Another meeting of the alumni was held in June 2014. The "Lab" aims to popularize the cooperation of local communities working for the common good, promoting methods of animating local communities and enhancing the sustainability of existing partnerships. The initiative offers access to resources such as publications, films, workshop scenarios, civic games, experts' support, participation in study tours and meetings en-

→ The Foundation has disbursed

\$ 1,525,428,
including \$ 192,518 in 2014.

→ Program Manager:

**The Academy for the Development
of Philanthropy in Poland**

→ more information at:

www.lokalnepartnerstwa.org.pl

abling the sharing of best practices as well as the possibility to receive a mini-grant for the implementation of educational and training projects. 28 grants have been distributed so far to help develop tools required for local community animation, such as outdoor games, Internet quizzes, public campaigns, training scenarios, and workshops.

The program also popularizes a method of animating local communities, developed in cooperation with experts of the Unit for Social Innovation and Research "Shipyard" Foundation and then presented in the publication "How to build the common good? A Guide for those who act locally", published by the Academy for the Development of Philanthropy in Poland. Regular regional meetings, workshops and an e-bulletin of the program co-created by members of the partnerships help to enhance the sustainability of the partnerships and enable the sharing of experience.

PAFF LEADERS

The objective of this program, implemented by the School for Leaders Foundation, is to support the development of skills and qualifications of individuals working for the benefit of their communities. This is achieved mainly through the use of the tutorial method which involves the regular cooperation of an experienced tutor with a local leader.

The program is addressed to active participants of projects financed by various programs of the Polish-American Freedom Foundation: “Act Locally”, “Equal Opportunities”, “English Teaching”, “Region in Transition” (RITA), “PAFF Local Partnerships” and the Library Development Program.

The core part of the program is a twelve-month cooperation between a leader and a tutor coupled with a series of training sessions adapted to the participants’ needs and priorities, which primarily focuses on interpersonal development planning, team building, managing an organization, communication, community involvement and building local partnerships. The skills acquired in the program help leaders undertake activities benefiting their local communities.

An essential component of the program is the offer for program gradu-

ates – the “Alumni Initiative”, which provides an opportunity to participate in meetings with well-known figures of public life and in workshops adapted to alumni needs. Also, within the development fund, they may obtain grants for enhancing their leadership skills. Through the electronic newsletter alumni regularly receive information about current undertakings carried out within the program. Leaders may also exchange experiences during annual meetings of participants as well as via civic portals.

Since 2008, study visits to the United States have been organized as part of the International Visitor Leadership Program in cooperation with the American Embassy in Poland. In 2014, another group of leaders and tutors participated in a visit.

Last year the second edition of the “Leadership Innovation Laboratory”

was carried out. Its purpose is to help local community leaders create innovative solutions to social problems. As part of this undertaking, 15 leaders participated in workshops and meetings with experts. They also cooperated with 8 tutors whose knowledge and experience supported them in working out their own business models for proposed solutions. As a result, 12 models were developed. They referred to the functioning of culture centers, development of the crowdfunding platform for non-governmental organizations, running the theater created by disabled people, and opening a debate on the presence of women in the public life. The initiative’s partners were the Ashoka Innovators for the Public Foundation, SAP and PriceWaterhouseCoopers.

As many as 154 alumni and participants as well as two tutors of the “PAFF Leaders” Program (89 women and 63



→ The Foundation has disbursed

\$ 3,329,106,

including \$ 400,712 in 2014.

→ Program Manager:

The School for Leaders Foundation

→ more information at:

www.liderzy.pl

www.drzwipowoli.pl

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men) ran in the 2014 local elections. 67 of them won seats. The majority (65%) of PAFF Leaders candidates represented the local committees.

In 2014, the publication entitled “This is where you have to open the door slowly” was issued. It consists of 10 reportages presenting the activities

of program alumni. The stories described by the journalists local leaders who, with vision and passion, act in various parts of Poland for the benefit of their local communities. This is another publication which is to promote the “PAFF Leaders” Program and the social change which takes place thanks to its implementation.

As a result of the program’s ten editions the qualifications of 501 local leaders from all over Poland have been improved, and an active nationwide network has emerged. In addition, more than 60 tutoring experts have been trained. In the 10th (current) edition, which began in 2014, 36 leaders and 10 tutors are participating.

THE LIBRARY DEVELOPMENT PROGRAM

The program is addressed to public libraries and their branches in rural areas and small towns (up to 20,000 inhabitants). The principal goal of the Library Development Program is to assist them in transforming themselves into modern, multi-function information, cultural and education centers stimulating civic involvement. Thanks to the assistance received by nearly 4,000 libraries, residents of rural areas and small towns gained an opportunity to improve their quality of life. Raising librarians’ competencies and building the prestige of their profession constitute an important component of the program.

Until April 2015, the program was carried out in partnership of the Polish-American Freedom Foundation and the Bill and Melinda Gates Foundation. It was part of “Global Libraries” – a broader project in which the Gates Foundation created partnerships in selected countries to provide citizens with free access to information and communication technologies via a public-library network.

The program started in 2008 with a planning phase, during which a detailed plan of assistance to Polish libraries was created by way of providing them with computer hardware and software as well as training opportunities for the librarians. A cooperation agreement was signed with the Ministry of Culture and National Heritage which launched a long-term program called “Library+”; it is managed by the Book Institute. The aim of PAFF and the Ministry was to shape both undertakings to reinforce and complement each other.

In 2009 the implementation phase of the program got under way. The recruitment process was carried out by competition in three rounds. As many as 1,873 libraries qualified for the first round. 1,454 libraries qualified for the second round of the program in 2011. In the first half of 2013, recruitment to the third round was carried out, whose organization was possible thanks to the effective management of funds granted by the Gates Foundation and PAFF’s financial contribution. All told, the program covers 3,808 libraries in 1,250 communes, which comprises almost 60 percent of all Polish libraries in villages and small towns.

Program participants received content-related support in the form of various training courses (such as library planning workshops, IT training and other training which helps profile further development of the libraries to meet the needs of their local communities) and technical assistance in the form of modern computer equipment (includ-

ing computers, laptops, tablets, multifunctional devices, printers, projectors and digital cameras) together with software provided for free by Microsoft. Additionally, libraries had an opportunity to apply for grants to finance activities included in the libraries’ development plans, which enhanced their offer for library users. Also, they could receive grants for the organization of meetings for cooperating institutions aimed at integrating the local librarians’ environment and sharing experiences.

Librarians expand the libraries’ offer, providing courses on computer and Internet use, the possibility to meet interesting people, watch an exhibition, and enroll in a film club. They also provide support in writing a cv and organize meetings of people who share passions and interests. As a result, libraries become the “third place” in their localities – a place open to all.

Within the program the Partnership for Library Development was supported.



It brought together more than 100 representatives from the world of science, art, economy, the media, politics and the non-governmental sector. In addition, 16 Regional Partnerships with provincial authorities were established by the Information Society Development Foundation. Their task is to promote the modernization of public libraries in small localities. The partnerships for the development of libraries were also set up at the commune level. They are of an open character: in addition to local-governments other institutions important to social life at the local level may participate, such as schools, non-governmental organizations, business entities, mass media as well as local leaders.

Actions were taken to promote libraries, such as social campaigns organized within the program, e.g. an all-Poland promotional-informational campaign “Library. A place of reading. A place of activity” and an Internet competition “Let’s meet in the library” as well as an all-Poland public libraries’ convention held every year since 2010 with each single time participation of over 400 people, mainly librarians from small localities. The “LABiB” initiative is also being developed, which encompasses a network of a few dozen librarian-in-

novators, who, via a dedicated social networking site, create and popularize best practices in library’ activities.

Also engaged in activities benefiting libraries were third sector organizations, such as the Center for Citizenship Education Foundation, the KARTA Center Foundation, the Comenius Foundation for Child Development and the Association of Creative Initiatives “ę”. Within the “Non-governmental organizations for libraries” offer, they prepared proposals for joint actions and initiatives broadening the libraries’ services. Other actions were also taken to enhance the entire library system by cooperating with the National Library, voivodship public libraries and the Association of Polish Librarians.

In 2012 the Ministry of Culture and National Heritage, the Ministry of Administration and Digitization, the Information Society Development Foundation and Orange Polska concluded an agreement important to the Library Development Program – extending for the next three years their joint efforts for the digitization of Polish public libraries. The agreement was first signed in 2009. The Telekomunikacja Polska Group declared then to provide all commune public libraries with free

→ The Foundation has disbursed

\$ 2,525,655,

including \$ 1,104,252 in 2014.

→ Program Manager:

The Information Society Development Foundation

→ more information at:

www.biblioteki.org

Internet access via cable technology, and in other localities – a wireless system with the highest-capacity links at a given location, plus exemption from subscription fees. So far approx. 3,500 libraries have benefited from the offer.

In 2012, the Information Society Development Foundation was presented with the “E-Inclusion Award for the implementation of the Library Development Program 2012” in the competition organized by the European Commission. The competition awards initiatives aimed at promoting best practices in the use of new information and communication technologies as well as those counteracting digital exclusion. Almost 300 initiatives from 35 countries were submitted to the competition.

After three years of the program’s implementation, the Unit for Social Innovation and Research “Shipyard” Foundation, commissioned by the ISDF, conducted quantity and quality studies in communes covered by the program in order to discover how Poles benefit from library use. The research results were presented in the “What do Poles need libraries for?” report. The impact of the program on the libraries participating in it was also analyzed on the basis of the data provided by the Central

Development of Local Communities

Statistical Office and then described in the “What has changed in libraries?” study published in July 2014.

The Library Development Program was financed by an almost \$31 million grant made available to PAFF by

the Bill and Melinda Gates Foundation. Microsoft donated to the libraries (both participants and non-participants in the Library Development Program, considered as its target group) computer software worth an estimated \$18 million.

The implementation of the program in cooperation with the Gates Foundation ended in March 2015. Support for libraries will be continued as part of the strategy aimed at building the sustainability of the Library Development Program.

ICT FOR LOCAL DEVELOPMENT

The program has been implemented since 2012 and is a continuation of PAFF’s activities aimed at supporting the use of new information and communication technologies for local development. Its goal is to broaden the knowledge and skills of non-governmental organizations’ employees and leaders in an effective use of such technologies. Wider use of ICT in the everyday work of non-governmental organizations considerably improves the quality of their activities. The program places particular emphasis on supporting organizations that operate in small local communities.

The implementation of the program was preceded by a series of analyses which had been carried out by the Unit for Social Innovation and Research “Shipyards” Foundation. Consultations with domestic and foreign experts were held. Information collected on the progress made by NGOs in the ICT field and on the knowledge and qualifications of their staff in that area has been made available.

Within the three program editions, thematic training for local NGOs was carried out showing examples of using modern technologies in communication, marketing and management. Subsequently, some of those organizations received grants for purchase of hardware and software as well as for financing projects focusing on the practical use of ICT in third sector activities.

The program’s offer also includes an ICT Mobile Advisors’ Network – 40 experts providing free technological support services for local NGOs. So far, 400 organizations have taken advantage of the opportunity and have been provided with more than 800 consultations from Mobile Advisors.

The program also comprises an educational component (which includes



→ The Foundation has disbursed
\$ 911,128,
 including \$ 374,531 in 2014.

→ Program Manager:
The Information Society Development Foundation

→ more information at:
www.technologielokalnie.pl
www.technologie.ngo.pl

the technologie.ngo.pl portal) and a support system, including financial assistance, for a group of selected non-profit organizations. Particular emphasis is placed on providing knowledge on how to identify potential areas where information technologies can be harnessed by NGOs. A network of Tech Clubs has been set up in sixteen Polish cities where representatives of NGOs, local business, local governments and the academic community meet on a cyclical basis to share experiences on putting the potential of modern technologies to practical use.

In 2014, the Tech Club meetings were participated by more than 3,200 people.

The Innovation Fund was also launched last year to finance new ICT tools which may be then used by non-profit organizations.

An important part of the program are the annual all-Poland "Sector 3.0" conferences, held in Warsaw, as well as Regional Technological Forums. They gather representatives of non-governmental organizations, ICT professionals from business circles, politicians, ac-

ademics as well as foreign experts (including representatives of the USA, Great Britain, India and Nigeria). They constitute a platform for the exchange of information about current trends in the ICT and Internet use in social/civic activities. In 2012-2014, over 850 people participated in the three rounds of "Sector 3.0" Conference organized in Warsaw. Three Regional Technological Forums, which were held in the Pomeranian, Sub-Carpathian and Silesian regions, also drew considerable interest and attracted a total of more than 400 participants.

CITIZEN AND LAW

The purpose of the program, implemented between 2002-2014, was to support the development of various forms of civic and legal counseling. It did so by providing support to non-governmental organizations which dispense free, expert legal information and advice and by encouraging citizens to exercise their rights in the public sphere. Thanks to the development of the free legal counseling the program provided assistance to individuals in difficult financial straits or life situations. It also fostered public debate on reforming the system of access to legal assistance.

Within the program, a grant competition was organized for non-governmental organizations providing legal and civic consultancy. 190 projects were funded, including 150 within

open grant competitions and 40 others as part of regranting provided by the Legal Clinics Foundation and the Union of Citizens' Advice Bureaus. Those projects made it possible to pro-

vide over 160,000 legal and civic consultations, open 218 new consultancy points, organize 1,100 training courses and conferences as well as print 225 publications and other materials. The



→ The Foundation has disbursed
\$ 3,442,628,
including \$ 161,324 in 2014.

→ Program Manager:
The Institute of Public Affairs

→ more information at:
www.obywateliprawo.pl

Development of Local Communities

grants were worth a total of over PLN 6 million. The last two rounds of the competition focused on quality legal advice services rendered to members of social groups with specific legal needs, such as the disabled, the homeless, and refugees.

Activities within the program were overseen by the Council of Experts comprised of authorities from the legal community. The Council's task was to recommend solutions facilitating citizens' access to legal aid. The Council stimulated public debate by holding open seminars attended by representatives of legal communities and the media. Discussions dealt with access to free legal assistance and information as well as the need for organizational and legislative changes, limited access to legal professions, legal ethics, the limited access of citizens to free legal assistance and challenges facing the judicial system. The Council also commissioned pilot projects dealing with issues of a systemic nature. These included strategic litigation concerning selected aspects of citizens' access to legal aid, popularization of civil me-

diation as an alternative way of resolving disputes and cooperation between NGOs and lawyers' associations in order to increase access of impoverished citizens to legal assistance, methods of communication between courts and citizens, defining basic terms of legal counseling and access to information on legal acts and judiciary as well as NGOs' cooperation with law sociologists. The effects of the Council of Experts' efforts were popularized among non-governmental consulting organizations, in the legal community and among decision-makers of the justice administration. The work of the Council led to the creation of the www.mediacjaistemza.pl website, promoting civil mediation and the Pro Bono Center, thanks to which NGOs may obtain free legal assistance from well-known law offices.

The "Active Citizen" Forum, an independent consultative body studying organizational obstacles limiting voter turnout and developing recommendations on how to improve citizens' voting involvement, was part of the program. The Forum affiliated more than

a dozen individuals engaged in promoting improved voter turnout, including experts (sociologists, psychologists, political scientists and constitutional law experts) as well as NGO leaders.

The ceremony summing up the achievements of the program was held in December 2014. A portal was created to put together the resources gathered as part of the projects supported by the grant competitions and activities of the Council of Experts as well as the "Active Citizen" Forum. The Advisory Organizations Platform continues advocating new EU funds, and the community of advisory organizations is getting integrated. Training courses and debates with experts on selected subjects are offered. The continuation of some of the activities popularizing the effects of the program, sustaining information and publishing actions through, among others, the www.obywateliprawo.pl portal and monitoring the activities aimed at the regulation of access to free legal and civic counseling are now part of another PAFF program – "Support for NGOs".



Sharing the Polish Experiences in Transformation

**THE LANE KIRKLAND SCHOLARSHIP PROGRAM
REGION IN TRANSITION (RITA)
STUDY TOURS TO POLAND (STP)**

Sharing the Polish Experiences in Transformation

THE LANE KIRKLAND SCHOLARSHIP PROGRAM

The objective of the program, implemented since 2000, is to share Polish experiences in transformation with representatives from Eastern Europe, the Caucasus and Central Asia during two-semester complementary studies at Polish universities. The scholarship offer is directed to active leaders ready to act for democracy, market economy and civic society. The program is currently addressed to candidates from Ukraine, Russia and Belarus as well as Moldova, Georgia, Armenia, Azerbaijan, Kazakhstan and Kirgizstan.

Under individual study programs, Lane Kirkland scholarship holders study selected aspects of economics and management, public administration and business, law, social and political sciences, and journalism. They proceed with their individually-programmed studies at universities in Warsaw, Kraków, Poznań, Wrocław and Lublin under the supervision of academic tutors. An important part of the program are vocational internships. During their stay in Poland, all scholarship holders meet at four reunions. Courses on project implementation and teamwork supplement the curriculum. The scholarship, granted for

nine months, covers the cost of education, accommodation, insurance, travel and purchase of educational aids.

Following the program's completion, contact with graduates is regularly maintained thanks to the bulletin and reunions of alumni. Former scholarship holders receive back-up from the Coordinator of Post-Scholarship Projects whose task it is to maintain graduates' contacts with Poland and encourage them to undertake joint initiatives within graduates' associations.

The enrolment process begins in December and lasts until March.

Approx. 45 scholarship holders participate in the program each year. Between 2000 and 2014, 610 scholarship holders completed the program. Of that number 309 were from Ukraine, 130 from Belarus, 45 from Georgia, 37 from Russia, 23 from Armenia, 18 from Kazakhstan, 16 from Moldova, 12 from Lithuania, 10 from Slovakia, 6 from Azerbaijan and 4 from Kyrgyzstan.

Between 2001 and 2013 the program was managed by the Polish-U.S. Fulbright Commission.



→ The Foundation has disbursed
\$10,595,459,
 including \$ 812,942 in 2014.

→ Program Manager:
**The Education for Democracy
 Foundation**

→ more information at:
www.kirkland.edu.pl

REGION IN TRANSITION (RITA)

The program, launched in 2000, is addressed to non-governmental organizations and educational institutions willing to share Poland's experiences of social and economic transformation with partners from other Eastern European countries, the Caucasus and Central Asia.

The program's open grant competitions award grants to Polish non-governmental organizations for projects designed to share Polish experiences, especially in building civil society, strengthening social activities, promoting local government transformation, reforming education, and functioning of the free media. The maximum grant amount is \$ 12,500. About 40 grants are awarded annually.

Under the program, it is possible to apply for small travel grants which may be earmarked for project consultation before it is submitted, strengthening cooperation with a partner organization or evaluation of an implemented project. As part of a special path the "RITA" program grants may be used for co-financing a larger project for which a given organization has been awarded a grant from other sources – Polish or foreign. However, such projects must comply with the "RITA" program's ob-

jectives as well as geographic and thematic areas of operation.

Additionally, the "RITA" program offers Polish NGOs and schools training opportunities and experts' support as well as assistance in establishing contacts and developing cooperation with foreign partners.

Every two years, the meetings of the "RITA" program grant recipients, named "Ambassadors of Transition in the Regions", are held. They serve integration of the Polish non-governmental organizations operating abroad and experience sharing on the subject of international cooperation. The meeting held in June last year was attended by 70 NGO representatives implementing projects subsidized under the "RITA" Program in countries such as Ukraine, Belarus, Armenia, Georgia, and Russia as well as managers of visits organized within PAFF's "Study Tours to Poland"

Program. The special guest at the meeting was Andrew Nagorski, Chairman of the PAFF's Board of Directors.

The social networking site www.civicportal.org which facilitates information-sharing between organizations and civic leaders is also available. The portal is also an e-learning platform offering training to Polish and foreign NGOs.

The main grant competition is announced twice a year. Applications can be submitted by mid-March and by mid-October. Applications for travel grants and subsidies for larger projects are accepted on an on-going basis until the funds set aside for these activities are exhausted.

In the years 2000-2014 a total of 844 projects were subsidized.



→ The Foundation has disbursed
\$12,029,213,
 including \$ 804,926 in 2014.

→ Program Manager:
**The Education for Democracy
 Foundation**

→ more information at:
www.rita.edudemo.org.pl

Sharing the Polish Experiences in Transformation

STUDY TOURS TO POLAND (STP)

The program, launched in 2004, offers study tours to Poland to active students and professionals from Eastern European countries. The objective of the program is to show the realities of Poland and the European Union as well as develop and strengthen professional and personal contacts between leaders from Eastern Europe, the Poles and Polish institutions.

The students are offered a dozen-day long study tours to Poland; the eligible candidates have to be persons between the age of 18 and 21, coming from Belarus, Moldova, Ukraine and Russian Federation (currently from Briansk, Kaliningrad, Novgorod, Leningrad and St. Petersburg oblasts). Students participating in the “STP” have an opportunity to meet Polish academic environment, civic organizations, leaders of public life as well as participate in lectures, workshops, seminars and cultural events.

Students apply to the program individually. The tours are organized for groups of 10-12 participants from various countries. They are held twice a year, in spring and in the fall, and managed by experienced Polish NGOs selected in an open competition. The program is coordinated by the “Borussia” Foundation from Olsztyn.

The offer for professionals is addressed to representatives of local governments,

central administration, central public institutions, NGOs, media, educational sector and other professional groups from countries of Eastern Europe, Caucasus and Central Asia. The tours, aimed at sharing the Polish experiences in transformation and European integration, are held in cooperation with Polish NGOs as well as central and local administration.

The recruitment of participants in study tours for professionals shall be preceded by a letter of intent sent to the program office in Warsaw by an interested institution and its partner organization from the countries of the region, or by a Polish NGO or institution.

In total, in the years 2004-2014, 6,621 participants, including 2,467 students and 4,152 professionals representing various environments took part in the study tours. Each year Poland is visited by more than 300 professionals and more than 200 students.

Within the “Study Tours to Poland” Program, the Foundation supports the Warsaw Euro-Atlantic Summer Academy – WEASA – a long-term common undertaking of PAFE, the German Marshall Fund and the College of Europe, Natolin Campus. WEASA offers two weeks of classes, based on the Natolin campus, addressed to experts from the Eastern Partnership countries, i.e. analysts, political and government advisors, NGO and think tanks staff, civic service representatives and journalists. The thematic scope encompasses political transformation, European integration and transatlantic relations. Students are offered lectures, workshops, and meetings with practitioners, with participation of prominent lecturers and experts from Poland and abroad. A total of 87 people from Eastern Partnership countries took part in two editions of WEASA, in 2013 and 2014, including 10 people from Armenia, 3 from Azerbaijan, 10 from Belarus, 16 from Georgia, 13 from Moldova, and 35 from Ukraine.



→ The Foundation has disbursed
\$4,318,616,
 including \$ 702,371 in 2014.

→ Program Manager:
**The Jan Nowak-Jeziorański
 College of Eastern Europe**

→ more information at:
www.studytours.pl
www.weasa.org

MONITORING, EVALUATION AND ANALYSES (MEVA)

The program, launched in 2005, is of an expert and research nature. Its objective is to carry out the analytical work that serves optimization of the Foundation programs' effectiveness. For example, the analytic work helps to find out to what extent the goals defined in the PAFF programs, the undertaken activities, and the results achieved correspond to the existing needs and problems, especially with regard to local communities. The methods developed as part of the program and the results of analyses serve other NGOs in the process of implementing their initiatives.

Under the program, the PAFF initiatives such as the Library Development Program, "Act Locally", "PAFF Local Partnerships", "English Teaching", and the "PAFF Leaders" have been evaluated. The results of the research work serve both setting down the future program activities and modifying the existing ones. One of the "MEVA" duties is to monitor the initiatives completed by the Foundation in terms of the sustainability of achieved results.

Under the "MEVA" Program, mutually complementing and strengthening elements of PAFF programs are analyzed in order to improve the quality and effectiveness of the Foundation's activities. Among the projects serving that aim, there is the "Squared Evaluation" initiative helping develop the evaluation culture in the environment of organizations cooperating with PAFF, as part of which

the "Evaluation – how do you carry it out?" guide was prepared. Another project of that kind is „Influence on the social capital in PAFF communities" (the so called „BOX") project whose aim was to work out the set of methods and research techniques (the toolbox) allowing to define the changes in the social capital level resulting from the influence of the Foundation programs on local communities.

"MEVA" serves also to define possible future activities of PAFF in the context of existing and expected social needs. In order to do so, the selected social groups (e.g. young people who live in rural areas) are examined and new pilot initiatives tested. One of them is the "Work with Class" initiative, aimed at examining one of the models of enrollment and training future teachers for Polish schools, modelled on the "Teach

for America" undertaking. Another one is PAFF's preparation work to establish an innovative institution offering teachers' training at the post-graduate level.

Within the Program the Foundation also supports the Unit for Social Innovation and Research "Shipyard" Foundation whose co-founder was PAFF. Also, the support is given to activities connected with the ongoing monitoring of EU funds.

A significant part of the program is managed by The Unit for Social Innovation and Research "Shipyard" Foundation.

→ The Foundation has disbursed
\$1,599,552,
 including \$ 107,144 in 2014.

PEOPLE, PROJECTS, INITIATIVES

ENGLISH TEACHING (ET)

“EXPERIENCING” AMERICA

EQUAL OPPORTUNITIES

“SOUNDS OF HISTORY – HOW MUSIC CAME INTO BEING”

LEARNING SCHOOLS (LES)

“LES” WORKSHOPS FOR TEACHERS FROM BELARUS

PROJECTOR – STUDENT VOLUNTEERS

ROBOTS IN ACTION!

THE POLISH-AMERICAN INTERNSHIP INITIATIVE (PAII)

PAII INTERN SELECTED THE BEST STUDENT IN POLAND

THE “SENIORS IN ACTION” GRANT COMPETITION

“FROM RADIO TO IPOD”

SUPPORT FOR NGOS

NGO.PL REGIONAL SEMINARS

PAFF LEADERS

KRZYSZTOF ZACHARZEWSKI – A CIVIC ACTIVIST, LEADER AND MEMBER OF THE LOCAL GOVERNMENT

PAFF LOCAL PARTNERSHIPS

“YOUNG HOSTS”

THE LIBRARY DEVELOPMENT PROGRAM

”DIRECTION: THE LIBRARY” – VISUAL IDENTIFICATION OF LIBRARIES

ICT FOR LOCAL DEVELOPMENT

THE KICK-OFF OF TECHCLUBS IN POLAND

THE LANE KIRKLAND SCHOLARSHIP PROGRAM

SVIATLANA HAIDALIONAK – POLISH EXPERIENCES IN THE DEVELOPMENT OF AN INDEPENDENT THEATER

STUDY TOURS TO POLAND (STP)

MEMBERS OF LOCAL GOVERNMENTS FROM UKRAINE BENEFIT FROM POLISH EXPERIENCES

ENGLISH TEACHING (ET)

“EXPERIENCING” AMERICA

In 2014, two teachers from Poland – Magdalena Drzewiecka and Adrian Golis, acting as the “English Teaching” Program Ambassadors – participated in a several-week long training for English teachers in the USA. It was held at the Gonzaga University in Spokane, Washington, under the “TESOL Summer Institute”.

The “Teaching English to Speakers of Other Languages” (TESOL) training provides the opportunity to improve English teaching qualifications, get acquainted with modern teaching and learning methods, as well as meet interesting people representing various countries and cultures. The participants include English teachers from Brazil, Mexico, Portugal, Japan and Saudi Arabia.

The training participants not only observed classes conducted by experienced American teachers but also had an opportunity to conduct their original classes with language camp students – immigrants who do not speak Eng-

lish. “Many of my students, fourteen and fifteen years old, had never used a computer before, so it was a great challenge both for them and for me. I am still in touch with some of them via Facebook, and some others have established contacts with students in Poland to practice their English and get to know another country’s culture,” Magdalena Drzewiecka says.

“Although our training agenda was very rich, we tried to use every free moment to “experience” America as tourists. We toured Spokane, Seattle and New York, which impressed us very much,” Adrian Golis reports.

Four weeks of intensive work were crowned with obtaining international English teacher certificates. “The course left us with a lot of wonderful memories, but first of all, we will use the acquired knowledge to improve the quality of English teaching at our schools,” Magdalena Drzewiecka concluded.



The course left us with a lot of wonderful memories, but first of all, we will use the acquired knowledge to improve the quality of English teaching at our schools.

Magdalena Drzewiecka
the “English Teaching” Program Ambassador

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EQUAL OPPORTUNITIES

“SOUNDS OF HISTORY – HOW MUSIC CAME INTO BEING”

In 2014, the “Gautar” Group of Young Archeologists Association of Brusy, Pomorskie province, implemented a project under which they were building Medieval instruments and learning how to play them. The objective of the initiative, awarded with a grant under “Equal Opportunities”, was to improve youth’s team-work skills and win civic support through establishing new relations.

“This group of young people took up a very ambitious challenge. They found it difficult to obtain information on the construction of old instruments. The Internet and local library resources turned out to be insufficient,” Jędrzej Czarnowski, the project coordinator says. They were helped by Magdalena and Jacek Teslawscy, who specialize in the reconstruction of such instruments. They provided the project participants with some valuable instructions. Based on that, the young people themselves prepared the workshop during which hand-made replicas of Medieval “ligawa” (a long wooden trumpet), shawm, gusla, drums, flutes, rattles, and whistles were made. “Making musical instruments was only part of the project. We set up a band,

recorded music and presented it on the Internet as well as during local events,” one of the young archeologists boasts.

The results of the work done by the young people of Brusy were presented in the Museum of Archeology in Gdańsk, which was visited by over 4,000 people during the Night of Museums. They were also displayed at the Festival of Slavs and Vikings in Wolin and the International Archeological Festival in Leśno. The young archeologists also prepared a school exhibition which attracted the attention of the local community. The self-government and the Brusy school management were involved in the implementation of this initiative.

“It was not an easy project and therefore we are very satisfied that we managed to implement it successfully,” Jędrzej Czarnowski concludes. Thanks to their teamwork, the young people of Brusy not only became self-confident but also learned how to win supporters of their ideas and how to effectively meet the set objectives



It was not an easy project and therefore we are very satisfied that we managed to implement it successfully.

Jędrzej Czarnowski
project coordinator

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LEARNING SCHOOLS (LES)**“LES” WORKSHOPS FOR TEACHERS FROM BELARUS**

The “Learning Schools” Program workshop, participated in by teachers from Belarus, took place at PAFF’s Representative Office in Warsaw in 2014. A group of 14 Belarusian mentors of the formative assessment on-line course came to Poland. The aim of the meeting was to improve the teacher-mentor qualifications and exchange experiences.

The workshops were conducted by experts of the Center for Citizenship Education – Joanna Soćko and Danuta Sterna. The main subject included formative assessment strategies. The participants analyzed the methods applied by “LES” Program, such as joint discussions of the classes, educational walk, monitoring of selected students or lesson elaboration.

One of the participants conducted an exemplary lesson, using the formative assessment rules. The works of the lesson participants were then used for discussing the issue of students’ work analysis, which is another essential element of formative assessment.

“Belarusian teachers are always very interested in what we offer as regards formative assessment and they are eager to implement our suggestions in their work with students,” Danuta Sterna emphasized.

The workshops for Belarusian teachers were held thanks to cooperation launched within two Polish-American Freedom Foundation programs: “Learning Schools” (LES) and “Region in Transition” (RITA).



Belarusian teachers are always very interested in what we offer as regards formative assessment and they are eager to implement our suggestions in their work with students.

Danuta Sterna
expert of the Center for Citizenship Education

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PROJECTOR – STUDENT VOLUNTEERS

ROBOTS IN ACTION!

The “Robotics in the Library” project was carried out by Rzeszów University of Technology students – volunteers of the “PROJECTOR – Student Volunteers” Program: Patrycja Śmigiel, Mateusz Salach, Marcin Hubacz as well as Krzysztof and Łukasz Gotówko. The robotics classes for pupils of elementary schools of Jasło district in Podkarpackie province, held at the Municipal Library in Jasło, were an excellent way to stimulate the participants’ creativity and imagination. The parents also found the subject of the workshops interesting, presenting their children with new development opportunities.

The young engineers took part in the show of remotely operated robots constructed by the students, including a digger steered by the body movements. “That digger is amazing! You can steer it by a mere movement of your hand,” Jakub, one of the participants happily reported. However, the biggest challenge for children was to design and construct their own robots. They created robots that can get around obstacles, shoot, and even be steered by a sound. “Our robot can get around obstacles and additionally it has a special ball launcher,” Jakub and Tomasz reported.

“For children, being able to construct a robot that can perform the programmed commands almost equals having »superhuman powers«. An important thing is that the young participants had to work together to construct it,” Mateusz Salach, the team of volunteers coordinator emphasizes. “Such classes help us communicate well with children, get to know their passions and dreams. I’m very satisfied with this project,” Mateusz concludes.

The “Robotics in the Library” project was organized in cooperation with the Municipal Library in Jasło and the Foundation for the Development of Voluntary Service – the manager of the “PROJECTOR – Student Volunteers” Program. The funds for the project implementation were raised thanks to the successful crowdfunding campaign at the Fundujesz.pl portal. “The project was supported by over forty Internet users. This shows how big the potential of such actions is. The smiles and involvement of young workshop participants and satisfaction of volunteers and the parents prove that a library can be a perfect place for learning robotics,” says Agata Warywoda of the Municipal Library in Jasło.



Such classes help us communicate well with children, get to know their passions and dreams. I'm very satisfied with this project.

Mateusz Salach
student-volunteer

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THE POLISH-AMERICAN INTERNSHIP INITIATIVE (PAII)

PAII INTERN SELECTED THE BEST STUDENT IN POLAND

Michał Maciejewski, an intern of the Polish-American Internship Initiative received the “Student Nobel” title of 2014. The competition organized by the Independent Students’ Association awards the best students who have very good study results, are fluent in languages and involved in student research work, participate in student exchange programs and internships as well as are engaged in volunteer work.

Michał Maciejewski is a student of the 5th year of Automatics and Robotics Faculty at the University of Łódź. In the summer of 2013 he did his internship at Raytheon BBN Technologies under the Polish-American Internship Initiative. He worked there on the Content Analyzer project of computer system serving the analysis of texts, e.g. downloaded from the websites. He also did another internship at the European Laboratory for Particle Physics (CERN) in Switzerland, where he worked on designing the simulation system for modelling the protection meth-

ods of superconducting magnets. “I’ll soon do the internship at Stanford University under the prestigious *Top 500 innovators* program. I am sure that without the experience I gained under the Polish-American Internship Initiative, it would definitely be much harder to get this chance,” Michał Maciejewski says.

The “Student Nobel 2014” winner is a member of many research clubs and conducts research himself. He was awarded in national (STM32 Expert 2012) and international (NI Graphical Design Contest 2012, and Istrobot 2013) competitions. He was also awarded numerous scholarships for his activity and very good performance, for example by the Minister of Science and Higher Education and the Marshal of Łódzkie province.

The PAII intern is also active as a volunteer of the Łódź Children University, where he conducts classes on the basics of robotics.



I’ll soon do the internship at Stanford University under the prestigious “Top 500 innovators” program. I am sure that without the experience I gained under the PAII, it would definitely be much harder to get this chance.

Michał Maciejewski
Intern of the PAII

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THE “SENIORS IN ACTION” GRANT COMPETITION “FROM RADIO TO IPOD”

Ryszard Dulski, an enthusiast of electronics, has offered the Józefa Bergelówna Municipal Public Library in Dobczyce, Małopolskie province, to organize an exhibition of his old radio sets collection and share his technical knowledge with others. “When I retired, I moved to Dobczyce and I wanted to donate something to a place that was my new home. In particular, I thought of the young generation,” Ryszard Dulski says. Together with Paweł Piwowarczyk, the library director and the “PAFF Leaders” Program alumnus, they prepared the intergenerational radio set construction workshops – the “From Radio to iPod” project, which was implemented under the “Seniors in Action” grant competition.

During a series of workshops held at the Municipal Public Library children and young people supported by their senior mentors and parents were constructing the radio sets designed by them. The workshops were very popular. “I was surprised with the attendance and enthusiasm of the participants. I thought our project would be inter-

esting only for boys but it turned out that girls also liked do-it-yourself activities. And parents joined them so the workshops created a family atmosphere,” Ryszard Dulski says.

First the seniors shared their experiences and recollections of radio sets that they had used. Then the roles changed and young people acted as experts, sharing their technical knowledge on new devices – cell phones, tablets and iPods. At the end of the project there was an exhibition of radio sets constructed by the workshop participants and promotion of a publication summing up joint intergenerational actions.

“The senior enthusiasts of electronics felt needed, they kept asking about the schedule of further meetings. I am glad that we have managed to stimulate people who before were not engaged in the life of their local community. That is a great success,” Paweł Piwowarczyk, the director of the Municipal Public Library in Dobczyce sums up.



I am glad that we have managed to stimulate people who before were not engaged in the life of their local community. That is a great success.

Paweł Piwowarczyk
director of the Municipal Public Library
in Dobczyce

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SUPPORT FOR NGOS

NGO.PL REGIONAL SEMINARS

In 2014, the editorial staff of the Non-governmental Organizations' Portal – ngo.pl held a series of meetings with civic organizations. The seminars were carried out in 9 cities where Act Locally Centers operate: Grodzisk Mazowiecki, Zawiercie, Dobre Miasto, Sandomierz, Bytów, Gostyń, Białobrzegi, Zambrów and Radzyń Podlaski. They were attended by a total of over 200 people. The initiative was implemented in cooperation with Act Locally Centers, the Polish-American Freedom Foundation and the Academy for the Development of Philanthropy in Poland.

“We present the portal and its functionalities, suggest where the advice and information on available funds can be found. We also ask about the changes which ought to be introduced to the portal and the organizations' needs in this respect as well as what would help them act more effectively and efficiently,” Dorota Setniewska of the ngo.pl portal editorial office says.

The presentation form was welcomed by the participants who eagerly shared their opinions on the portal's oper-

ation. They praised it for presenting complicated formal and legal issues in an accessible way by making use of infographics, multimedia clips and instructions. They also spoke about issues which inspired the portal editors to prepare new contents. For instance, it turned out that there was a need for a practical and easy handbook related to issues of copyright and image protection. In response, the ngo.pl editors prepared the “Pictures of people. How to avoid problems” handbook and published it on the portal.

“The main benefit for organizations was getting to know the portal better which will enable them to make use of its functionalities in their everyday work, e.g. for communication and promotion. At the same time, collecting local organizations' opinions was very important to the portal's editorial staff. The local NGO representatives are full of energy for civic action. We found their suggestions very useful,” Dorota Setniewska concludes.

More seminars are planned for 2015.



The main benefit for organizations was getting to know the portal better which will enable them to make use of its functionalities in their everyday work, e.g. for communication and promotion.

Dorota Setniewska
project coordinator, ngo.pl

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PAFF LEADERS

KRZYSZTOF ZACHARZEWSKI – A CIVIC ACTIVIST,
LEADER AND MEMBER OF THE LOCAL GOVERNMENT

“Authenticity and mutual trust are most important in civic activity. Building open relations facilitates effective implementation of projects, even those most complicated, and team work guarantees the achievement of intended effects and gives satisfaction,” Krzysztof Zacharzewski, civic activist, leader and PAFF programs’ participant says. In the 2014 local government elections, he was elected mayor of Złocieniec, a small commune in Pojezierze Drawskie, Zachodniopomorskie province.

Involved for years in the region development, he is the author of the Drawsko District Development Strategy as well as some development programs supporting local tourism such as “Four seasons on the Drawa river”, Museum of state farming in Bolegorzyn and the “From a poacher to a guide” initiative. For this last project, Złocieniec was awarded in the “Way to Success” national competition and in 2009 received the title of the most active village in Zachodniopomorskie province.

Krzysztof Zacharzewski is the founder and president of the “Drawa Partnership” Local Action Group in Złocieniec – a non-governmental organization that acts as an Act Locally Center and a leader of the PAFF Local Partnership.

He is a civic organizer of various projects conducted within PAFF programs. He also initiated the local partnership which implemented the “Drawsko and Złocieniec Firecracker Friendship” project. The initiative helped stop the historical dispute between the residents of Drawsko and Złocieniec. “Social activities are intangible and you cannot weigh them. This work is harder than construction of infrastructure; you have to deal with emotions all the time, including those that are negative,” Krzysztof Zacharzewski says. He shared his broad knowledge and experience with participants of the “PAFF Leaders” Program, where he acted as a tutor.

Krzysztof Zacharzewski’s civic involvement was appreciated by Złocieniec residents who supported him as a candidate for the position of mayor of that town with a population of twelve thousand in the 2014 local government elections. “My road – of a civic activist and a leader – made me more aware of implementing a difficult mission, which is working for the benefit of other people. People trust me and this entails huge responsibility but also very strong motivation for further work,” emphasizes the newly-elected mayor of Złocieniec.



Authenticity and mutual trust are most important in civic activity. Building open relations facilitates effective implementation of projects, even those most complicated, and team work guarantees the achievement of intended effects and gives satisfaction.

Krzysztof Zacharzewski
mayor of Złocieniec



PAFF LOCAL PARTNERSHIPS

“YOUNG HOSTS”

In Staszów commune, Świętokrzyskie province, for years the Act Locally Center – the Foundation for Youth Activity and Development “FARMa”, the public library as well as PAFF Leader and Wiązownica village head Jacek Piwowski have acted for the benefit of youth. In 2014, their activity was appreciated and awarded with the opportunity to participate in the “PAFF Local Partnerships” Program.

The partners have noted that young people in villages often meet in random places which they don't identify with, such as a bus stop or a parking in front of the shop. They decided to change this situation by allocating a common space to be developed by the young people themselves, so that they felt responsible for it. “We want to influence young people through acting. That is why we decided to give them a common good – the space – to be developed by them so that they could make this random place their own,” Jacek Piwowski says.

The “Young Hosts” project is aimed at stimulating people aged 14-20 to act by setting up youth village councils. So far, they have been established in three villages: Wólka Żabna, Grzybów and Wola Wiśniowska. These are the young people who decide in the councils but they can

always count on the assistance of village heads – for example when they have to settle the mini-grants which they were awarded for their activities or in their work on developing the common space.

At a workshop, young people from Staszów commune learned how to work in a team, analyze local resources, build strategies, consult their ideas and speak in public. Equipped with new knowledge and skills they started collecting data and searching for places they would like to develop. Thanks to their involvement, a gym is being built in Wólka Żabna, a volleyball court in Wola Wiśniowska and in Grzybów beach ball will be played on a brand new court as the project participants successfully applied to the Marshal of Świętokrzyskie province for a grant to build it.

The “Young Hosts” project is famous all over Poland. President of Poland Bronisław Komorowski took an honorary patronage over it on the occasion of the 25th anniversary of Polish Self-Governance. Also, the project was discussed during the 21st session of Children and Youth Sejm. The project participants set an example for their peers in other villages, showing that young people can be animators of village life and partners to village heads, local governments and NGOs.



We want to influence young people through acting. That is why we decided to give them a common good – the space – to be developed by them so that they could make this random place their own.

Jacek Piwowski
head of the Wiązownica village, PAFF Leader

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THE LIBRARY DEVELOPMENT PROGRAM

"DIRECTION: THE LIBRARY" – VISUAL IDENTIFICATION OF LIBRARIES

As part of the project implemented in 2014 by the "Unblock" Association for Improvement of Housing Environment, more than 100 libraries all over Poland managed to introduce the system of external identifiers based on a handbook prepared for libraries by the Association of Applied Graphic Designers.

The system consists of many elements of visual identification, e.g. road signs, information boards, signs showing access to the Internet and logo. The visual identification projects are in line with the current trends, attract attention with their bright colors and at the same time are simple, professional and clear. All designs can be used by the libraries free of charge, and they received funds for the implementation of the external identification system under the grant competition. Additionally, each library was able to benefit from consultation with an architect who helped it adjust the identification project to the needs of the library and its users.

Before the identification was designed, the architects had visited the libraries. The librarians together with the architects planned what identification elements should be ap-

plied by a given library. Next the initial visual identification system was prepared. After accepting it, the librarians received from the designers a package of files for the printing house, they commissioned production of the identification signs and supervised their installation on the buildings and in the area.

The visual identification and outer identifiers system opens new opportunities for the libraries, among other things regarding service promotion and interesting civic initiatives in the public space. Therefore free-standing information boards and road signs are very popular among the libraries. Also the stickers and templates for characteristic "B" (for "biblioteka", library in Polish) and illuminated boxes are often used.

Numerous libraries participated in the competition. "Already after less than 72 hours the list of participants was full. This means that the subject of the competition – identification of the library in the public space – was needed and important to public libraries," Magdalena Balicka of the Information Society Development Foundation, the manager of the Library Development Program, says.



Identification of the library in the public space was needed and important to public libraries.

Magdalena Balicka
Information Society Development Foundation

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ICT FOR LOCAL DEVELOPMENT

THE KICK-OFF OF TECHCLUBS IN POLAND

TechClubs are a unique initiative that has been implemented in Poland since 2014 as part of the “ICT for Local Development” Program. The inspiration came from the activities of the NTEN Nonprofit Technology Network in the USA. The initiative adjusted to Polish conditions by the Information Society Development Foundation (the “ICT for Local Development” Program manager) was welcomed with great interest by representatives of the third sector, business, academic world and administration.

Monthly meetings organized by the TechClub network facilitate integration and experience sharing in the area of modern ICT. “TechClubs help build local communities, they provide the perfect opportunity for exchanging information and comments. They are attended by people who want to improve their qualifications, acquire new knowledge; we make our best to provide them with access to that. We invite experts to present the state-of-art technological achievements. Admission is free so it is enough

to register. The meetings are held in a friendly atmosphere. They are really great,” Marta Ławrynkowicz, the leader of the TechClub in Toruń says.

Thanks to the TechClubs terms such as networking, fundraising, AdWords or Google Analytics stop being incomprehensible terms that you come across on the Internet; in turn, they are now used in everyday work of organizations helping them achieve the intended goals.

“TechClubs are based on mutual inspiration and cooperation of their participants,” Radosław Jasiński of the PAFF explains the idea of TechClubs. “We believe that they will contribute to broad promotion and use of new technologies for making activities of organizations and local communities more effective,” he adds.

A total of 3,250 people participated in TechClub meetings held in a dozen Polish towns in 2014.



TechClubs help build local communities, they provide the perfect opportunity for exchanging information and comments. They are attended by people who want to improve their qualifications, acquire new knowledge; we make our best to provide them with access to that.

Marta Ławrynkowicz
leader of the TechClub in Toruń

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THE LANE KIRKLAND SCHOLARSHIP PROGRAM

SVIATLANA HAIDALIONAK – POLISH EXPERIENCES
IN THE DEVELOPMENT OF AN INDEPENDENT THEATER

“I believe theater can be an excellent tool for social change,” Sviatlana Haidalionak says. The this-year participant of the Lane Kirkland Scholarship Program comes from Brest in Belarus. For years she has been involved with the independent Kyrylo Khalop theater with which she has stayed in Poland many times.

As a Kirkland scholarship holder she studied culture management at Adam Mickiewicz University in Poznań, where she prepared and defended with honors a diploma thesis on “Present-day Belarus theater seen in the curator’s eye”. Her supervisor was Elżbieta Kalemba-Kasprzak, Ph.D. She did a four-month long internship in the Teatr Ósmego Dnia (Eighth Day Theater) in Poznań. “The political transformation that took place in Poland has also initiated profound changes in art, including independent theater, and made a place for a new type of culture managers and ani-

mators, as well as theater curators,” the scholarship holder from Belarus says. Her studies in Poland gave her the inspiration to act. When she goes back to Belarus, she wants to work to change her local community using creative and educational activities for that purpose.

She is also active in establishing cooperation among the Kirkland Program participants. Together with scholarship holders Witalij Razik and Bohdan Mukha of Ukraine she has set up the “PUBlike” Foundation for the Development of Good Neighborhood. It is aimed at the program alumni integration and neighborly cooperation between Poland, Belarus and Ukraine. The meeting of Kirklanders in Lvov was initiated by the Foundation. “I want to develop the contacts I established in Poland and act for the development of independent culture in Belarus,” Sviatlana Haidalionak declares.



The political transformation that took place in Poland has also initiated profound changes in art, including independent theater, and made a place for a new type of culture managers and animators, as well as theater curators.

Sviatlana Haidalionak

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STUDY TOURS TO POLAND (STP)

MEMBERS OF LOCAL GOVERNMENTS FROM UKRAINE
BENEFIT FROM POLISH EXPERIENCES

Started in 2014, the project, “Preparing Ukrainian local governments to implement decentralization reforms and association with EU” implemented under the PAFF “Study Tours to Poland” Program, was a joint initiative of the Union of Polish Towns and Silesian Union of Communes and Districts acting in partnership with the Union of Ukrainian Towns. During six several-day long study visits Poland was visited by 120 members of local governments from 83 Ukrainian towns and cities.

The meetings inaugurating the study visits took place at the Presidential Palace, where representatives of Ukrainian local governments met with Minister Jacek Michałowski, the Head of the Chancellery of the President of Poland, and Minister Olgierd Dziekoński, the Secretary of State. The meetings focused on local governments’ financing, transparency of spending funds for local purposes and regional policy. “There is no full self-governing without financial independence of local communities,” Minister Dziekoński emphasized.

As part of the visits to 60 Polish towns and communes, the Ukrainian guests had the opportunity to acquire and improve their knowledge about the processes of building the Polish civil society, deregulation of authority, shaping regional policy, development of citizens’ initiatives as well making use of the EU pre-accession funding for supporting implementation of reforms in Ukraine. “We want to learn about your deregulation process and what mistakes we can avoid,” Sergiej Kwiatkowski, councilor from Bielogrod Dniestrovsky says.

The long-term result of the project is to improve quality, accessibility and effectiveness of local public services, reduce corruption and thus improve the local administration image in the eyes of the Ukrainian society. “The way of using their new competencies by the Ukrainian local government will have an impact on the Ukrainians’ attitude to state institutions, and also will be an important element of Ukrainian transformation,” Tomasz Potkański, Vice-Director of the Union of Polish Towns emphasizes.



We want to learn about your deregulation process and what mistakes we can avoid.

Sergiej Kwiatkowski
councilor from Bielogrod Dniestrovsky, Ukraine

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Polish-American Freedom Foundation

We have audited the accompanying consolidated financial statements of the Polish-American Freedom Foundation (the "Corporation"), which comprise the consolidated statement of financial position as of December 31, 2014, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Warsaw, April 30, 2015

CONSOLIDATED FINANCIAL STATEMENTS AS AND FOR THE YEAR ENDED DECEMBER 31, 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2014

ASSETS

ASSETS:

Investments, at fair value (Notes 3 and 6):

Common and Preferred Stocks	\$ 62,541,153
Public Mutual Funds - Equity	78,709,021
Private Mutual Funds - Equity	21,607,960
Alternative Investments	71,409,660
Fixed Income Securities	14,767,279
Public Mutual Funds - Fixed Income	693,595
Cash and cash equivalents	20,242,732
Investment redemption receivable	2,000,000
Land and fixed assets, net (Note 7)	4,758,659
Loans, net of allowance for loan losses of \$365,210 (Note 8)	4,265,614
Prepaid expenses and other assets	141,868

Total assets	\$ <u>281,137,541</u>
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LIABILITIES AND NET ASSETS

LIABILITIES:

Grants payable (Note 3)	\$ 4,655,070
Accounts payable and accrued expenses	339,229

Total liabilities	<u>4,994,299</u>
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UNRESTRICTED NET ASSETS (Note 2)	<u>276,143,242</u>
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Total liabilities and net assets	\$ <u>281,137,541</u>
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The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2014

	Unrestricted	Temporarily Restricted	Total
Changes in net assets:			
Income:			
Interest and dividend income	\$ 3,183,669	\$ 46,123	\$ 3,229,792
Contributions	40,760	(102,944)	(62,184)
	3,224,429	(56,821)	3,167,608
Net assets released from restrictions	3,195,784	(3,195,784)	-
Total income	6,420,213	(3,252,605)	3,167,608
Expenses:			
Employee compensation and benefits	1,380,779	-	1,380,779
Operating expenses	977,917	-	977,917
Occupancy	116,665	-	116,665
Depreciation and amortization	159,477	-	159,477
Total operating expenses	2,634,838	-	2,634,838
Grants (Note 3)	(10,278,338)	-	(10,278,338)
Grants and expenses in excess of income	(6,492,963)	(3,252,605)	(9,745,568)
Net realized gain on investments (Note 6)	8,598,812	-	8,598,812
Net unrealized depreciation on investments (Note 6)	(5,507,932)	-	(5,507,932)
Net currency remeasurement loss (Note 3)	(3,683,186)	-	(3,683,186)
Total decrease in net assets	(7,085,269)	(3,252,605)	(10,337,874)
Net assets, beginning of the year	283,228,511	3,252,605	286,481,116
Net assets, end of the year	\$ 276,143,242	\$ -	\$ 276,143,242

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2014

Cash flows from operating activities:

Decrease in net assets	\$ (10,337,874)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Net realized gain on investments	(8,598,812)
Net unrealized depreciation on investments	5,507,932
Net currency remeasurement loss	3,683,186
Provision for loan losses	257,448
Depreciation and amortization	159,477
Decrease in restricted cash	3,105,083
Increase in investment receivable	(2,000,000)
Decrease in accrued interest on loans	648
Decrease in accrued interest on investments	351,632
Increase in prepaid expenses	(20,809)
Increase in accounts payable and accrued expenses	28,430
Decrease in grants payable	(4,358,939)
Net cash used in operating activities	<u>(12,222,598)</u>

Cash flows from investing activities:

Proceeds from sales/redemption of investments	45,991,625
Cost of investments purchased	(25,745,639)
Loans disbursed	(5,619,603)
Proceeds from loan repayments	5,111,212
Purchase of fixed assets	(21,867)
Net cash provided by investing activities	<u>19,715,728</u>

Effects of exchange rate changes on cash and cash equivalents	<u>(2,103,832)</u>
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Net increase in cash and cash equivalents	5,389,298
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Cash and cash equivalents, beginning of year	<u>14,853,434</u>
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Cash and cash equivalents, end of year	<u><u>\$ 20,242,732</u></u>
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The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014

1. ORGANIZATION

The Polish-American Freedom Foundation (the “Foundation”, and, together with its subsidiary, the “Corporation”) is a U.S. not-for-profit corporation established on August 11, 1999. The Foundation was created by the Polish-American Enterprise Fund (the “Fund”) to advance the purposes of the Support for East European Democracy Act of 1989 by building upon the successful assistance programs and sound practices established by the Fund, and to undertake other developmental initiatives designed to solidify Poland’s successful transition to democracy and free markets. The Fund has contributed \$255.3 million to the Foundation.

The Foundation concentrates its efforts in three main program areas: (i) Initiatives in Education, (ii) Development of Local Communities, and (iii) Sharing the Polish Experiences in Transformation. The Foundation generally seeks an external program manager (typically a well-established non-governmental organization in Poland) to execute the objectives of each individual grant, thereby leveraging the Foundation’s resources. The Foundation does not have ownership or control of the external program managers.

With the permission of the Minister of Foreign Affairs of Poland, the Foundation maintains a representative office in Poland (the “Representative Office”), the purpose of which is to engage in activities to promote the Foundation and to provide information and consultation to the Foundation with respect to its activities.

Polsko-Amerykanski Fundusz Pozyczkowy Inicjatyw Obywatelskich Sp. z o.o. (“PAFPIO”) is a separately managed subsidiary of the Foundation which extends loans to non-governmental organizations, associations and other non-profit initiatives in Poland. On May 31, 2011, the Fund contributed 100% of the shares (the “Shares”) of PAFPIO as a grant to the Foundation. PAFPIO is an independent and distinct business unit from the Foundation and, given that the Foundation owns all the outstanding shares, PAFPIO is consolidated with the accounts of the Foundation, as required by accounting principles generally accepted in the United States of America (“U.S. GAAP”).

2. BASIS OF PRESENTATION

In accordance with U.S. GAAP, the Corporation is required to classify information regarding its consolidated financial position and consolidated activities into certain classes of net assets:

- **Temporarily restricted net assets:** Contributions to the Corporation are reported as temporarily restricted net assets if received with donor stipulations that limit the use of the contribution. When a donor restriction expires, i.e. when the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.
- **Unrestricted net assets:** Unrestricted net assets are those net assets that are not restricted by donor imposed stipulations. The entire balance of net assets received from the Fund, including income received thereon, net of expenses, is classified as unrestricted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are prepared in conformity with U.S. GAAP and include the accounts of the Foundation and PAFPIO, the Foundation’s only subsidiary. All intercompany balances and transactions have been eliminated in consolidation.

Notes to the Consolidated Financial Statements as of December 31, 2014

USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ materially from those estimates.

INVESTMENTS, AT FAIR VALUE

The Corporation records investment transactions on the trade date. Interest and dividend income, unrealized appreciation and depreciation and realized gains and losses are reported in the consolidated statement of activities. The Corporation's investments are assets of the Foundation. The Corporation engages professional investment managers and advisors who manage and monitor the Corporation's investments. See Note 7 for more detailed disclosures of the Corporation's investments.

The Corporation's investments are valued at fair value and disclosed according to the "fair value hierarchy" in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, Fair Value Measurements and Disclosures. The fair value hierarchy defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Corporation's investments are classified within the level of the fair value hierarchy that gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy, and their applicability to the Corporation's investments, are described below:

- **Level 1:** Inputs to the valuation methodology are unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date;
- **Level 2:** Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and
- **Level 3:** Inputs to the valuation methodology are unobservable in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk. The inputs into the determination of fair value require significant judgment. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these assets and liabilities existed.

A financial instrument's level within the fair value hierarchy is based on the lowest of any input that is significant to the fair value measurement. Certain instruments are valued using the net asset value ("NAV") of the investment vehicle. The NAV is based on the value of the underlying assets owned by the investment vehicle, minus its liabilities, and then divided by the number of shares or ownership units outstanding. A description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the fair value hierarchy, is presented below:

- **Common and Preferred Stocks and Fixed Income Securities:** Equity and fixed income securities (primarily Polish government treasury securities) are valued based upon the closing price as quoted on major exchanges. Common and preferred stocks and certain fixed income securities are classified within level 1 of the fair value hierarchy.
- **Public Mutual Funds – Equity and Fixed Income:** These investments are public investment vehicles valued using the NAV provided by the administrator of the investment vehicle. The NAV for public mutual funds is a quoted price in an active market and classified within level 1 of the fair value hierarchy.

- **Private Mutual Funds – Equity:** These investments are private investment vehicles valued using the NAV provided by the administrator of the investment vehicle. The NAV for private mutual funds is classified within level 2 of the fair value hierarchy as the NAV's unit price is quoted on a private market that is not active; however, the unit price is based on underlying investments which are traded on an active market and the Corporation can redeem its investment at the measurement date or within the near term without redemption restrictions.
- **Alternative Investments:** These investments are private investment vehicles valued using the NAV provided by the investment vehicle manager. Underlying investments that are determined by the investment vehicle manager to be illiquid and/or lacking a readily accessible market value are valued using current estimates provided by the investment vehicle manager. Valuation inputs and methodologies are determined by the investment vehicle manager. Alternative Investments are classified within level 3 of the fair value hierarchy.

CASH AND CASH EQUIVALENTS

For purposes of the consolidated statement of cash flows, the Corporation considers all highly liquid financial instruments with an original maturity of three months or less when purchased to be cash equivalents.

GRANTS AND GRANTS PAYABLE

Grants are recorded as grant expense in the consolidated statement of activities and grants payable in the consolidated statement of financial position when the grant is approved in accordance with policies set by the Board of Directors, negotiations have been finalized with the grantee, and the parties have signed the grant agreement.

CONTRIBUTIONS

Contributions are reported as income in the consolidated statement of activities in the period the grant agreement is signed to the extent there are no donor-imposed conditions or there are donor-imposed conditions but the likelihood of the Corporation not meeting such conditions is remote.

INTEREST AND DIVIDEND INCOME

Interest income is recognized on an accrual basis. Dividend income is recorded in the period in which the dividend is declared and the Corporation was the holder of the security as of the record date.

FOREIGN CURRENCY

The Corporation's functional and reporting currency is the U.S. dollar. The functional currency of the Representative Office and PAFPIO is the Polish zloty. Income and expenses transacted in Polish zlotys are translated into United States dollars during the year at current exchange rates. Polish zloty denominated assets and liabilities are translated at the year-end spot currency rate. Remeasurement and translation adjustments are reflected in the consolidated statement of activities.

DONATED SERVICES

The Corporation's American directors receive no compensation or fees for serving as directors. Such directors donate significant amounts of their time to the Corporation. No amounts have been reflected in the accompanying consolidated financial statements for such donated services, inasmuch as no objective basis is available to measure the value of such services. The Corporation's chairman of the board of directors (the "Chairman") receives an honorarium in exchange for his services as the Chairman. The Corporation's non-executive Polish directors receive

Notes to the Consolidated Financial Statements as of December 31, 2014

a fee for providing advice and assistance to the Corporation. For the year ended December 31, 2014, the total fees paid to all Polish directors and the Chairman amounted to \$41,760.

DEPRECIATION AND AMORTIZATION

Land and fixed assets are initially recorded at cost. All fixed assets, other than land, which is not depreciated, are depreciated on a straight-line basis over their estimated useful lives as follows: land improvements, 15 years, building, 39 years, and computer equipment, software, furniture, equipment and automobiles, from three to five years.

OPERATING EXPENSES

Professional services, expenses of Board of Directors meetings, expenses for travel, lodging and meals incurred in connection with the Corporation's operations, administrative expenses and PAFPIO Polish income tax and allowance for loan losses are classified as operating expenses.

CREDIT RISK

Credit risk is the possibility that loss may occur from counterparty failure to perform according to the terms of a contract. Unless noted otherwise, collateral or other security is not normally required by the Corporation to support financial instruments or loans with credit risk. At December 31, 2013, the Corporation had credit exposure mainly from debt instruments in the Corporation's investment portfolio and loans extended by PAFPIO. The maximum risk of loss from these assets is represented by their respective consolidated statement of financial position amounts.

4. POLISH-AMERICAN ENTERPRISE FUND GRANT

Pursuant to an agreement signed in 1999 between the Fund and the U.S. Government and in consultation with the Government of Poland, the Fund returned \$120 million of the Fund's assets to the U.S. Treasury and contributed the Fund's remaining assets to the Foundation. In accordance with the terms of the grant agreement between the Fund and the Foundation (as amended, the "Grant Agreement"), the Fund contributed \$255.3 million to the Foundation (the "Endowment Amount"), which was recorded as unrestricted net assets. In 2011 the Grant Agreement between the Fund and the Foundation was amended to provide that the Grant Agreement is of no further force or effect, except that certain provisions survived termination, including that the U.S. Government may require the Foundation to return the Endowment Amount, together with any earnings generated thereby, to the U.S. Treasury if the U. S. Government determines that the Foundation has provided grants to or otherwise financed certain prohibited activities.

5. BILL AND MELINDA GATES FOUNDATION GRANT

In March 2009, the Global Development Program of the Gates Foundation awarded the Foundation a project support grant in the amount of \$28.0 million for the five-year period from April 1, 2009 to March 31, 2014, which was amended in 2012 to extend the period to March 31, 2015 (the "Library Project Grant"). Funds received from the Gates Foundation for the Library Project Grant, including interest earned on cash deposits held by the Foundation, are to be spent exclusively to implement a program to increase access to computers and the internet through public libraries in rural areas of Poland (the "Library Program"). The Library Project Grant funds received were recorded as temporarily restricted net assets when the grant agreement was signed and were reclassified as unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions when funds

were disbursed for the Library Program. Through December 31, 2014, the Foundation had received \$28.0 million from the Gates Foundation for the Library Project Grant which has been fully disbursed for the Library Program.

6. INVESTMENTS AT FAIR VALUE

See “Investments, at Fair Value” in Note 3, above, for discussion of the methodologies and assumptions used to determine the fair value of the Corporation’s Investments. The cost, fair value and accumulated unrealized appreciation (depreciation) on investments at December 31, 2014 is presented in the table below:

	Cost	Fair Value	Accumulated Unrealized Appreciation (Depreciation)
Common and Preferred Stocks	\$ 31,944,781	\$ 62,541,153	\$ 30,596,372
Public Mutual Funds - Equity	71,371,461	78,709,021	7,337,560
Private Mutual Funds - Equity	15,000,606	21,607,960	6,607,354
Alternative Investments	59,035,386	71,409,660	12,374,274
Fixed Income Securities	17,371,380	14,767,279	(2,604,101)
Public Mutual Funds - Fixed Income	702,158	693,595	(8,563)
	<u>\$ 195,425,772</u>	<u>\$ 249,728,668</u>	<u>\$ 54,302,896</u>

The net unrealized appreciation (depreciation) and net realized gain on investments for the year-ended December 31, 2014 is presented in the table below:

	Net Unrealized Appreciation (Depreciation)	Net Realized Gain (Loss)
Common and Preferred Stocks	\$ (476,481)	\$ 4,215,487
Public Mutual Funds - Equity	(3,700,402)	4,079,467
Private Mutual Funds - Equity	(449,565)	-
Alternative Investments	769,370	(127,927)
Fixed Income Securities	(1,648,209)	430,103
Public Mutual Funds - Fixed Income	(2,645)	1,682
	<u>\$ (5,507,932)</u>	<u>\$ 8,598,812</u>

Notes to the Consolidated Financial Statements as of December 31, 2014

Set forth in the table below are the Corporation's investments as of December 31, 2014, at fair value on a recurring basis by the hierarchy levels described in Note 3:

	Fair Value at Reporting Date Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Common and Preferred Stock	\$ 62,541,153	\$ -	\$ -	\$ 62,541,153
Public Mutual Funds - Equity	78,709,021	-	-	78,709,021
Private Mutual Funds - Equity	-	21,607,960	-	21,607,960
Alternative Investments	-	-	71,409,660	71,409,660
Fixed Income Securities	14,767,279	-	-	14,767,279
Public Mutual Funds - Fixed Income	693,595	-	-	693,595
	<u>\$ 156,711,048</u>	<u>\$ 21,607,960</u>	<u>\$ 71,409,660</u>	<u>\$ 249,728,668</u>
% of total	62.7%	8.7%	28.6%	100.0%

During the year ended December 31, 2014, there were no transfers of investments between levels 1, 2 and 3.

Set forth in the table below is a summary of changes in fair value of the Corporation's Level 3 Alternative Investments as of December 31, 2014:

Beginning Fair Value	Net Realized Gain	Net Unrealized Depreciation	Purchases	Sales	Ending Fair Value	Net Accumulated Unrealized Appreciation Outstanding at Year-End
\$ 72,365,808	\$ (127,927)	\$ 769,370	\$ 866,298	\$ (2,463,889)	\$ 71,403,315	\$ 12,374,274

Net realized gain and net unrealized depreciation on Level 3 investments are included in the respective line items in the consolidated statement of activities.

Included in the amount reported as interest and dividend income in the consolidated statement of activities is approximately \$2.7 million that represents amounts distributed from the Corporation's various mutual fund investments as dividend income.

Presented in the table below is information about the Corporation's Level 2 and Level 3 investments valued using the NAV of the investment vehicle as a practical expedient, categorized by investment strategy, as of December 31, 2014:

	Fair Value	Redemption Frequency	Redemption Notice Period	
<u>Level 2:</u>				
International	\$ 21,607,960	Daily	10 business days	(a)
<u>Level 3:</u>				
Multi-strategy	41,547,751	Quarterly/over one year	45-90 days	(b)
Emerging markets	14,643,266	Monthly	6-30 days	(c)
Event driven	8,271,713	Over 1 year	90 days	(d)
Long/short equity	5,591,636	Monthly	15 days	(e)
Private equity	1,355,293	Not able to redeem	Not applicable	(f)
	<u>71,409,659</u>			
	<u>\$ 93,017,619</u>			

Note: There are no unfunded commitments to the Corporation's investments other than as disclosed in note (f), below.

(a) International: This category has one investment fund whose objective is to achieve long-term growth primarily by investing in a diversified portfolio of equity securities of companies located in any country other than the United States. The fund invests primarily in established international markets; however a portion of the fund's assets may be invested in emerging markets.

(b) Multi-strategy: This category includes alternative investment funds that pursue multiple investment strategies, including long/short equity, event driven, credit, merger arbitrage, distressed debt and private transactions primarily in North America, Europe and Asia (78% of this category), and global commodity and derivative strategies (21% of this category). Investments representing 17% of this category cannot be redeemed currently because the investment manager requires full redemptions to be paid over four consecutive quarters.

(c) Emerging markets: This category includes two alternative investment funds that pursue a long-only strategy for investment in emerging markets. One of the funds representing 54% of this category invests solely in the Asia Pacific region excluding Japan, primarily in emerging markets, but may invest in Australia or New Zealand. The other fund representing 46% of this category invests in small/mid cap emerging markets equities.

Notes to the Consolidated Financial Statements as of December 31, 2014

(d) Event driven: This category is comprised of one alternative investments fund that invests across the capital structure with exposure to equity and/or credit investments, including distressed debt, primarily in developed markets in North America and Europe.

(e) Long/short equity: This category is comprised of one alternative investments fund that seeks to generate equity-like returns with low correlation to equities markets and other alternative investments by investing in U.S. and International debt, equity and derivatives.

(f) Private equity: This category is comprised of one investment in a private equity fund that invests in the energy sector in North America. At December 31, 2014, the Foundation was committed to invest \$3.1 million in this fund. This fund does not provide for redemptions.

7. LAND AND FIXED ASSETS

As of December 31, 2014, land and fixed assets consisted of:

Land	\$ 1,913,359
Land improvements	174,158
Building	2,769,692
Computer equipment and software	154,863
Furniture and equipment	270,815
Automobiles	76,196
	<u>5,359,083</u>
Less - Accumulated depreciation and amortization	600,424
Net book value	<u>\$ 4,758,659</u>

8. LOANS AND LOAN LOSS RESERVE

Loans are generated by PAFPIO and are stated at the principal amount outstanding plus accrued interest reduced by an allowance for loan losses. Interest on loans is credited to income based on principal amounts outstanding at applicable rates. The accrual of interest is discontinued when the loan agreement is terminated or there is doubt regarding collectability.

The allowance for loan losses is maintained at a level determined by PAFPIO management to adequately absorb potential losses in the loan portfolio. This determination is based on the exposure to loss related to specific borrower situations, including their financial position, payment history and collateral values, and other relevant factors and estimates which are subject to change over time. Estimating the risk of loss and amount of loss on any loan is necessarily subjective and ultimate losses may vary from current estimates. These estimates are reviewed by PAFPIO management periodically and, as adjustments become necessary, are reported in the periods in which they become known. The allowance for loan losses is increased by provisions for loan losses charged to operations and decreased by write-offs, net of recoveries. Collection efforts continue after a loan is charged-off by PAFPIO Management and future recoveries may occur.

Changes in the PAFPIO allowance for loan losses for the year ended December 31, 2014 were as follows:

Beginning balance	\$ 260,371
Additional provision charged to operations	274,322
Recoveries of loans previously provided for in allowance for loan losses	(16,874)
Loans written-off	(108,950)
Foreign currency translation adjustment	(43,659)
Balance, end of year	<u>\$ 365,210</u>

9. COMMITMENTS

As of December 31, 2014, the Corporation had approved 17 programs totaling \$20.2 million that were subject to the completion of grant negotiations and the signing of grant agreements to the satisfaction of all parties. Subsequent to December 31, 2014 the Corporation signed grant agreements for these approved programs in the total amount of \$9.2 million.

10. TAX STATUS

UNITED STATES

The Foundation is exempt from U.S. Federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code"), and has been classified as an organization that is not a private foundation as defined in Section 509(a)(1) of the Code. In addition, the Foundation is exempt from state and local income taxes.

POLAND

The Representative Office is not subject to Polish corporate income taxation. PAFPIO is a Polish limited liability corporation subject to Polish Corporate income tax. For the year ended December 31, 2014, PAFPIO incurred \$42,653 of income tax expense, which is included in operating expenses in the consolidated statement of activities.

11. SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through April 28, 2015, the date the consolidated financial statements were available to be issued, and has determined there were no additional events requiring consideration as adjustments to, or disclosures in, the consolidated financial statements as of and for the year ended December 31, 2014.

BOARD OF DIRECTORS

* as of June 2015

ANDREW NAGORSKI – CHAIRMAN

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