

Polish-American Freedom Foundation

2011 ANNUAL REPORT

TABLE OF CONTENTS

Letter from the PAFF Leadership	4
The Foundation's Programmatic Fields	8
Twelfth Year of Operation	9
Initiatives in Education	9
Development of Local Communities	17
Sharing the Polish Experiences in Transformation	27
People, Projects, Initiatives	30
Financial Statements and Report of Independent Auditors	42
Independent Auditors' Report	43
Consolidated Financial Statements	44
Notes to the Consolidated Financial Statements as of December 31, 2011	47
Board of Directors	57
Management and Staff	58

LETTER FROM THE PAFF LEADERSHIP

Letter from the PAFF Leadership

This report summarizes the Polish-American Freedom Foundation's twelfth year of operation. As in the previous years, the Foundation pursued its statutory objectives by lending support to the changes launched in Poland in 1989, as well as helping to share with other countries of Eastern Europe the experiences gained in the course of Polish transformation. Invariably two issues dominate the programs implemented in Poland: leveling the playing field in education, combined with its modernization, as well as unleashing and supporting local communities' development potential, particularly in rural areas and in small towns.

This past year saw a significant expansion of the Library Development Program, in which PAFF is a partner of the Bill and Melinda Gates Foundation, the largest non-governmental grant-giving organization in the world. 1,454 libraries qualified for the Program's second round, joining the libraries already participating in the first round. All told 3,327 libraries from 1,110 communes now take part in the Program, which amounts to more than half of all libraries located in villages and small towns in Poland. Along with the delivery of ICT equipment, the Program's other crucial component is to provide training intended to improve librarians' skills, which so far has benefited more than 2,000 participants. Also, 400 grants have been awarded to various projects serving the main purpose of the Program: transforming libraries into multi-functional information, education, culture and civic activity centers. The annual Convention of Public Libraries, which in 2011 received the patronage of the First Lady Anna Komorowska and the President of Warsaw Hanna Gronkiewicz-Waltz, serves the activity of sharing experience. The Convention brought together more than 500 representatives of the Polish librarian community, delegations from the Bill and Melinda Gates Foundation as well as the American Public Library Association.

The Library Development Program has been implemented by tapping into the vast experiences and resources used in other PAFF initiatives. Particularly interesting is the "Village in Transition" (e-VITA) Program, completed last year, within which the "e-VITA Method" was developed. The method includes a comprehensive knowhow aimed at designing and implementing initiatives serving the development of information society in Polish communes.

The results of the Library Development Program and the "e-VITA" Program have been an inspiration for PAFF to become involved in other initiatives promoting the use of modern information and communication technologies. One of them was a Poland-wide conference called "Sector 3.0. Technologies for Non-Governmental Organizations", arranged in partnership with the Unit for Social Innovation and Research "Shipyard" Foundation in May 2011. The fact that so many nonprofit organizations expressed interest to participate convinced us to continue our operations promoting ICT in local community development. This has led us to start working on the preparation of a new pilot program called "New Technologies Locally", in which emphasis will be placed on enabling non-governmental organizations to acquire the knowledge and skills necessary to identify the potential areas and tools for employing information and communication technologies in pursuit of their social/ civic objectives.

We are also delighted to see the results of our long-term programs, particularly those that celebrated their tenth anniversary last year. These include the "Equal Opportunities" Program, within which more than 1,700 local educational projects involving 118,000 people, mainly children and teenagers, have been implemented so far; and the Lane Kirkland Scholarship Program already having 464 alumni - young leaders of civic, political and

business life from Eastern Europe, the Caucasus, and Central Asia. The 4th Lane Kirkland Scholarship Program Alumni Conference held in July 2011, whose theme was "The Polish Presidency in the EU and Regional Cooperation", presented a great opportunity to recapitulate on its achievements of the past 10 years. The President of Poland, Bronisław Komorowski, addressed the conference participants in a letter, which was read aloud by Minister Jacek Michałowski, Chief of the Presidential Chancellery. Other conference guests included Professor Leszek Balcerowicz, Minister Michał Boni, Minister Beata Stelmach, and the U.S. Ambassador Lee Feinstein. The Lane Kirkland Scholarship Program attracts unwavering interest demonstrated by the record number of applications for the 2011/12 academic year: there were nearly eight candidates for each scholarship. When listing the achievements of our scholarship programs it is worth noting that it is the first time in the history of the Bridge Scholarships Program that a participant has been awarded a doctoral degree: in 2011, the Program's 1st edition graduate, and the "Top Student" Competition winner, Ms Agnieszka Kowalczyk received a doctoral degree in technical science at the Szczecin University of Technology. In total, 14,500 scholarships have been awarded in the Bridge Scholarships Program.

The "Student Volunteers" Program has begun its next phase of development. Since 2003, more than 15,000 educational projects have been implemented in 1,100 schools in small towns, and the community of volunteers has grown to 7,500 members. We are delighted that the "Student Volunteers" Program has been acknowledged by the Polish Ministry of Education, which awarded it the title of "Activity with Passion". The title is presented to initiatives which are conducted by non-governmental organizations on a recurring basis and which contribute to enriching the educational offer of schools.

Thanks to our cooperation with the U.S. Embassy in Warsaw, in increasing numbers, the most active participants in selected PAFF programs are given an opportunity to gain knowledge and new experiences on study visits and internships in the United States. In July 2011, a group of English teachers participated in the "TESOL Summer Institute". It was the third visit organized by Gonzaga University for PAFF's "English Teaching" Program participants. Then in October 2011 alumni of the "PAFF Leaders" Program visited the United States for the fourth time. The subject of their visit, organized as part of the "International Visitor Leadership Program" in partnership with the U.S. Department of State, was leadership in local communities. Another undoubtedly important undertaking is the "Polish-American Internship Initiative", which so far has afforded 22 participants of the Bridge Scholarships Program and the "Student Volunteers" Program an opportunity to complete internships with several leading American corporations from June to September 2011. Prior to that, a group of 10 librarians participating in the Library Development Program visited the USA.

December 2011 saw the Polish-American Freedom Foundation enter a new phase of development, which coincided with the opening of its own premises of the Representative Office in Poland. The decision to erect it had been made by the Foundation's Board of Directors in the fall of 2009, and the construction works took 9 months. Now, 11 years after launching its operations, the Foundation has its own building in Poland. The facility will open up new opportunities for implementation of the Foundation's initiatives. The modern conference infrastructure is available for managers of PAFF programs and its participants to organize workshops, training courses, and other meetings. On entering the new stage of the Foundation's activities, we wish to thank all those who supported our work over the past year, and in particular our Partners - the managers of PAFF programs - for their commitment, initiative, and high standards. Special words of gratitude are owed to the Members of the Foundation's Board of Directors, who have relentlessly involved themselves in the Foundation's development and supported PAFF staff in their activities. We also wish to warmly welcome David Niemiec, who joined the Board of Directors in November 2011.

New York/Warsaw, April 2012

m P Bikeling

John P. Birkelund Chairman of the Board of Directors

7 Zie

Jerzy Koźmiński President and Chief Executive Officer

THE FOUNDATION'S PROGRAMMATIC FIELDS



Initiatives in **Education**

- → EQUAL OPPORTUNITIES
- → LEARNING SCHOOLS (LES)
- \rightarrow ENGLISH TEACHING (ET)
- → EDUCATION ON THE INTERNET – THE POLISH EDUCATIONAL PORTAL "INTERKL@SA"
- → PROJECTOR STUDENT VOLUNTEERS
- → BRIDGE SCHOLARSHIPS
- THIRD AGE UNIVERSITIES (TAU)

Development Sharing of Local

- → SUPPORT FOR NGOS
- → ACT LOCALLY
- → PAFF LEADERS
- → VILLAGE IN TRANSITION: DEVELOPING INFORMATION SOCIETY (e-VITA)
- → "PRO PUBLICO BONO" COMPETITION
- → THE LIBRARY DEVELOPMENT PROGRAM
- → PAFF LOCAL PARTNERSHIPS
- → CITIZEN AND LAW

the Polish **Communities Experiences in** Transformation

- → THE LANE KIRKLAND SCHOLARSHIP PROGRAM
- → REGION IN TRANSITION (RITA)

12 YEAR OF OPERATION

Initiatives in Education

- → EQUAL OPPORTUNITIES
- → LEARNING SCHOOLS (LES)
- → ENGLISH TEACHING (ET)
- → EDUCATION ON THE INTERNET THE POLISH EDUCATIONAL PORTAL INTERKL@SA"
- → PROJECTOR STUDENT VOLUNTEERS
- → BRIDGE SCHOLARSHIPS
- → THIRD AGE UNIVERSITIES (TAU)

EQUAL OPPORTUNITIES

The objective of this Program, implemented since 2001, is to support social/civic initiatives fostering equal opportunities for a better start on the road to adulthood for young people from rural areas and small towns (with populations of up to 20,000 inhabitants) by improving their competencies and developing social skills, such as teamwork, the ability to win support for achieving set goals and the ability to plan activities. Within this Program, NGOs, culture centers, libraries and informal groups apply for grants to finance the projects that stimulate cognitive and creative aspirations of children and youth as well as help develop the skills they need to independently achieve realistically set goals. Such projects promote attitudes of active involvement and openness as well as inspiration to work for the benefit of their community.

Through these projects young people are able to participate in activities extending beyond the standard curricula offered by schools. The Program's offer is rounded out by skill-enhancing training opportunities for project coordinators, which raise their qualifications and deal with ways of conducting projects, particularly emphasizing the involvement of young people in the role of active creators, participants and direct implementers.

An important component of the "Equal Opportunities" Program is the Local Forums organized cyclically by organizations participating in the Program. The Forums are a place for institutions and individuals involved in activities for the benefit of the youth in their communities to discuss the potential of the local environment and the barriers limiting development opportunities of youth from villages and small towns. So far 58 regional and local educational forums as well as two national forums have been organized, attended by a total of more than 8,300 participants.

The results of the eleven rounds of the Program include implementation of 1,700 educational projects involving nearly 121,000 participants (indirectly 395,000 people have been involved). Activation and integration of local communities around the initiatives addressed to children and teenagers should also be noted. 15 publications have been issued, describing the methodology of selected model projects, which may be implemented throughout Poland. The publications are available at the Program's website www.rownacszanse.pl. In addition, 140 new local nongovernmental organizations have emerged as a result, and many projects continue after the original financial support provided by the Program ceases.

In 2011, within the National Grant Competition and Regional Grant Competition grants were awarded to 134 projects. Their implementation will last until the end of 2012.



→ PAFF granted a total of \$8,996,813for the Program, including \$1,036,485 in 2011.

→ Program Manager: The Polish Children and Youth Foundation

→ More information at: www.rownacszanse.pl

THE LEARNING SCHOOLS (LES)

Within this Program, jointly implemented with the Center for Citizenship Education since 2000, a wide range of activities is carried out aimed at improvement of education quality in Poland by making use of the best practices from abroad. Those are to promote cooperation between the teaching staff, self-evaluation, improvement of teaching and assessment methods. Schools work out organizational solutions which lead to the teachers' professionalization. They also monitor the results of their activity and share best practices. Particular emphasis is placed on schools in rural areas and small towns as well as on cooperation with self-governments.

Schools participating in the "Learning Schools" Program's core component make use of the wide training offer and workshops for representatives of the teaching staff, training courses and conferences for school headmasters as well as other activities for teachers such as summer schools. This leads to quality improvement in such key areas of schools' activities as effective education, teaching and learning, the school as an institution, and the school's relationship with the outside community.

Schools which complete the Program training and introduce the quality-improvement system are eligible to join the "Learning Schools Club". These schools develop a system of quality assurance, help each other in selfevaluation, improve their teachers' skills as well as share materials and experiences. They also participate in the accreditation process of educational institutions vying for the "Learning Schools" title.

During eleven years, 1,086 schools have participated in the core part of the "Learning Schools" Program, and 34,000 teachers have already been trained. Thanks to the Program, the autonomy of the teaching staff increases, and the schools open up to contact with the outside world.

Interested schools may also take advantage of widely available courses organized within the "Learning Schools Academy". The "Academy" provides training courses and workshops for teaching staff as well as internet courses for individual teachers. Among other topics the training courses include the theme of a junior-high school project, didactic methods as well as the school's and teacher's development. Two new undertakings have been implemented since 2009 - the "Teachers Internet Academy" (TIA) and the "Pupils' Academy". The first is a large-scale undertaking offering online training to teachers of different subjects at schools and levels of every kind, including pre-schools. TIA courses are conducted on a special Internet platform making use of e-teaching and e-coaching that prepare teachers to use modern information technologies in their teaching activities. TIA offers seven yearly courses. In the 2011/12 school year 1,800 teachers from 197 schools are taking part in TIA training courses.

The "Pupils' Academy" initiative, financed from European Union funds, is aimed at promoting mathematics and science subjects among junior-high school students. By 2014 the project is to encompass 300 junior high schools, which will receive funds for conducting extracurricular activities through scientific clubs for mathematics, physics, chemistry and biology. This will also include additional remuneration for overtime work of teachers overseeing those clubs. And, the schools will receive young explorer's tool sets and laboratory microscopes to be used for activities of the scientific clubs as well as the opportunity to arrange trips to science festivals organized by higher education institutions. The idea behind the "Pupils' Academy" is for each of the 33,000 participating junior high schools students to implement at least one cooperative educational project within the activities of the school's scientific club.



12 rear of Operation

Since 2007, the Educational Leaders Postgraduate Studies program has been carried out in cooperation with Collegium Civitas and the All-Poland Educational Management Staff Association. The objective is the skill-improvement training for headmasters and supervisory bodies as well as staff of the school superintendent's office. So far 200 headmasters and deputy headmasters of all school levels have taken part in the studies.

PAFF is the strategic partner of the "School with Class 2.0" undertaking, promoting the use of information and communication technologies in learning and teaching. It builds 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 Foundation in cooperation with Gazeta Wyborcza daily. Over 5,000 schools from all over Poland completed it. The campaign gave birth to the following undertakings: "Teacher with Class", "Student with Class", and "School of Thinking".



→ Program Manager: The Center for Citizenship Education Foundation

→ More information at: www.ceo.org.pl/sus

ENGLISH TEACHING

In operation since 2000, the "English Teaching" Program launches and supports activities that promote the English language and improve the quality of English teaching to children and teenagers from small towns and rural areas. By doing so it promotes equal access to educational opportunities, and also contributes to the professional development of English language teachers working in small localities.

The Program is a large-scale undertaking promoting English teaching as well as stimulating and developing numerous other initiatives. The results of such initiatives often go beyond the initial goals and frequently stimulate civic activity of particular communities. In the Program's editions to date (2000-2011) 672 projects have been subsidized through grant competitions addressed to schools and non-governmental organizations from localities of up to 20,000 inhabitants. As a result, English Teaching and Anglo-Saxon Culture Clubs were set up in many Polish schools, libraries with English literature and press were created, and theater circles, quizzes on English-language writers, culture and history, as well as song festivals were organized. Children and young people had the opportunity to watch English-language films in their original versions and participate in classes conducted by native speakers. More than 37,000 students and approximately 2,000 teachers directly participated in the projects financed within the grant competitions. Indirectly they engaged over 100,000 parents and other members of local communities.

Nine nationwide educational meetings, "English Teaching Markets", have been held for teachers of English as well as for interested institutions, organizations, schools and publishers. Some 4,300 people participated in them. Such annual gatherings are aimed at developing cooperation networks of English-language teachers from small localities, additionally supported by the Program's quarterly bulletin and a community portal.

In addition, eighty-three weekend "Teaching English Teachers" training sessions have been held for 3,500 teachers, mainly from outside major metropolitan areas. The sessions concentrated on language-teaching methodology.

The most active teachers participating in the Program have an opportunity to take part in the TESOL (Teaching English to Speakers of Other Languages) Summer Institute organized by Gonzaga University in the USA.

→ PAFF granted a total of **\$4,595,992** for the Program, including \$558,197 in 2011.

→ Program Manager: The NIDA Development Foundation

→ More information at: www.englishteaching.org.pl

EDUCATION ON THE INTERNET – THE POLISH EDUCATIONAL PORTAL "INTERKL@SA"

The purpose of the Program, carried out between 2000 and 2011, was to create and manage an Internet platform affording access to educational resources, content and services. As one of the first professional, non-commercial educational portals in Poland, www.interklasa.pl was addressed to learners, teachers and parents. It was a joint undertaking between the Polish-American Freedom Foundation and the Interkl@sa Initiative. The modern technological infrastructure was provided by the Poznań Supercomputing and Networking Center (Poznańskie Centrum Superkomputerowo-Sieciowe).

The objective of the Portal was to support the process of the modernization of education as well as to equalize opportunities for schoolchildren from less advantaged environments. The Portal offered a wealth of educational resources and multimedia teaching aids, including exam tests, lesson scenarios, thematic services, video materials and e-learning training. The Portal's editorial staff organized educational competitions such as the "Contest for the School Website" and the "Interkl@sa Quality Trademark Competition". It also offered additional services, including email, a search-engine (based on Google Technology), chat rooms, forum, and other services such as a "Virtual Class" (long-distance learning and teaching aid), an "Interactive Schools' Map", offering a database of over 30,000 educational institutions in Poland. Registered users could use the Portal's blogging service and keep their own journals. The socio-educational projects were also implemented through the Portal, including the "Young Leaders Act Locally" project and the e-learning training, "Media competence – the key to the young generation's success in the knowledgebased society".

The educational activities and resources of the "Interkl@sa" Portal have been recognized by periodicals and organizations specializing in modern information technologies. This came to light when it was honored with the "Safe Website Certificate", awarded by the service www.sieciaki.pl and the "Child-Friendly Website" title bestowed by the kidprotect.pl Foundation. It was also chosen by the "Komputer Świat" magazine as the best and most interesting Polish educational site (in 2004 and in 2007). In 2007, in the "Education" category, it won the "Webstarfestival" contest promoting the best internet projects.

In 2011 it recorded an average of more than three million hits a month and 487,000 visits a month. The weekly electronic bulletin is received by nearly 28,000 registered users.

Over the 11 years of the "Polish Educational Portal Interkl@sa" Program's implementation it was one of the most significant educational media in Poland – it helped equalize educational opportunities and promoted the best practices of cooperation and ICT use in teaching.

Between 2000 and 2008 this undertaking was financed by PAFF and managed by the Foundation for Economic Education. In 2009-2010 it was operated by the Poznań Supercomputing and Networking Center. The Portal is still in operation – it is funded and managed by the Polish Educational Portal Interkl@sa Foundation, set up in 2010.



→ Program Manager: The Polish Educational Portal Interkl@sa Foundation

→ More information at: www.interklasa.pl

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 university student volunteers (2 to 5 persons) implement educational projects they have prepared to develop knowledge, skills and interests of children and youth. The projects are conducted in free time during the school year as well as summer and winter vacations. 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 promotes active attitudes not only among pupils but also in university students, developing their sense of social responsibility and solidarity, at the same time enabling them to pursue their passions and interests in an attractive and enjoyable way.

In the editions of this Program, conducted since 2003, more than 16,000 educational projects have been implemented in 1,200 schools throughout Poland, in which more than 7,500 student volunteers took part. Last year 3,876 projects were carried out with the participation of 38,000 pupils.

The Program was supported by two former Prime Ministers, Professor Jerzy Buzek and Professor Marek Belka, who took part in summer-vacation activities with school children in several rural communities.

For years the "Student Volunteers" Program has been supported by the network of institutional partners (schools of higher education, local authorities and media). It now affiliates more than 40 institutions including the Ignacy Łukasiewicz Polish Oil and Gas Foundation - the strategic partner, the Orange Foundation, Microsoft, Polish Oil and Gas Company (PGNiG Group), the Ministry of Treasury, IBM, Euro<26 and Radio ESKA.

In 2011 the Ministry of Education provided the Program with the title "Acting with Passion", which is awarded to initiatives carried out regularly by non-governmental organizations that contribute to expanding schools' educational offer.



→ PAFF granted a total of \$3,852,739 for the Program, including \$639,444 in 2011.

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

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

BRIDGE SCHOLARSHIPS

The Program 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, especially former state-owned farm areas, to make a decision to begin university studies by offering them firstyear scholarships. The Bridge Scholarships Program is currently financed by the Polish-American Freedom Foundation, the National Bank of Poland, the PZU (State Insurance Group) Foundation, the BRE Bank Foundation, the BGK Jan Kanty Steczkowski Foundation, the Orange Foundation, the Rural Development Foundation and a coalition of non-governmental organizations cooperating with the Stefan Batory Foundation and the Academy for the Development of Philanthropy in Poland. Also involved are those NGOs that joined the Program as part of the "Diploma of Dreams" campaign. The Program is carried out with the support of the Agricultural Property Agency. In order to carry out the ten editions of the Program, Partners have disbursed more than PLN 64 million, including PLN 37 million provided from the Polish-American Freedom Foundation.



Within the program, a total of 14,500 scholarships have already been awarded. Scholarships for the first year of full-time studies leading to a Master's degree have been granted to nearly 11,000 high-school leavers. Under the current 10th edition 733 scholarships have been granted to first year students in the amount of PLN 500 per month. They will be paid out over 10 months.

The Program is currently a scholarship system whose offer transcends 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, try for corporate scholarships for their third and fourth years, a "Study Abroad" initiative and doctoral scholarships.

The "Diploma of Dreams" campaign encourages and

supports local non-governmental organizations to sponsor scholarships in accordance with the idea behind the Bridge Scholarships Program. Since 2006, more than 100 such organizations have engaged in such assistance to 2,030 scholarship holders. An initiative to provide summer internships in the USA has also been launched in cooperation with the U.S. Embassy in Warsaw. Last year 22 students were hosted by several leading American corporations.

The Program's offer also includes language scholarships and workshops preparing scholarship holders for entering the job market. Within the Program, educational scholarships have been granted to young people from small towns and rural areas who have demonstrated high scholastic achievements in economic studies at non-state academic institutions and private business schools. Since 2000 more than 8,000 such scholarships have been awarded.

A survey conducted among scholarship holders revealed that nearly 40% of them would not have been able to undertake university studies were it not for the financial assistance of the Bridge Scholarships Program. More than 55 percent of graduates had grade averages of "good" or better, and 80 percent completed them without delays. A mere 3 percent dropped out. More than 70 percent of them plan to continue their education after graduation.

Patronage over the jubilee 10th edition has been assumed by the First Lady Anna Komorowska.



→ Program Manager: Educational Enterprise Foundation

→ More information at: www.stypendia-pomostowe.pl

THIRD AGE UNIVERSITIES (TAU)

The objective of this Program, launched in 2005, is to support educational and empowering activities aimed at seniors as well as to promote their civic involvement. The Program works toward this goal by providing support to, and popularizing civic initiatives undertaken by seniors, while making use of their knowledge, experience and potential for the benefit of their own communities. Support is also provided directly to Third Age Universities (TAU).

Within the "Seniors in Action" Grant Competition, grants and training courses are offered for people over the age of 55, who are eager to get involved in civic initiatives. The competition is aimed at active seniors citizens, taking part in activities of both Third Age Universities as well as various organizations and institutions. So far 131 intergenerational projects have been funded, mobilizing the elderly in their local communities and promoting seniors' voluntary work. In the current edition, 34 projects are being implemented and accounts of their implementation are provided on the "Seniors in Action" blog.

Within the framework of direct support for Third Age Universities, the Program offers training cours-

es, workshops and opportunities to share experiences during conferences for TAU representatives. In 2004-2010 national gatherings were held in Kraków, Bydgoszcz, Słupsk, Płock, Warszawa, Nowy Sącz and Katowice. Since 2011 selected regional TAU meetings are supported within the Program.

In 2005-2008, 131 grants were awarded to Third Age Universities in a grant competition for activities improving the quality of their educational offerings, including computer and Internet courses as well as initiatives reaching out to a broader audience of senior citizens and involving seniors' in their communities', particularly through voluntary work.

2012 has been announced as the "European Year for Active Aging and Intergenerational Solidarity" and in Poland it will also be "The Year of Third Age Universities". One of the most important events in this period will be the All-Poland Congress of Third Age Universities, which is planned for March 2012 in Warsaw. The First Lady, Anna Komorowska, has assumed patronage over "The Year of Third Age Universities", with PAFF being its partner.



→ PAFF granted a total of \$2,440,819 for the Program, including \$357,840 in 2011.

→ Program Manager: The Association of the Creative Initiatives "ę"

→ The Competition's website: www.seniorzywakcji.pl

12 YEAR OF OPERATION

Development of Local Communities

- → SUPPORT FOR NGOs
- → ACT LOCALLY
- \rightarrow PAFF LEADERS
- → VILLAGE IN TRANSITION: DEVELOPING INFORMATION SOCIETY (e-VITA)
- → "PRO PUBLICO BONO" COMPETITION
- $\rightarrow\,$ THE LIBRARY DEVELOPMENT PROGRAM
- → PAFF LOCAL PARTNERSHIPS
- $\rightarrow~$ CITIZEN AND LAW

SUPPORT FOR NGOs

The Program aims to provide institutional support to non-governmental organizations and community leaders in Poland, especially in small towns and rural areas. The support includes access to information, advice and training. The purpose is to improve the conditions in which organizations operate and thus to improve the quality of management leading toward more effective implementation of their social/civic undertakings.

Currently the Program comprises three parallel paths.

The first is the NGO information system whose main component is the Non-Governmental Organizations' Portal ngo.pl; in 2010 it had an average of 700,000 visits a month. The system also includes an Informatorium (information center) with its 0-801-646-719 hotline, research and publications, and the "Third Sector" quarterly, published by the Institute of Public Affairs.

The second path - the "EURO-NGO+" is aimed at increasing NGOs' abilities to obtain European Union funds. It is a continuation of PAFF's "EURO-NGO" Program carried out in 2003-2006 by the SPLOT network and the Association for the Forum of Non-Governmental Initiatives. In 2004-2006, thanks to participation in "EURO-NGO", Polish local organizations gained over \$48 million from EU funds. In-

formation activities, such as the www.eu.ngo.pl service, are now carried out by the Federation of Polish NGOs Szpitalna Center, and advocacy activities by the National Federation of Polish NGOs. The "Support for NGOs" offer also includes experts' support in this area for the third sector.

The third path is the "Financial Management for NGOs" (FIMANGO) - which includes training, counseling and publications for people responsible for financial management in the third sector, mainly in small localities. In 2000-2011, more than 3,100 people (including 620 in 2011), representing 373 organizations throughout Poland took advantage of these training opportunities. The training courses are implemented by the Civil Society Development Foundation.



→ Program Managers: Klon/Jawor Association Civil Society Development Foundation ("FIMANGO")

→ More information at: www.ngo.pl www.eu.ngo.pl www.frso.pl

ACT LOCALLY

The objective of the Program, operating since 2000, is to assist and encourage local communities by lending support to civil initiatives that help solve local problems and stimulate new aspirations among communities in small towns and villages as well as to develop their social capital. The grants awarded in open grant competitions stimulate the activity of local communities, the members of which define their own needs and undertake common initiatives. People are different, and so are their needs, traditions, experiences, and available resources, therefore, the

Program supports a variety of projects. Each community follows its own path to achieve its goals.

In the first three editions of the "Act Locally" Program, 357 projects were supported in the national grant competition, involving more than \$1 million from PAFF. Since 2004 competitions at the local level have been launched through the agency of Local Grant Organizations (currently known as Act Locally Centers). In 2004-2009 (the 4th, 5th and 6th editions) a total of 109 projects received funding in countrywide competitions, and 2,827 grants were awarded via a network of Act Locally Centers, which held local competitions encompassing several communities or districts. Within the 7th edition of the Program, which began in 2010, 1,319 grants have been awarded in local grant competitions.

The ALC network is gradually expanding – beginning with 15 organizations in 2004 to 50 ALCs in 2011. Currently it covers 540 communes from all over Poland with at least one ALC in each voivodeship.

The subsidized initiatives mainly deal with strengthening cooperation and involvement in local communities, creating new opportunities for personal development and spending free time as well as highlighting regional attractions. Their common denominator is local involvement providing citizens with new skills and teaching them how to organize themselves and respond to new problems. The beneficiaries include NGOs, local public institutions (schools, community centers, libraries) and informal groups on behalf of which organizations can apply for grants. The implementation of all of the projects have attracted approximately 99,000 volunteers.

For several years the "Tell me..." Competition has been organized within the "Act Locally" Program. It summarizes and promotes activities for the benefit of the common good, undertaken thanks to the projects financed within the Program.

The Program's experiences have been harnessed by "PAFF Local Partnerships", an initiative implemented since 2009. The beneficiaries of various PAFF programs set up partnerships whose objective is to carry out projects of importance to local communities.

Within "Act Locally", last year PAFF once again sup-

ported the "Benefactor of the Year" Competition and assumed patronage over the "Local Dimension of Corporate Social Commitment" category, which promotes the civic engagement of companies in areas where Local Grant Organizations operate. The Foundation is also the main partner of the "Civic Leader of the Year" Competition, organized by Newsweek Polska withthe Academy for the Development of Philanthropy in Poland as a strategic partner. The aim of the Competition is to promote and award people acting for the common good in their local communities.



→ PAFF granted a total of **\$8,415,224** for the Program, including \$873,774 in 2011.

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

→ More information at: www.dzialajlokalnie.pl

PAFF LEADERS

The objective of this Program, implemented through the involvement of the School for Leaders Association, is to support the development of qualifications and skills by individuals involved in community efforts. This is achieved mainly through the use of the tutoring method based on constant cooperation between the participant ("leader") and an experienced tutor. The Program is addressed to active participants of local projects funded by various programs of the Polish-American Freedom Foundation, in particular: "Act Locally", "Equal Opportunities", "English Teaching, "Region in Transition (RITA)", "Village in Transition: Developing Information Society (e-VI-TA)", "For Children" and "Citizen and Law". The core part of the Program is a twelve-month cooperation between a leader and a tutor as well as a series of training sessions adapted to the participants' needs and priorities, focusing on: interpersonal development, team building, managing an organization, communication, community involvement and creating local partnerships. The skills acquired are to help leaders in the implementation of activities which they undertake for the benefit of their local communities.

An essential component of the Program is the offer for Program graduates - the "Alumni" Initiative. The initiative provides an opportunity to participate



in meetings with well-known public figures in workshops adapted to the participants' needs. Also, within the Development Fund, the Alumni of the Program may obtain grants for enhancing their leadership skills. Thanks to an electronic newsletter, the alumni regularly receive information about current undertakings carried our within the Program. Leaders may also exchange experiences during annual meetings of participants as well as via civic portals.

Thanks to the cooperation between PAFF and the U.S. Embassy in Warsaw, groups of leaders and tutors took part in four study tours to the U.S. (each year in 2008- 2011), where they met local authorities and became acquainted with practical activities of local NGOs.

To date the seven editions of the Program have improved the qualifications of 380 local leaders from all over Poland, led to the creation of an active countrywide network and training of nearly 50 experts in tutoring.

→ PAFF granted a total of \$2,233,729 for the Program, including \$326,821 in 2011.

→ Program Manager: The School for Leaders Association

→ More information at: www.liderzy.pl

VILLAGE IN TRANSITION: DEVELOPING INFORMATION SOCIETY (e-VITA)

This undertaking stemmed from the experiences of the "Village in Transition (VITA)" Program, implemented from 2001 to 2003. Its objective was to promote the use of modern information and communication technologies in local development. The Program was addressed to small towns and rural communities – in particular, to local authorities, businessmen, nonprofits and youth. A pilot stage of the Program was implemented between 2004-2005 in six communes selected through a competition: Białogard, Cekcyń, Mały Płock, Recz, Stoszowice, Zelów. The Program provided for a pilot introduction of computer infrastructure in 41 local government institutions. These institutions (i.e. schools, libraries, municipal councils, information centers) were equipped with readily accessible fast Internet connections. In addition, the Program offered training, advisory services and grants for implementation of local ICT projects. Its participants improved on their computer and Internet skills in search of work, enterprise development and implementation of various civic projects. Local governments acquired knowledge essential to preparing projects financed from EU structural funds.

Implementation of this Program's pilot edition made it possible to develop and verify a method (the "e-VITA Method") tailored to Polish reality. Developed by PAFF and the Rural Development Foundation, it includes a comprehensive set of activities leading to the use of ICT for the advancement of local communities. It takes into account technical, economic and social factors. It can be carried out with domestic or foreign financial sources, including European Union funds. It sparks the activation of local communities around their own problems, and the acceptance of new challenges with the aid of ICT.

The second edition was completed in September 2008. Sixty-six partnerships applied for a grant competition for local partnerships comprising selfgovernments, non-governmental organizations and other institutions, and 13 were invited to the Program (eight new ones and five participating in the pilot phase). As a result, 11 non-commercial community computer networks were set up, thanks to which residents of 60 villages acquired Internet access. In 11 localities, public Internet-access facilities were set up. 1,360 inhabitants of 12 communities enhanced their computer and Internet literacy during the training sessions organized in their communities, and 500 people took part in project-creation Internet training. A number of projects involving the Internet were carried out, including the creation of community social and educational websites. ICT strategies were also developed for 13 communities.

The third round of the Program, whose implementation began in 2009, has as its primary objective support for inter-community partnerships to effectively

obtain European Union funds earmarked for building Internet access in rural areas. At the same time, educational efforts continue showing how the Internet and ICT tools can be an important tool in activating small-town residents. As a result of a countrywide recruitment drive, five partnerships carrying out inter-community projects for developing the information society via the "e-VITA Method" have qualified. Apart from infrastructure building, the joint initiatives include training sessions for local-council employees and residents in the use of IT as well as the development of services and resources accessible to locals. Additionally, in cooperation with the Office for Electronic Communications, last year instruction manuals for local councils were published on how to build broadband Internet networks in the countryside.



→ PAFF granted a total of \$1,654,889 for the Program.

→ Program Manager and co-financing Partner: Rural Development Foundation

→ More information at: www.witrynawiejska.org.pl www.internetnawsi.pl

"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 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. The Competition's Chapter, headed by Professor Andrzej Zoll, is composed of well-known public figures as well as the previous year's main awards' winners. The first honorary President was Jan Nowak-Jeziorański†.

In evaluating projects, the Jury pays attention to the social importance of the initiative, its innovativeness, the impact on the development and competitiveness of local communities, as well as the effectiveness and transparency in the use of public funds. Also, the Jury considers the institutional stability of the nominee, compliance with ethical standards in its activity, and its cooperation with public administration and other organizations. The competition winners are rewarded with financial support allocated, in the majority of cases, for the continuation of their efforts.

In 2011 the competition awarded the "Pro Publico Bono" Prize exqually to the Aleksander Tasman's Association for Promotion of the Culture from Łódź and to the Association for the Assistance to Children and Youth - the House of the Guardian Angels from Katowice as well as the "Academia Iuris" Foundation from Warsaw. And, four honorable mentions were awarded to St. Lazarus Hospice – the Society of Friends to People in Disease from Kraków, the Association for the Activation of the Polesie Lubelskie form Hołowno, the Aleksander Fredro Drama Society "Fredrum" from Przemyśl, and the "Community of Hope" Foundation – the "Farm" Center for Knowledge and Life from Kraków.

Also presented as part of the Program is the Polish Journalists Association 's Bolesław Wierzbiański Prize for local newspapers. In 2011, it was awarded to the editorial staff of the Nowy Łowiczanin weekly.

→ Program Manager: The "Pro Publico Bono" Competition Foundation

→ More information at: www.propublicobono.pl

THE LIBRARY DEVELOPMENT PROGRAM

The Polish-American Freedom Foundation is a partner of the Bill and Melinda Gates Foundation in an initiative intended to facilitate access to computers, the Internet and training opportunities for Poland's public libraries. The Program is conducted as part of a broader undertaking of the Gates Foundation -"Global Libraries" - under which it creates partnerships in selected countries for the purpose of providing citizens with free access to information and communication technologies via a public-library network. In Poland, the Program is carried out by the Information Society Development Foundation established by PAFF.

Libraries and their branches in rural areas and small towns (up to 20,000 inhabitants) participate in this undertaking. The principal goal of the Library Development Program is to assist them in transforming themselves into modern, multi-functional information, education and cultural centers stimulating civic involvement. Thanks to the assistance

[→] PAFF granted a total of \$2,107,828 for the Program, including \$177,420 in 2011.

received by 3,327 libraries in more than one thousand various communes, tens of thousands of rural and small town residents will gain an opportunity to improve their quality of life. An essential aspect of the Library Development Program is to enhance the competence and prestige of the librarian's profession by means of, among other things, large-scale training.

In 2008 the planning phase was carried out. A detailed plan of assistance to Polish libraries was developed to provide them with computer equipment and software as well as to train librarians and library users. PAFF also signed an Agreement of cooperation with the Ministry of Culture and National Heritage which is conducting a parallel program called "Library+" – managed by the Book Institute. The aims of both efforts are convergent so the programs have been developed to reinforce and complement each other.

In 2009 the implementation of the Program got underway. 1873 libraries qualified for the first round. 1454 libraries qualified for the second round of the Program in the Spring of 2011. All told, 3,327 libraries from all over Poland take part in the Program: more than a half of libraries located in villages and small towns.

Program participants receive content-related support through various training sessions (workshops about planning the library's work, computer and professional training, specifying further development of the library and taking into account the needs of the particular local community) and technical assistance in the form of modern computer equipment (including multifunctional devices, printers, laptops, projectors and digital camer-



as) together with software (provided free by Microsoft). Additionally, libraries have the opportunity to apply for grants to finance the activities included in the libraries' development plans, which enhance and develop their offer. What is more, they may receive grants for the organization of meetings for cooperating institutions aimed at integrating the local librarians' environment and sharing experiences.

The Library Development Program supports the National Partnership for Library Development, which comprises more than 100 representatives of the world of science, art, economy, 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 idea of modernization of public libraries in small localities. The partnerships for the development of libraries may also be set up at the commune level. They are open to participation by others - in addition to self-governments, other institutions important to social life at the local level may participate, such as schools, NGOs, economic organizations, media as well as local leaders.

Social campaigns are also carried out to promote libraries, e.g. a nation-wide 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 yearly since 2010 with the participation of more than 500 people, mainly from small localities.

Third sector organizations also engaged in activities benefiting the libraries. These include 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 "NGOs for Libraries" offer, these organizations have prepared proposals for joint actions and initiatives broadening the libraries' services.

Other actions are also taken to enhance the whole library system by cooperating with the National Library, provincial public libraries, the Association of Polish Librarians and the Polish Bibliological Association, among other initiatives.

In 2009 an agreement to create a program to help computerize Polish public libraries was signed. This

12 Development of Local Communities

is a joint project of the Ministry of Culture and National Heritage, the Ministry of Interior and Administration, the Information Society Development Foundation, and the Telekomunikacja Polska Group, Poland's largest telecoms operator. The agreement offers all public libraries in Poland free Internet access via cable technology, and in other localities – a wireless system with the highest-capacity links at a given location, plus dispensation from subscription fees. So far 3,500 libraries have benefited from the offer.

Designed to run for a five-year period, the Library Development Program has been largely financed by a \$30 million grant made available to the Polish-American Freedom Foundation by the Bill and Melinda Gates Foundation. The Microsoft Group is providing the libraries with free software worth a total of \$5 million.



→ More information at: www.biblioteki.org

PAFF LOCAL PARTNERSHIPS

The purpose of the "PAFF Local Partnerships" Program is to initiate cooperation between beneficiaries of various PAFF programs promoting the creation of partnerships around the implementation of social/ civic projects important to local communities. The leading theme involves efforts to achieve the common good in small communities.

As a result of the PAFF's broad and diversified program offer, many local projects have been carried out which provided experience and developed rich resources that can unleash new, inspiring civic energy and build social capital. The "PAFF Local Partnerships" Program provides various beneficiaries of the Foundation's programs with an opportunity to launch partner initiatives by tapping into the vast



potential stemming from efforts toward the common good.

Local partnerships comprised of self-governments, NGOs, firms and local media emerge in communes where several projects financed by the following PAFF programs have been carried out: "Act Locally", "PAFF Leaders", "English Teaching", "Equal Opportunities", "Learning Schools", "Student Volunteers", "For Children", "Citizen and Law" and "Region in Transition" (RITA). They are led by the Act Locally Centers. Since 2009 fifteen partnerships have been awarded grants for carrying out initiatives in 30 communes in various regions of Poland. The projects focus on changes in public areas, promotion of sport and active forms of spending free time, civic integration around tourism as well as cultivating local traditions. Numerous local inhabitants and volunteers are engaged in the implementation of the Program. The importance of this is attested to by the results of the projects that were carried out, including a change of legal regulations in order to decrease atmospheric pollution in Żywiec, setting up the first Internet youth radio in Nidzica, creating a mobile facility for civic participation in Pelpin and Gniew as well as the creation of the "Rafter's Club" in Solec nad Wisłą.

Regional meetings, workshops and e-bulletin of the Program are to enhance the sustainability of the partnerships and enable experience sharing. The experience gathered during the pursuit of various initiatives showed that work on efforts to achieve the common good was a very good way to involve local partners and stimulate the community. The Program has also resulted in creating a method of animating local communities, developed by experts of the Unit for Social Innovation and Research "Shipyard", and then presented in the publication "How to Build the Common Good", published by the Academy for the Development of Philanthropy in Poland.

→ PAFF granted a total of \$892,223 for the Program, including \$159,449 in 2011.

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

→ More information at: www.lokalnepartnerstwa.org.pl

CITIZEN AND LAW

The purpose of the Program, launched in 2002, is to support the development of various forms of civic and legal counseling. It does so by providing support to non-governmental organizations which dispense free, expert legal information and advice and by encouraging citizens to avail themselves of their rights in the public domain.

A grant competition for non-governmental organizations which dispense civic and legal counseling is organized within the Program. In the course of the Program's five editions, 2002-2010, funding has been awarded to 117 projects, including undertakings pursued by non-governmental organizations in small localities. Those projects made it possible to dispense more than 150,000 legal consultations, mainly to people in difficult financial straits or life situations. In addition, these projects have resulted in the creation of legal and civic consultation centers, publications, training seminars and conferences. In total, PAFF has disbursed \$1,600,000 to carry out the grant competitions.

Within the current, 6th edition, 15 projects have been funded, which are implemented by non-governmental organizations dispensing free, expert legal counseling. The thematic scope of the projects includes housing and rent regulations, legal counseling for the hearing-impaired, patient rights and legal support for missing persons and their families as well as for victims of violence.

The Program provides free legal counseling assistance to individuals in difficult financial or life situations. At the same time, it has fostered public debate on reforming the system of access to legal assistance.

The activities within the Program are overseen by the Council of Experts comprised of authorities from the legal community. The Council's task is to recommend ways facilitating citizens' access of to legal aid. The Council stimulates public debate by holding open seminars attended by representatives of legal communities and the media. Discussions have dealt with access to free legal assistance and information as well as the need for undertaking organizational and legislative changes, limited access to legal professions, legal ethics, and challenges facing the judicial system.

The Council also commissions pilot projects dealing with systemic issues. These include strategic litigation concerning selected aspects of citizen access to legal aid, popularization of civil mediation 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 about legal acts and judicature as well as NGOs' cooperation with law sociologists. The results of the Council of Experts' efforts have been popularized among non-governmental consulting organizations, in the legal community and among decision--makers in the justice administration. The work of the Council has led to the creation of the web-



site www.mediacjajestemza.pl promoting civil mediation and the Pro Bono Center, through which NGOs may obtain free legal assistance from wellknown law offices.

The Active Citizen Forum has been set up as part of the Program. This is a consultative body which studies the organizational obstacles limiting voter turnout. It is also involved in developing recommendations on how to improve voting involvement. The Forum affiliates with more than a dozen individuals involved in promoting improved voter turnouts, including experts (sociologists, psychologists, political scientists and constitutional-law specialists) as well as NGO leaders.

→ PAFF granted a total of \$2,804,376 for the Program, including \$316,345 in 2011.

→ Program Manager: The Institute of Public Affairs

12 YEAR OF OPERATION

Sharing the Polish Experiences in Transformation

 $\rightarrow\,$ The lane Kirkland Scholarship program

 \rightarrow REGION IN TRANSITION (RITA)

THE LANE KIRKLAND SCHOLARSHIP PROGRAM

The objective of the Program, implemented since 2000, is to share Polish experiences in transformation with young people from Eastern European countries with two semester complementary studies at Polish universities. The Program is addressed to candidates from Ukraine, Russia, Belarus, as well as Moldova, Georgia, Armenia, Azerbaijan, Kazakhstan and Kirgizstan. Under individual study programs, Lane Kirkland scholarship holders study selected aspects of such fields as economics and management, public administration and business, law, social and political sciences.

The scholarship begins with an introduction course, the purpose of which is to provide knowledge about the history of Poland as well as its current political and social situation. After the introduction course, the Kirkland scholars proceed with their studies at universities in Warsaw, Cracow, Poznań, Wrocław and Lublin. They prepare papers and theses under the supervision of academic tutors. Thematic integration gatherings are held and traineeships in state institutions (including the Supreme Court, the National Bank of Poland and provincial governments) as well as non-governmental organizations and the private sector are organized. Courses in project implementation and teamwork are an additional element of the Program.

Between 2000 and 2011, 464 scholarship holders



completed the Program. Of that number, 231 were from Ukraine, Belarus – 110, Russia – 26, Lithuania – 12, Slovakia – 10, Moldova – 10, Georgia – 35, Armenia – 14, Kazakhstan – 13, Azerbaijan – 4 and Kyrgyzstan – 2. The majority of scholarship holders studied economics and management – 163, law – 81, public administration – 67 as well as political sciences and journalism – 60. Academic staff have accounted for the largest professional group (178 persons) followed by public officials and experts (97 persons).

In the 2011/12 academic year 47 scholarship recipients are participating in the Kirkland Program, including 24 from Ukraine, 5 from Russia, 4 each from Belarus, Moldova and Armenia, 3 from Georgia as well as one person each from Kazakhstan, Kyrgyzstan and Azerbaijan. The most popular field of study among scholarship holders is economics and management. Public administration and law also arouse their interest.

Following the Program's completion, contact with graduates is regularly maintained thanks to a bulletin, reunions of graduates and the website www.kirkland.edu.pl. Former scholarship holders receive back-up from the Coordinator of Post-Scholarship Projects whose task is to maintain graduates' contacts with Poland and encourage them to undertake joint initiatives such as alumni associations.

On the occasion of the Program's tenth anniversary, in July 2011 in Warsaw, the 4th Conference of the Kirkland Program Alumni was held. The leading theme of the meeting, attended by 250 persons from 11 countries, was "Polish Presidency in the EU and Cooperation in the Region". President Bronisław Komorowski sent aletter to the participants. Speeches were delivered by Jacek Michałowski, Chief of the Presidential Chancellery, U.S. Ambassador to Poland Lee Feinstein, Beata Stelmach, Undersecretary of State in the Ministry of Foreign Affairs, Michał Boni, Member of the Council of Ministers and Chief of the Prime Minister's Strategic Advisory Team as well as Professor Leszek Balcerowicz. As part of the conference discussion panels were also held with the participation of Polish thinktanks and other non-governmental organizations' representatives devoted to topics such as opportunities provided by the Eastern Partnership for the development of interpersonal relations. The alumni also discussed the possibilities of cooperation in the region from the perspective of their countries, occupations and the experience gained in civic activities.

- → PAFF granted a total of \$8,225,307 for the Program, including \$945,005 in 2011.
- → Program Manager: The Polish-U.S. Fulbright Commission

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

REGION IN TRANSITION (RITA)

The Program was initiated in 2000 and 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.

This 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 the third sector, promoting local government transformation, reforming education, and media functioning. Grants are also provided for establishing and developing cooperation at the local level with partners from countries participating in the Program. In total, 703 projects have received funding since the Program's inception.

In addition, Polish NGOs and schools have been of-



fered training opportunities and experts' support as well as assistance in establishing ties and developing cooperation with foreign partners. The community portal www.civicportal.org facilitates information sharing between organizations and civic leaders.

An essential part of the Program, since 2004, has been its "Study Tours to Poland" (STP). Their purpose is to familiarize citizens of Eastern Europe with the realities of Poland and the European Union. This pertains especially to university student leaders from Ukraine, Belarus, Russia and Moldova as well as professionals from those and other countries in the region. In Poland, the foreign visitors meet representatives of public life, the academic milieu and the business community. They become acquainted with activities of non-governmental organizations, central-government institutions and self-governments as well as they make other valuable contacts.

In 2004-2011 a total of 4,527 individuals, including 1,799 students and 2,728 professionals representing various sectors, took part in various types of study visits hosted by Polish NGOs.



→ Program Managers: "RITA" – the Education for Democracy Foundation "Study Tours to Poland" – Jan Nowak Jeziorański College of Eastern Europe

→ More information at: www.rita.edudemo.org.pl www.studytours.pl

PEOPLE, PROJECTS, INITIATIVES

the "english teaching" program Vacation with English

THE "ACT LOCALLY" PROGRAM

"Graffiti of Biłgoraj – Let's Paint It Together" Project

THE "EQUAL OPPORTUNITIES" PROGRAM Virtual Advertising Company – the "Brzozowa S.A." Project

THE LIBRARY DEVELOPMENT PROGRAM

"A Library: More Than You Think" – the Convention of Public Libraries

THE "PAFF LEADERS" PROGRAM Local Leaders in the USA

THE BRIDGE SCHOLARSHIPS PROGRAM Mateusz Pułapa – Summer Intern with Pittsburgh Glass Works, USA

THE "REGION IN TRANSITION" (RITA) PROGRAM "A Really Scientific Lesson – Vector Azerbaijan" Project

THE "REGION IN TRANSITION" (RITA) PROGRAM / "STUDY TOURS TO POLAND" A Study Tour of Georgian Librarians to Poland

THE LANE KIRKLAND SCHOLARSHIP PROGRAM Oleksandr Zinchenko - a Historian and Journalist THE "ENGLISH TEACHING" PROGRAM

Vacation with English

A group of 32 young people from Poland's 14 provinces took part in a three-week summer vacation program combined with language courses run by native speakers of English in the towns of Tczew in the Pomorskie province and Załęcze Wielkie in the Łódzkie province. The language learning camp was a reward to elementary and junior-high school students for their linguistic achievements in projects funded as part of the "Small Grants" Competition in the "English Teaching" Program.

There were many opportunities to improve one's English, both during the morning lessons and the afternoon practice followed by recreational sessions with American teachers, who had assigned the participants to different groups according to their level of language competency. Apart from intensive language exercises, the young participants were given a chance to hone their musical, artistic, acting, and sports skills, learning, for example, how to play the banjo or baseball. Added to that were sessions during which the participants could learn about interesting facts concerning American history and culture as well as everyday life in the United States.

"All the activities we took part in were run by Americans. During the "Day of Poland" we gave a presentation about stereotypes concerning Polish people and about the best Polish movies. At the end we staged "EXPO", in which we presented the skills we had acquired at the camp" – says Izabela Mariańska, one of the participants, pupil at the elementary school in Łyn. "The camp enabled me to learn English effectively while at the same time actively enjoy my holidays. I've made lots of new acquaintances, and I'm still in touch with my American friends, which gives me a chance to continue perfecting my English" – says Milena Niedawna, student at 2nd Junior High School in Brzeszcze.



I've made lots of new acquaintances, and I'm still in touch with my American friends, which gives me a chance to continue perfecting my English.

Milena Niedawna student at 2nd Junior High School in Brzeszcze

People, Projects, Initiatives

The language camps have been organized since 2003 and so far 200 young people from Polish small towns, participating in the "English Teaching" Program, have taken part in them. The Program Manager – the "NIDA" Development Foundation – cooperates with centers specializing in the organization of language camps. The 2011 camp in Załęcze Wielkie was organized by the Polish Scouts Union's "Nadwarciański Gród" Training and Holiday Center, whereas the Tczew camp was housed by the Father Janusz Pasierb Secondary School of Economic Science.

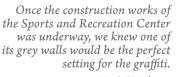
THE "ACT LOCALLY" PROGRAM

"Graffiti of Biłgoraj – Let's Paint It Together" Project

A wall supporting the bleachers of the Sports and Recreation Center (OSiR) in Biłgoraj, in the Lubelskie province, is covered by impressive graffiti of the town's panorama and highlights its landmarks. The graffiti have been painted by local teenagers participating in the "Graffiti of Biłgoraj – Let's Paint It Together" Project, which was implemented in 2011 by the "Pogotowie" Center for Independent Culture within the "Act Locally" Program. The project participants relied on the students of Warsaw's Academy of Fine Arts' support, who ran painting workshops and then joined the Bilgoraj youth in creating the graffiti.

"We once talked with other members of our association about promoting Biłgoraj through street art, like large cities do. At first, we wanted to place the graffiti on the former building of the medical emergency service but unfortunately it turned out the building had been put up for sale. Once the construction works of the Sports and Recreation Center was underway, we knew one of its grey walls would be the perfect setting for the graffiti" – says Maciej Mulawa, project coordinator.

The self-government and the Sports and Recreation Center management granted their approval for the graffiti. During the early construction works they had both pondered how



Maciej Mulawa project coordinator



to make the empty wall more attractive. Therefore, the idea that the wall could feature the graffiti as a form of artistic expression on the one hand and serve as a tool for stimulating and integrating the young people of Bilgoraj around a common goal appealed to them.

The initiative also attracted the interest of volunteers like an employee of the local Biłgoraj Cable Television network, who trained the participants in filming and editing so that they could record the process of the graffiti's creation.

"Not only does the wall painting make the whole place look more attractive, but it also serves as an example to those visiting the Sports and Recreation Center. It makes them realize that, thanks to the joint effort, the surroundings can be changed" – says one of the participants.

There were also other artistic initiatives coinciding with the main event: four exhibitions were organized with local artists from Bilgoraj displaying their photos, drawings, and paintings.

THE "EQUAL OPPORTUNITIES" PROGRAM

Virtual Advertising Company – the "Brzozowa S.A." Project

Young people of Brzozowa proved one need not be bored even in a small town. For eighteen months they were running a virtual advertising company as part of the "Brzozowa S.A." Project, implemented by Brzozowa's Voluntary Fire Brigade (OSP) within the "Equal Opportunities" Program. The project was intended to boost the participants' confidence in their own abilities, foster their civic involvement as well as help them explore the local community and acquire practical skills.

The idea for the project came from Zbigniew Godfryd, Head of the Voluntary Fire Brigade in Brzozowa, former school principal, who encouraged his wife, an elementary school teacher, to get involved in the project along with a group of youngsters. Computer equipment, a printer, and graphic software were purchased as part of the project, and the parents, who had enthusiastically gotten engaged in this initiative, helped arrange the computer stand, a desk and a hi-fi.

A group of 25 teenagers from Brzozowa near Zakliczyn and its environs, aged 13-18, working in groups, learned how to set up and run a company, created a website promoting their hometown, produced advertising brochures about firms operating in the Gromnik commune, as well as prepared business cards and a wide range of promotional materials. The project participants became managers and subordinates, who had to properly manage funds allocation, attract sponsors as well as represent and promote the virtual company they had created.

This was an extremely intensive period for them as they attended computer, photography, and journalistic workshops. They also took part in study and educational tours, and a series of meetings dedicated to the basics of setting up one's own business. The workshops were con-

People, Projects, Initiatives

We're slowly breaking down the stereotypes that there's nothing going on down here in Brzozowa. There are more and more people finding out about our operations, and the website helps us advertise Brzozowa and ourselves. participant in the "Brzozowa S.A." Project



ducted by professionals, including a reporter of a regional radio station, the owner of a marketing and advertising company, a certified photographer, and an academic at Cracow's University of Science and Technology.

The young trainee journalists visited the Radio RDN office and, soon after, conducted interviews with interesting figures representing their local community: a sculptor and a retired history teacher who told them about creating genealogical trees. The newspaper that they set out to publish earned two awards in the national "Junior Media" competition.

"We're slowly breaking down the stereotypes that there's nothing going on down here in Brzozowa. There are more and more people finding out about our operations, and the website helps us advertise Brzozowa and ourselves. This is a wonderful feeling" – says one of the participants. Another sums up the project: "18 months spent together; courses from which we have benefited a great deal; people who taught us so much; the coordinators who have vested such great trust in us; our meetings, ideas, goals, and above all the moments that will stay forever in our memories".

THE LIBRARY DEVELOPMENT PROGRAM

"A Library: More Than You Think" – the Convention of Public Libraries

"A Library: More Than You Think" was the slogan of the 2nd Convention of Public Libraries organized as part of the Library Development Program in October 2011. The Convention brought together 500 participants: librarians, representatives of national authorities, the National Partnership for Library Development, and non-governmental organizations; as well as partners of the Library Development Program. The event earned the patronage of the First Lady Anna Komorowska and the President of Warsaw Hanna Gronkiewicz-Waltz. Darren Hoerner of the Bill and Melinda Gates Foundation and Audra Caplan, former President of the American Public Library Association, who presented the U.S. system of support for libraries and other such public institutions, took part in the Convention.

The aim was to broaden the horizons, inspire to undertake independent initiatives, and encourage discussions about the future of libraries by taking into account the opinions of each individual participant. The Convention's interactive formula, numerous workshops and plenty of space all stimulated the exchange of opinions and experiences. Librarians from small towns all over Poland had an opportunity to enhance their knowledge and practical skills about what a modern library should offer. Even the titles of the thematic blocks with more than 40 workshops and presentations were inspiring: "Show Up!" on library promotion; "Get Involved!" on new technologies in libraries; "Share Your Achievements!" on the best library practices; "Find Out!" allowing for a discussion on subjects picked 'by request' and related to various aspects of libraries' activities; and "Tune In!" which presented non-governmental organizations collaborating with libraries, as well as meetings with people simply working with passion for libraries.

"I feel a sort of a holiday for librarians"; "In libraries, we're capable of achieving nearly everything as long as we aren't afraid"; "I'm turning on to strategic instead of makeshift thinking"; "The facility's greatness does not lie in its geographical location" – were some of the opinions of the enthusiastic workshop participants.

The Convention of Public Libraries also afforded an opportunity for a meeting of the National Partnership for Library Development, which brings together supporters and advisors of the Library Development Program. These include representatives of academic and economic circles, the media, politics as well as the nongovernmental sector.

The Convention also saw the screening of a documentary "Open for All", in which the participants in the Library Development Program talk about projects and initiatives carried out in public libraries for the benefit of their local communities.



People, Projects, Initiatives

THE "PAFF LEADERS" PROGRAM

Local Leaders in the USA

It was not easy to become part of the group of the ten "PAFF Leaders" Program alumni who took part in the 4th study visit to the USA. To do so, the participants had to demonstrate outstanding achievements and involvement in their work for the benefit of local communities, facing competition from a large group of applicants. Having achieved so much, the participant was afforded an opportunity to observe, compare, experience, and then apply various solutions in their own activities in Poland. The visit, capped with the slogan "leadership in local communities", was organized in October 2011 by the U.S. Department of State and the U.S. Embassy in Warsaw within the framework of the International Visitor Leadership Program, addressed to local leaders across the world.

"Self-reliance, openness, and civic involvement – this is how the work of American selfgovernments can be defined in brief", reported one of the participants, Krzysztof Zacharzewski, in his November 2011 article "American Adventure" for a regional "Echo" newspaper. Maciej Puławski, in turn, who gave a detailed account of his trip across the USA via his blog wrote: "Business people in the U.S. are a group to be reckoned with, serious partners for self-government and the community. They not only offer workplaces, feed the local budgets with their taxes, but, first and foremost, shape the local surroundings". Opportunities for similar reflections were aplenty because the leaders' visit to the U.S. was very intensive.

During the ten days they went to Memphis, Jackson Hole in Wyoming, Philadelphia, ending up in Washington D.C. The Polish visitors looked at how the self-government functioned at different levels and how it interacted with its citizens and non-governmental organizations. In Memphis, during a city council meeting, they observed the process of introducing reforms in the system of education. At the meeting of Leadership Memphis they were given an



Self-reliance, openness, and civic involvement – this is how the work of American selfgovernments can be defined in brief.

Krzysztof Zacharzewski participant in the study visit to the USA insight into the organization's cooperation with the community leaders and their networking. In Collierville they met with the mayor and visited a local library. In Jackson Hole they were informed by the mayor about cooperation with more than 200 non-governmental organizations. They also called on the Jackson Hole High School, the Chamber of Commerce, and the Community Foundation of Jackson Hole. At the Teton county council they talked with Leland Christensen, Wyoming State Senator, and Ruth Ann Petroff, Member of the Wyoming House of Representatives. In Philadelphia, they discussed with the town's innovation and participation manager how to harness new technologies for the benefit of the city.

"The trip to the U.S. enabled us to learn how to communicate to citizens in a plain and attractive way our plan of action connected with the local development strategy; how to build up and strengthen the readership base of our local newspaper; and what needs to be done to allow students to exert a palpable influence on the direction of their school's development. We returned home full of energy and inspiration, but above all, keen to share our knowledge with others" – this was how one of the participants summed up his reflections.

THE BRIDGE SCHOLARSHIPS PROGRAM

Mateusz Pułapa – Summer Intern with Pittsburgh Glass Works, USA

Mateusz Pułapa comes from Majdan Stary, in the Lubelskie province, and studies electronics and telecommunications at Cracow's University of Science and Technology. Thanks to his outstanding studying achievements, fluent command of English, and participation in the Bridge Scholarships Program, he was selected as one of the 22 Polish students who, in July 2011, started summer internships with American corporations as part of the Polish-American Internship Initiative. The latter is an initiative of the Polish-American Freedom Foundation, organized within the framework of the Bridge Scholarships Program, and managed by



The internship with Pittsburgh Glass Works was a great adventure and a huge challenge for me.

Mateusz Pułapa

People, Projects, Initiatives

the Educational Enterprise Foundation in partnership with the U.S. Embassy in Warsaw and the American corporations offering the internships.

Mateusz was selected by Pittsburgh Glass Works, based in Creighton, PA, the manufacturer of high quality automotive replacement glass, which is set to launch its production plant near Środa Śląska soon. "They needed somebody exactly like me, who's knowledgeable about programming and electronics, and is able to explain complicated technical terms in plain Polish" – says the intern.

During his three-month paid placement at Pittsburg Glass Works, on numerous occasions Mateusz took part in diagnosing and fixing errors on the production line, and got to know thoroughly the process of producing automotive replacement glass. He was given a chance to test his knowledge of automation and electronics. "The biggest project I completed was a glass transporter carrying the glass from one line to another. I had to pick the right electromechanical equipment and software controlling all the components" – says Mateusz Pułapa.

"The internship with Pittsburgh Glass Works was a great adventure and a huge challenge for me".

THE "REGION IN TRANSITION" (RITA) PROGRAM

"A Really Scientific Lesson – Vector Azerbaijan" Project

For nine months the twelve most active science teachers from Azerbaijan learned how to make their biology, physics and chemistry lessons more attractive, and how to introduce students to interactive forms of studying. The course was organized within the framework of the "Really Scientific Lesson – Vector Azerbaijan" project, funded as part of the "Region in Transition" (RITA) Program. Prior to that Partners Poland Foundation, the project coordinator, had implemented it in Tajikistan, Belarus, and Georgia, where it had been extremely successful. This led to the idea of its being continued in Azerbaijan aiming at the most notable goal of the project - to equalize the opportunities for access to modern and open education that serves civic development.

The teachers set off to explore multiple ideas of how to depart from obsolete educational methods based on learning by rote. First, the teachers took part in a three-day training course prepared by the Copernicus Science Center, during which they learned how to make use of experiments in their classes, develop logical and critical thinking in their students, work effectively with a group, safely introduce elements of competition, and encourage reflection. Next, the participants shared their newly acquired knowledge and skills with other teachers, running mini-courses and open experimental lessons. This led to the creation of a 120-member-strong group of active and committed educators, who undertook to eagerly introduce improvements in their lessons. This benefited the students, who enhanced their creativity through learning by having fun. A methodological publication based on scenarios of the "really scientific lessons" was also created within the project. "The enthusiasm beaming from the faces of teachers and children who independently designed their own models and came up with answers to laws governing nature was demonstrable proof that the project was a success. The young people were becoming experimenters and explorers having moved away from a cliché-based scheme of memorizing and reproducing, whereas the teachers had received the instruments and space for creative development" – says Magdalena Przeor, project coordinator.



The young people were becoming experimenters and explorers having moved away from a clichébased scheme of memorizing and reproducing.

Magdalena Przeor project coordinator

THE "REGION IN TRANSITION" (RITA) PROGRAM / STUDY TOURS TO POLAND

A Study Tour of Georgian Librarians to Poland

At the turn of September and October 2011, a group of twelve Georgian librarians and trainers came to Poland on a study visit as part of the "Development of Local Libraries as Knowledge, Information and Culture Centers" project, funded within the "Region in Transition" (RITA) / "Study Tours to Poland" Program. The project was implemented in partnership with the Information Society Development Foundation, the Scientific Library of Kutaisi, and the Institute of Values in Tbilisi.

For a week, the participants learned how to run a modern cultural center, improve their skills of using modern communication and information tools, and develop their leadership skills. They called on the Public Library in Morąg, Provincial Public Library in Olsztyn, and the Warsaw University Library, where they had an opportunity to share their experiences with Polish librarians. They also took part in workshops during which they managed to prepare three six-month library work plans.

The Georgian visitors indicated their willingness to introduce multiple improvements in their libraries: "I've seen a completely new attitude to the profession of a librarian; she/

People, Projects, Initiatives

he can be a leader. In my library I carry out projects engaging the local community" – says one of the participants, and another adds: "In particular, I looked into ways of working in a group and into a more democratic attitude toward management. I'm going to use these new skills with my library staff."

On returning home, the project participants organized a meeting at the State Library of Kutaisi, where they presented the libraries they had visited in Poland, and talked about the characteristics and methods of their operation. The discussion that ensued as well as the professional materials and TV coverage by the regional TV Rioni all helped to promote the project among Georgian librarians and reinforced the belief in the possibilities of the libraries' evolving into a new kind of entity. They also spread knowledge about a new offer and functions that modern public libraries may fulfill.



I've seen a completely new attitude to the profession of a librarian; she/he can be a leader. participant in the study visit to Poland

THE LANE KIRKLAND SCHOLARSHIP PROGRAM

Oleksandr Zinchenko - a Historian and Journalist

Oleksandr Zinchenko, who participated in the Lane Kirkland Scholarship Program in the 2010/11 academic year, comes from Kharkiv in Ukraine. He began his work of promoting historical knowledge as early as during his university studies, and then continued in Kiev, where he worked as an editor for a documentary film studio that prepared films for Ukraine's largest TV channel Inter. It was during his work there that the first Ukrainian film about the Katyn tragedy was made, called "Katyn. Letters from Paradise".

The book that was based on the film's materials, "The Hour of a Parrot. Ukrainian Pages of Katyn", Zinchenko published during his scholarship visit to Poland. This was the first publication depicting the Katyn tragedy in such detail in the Ukrainian language. Although the subject of his scholarship project was not related to this problem, Zinchenko says it was his participation in the Kirkland Program that allowed him to complete the work on the book so quickly. At Warsaw University's Sociology and History Department he studied social sciences, and under Professor Andrzej Szpociński's direction, he wrote a paper "Difficult Moments of the Common History: Polish-Ukrainian Dialogue of Remembrance in the Polish Mass Media", which addressed the question of historical remembrance in Poland and Ukraine.

"The Kirkland Program affords a wonderful opportunity to widen one's horizons, get to know the culture and history of another country, and gain knowledge and information which help shape social transformation" – says Zinchenko.

On completing his scholarship in Poland, Zinchenko began work for an independent Ukrainian television channel TVi as the author and presenter of programs called "Remembrance" and "The Spirit of the Times". Using the materials he gathered in Poland, Zinchenko delivers public lectures on construction and deconstruction of collective remembrance.



The Kirkland Program affords a wonderful opportunity to widen one's horizons, get to know the culture and history of another country, and gain knowledge and information which help shape social transformation.

Oleksandr Zinchenko

FINANCIAL STATEMENTS

Independent Auditors' Report	43
Consolidated Financial Statements	44
Notes to the Consolidated Financial	
Statements as of December 31, 2011	47

Independent Auditors' Report

TO THE BOARD OF DIRECTORS OF THE POLISH-AMERICAN FREEDOM FOUNDATION

We have audited the accompanying consolidated statement of financial position of the Polish-American Freedom Foundation and subsidiary (the "Foundation") as of December 31, 2011, and the related consolidated statements of activities, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on the 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte andyt 5p. 20.0.

Warsaw, April 30, 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2011

ASSETS

ASSETS:

Investments, at fair value (Notes 3 and 6):	
Common and Preferred Stocks	\$ 52,062,711
Public Mutual Funds - Equity	48,623,313
Private Mutual Funds - Equity	14,780,379
Alternative Investments	71,582,117
Fixed Income Securities	16,278,496
Public Mutual Funds – Fixed Income	11,605,851
Cash and cash equivalents	26,308,075
Cash restricted for Library Program (Note 5)	4,419,838
Receivable from Gates Foundation (Note 5)	5,995,786
Land and fixed assets, net (Note 7)	5,123,655
Loans, net of loan loss reserve of \$255,108 (Note 8)	4,241,563
Prepaid expenses and other assets	 228,396
Total assets	\$ 261,250,180

LIABILITIES AND NET ASSETS

LIABILITIES:	
Grants payable (Note 3)	\$ 4,870,759
Grant payable – Library Program (Notes 3 and 5)	7,842,431
Accounts payable and accrued expenses	 293,890
Total liabilities	 13,007,080
UNRESTRICTED NET ASSETS (Note 2)	237,710,475
TEMPORARILY-RESTRICTED NET ASSETS (Note 2)	 10,532,625
	 248,243,100
Total liabilities and net assets	\$ 261,250,180

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

CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2011

	Unrestricted Temporarily Restricted		Total	
Changes in net assets:				
Income:				
Interest and dividend income	\$ 2,717,720	\$ 220,019	\$ 2,937,739	
Support from Polish-American Enterprise Fund	4,606,585	-	4,606,585	
Other support	41,248	187,000	228,248	
	7,365,553	407,019	7,772,572	
Net assets released from restrictions	7,650,858	(7,650,858)		
Total income:	15,016,411	(7,243,839)	7,772,572	
Expenses:				
Employee compensation and benefits	1,234,135	-	1,234,135	
Operating expenses	686,473	-	686,473	
Occupancy	187,898	-	187,898	
Depreciation and amortization	33,806	-	33,806	
Total operating expenses	2,142,312	-	2,142,312	
Grants (Note 3)	(11,282,849)	-	(11,282,849)	
Grants and expenses in excess of income	1,593,250	(7,243,839)	(5,652,589)	
Net realized gain on investments (Note 6)	13,644,506	-	13,644,506	
Net unrealized depreciation on investments (Note 6)	(32,937,287)	-	(32,937,287)	
Net currency remeasurement loss (Note 3)	(4,314,694)	-	(4,314,694)	
Total decrease in net assets	(22,014,225)	(7,243,839)	(29,260,064)	
Net assets, beginning of the year	259,726,700	17,776,464	277,503,164	
Net assets, end of the year	\$ 237,710,475	\$ 10,532,625	\$ 248,243,100	

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2011

Cash flows from operating activities:	
Decrease in net assets	\$ (29,260,064)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Net realized gain on investments	(13,644,506)
Net unrealized depreciation on investments	32,937,287
Noncash contribution from Polish-American Enterprise Fund	(4,180,900)
Provision for loan losses	186,734
Depreciation and amortization	33,806
Increase in cash restricted for Library Program, net	(139,160)
Decrease in receivable from Gates Foundation	7,500,000
Decrease in prepaid expenses	40,627
Increase in accounts payable and accrued expenses	70,154
Decrease in grants payable	 (7,557,670)
Net cash used in operating activities	 (14,013,692)
Cash flows from investing activities:	
Proceeds from sales/redemption of investments	69,997,031
Cost of investments purchased	(61,493,048)
Cost of new headquarters	(2,934,426)
Loans disbursed	(3,866,125)
Proceeds from loans repayments	3,806,936
Cost of fixed assets	(194,565)
Net cash provided by investing activities	 5,315,803
Effects of exchange rate changes on cash and cash equivalents	3,296,829
Net decrease in cash and cash equivalents	(5,401,060)
Cash and cash equivalents, beginning of year	 31,709,135
Cash and cash equivalents, end of year	\$ 26,308,075

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

Notes to the Consolidated Financial Statements as of December 31, 2011

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 \$255.1 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. Contributions from the Bill and Melinda Gates Foundation, including interest earned thereon, were recorded as temporarily restricted net assets when received.

• **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.

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 engages professional investment managers and advisors who manage and monitor the Corporation's investments. See Note 6 for more detailed disclosures of the Corporation's investments, at fair value.

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 original maturity of three months or less when purchased to be cash equivalents.

Notes to the Consolidated Financial Statements as of December 31, 2011

INTEREST AND DIVIDEND INCOME

Interest and dividend income is recorded when earned.

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.

FOREIGN CURRENCY

The Corporation's functional and reporting currency is the U.S. dollar. The functional currency of theRepresentative Office and PAFPIO is the Polish Zloty. 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 non-executive Polish directors receive a fee for providing advice and assistance to the Corporation. For the year ended December 31, 2011, the total fees paid to all Polish directors amounted to \$32,537.

DEPRECIATION AND AMORTIZATION

Land, fixed assets and leasehold improvements 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. Leasehold improvements are amortized over the shorter of the useful life of the improvement or the remaining term of the lease.

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 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, 2011, 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 SUB-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 "Grant Agreement"), the Fund returned \$120 million of the Fund's assets to the U.S. Treasury and contributed \$255.1 million (the "Endowment Amount") to the Foundation through December 31, 2011. Pursuant to an agreement signed in 2011 between the Fund and the U.S. Government, the Fund and the Foundation terminated the Grant Agreement and entered into a sub-grant dated May 16, 2011 (the "Sub-Grant"). According to the terms of the Sub-Grant, 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 Bill and Melinda Gates Foundation (the "Gates Foundation") awarded the Foundation a project support grant in the amount of \$28 million for the five-year period from April 1, 2009 to March 31, 2014 (the "Library Project Grant"). Funds received from the Library Project Grant, including interest 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 was recorded as temporarily restricted net assets when the grant agreement was signed and is reclassified to unrestricted net assets when funds are disbursed.

At December 31, 2011, the Foundation had received \$22.0 million from the Gates Foundation and was due to receive the remaining \$6.0 million in two installments, as presented in the table below:

Payment date	Amount
May 2012	4,500,000
May 2013	1,495,786
	\$ 5,995,786

6. INVESTMENTS, CARRIED 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, 2011 is presented in the table below:

	 Cost	Fair Value	 ated Unrealized Appreciation / (Depreciation)
Common and Preferred Stocks	\$ 37,478,376	\$ 52,062,711	\$ 14,584,335
Public Mutual Funds - Equity	50,291,328	48,623,313	(1,668,015)
Private Mutual Funds - Equity	15,000,606	14,780,379	(220,227)
Alternative Investments	60,433,274	71,582,117	11,148,843
Fixed Income Securities	17,892,296	16,278,496	(1,613,800)
Public Mutual Funds - Fixed Income	 11,563,761	11,605,851	42,090
	\$ 192,659,641	\$ 214,932,867	\$ 22,273,226

The net unrealized depreciation and realized gain on investments for the year-ended December 31, 2011 is presented in the table below:

	Net Unrealized (Depreciation)	Net Realized Gain
Common and Preferred Stocks	\$ (859,438)	\$ 1,875,637
Public Mutual Funds - Equity	(7,293,038)	1,990,852
Private Mutual Funds - Equity	(9,705,934)	7,900,373
Alternative Investments	(14,680,656)	1,194,118
Fixed Income Securities	(231,038)	599,601
Public Mutual Funds - Fixed Income	(167,193)	83,925
	\$ (32,937,287)	\$ 13,644,506

	Fair Value at Reporting Date Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Common and Preferred Stock	\$ 52,062,711	\$-	\$ -	\$ 52,062,711
Public Mutual Funds - Equity	48,623,313	-	-	48,623,313
Private Mutual Funds - Equity	-	14,780,379	-	14,780,379
Alternative Investments	-	-	71,582,117	71,582,117
Fixed Income Securities	16,278,496	-	-	16,278,496
Public Mutual Funds - Fixed Income	11,605,851	-	-	11,605,851
	\$ 128,570,371	\$ 14,780,379	\$ 71,582,117	\$ 214,932,867
% of total	60.0%	6.9%	33.1%	100.0%

Set forth in the table below are the Corporation's investments as of December 31, 2011, at fair value on a recurring basis by the hierarchy levels described in Note 3:

During the year ended December 31, 2011, 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, 2011:

	ginning ir Value F	Net Realized Gain	Net Unrealized Depreciation	Purchases	Sales	Ending Fair Value	Net Accumulated Unrealized Appreciation Outstandingat Year-End
\$ 102,4	470,748	\$ 1,194,118	\$ (14,680,646)	\$ -	\$ (17,402,103)	\$ 71,582,117	\$ 11,148,843

Notes to the Consolidated Financial Statements as of December 31, 2011

Net realized gain and net unrealized appreciation 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 \$1.2 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, 2011:

	 Fair Value	Redemption Frequency	Redemption Notice Period	
Event driven	\$ 36,015,992	Quarterly/semi-annually	45-65 days	(a)
Long/short equity	17,444,069	Monthly/quarterly	60-90 days	(b)
Multi-strategy	 18,122,056	Over 3 years/at manager's discretion	65 days	(c)
	71,582,117			
International	 14,780,379	Daily	10 business days	(d)
	\$ 86,362,496			

Note: There are no unfunded commitments to the Corporation's investments valued using the NAV of the investment vehicle.

(a) **Event driven:** This category includes alternative investment funds that invest in event driven situations such as mergers, acquisitions, recapitalizations, liquidations or other corporate restructuring transactions where there is a perceived differential between the value to be received upon successful consummation of the anticipated transaction or event and the current market price.

(b) Long/short equity: This category includes alternative investment funds that invest in long/short equity. Investments representing 61% of this category are invested in a fund that invests in global natural resource securities and commodities. Investments representing 39% of this category are invested in a fund that invests in emerging markets.

(c) **Multi-strategy:** This category includes alternative investment funds that pursue multiple investment strategies, including long/short equity, event driven, credit, private transactions, commodity and derivative strategies. Investments representing 28% of this category cannot be redeemed currently because the investment manager requires three years for an investor to fully redeem its investment. The Corporation has provided notice to an investment representing 9% of this category requesting a full redemption; distributions from this investment will be received through the liquidation of the underlying assets of the fund and, as of

December 31, 2011, it is probable that distributions received will be in an amount different from the NAV of the Corporation's ownership interest in the fund.

(d)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.

7. LAND AND FIXED ASSETS

As of December 31, 2011, land and fixed assets consisted of:

Land	\$ 1,913,359
Land improvements	174,158
Building	2,760,268
Computer equipment and software	129,476
Furniture and equipment	260,215
Automobiles	80,101
Leasehold improvements	 9,424
	5,327,001
Less - Accumulated depreciation and amortization	 203,346
Net book value	\$ 5,123,655

8. LOANS AND LOAN LOSS RESERVE

Loans are generated by PAFPIO and are stated at the principal amount outstanding plus accrued interest and administration fees reduced by a loan loss reserve. Interest on loans is credited to income based on principal amounts outstanding at applicable rates. The accrual of interest is discontinued when a borrower defaults.

The loan loss reserve 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 loan loss reserve is increased by provisions for loan losses charged against income and decreased by charge-offs, net of recoveries. Although a loan is charged off by PAFPIO management when deemed uncollectible, collection efforts continue and future recoveries may occur.

Notes to the Consolidated Financial Statements as of December 31, 2011

Changes in the PAFPIO loan loss reserve for the year ended December 31, 2011 were as follows:

Beginning balance	\$ 94,484
Provision charged to operations	186,734
Loans charged-off	(7,115)
Foreign currency translation adjustment	 (18,995)
Balance, end of year	\$ 255,108

9. COMMITMENTS

As of December 31, 2011, the Corporation had approved 18 programs totaling \$16.3 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, 2011 the Corporation signed grant agreements for these approved programs in the total amount of \$5.7 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 seven month period ended December 31, 2011, PAFPIO incurred \$32,000 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 30, 2012, 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 for the year ended December 31, 2011.

Board of Directors

JOHN P. BIRKELUND - CHAIRMAN

Senior Advisor Saratoga Partners, former Chairman of the Board of Directors of the Polish-American Enterprise Fund

MAREK BELKA – until June 2010

Former Prime Minister of Poland, former Executive Secretary of the United Nations Commission for Europe, former Director of the European Department of the International Monetary Fund, President of the National Bank of Poland

JOSEPH C. BELL

Senior Partner, Hogan Lovells

MICHAŁ BONI – until January 2008

Minister of Administration and Digitization, former Minister of Labor and Social Policy, Labor Market and Social Policy Expert

ALFRED B. BIEĆ

Former Undersecretary of State, Office of the Council of Ministers, Secretary of the Government's Economic Committee, former President and CEO of the Bank PEKAO New York and the Post Bank

FREDERICK M. BOHEN

Former Executive Vice President and Chief Operating Officer, The Rockefeller University

ZBIGNIEW BRZEZIŃSKI

Former National Security Advisor to the U.S. President, Counselor and Trustee at the Washington Center for Strategic and International Studies (CSIS), former Director of the Polish-American Enterprise Fund

ROBERT G. FARIS

Chairman of the Board of Directors of Enterprise Investors Corporation, former Director, former President & Chief Executive Officer of the Polish-American Enterprise Fund

ANNA FORNALCZYK

Former President of the Polish Office for Competition and Consumer Protection

CHRISTOPHER HILL

Dean, Josef Korbel School of International Studies, University of Denver, former U.S. Ambassador to Iraq, Republic of Korea, Poland, Macedonia, and Special Envoy to Kosovo, former Assistant Secretary for East Asia/Pacific Affairs, head of the U.S. delegation to the 6 party talks on North Korean denuclearization

GEOFFREY HOGUET

Managing Member, GRH Holdings, LLC

ALEKSANDER KOJ – Director Emeritus since November 2010

Professor at the Molecular Biology Institute at the Jagiellonian University, former Rector of the Jagiellonian University

JERZY KOŹMIŃSKI

Former Polish Ambassador to the United States, President and Chief Executive Officer of the Polish-American Freedom Foundation

ANDREW NAGORSKI

Vice President and Director of Public Policy at the EastWest Institute, former Senior Editor of Newsweek International

DAVID NIEMIEC

Senior Advisor Saratoga Partners

KRZYSZTOF PAWŁOWSKI

Rector of the High School of Business-National Louis University in Nowy Sącz, former Polish Senator

NICHOLAS A. REY

Former U.S. Ambassador to Poland, Director of the Polish-American Enterprise Fund

CARLA H. SKODINSKI

Vice President and Chief Investment Officer, Van Beuren Management, Inc.

U.S. GOVERNMENT LIAISON TO THE BOARD

LEE FEINSTEIN

U.S. Ambassador to Poland, participating in the work of the Board of Directors

President and Chief Executive Officer JERZY KOŹMIŃSKI

Head of the Representative Office GRZEGORZ JĘDRYS

Program Directors: RADOSŁAW JASIŃSKI RENATA KOŹLICKA-GLIŃSKA RAFAŁ KRAMZA

Program Officers: MIROSŁAW CZYŻEWSKI AGNIESZKA MAZUR

Chief Accountant AGNIESZKA KWIATKOWSKA

Programs' Financial Controller MIRA OSIECKA

Information and PR PRZEMYSŁAW ZAROŃ

Program Coordinators: KATARZYNA ŚWIĄTKIEWICZ JOANNA LEMPART-WINNICKA

Accounting: GRAŻYNA SKRZYPIEC ADELA MAKAREWICZ

Administrative Assistants: RAFAŁ MILEWSKI JOANNA RECHNIO IZABELA JAROŃ Treasurer and Chief Financial Officer NORMAN E. HASLUN III

Secretary to the Board of Directors C. DOUGLAS ADES

Financial Analyst GRZEGORZ BORCZYK

POLISH-AMERICAN FREEDOM FOUNDATION

410 Park Avenue 15th Floor New York, NY 10022, USA Tel. (917) 210-8083

REPRESENTATIVE OFFICE IN POLAND

ul. Królowej Marysieńki 48 02-954 Warszawa tel. (48 22) 550-28-00 fax (48 22) 550-28-01 e-mail: paff@pafw.pl www.pafw.pl