



POLISH-AMERICAN FREEDOM FOUNDATION

ANNUAL REPORT



2013

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Letter from the PAFF Leadership

Letter from the PAFF Leadership

We are pleased to present the Annual Report of the Polish-American Freedom Foundation which summarizes the Foundation's activities in 2013. The report was finalized in June 2014, following the completed audit of the financial statements. It was during this time that Poland was celebrating the 25th anniversary of its political breakthrough which paved the way toward freedom, democracy and market economies in Central and Eastern Europe. This anniversary gave us a special opportunity to recall the two basic goals that were set for the Freedom Foundation when it launched its operations fourteen years ago: help consolidate Poland's transformation, triggered by the events of 1989, and share the Polish experience with other countries of the region.

From the start we decided to concentrate on those communities and groups in Poland, primarily in rural areas and small towns, which required particular support during the transformation period. Therefore, the Foundation's programs in Poland have focused on equalizing educational opportunities and modernizing education as well as supporting the development aspirations of local communities. In the years 2000-2013, the Foundation earmarked \$143 million for its activities, and last year its budget amounted to nearly \$13 million.

In 2013, the Library Development Program, the product of a partnership between PAFF and the Bill and Melinda Gates Foundation, continued to rank as one of our most prominent activities. Since 2008, a growing number of public libraries in small localities have been transformed into modern, multi-function centers providing access to information, culture and education, all of which stimulates civic involvement. As a result of the third round of the program, launched in 2013, 481 more libraries joined the 3,327 already taking part in the undertaking. All told, 3,808 libraries in 1,250 communities are involved in the Library Development Program, which comprises 60% of all libraries located in rural areas and small towns. Thanks to their participation in such a large-scale undertaking, these libraries are making growing use of modern technologies, helping acquaint others with new communication tools and they are constantly expanding what they can offer in response to local needs. As a result, libraries are playing an increasingly vital role in the life of their local communities.

The "ICT for Local Development" Program, launched as a pilot in 2012, is another of several Foundation initiatives that harness ICT use for local communities. Non-governmental organizations taking advantage of this program have at their disposal a network of TechClubs in thirteen Polish cities, along with a group of more than a dozen Mobile Advisors who provide free technological support; they also participate in the all-Poland "Sector 3.0" conference and Regional Technological Forums. An important event held last year was the Polish edition of the international TechCamp conference. Under this U.S. Department of State initiative, conferences devoted to ICT use in building democracy and strengthening civil society are organized in different countries. The Warsaw edition, focused on communication within NGOs, was accompanied by a competition. Prizes were awarded to five of the most interesting and innovative projects, which were based on ideas developed in workshop groups during the TechCamp. The winning projects are meant to bolster the third sector with ICT tools.

We have also expanded the scope of other undertakings that serve to solve local problems and stimulate development aspirations, especially those conducive to building social capital. An excellent example is the "Act Locally" Program. Since 2000, more than 6,000 projects have been carried out involving almost two million participants, including nearly 150,000 volunteers. Last year, 10 new Act Locally Centers (ALC) joined the network established as part of the program. As a result, it now consists of 60 organizations operating in every province and encompassing nearly 600 communities.

The Act Locally Centers are also involved in other Foundation initiatives. ALC representatives take part in the "PAFF Leaders" Program, both as leaders and tutors. They form part of the Mobile Advisors network in the "ICT for Lo-

Letter from the PAFF Leadership

cal Development” Program and serve as coalition leaders in the “PAFF Local Partnerships”. To strengthen the local partnerships established under the program, the “Common Good Lab” was unveiled for the program alumni in 2013. It allows alumni to avail themselves of an extensive database of educational resources as well as to contribute their own materials to it. They receive the support of experts, take part in study visits and organize some visits themselves. They also meet in seminars to learn how to stimulate communities and share best practices. They can apply for financial assistance to carry out projects popularizing the program’s ideas. The “PAFF Leaders” undertaking addressed to its graduates was expanded in 2013 to include the “Leadership Innovation Laboratory”, a new initiative helping local leaders come up with inventive social solutions. It is being carried out in cooperation with the Ashoka Foundation Poland – Innovators for the Public Good, SAP and PriceWaterhouseCoopers.

Among last year’s initiatives is the additional offer of support for third sector organizations provided by the Academy of Civic Organizations, established in 2013 by PAFF, known as the “NGO Managers – PROMENGO” project. Individuals managing NGOs have an opportunity to enhance their skills and competence through cyclical training sessions conducted by qualified trainers; these trainers use the blended learning formula that is supplemented with interactive courses on the kursodrom.pl e-learning platform. The courses cover such areas as marketing, law, finance, fund-raising, strategic planning and human resources management.

We continued to attach great importance to developing the “Learning Schools” Program. Since 2000, it has involved efforts to improve school quality, especially in rural areas and small towns. More than 1,200 schools have already taken part in the program, and over 92,000 people have participated in its training sessions. A new project, “Educational Practice Lab”, is conducted in cooperation with lecturers from New York’s Columbia University. Its purpose is to prepare selected Learning Schools to share their knowledge and best educational practices with teachers from other schools. In November last year, Professor Bill Stroud, an expert from Columbia’s Teachers College worked with Polish schools participating in the project.

A new initiative designed to improve the quality and effectiveness of teacher training and school functioning was the “Work with Class” pilot undertaking, patterned on the popular “Teach for America” Program. Its selected participants, trained university graduates in various fields, took up teaching duties in 10 schools in small localities in several regions of Poland. In addition to conducting classes they also organized extracurricular activities addressed not only to pupils but also to their parents and the local communities. The pilot initiative made it possible to test one of the models for recruiting and training future pedagogues by acquiring experience that could serve to create a modern teacher-training institution in the future.

We are gratified by the unabated interest in other Foundation’s educational initiatives. Since 2001 more than 2,000 projects activating local communities around efforts benefiting youngsters and adolescents have been conducted under the “Equal Opportunities” Program. And, since 2005, the “Student Volunteers” Program has conducted more than 23,000 educational projects involving 1,757 schools situated beyond major metropolitan areas. Nearly 10,000 student volunteers participated; last year alone, 3,414 projects were implemented that involved almost 34,000 pupils.

Continuing our support for democratic and free-market transformations in Eastern Europe, we took part in the launch of a new, long-range initiative – the Warsaw Euro-Atlantic Summer Academy (WEASA). It is a joint initiative of the European College in Natolin, the German Marshall Fund and the Polish-American Freedom Foundation. In July of last year, young analysts, experts and advisers specializing in international affairs and transformations from the Eastern Partnership countries took part in classes led by lecturers from Poland and abroad. They focused on issues relating to European integration, systemic reforms and trans-Atlantic relations. Several notable public figures took part

in the WEASA inauguration: Minister Jacek Michałowski, Chief of the Presidential Chancellery, Günter Verheugen, Former Deputy Chairman of the European Commission, Professor Leszek Balcerowicz and Jacek Saryusz-Wolski, Member of the European Parliament.

We cannot overlook the dramatic events occurring in Ukraine at the beginning of 2014, following the period not encompassed by this Annual Report. Devoted from its inception to the principles of freedom, democracy and individual rights as well as solidarity and cooperation among nations, the Polish-American Freedom Foundation has been involved in the transfer of lessons from the Polish experience to Eastern European countries, placing a special emphasis on Ukraine. So far, 309 young Ukrainian citizens - young community, political and economic leaders have taken part in the Lane Kirkland Scholarship Program. Through the "Region in Transition" (RITA) Program, we provided support for 415 projects involving cooperation between Polish NGOs and their Ukrainian partners. Under the "Study Tours to Poland" more than 3,500 students as well as experts and officials visited Poland, almost 400 of them benefiting from a special track set up in the wake of the 2005 Orange Revolution.


This year's aid to Ukraine, which transcended the boundaries of the above-mentioned efforts, was initiated by the Education for Democracy Foundation, the manager of the "RITA" Program, and the "Study Tours to Poland" team from the Jan Nowak Jeziorański College of Eastern Europe. The measures, implemented in cooperation with the Solidarity with Ukraine Citizens' Committee, involved providing assistance for injured Ukrainian citizens who received treatment in Poland. In addition, the Education for Democracy Foundation conducted a fund-raising campaign to benefit the wounded and politically oppressed in Ukraine.

In conclusion, we wish to express our sincere gratitude for the cooperation of all those who offered us their support and valuable advice. We thank the members of the Board of Directors for their contributions to the Foundation's development and their close work with the Foundation's team. Our particular thanks go to Frederick M. Bohen, who completed his active presence on the Board in 2013. His knowledge and expertise were extremely helpful to us. We are also most grateful to our partners, managers of the Foundation's programs and local leaders as well as many NGOs and other institutions for the professionalism and collegial participation in our shared initiatives.

New York / Warsaw, June 2014



Andrew Nagorski
Chairman of the Board of Directors



Jerzy Koźmiński
President and Chief Executive Officer

The Foundation's Programmatic Fields



Initiatives in Education

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

Development of Local Communities

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

Sharing the Polish Experiences in Transformation

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

14 Year of Operation

Initiatives in Education



ENGLISH TEACHING

EQUAL OPPORTUNITIES

LEARNING SCHOOLS (LES)

PROJECTOR – STUDENT VOLUNTEERS

BRIDGE SCHOLARSHIPS

THIRD AGE UNIVERSITIES (TAU)

14 Year of Operation

Initiatives in Education

ENGLISH TEACHING

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

“English Teaching” is an undertaking designed to promote the study of English as well as stimulating and developing a variety of civic initiatives. Their results often transcend the original goals and frequently stimulate activity of local communities.

The program's actions are mainly addressed to English language teachers at public elementary and junior high schools as well as kindergartens in rural areas and small towns. The full package includes methodological training and provides teachers with the possibility to participate in a small grants competition, with assistance in project preparation in the form of training and individual consultancy. The small grants are earmarked for projects addressed to pupils and local communities; they are slated to last between 12-18 months.

Within the program's editions to date, conducted in 2000-2013, 784 projects were funded in grant competi-

tions addressed to schools and non-governmental organizations from localities of up to 20,000 inhabitants. As a result, clubs of admirers of Anglo-Saxon culture and English language, little libraries of English-language books and press as well as theater circles were set up in many schools. Numerous contests of knowledge about English writers, culture and history as well as song festivals were held. Children and young people had a chance to watch English-language films in their original versions and take part in lessons conducted by native speakers. More than 49,000 students and approx. 3,000 teachers directly participated in the projects financed within the grant competitions. Indirectly they engaged over 130,000 parents and other members of local communities.

The program includes “Weekends with English Teaching” methodological training sessions for English language teachers in localities with a population of up to 20,000 inhabitants. So far, 103 such training sessions have been conducted with more than 4,600 people participating.

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

Under the program, 11 annual nationwide “English Teaching Market” meetings have been organized for teachers of English and interested institutions, organizations, schools and publishers. A total of 6,000 people have participated in them. The meetings are aimed at the development of cooperation networks of English-language teachers from small localities and are additionally supported by the community portal and regular e-news on other educational initiatives such as grants, training sessions and competitions.



→ The Foundation has disbursed **\$ 5,565,510**, including \$ 508,363 in 2013.

→ Program Manager:
“NIDA” Development Foundation

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

EQUAL OPPORTUNITIES

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

Within the program, NGOs, community centers, libraries and informal groups apply for grants to finance projects stimulating the intellectual and creative aspirations of children and teenagers, developing their ability to achieve independently and realistically set goals, shaping active and open attitudes. Such projects also encourage efforts benefiting their communities and enable young people to participate in activities extending beyond the standard curricula offered by schools. In 2013, a total of 144 projects were funded within the "All-Poland Grant Competition" and the "Regional Grant Competition".

Rounding out the program are training sessions for project coordinators. The sessions deal with ways of conducting projects, particularly emphasizing the involvement of young people in the role of active creators, participants and direct implementers of an undertaking. Since 2012, the "Let's Act Together" competition has been held to showcase the achievements and experiences gained when carrying out educational projects and to enable participants to implement a joint project with their peers.

An important component of the "Equal Opportunities" Program are its Local Forums, held by organizations participating in the program. The Forums are a place for institutions and individuals involved in activities benefiting the youth in their communities to discuss the potential of the local environment as well as barriers limiting the development opportunities for young people living in small towns. So far 76 regional and local educational forums as well as two all-Poland forums have been organized, attended by more than 9,000 participants.

In 2013, the program's offer was expanded to include summer-school workshops. These are addressed to the most active participants in projects and meant to upgrade their skills in the implementation of initiatives serving their local communities as well as to develop their leadership skills.

The program's twelve editions resulted in the implementation of 2,025 projects involving nearly 128,000 participants (indirectly nearly 420,000 people have been involved). Mention should be made of the activation and integration of the local communities around the activities addressed to children and teenagers. Nineteen publications have been issued, describing the methodology of selected model projects, which could be implemented in other parts of Poland. The publications are available at the program's website www.rownacszanse.pl. In addition, 150 local non-governmental organizations have been established and many projects are continued after the financial support provided by the program ceases.

Through the program the Foundation provides support to the "Young Explorer Clubs" initiative, which is an extension of the model project launched in 2002 by the Education Society of Kłodzko as part of the "Equal Opportunities" Program. The goal of the "Young Explorer Clubs" is to promote interest in science among children and youth.



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Initiatives in Education

The “Clubs” are based on learning through discovery and self-directed experiments with simple and easily accessible materials. Currently, 300 “Young Explorer Clubs” are in operation across Poland. Since 2009 the initiative has been overseen by the Copernicus Science Center, whose mission is to support individual learning and exploration of the world as well as inspiring social dialogue regarding science.

→ The Foundation has disbursed **\$10,715,596**, including \$ 665,727 in 2013.

→ Program Manager:
Polish Children and Youth Foundation

→ more information at:
www.rownacszanse.pl

LEARNING SCHOOLS (LES)

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

“LES” is a broad undertaking encompassing teacher training, staff workshops, conferences for headmasters,

Internet courses, a systemic program facilitating the introduction of formative assessment, educational labs and post-graduate studies. Schools participating in the program develop organizational solutions professionalizing teachers' performance and monitoring the effects of their efforts as well as sharing the best practices. The program's implementation has resulted in quality improvement in key areas of the school's activities: effective education, teaching and learning, the school as an institution and the school's relations with the outside community.

In the course of the program's 11-year history, more than 3,000 schools have participated (more than 1,200 in the core part of the program). More than 92,000 people (including teachers enrolled in various training sessions) have taken advantage of the training opportunities offered by “LES”.

Two major projects have been carried out since 2009 – the “Teachers Internet Academy” (TIA) and the “Pupils' Academy”. The former is Poland's largest online distance training system for teachers of various subjects in different types and levels of schools as well as kindergartens. TIA courses make use of e-learning and online coaching and among other things, serve to prepare teachers to use modern information technologies in their work with pupils. TIA offers seven year-long courses. In the 2013-2014 school year 1,743 teachers are taking part in TIA training courses.

The purpose of the “Pupils' Academy” initiative, financed from European Union funds, is to promote mathematics and science subjects among junior-high school students. By 2014 the project will have encompassed 300



junior high schools which will receive funds for conducting extracurricular activities through scientific clubs for mathematics, physics, chemistry and biology. This will also involve additional remuneration for overtime hours of teachers overseeing the clubs. Additionally, the schools will receive Young Explorer's sets and the opportunity to participate in science festivals organized by institutions of higher education. The idea behind the "Pupils Academy" is for each of the 33,000 participating junior high school students to implement at least one cooperative educational project as part of the school scientific club.

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. Their objective is skill-improvement training for management staff: headmasters and supervisory organs as well as the staff of the school superintendents' offices. So far, nearly 300 headmasters and deputy headmasters of all school levels have completed the post-graduate study program.

PAFF is a partner of the "School with Class 2.0" undertaking, promoting the use of information and communication technologies in learning and teaching. It expands on the "School with Class" mass campaign, launched in 2002 and inspired by the "LES" Program. It was conducted by the Center for Citizenship Education in cooperation with the "Gazeta Wyborcza" daily newspaper. Over 5,000 schools from all over Poland completed it. The campaign gave birth to the "Teacher with Class" initiative, the "Student with Class" initiative, and the "School of Thinking" initiative.

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- The Foundation has disbursed **\$ 7,976,551**, including \$ 1,013,713 in 2013.
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- Program Manager:
Center for Citizenship Education Foundation
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- more information at:
www.ceo.org.pl/sus
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PROJECTOR – STUDENT VOLUNTEERS

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

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

Since 2003 over 23,000 educational projects have been carried out in 1,757 schools involving close to 10,000

student volunteers. Last year, 3,414 projects were carried out with the participation of nearly 34,000 students.

The program was supported by two former prime ministers, Professor Jerzy Buzek and Professor Marek Belka,



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Initiatives in Education

ka, who in 2007 volunteered to conduct vacation activities for children in several rural communes (gminy).

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

For years the “PROJECTOR – Student Volunteers” Program has been supported by the network of institutional

partners (schools of higher education, local authorities and media). At present it affiliates with more than 40 institutions including the Ignacy Łukasiewicz PGNiG Foundation, which is a strategic partner, the National Bank of Poland Foundation, the Orange Foundation, the Unit for Social Innovation and Research “Shipyard” Foundation, Microsoft, PGNiG SA, the Ministry of Treasury, IBM, Euro26, TVP INFO and the NGOs’ portal www.ngo.pl.

→ The Foundation has disbursed **\$ 4,827,230**, including \$ 470,519 in 2013.

→ Program Manager:
Foundation for the Development of Voluntary Service

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

BRIDGE SCHOLARSHIPS

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

The Bridge Scholarships Program is a joint undertaking of various partners. It is financed by the Polish-American Freedom Foundation, the National Bank of Poland, the National Bank of Poland’s Foundation, the PZU Foundation (State Insurance Group), the BGK Foundation, the Rural Development Foundation and a coalition of some 100 local NGOs. The undertaking is implemented with the organizational assistance of the Agricultural Property Agency. During the twelve editions of the program the Partners have disbursed close to PLN 78 million, including PLN 45 million provided by the Polish-American Freedom Foundation.

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

Since the beginning of the program, a total of over 17,000 scholarships have been awarded. Scholarships for the first year of full-time day studies leading to a Master’s degree have been granted to 12,500 high-school graduates. Under the program’s 12th edition (2013/14) 772 scholarships in the amount of PLN 500 per month have been granted to first-year students.



The program is currently a scholarship system whose offer goes beyond the support for the first year of studies. Scholarship holders who do extremely well in their academic pursuits have a chance for assistance in successive years of study. For the second year they may enter the “Top Student” competition; they may also try for corporate scholarships for their third and fourth years, a “Study Abroad” initiative and doctoral scholarships. They may also try for corporate scholarships for their third and fourth years, a “Study Abroad” initiative and doctoral scholarships. The program’s offer also includes language scholarships and workshops preparing scholarship holders for entering the job market.

Also available under the program are summer internships in the United States (“Polish-American Internship Initiative”), organized in cooperation with the US Embassy in Warsaw. Over the past three years, 59 students have worked as interns in the following companies: Chevron North America, Citi, General Electric Hitachi, Pittsburgh Glass Works LLC, Raytheon BBN Technologies, Sikorsky Aircraft Corporation and Westinghouse Electric Company.

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

A survey conducted among scholarship holders revealed that nearly 40% of them would not have been able to undertake university studies were it not for the financial assistance of the Bridge Scholarships Program. Nearly 60

percent of graduates had grade averages of “good” or better, and 80 percent completed them without any delays. A mere 3 percent dropped out. More than 50 percent of them plan to continue their education after graduation.

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

Honorary patronage over the 12th round of the Bridge Scholarships Program has been assumed by Poland’s First Lady Anna Komorowska.

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

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- The Foundation has disbursed **\$ 17,143,231**, including \$ 1,294,877 in 2013.

 - Program Managers:
Educational Enterprise Foundation
Good Network Foundation (“My Scholarship” and “e-volunteering”)

 - more information at:
www.stypendia-pomostowe.pl; www.paii.pl
www.dobrasiec.org

THIRD AGE UNIVERSITIES (TAU)

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

Within the “Seniors in Action” grant competition, grants and training are offered to people over 60 years of age, who wish to carry out civic and intergenerational actions based on their own ideas. The competition is addressed to active senior citizens involved in activities both within the framework of Third Age Universities and in cooperation with various organizations and institutions. So far 198 intergenerational projects stimulating seniors to act for the benefit of their communities and promoting their

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Initiatives in Education



voluntary work have been carried out. 33 projects are implemented within the current round of the competition. An account of their implementation is provided at the “Seniors in Action” blog.

Within the framework of support for Third Age Universities, the program offers training, workshops and an opportunity to share experiences at national conferences for TAU representatives. In 2004-2012 all-Poland gatherings were held in Kraków, Bydgoszcz, Słupsk, Płock, Warszawa Nowy Sącz and Katowice. In 2011-2013, the program gave its support to 14 regional meetings of the Third Age Universities.

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

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- The Foundation has disbursed **\$ 3,160,368**, including \$ 368,917 in 2013.
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- Program Manager:
Association for Creative Initiatives “e”
 (“Seniors in Action” competition)
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- more information at:
www.seniorzywakcji.pl

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Development of Local Communities



ACT LOCALLY

SUPPORT FOR NGOS

"PRO PUBLICO BONO" COMPETITION

ICT FOR LOCAL DEVELOPMENT

PAFF LOCAL PARTNERSHIPS

PAFF LEADERS

LIBRARY DEVELOPMENT PROGRAM

CITIZEN AND LAW

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Development of Local Communities

ACT LOCALLY

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

Grants are awarded at the local level in open grant competitions, organized each year by a network of Act Locally Centers (ALC) which encompasses associations and foundations in localities with up to 50,000 residents. Their area of activity may cover from four communes (gminy) to several districts (poviats). The ALC network has successively expanded from 15 centers in 2004 to 60 organizations in 2014. At present, it involves nearly 600 communes (gminy). There is at least one Act Locally Center in each province (voivodship). New ALCs are selected in open recruitment procedure by the Competition Committee. The beneficiaries of local competitions are NGOs and informal groups of citizens on whose behalf applications may be

submitted by organizations and local public institutions (schools, community centers, libraries) operating in localities of less than 20,000 inhabitants.

In the first three editions of the “Act Locally” Program, started in 2000, 357 projects were supported in the national grant competition, involving more than \$1 million from PAFF funds. In 2004 local competitions were launched as well through the agency of Local Grant Organizations (currently known as Act Locally Centers). In the years 2004-2012, grants were awarded in nationwide competitions to 99 projects, while 4,886 grants were provided through the Act Locally Centers’ network. In January 2013, the program’s eighth edition was launched, in which a total 1,255 grants have already been awarded.

The financially assisted initiatives mainly center around strengthening local community cooperation, creating new personal-development and leisure-time opportunities as well as enhancing the attractiveness of a given region. The common denominator of the assisted projects has been local involvement enabling local residents to acquire news skills, learn how to better self-organize and react to new problems. A total of nearly two million participants including close to 150,000 volunteers joined forces to carry out more than 6,000 projects. For those implementing financially assisted initiatives a “Tell me...” competition has been organized. It awards prizes for the most interesting ways of promoting and communicating the project’s activities.

Improvement of the Act Locally Centers’ operations is served by training sessions, workshops, regional meetings and study visits organized under the program. They make it possible to share best practices, improve knowledge and qualifications and strengthen cooperation within the network. The experience thus acquired is put to good use by the Act Locally Centers in other Foundation’s undertakings such as “PAFF Local Partnerships”. There they can play a leadership role in coalitions with different beneficiaries of the Foundation’s programs jointly engaged in projects benefiting the local community. In the “PAFF Leaders” Program, ALC representatives serve as leaders and tutors, and in the “ICT for Local Development” Program they belong



to the network of mobile advisors assisting other organizations in ICT use. Since 2013, the Act Locally Centers have taken part in the project of the National Bank of Poland and the Academy for the Development of Philanthropy in Poland with PAFF acting as a supporting partner: "Invest Well in Good. New Horizons on Financial Management".

Within the program, PAFF supports the "Benefactor of the Year" Competition and maintains patronage of the "Local Involvement" category, which promotes the civic engagement of companies, which in cooperation with ALCs contribute to long-term local changes. The Foundation is also the main partner of the "Civic Leader of the Year" competition, organized by News-

week Polska (the Academy for the Development of Philanthropy in Poland is the strategic partner). The aim of the competition is to award pro-civic attitudes and to promote the activities of individual people and organizations, standing behind them in solving various social problems.

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- The Foundation has disbursed **\$ 10,478,234**, including \$ 1,201,479 in 2013.
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- Program Manager:
Academy for the Development of Philanthropy in Poland
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- more information at:
www.dzialajlokalnie.pl
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SUPPORT FOR NGOS

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

The first is the "Mutual Information Society" (MIS@NGO) - the NGO information system whose main component is the Non-Governmental Organizations' Portal "ngo.pl". In 2013, it scored a monthly average of more than three million page views and some 620,000 users. The system also comprises an Informatorium (information center) with its 801-646-719 hotline, research and publications as well as "Third Sector" quarterly journal published by the Institute of Public Affairs.

The second is "EURO-NGO+" – it is aimed at increasing the nonprofit organizations' ability to acquire European Union funds. It is a continuation of PAFF's "EURO-NGO" Program carried out in 2003-2006, thanks to which Polish NGOs learned about structural funds and increased their competences, which enabled them to apply successfully for EU funds.

The program supported third sector organizations in building partnerships, advocacy activities and becoming involved in planning structural funds for the years 2007-2013 and currently – 2014-2020. Information activities such as the www.eu.ngo.pl service are conducted by the Federation of Polish NGOs "Szpitalna Center", while advocacy activities by the National Federation of Polish NGOs. The offer includes experts' support.



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The third path comprises two components. The first is the “Financial Management for NGOs” (“FIMANGO”) which includes training, counseling and publications for people responsible for financial management of nonprofit organizations, mainly those operating beyond major metropolitan areas. All told, during the period 2000-2013 more than 3,500 people representing 2,500 organizations from all over Poland took advantage of such training opportunities. The training courses are implemented by the Civil Society Development Foundation. The “PROMENGO” initiative, launched in 2013, is a comprehensive educational offer for NGO managers. It comprises the “Kursodrom” e-learning platform as well as workshops devoted to NGO management. It is implemented by the Academy of Civic Organizations Foundation, set up by PAFF.

Additionally, under the program the PAFF has been a co-organizer of the annual meeting of rural organizations in Maróz. Nearly 500 representatives of 200 or-

ganizations from different regions of Poland have participated in the meetings which promote integration, experience sharing, the acquisition of new knowledge and skills as well as cooperation. The meetings are organized by the Rural Development Foundation and the “NIDA” Development Foundation.

→ The Foundation has disbursed **\$ 6,194,634**, including \$ 703,184 in 2013.

→ Program Managers:
 Klon/Jawor Society („MIS@NGO”)
 Civil Society Development Foundation („FIM@NGO”)
 Academy of Civic Organizations Foundation („PROMENGO”)

→ more information at:
www.ngo.pl
www.frso.pl
www.faoo.pl; www.kursodrom.pl; www.promengo.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 the prizes awarded in the Competition.

The purpose of the Competition is to support the development of civil society by awarding the most valuable and creative activities undertaken by non-governmental organizations – on a national, regional, and especially local level – in the fields of education, culture and national heritage, health protection, social and charitable assistance, environmental protection and regional development, public diplomacy and European integration.

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

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

In 2013, the winner of the “Pro Publico Bono” prize was the Recreation and Rehabilitation Center of the Archdiocese of Rzeszów. Honorary mentions were made to the “Ognisko” (Campfire) Christian Association of the Disabled, their Families and Friends; the Gębiczyn Foundation operating the Partnership and Passion Center for Cultural Practices and Social Integration; the “Three Kings Cavalcade” Foundation; and the Blicharski Family that together with the Independence Effort Documentation Center and the Jagiellonian Library, manages the Tarnopol Archives.

In 2013, within the “Pro Publico Bono” Competition the Bolesław Wierzbiański’s Prize was also awarded to local newspapers from localities of up to 100,000 inhabitants. The prize went to the editorial staff of the “Mazowieckie to i owo” (the Mazovian This and That) weekly. Until 2011, the prize had been awarded by the Polish Journalists Association.

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- The Foundation has disbursed **\$2,278,723**, including \$ 156,274 in 2013.
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- Program Manager:
“Pro Publico Bono” Competition Foundation
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- more information at:
www.propublicobono.pl
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ICT FOR LOCAL DEVELOPMENT

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

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

Both the first and second editions of the program included thematic training for local NGOs showing examples of using modern technologies in communication, marketing and management. Subsequently, some of those organizations received grants for purchase of hardware and software as well as to finance projects focusing on the practical use of ICT in third sector activities.

The program's offer also includes an ICT Mobile Advisors' Network – the network of experts providing free technological support services for local NGOs. So far, 300 organizations have taken advantage of these opportunities and received more than 700 consultations from Mobile Advisors.

The program's second edition, launched in 2013, has an educational component (which includes the technologie.ngo.pl portal) and a support system, including financial assistance, for a group of selected non-profit organizations. Particular emphasis is placed on providing knowledge on how to identify potential areas where information technologies can be harnessed by NGOs. A network of Tech Clubs has been set up in eight Polish cities where representatives of NGOs, local business, local governments and the academic community meet on a cyclical basis to share experiences on putting the potential of modern technologies to practical use.

An important part of the program are the annual all-Poland “Sector 3.0” conferences, held in Warsaw, as well as “Regional Technological Forums”. They gather representatives



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of non-governmental organizations, ICT professionals from business circles, politicians, academics as well as foreign experts. They constitute a platform for the exchange of information about current trends in the ICT and Internet use in social/civic activities. In 2011-2013, over 700 people participated in the three editions of the “Sector 3.0” conference organized in Warsaw. Three Regional Technological Forums, which were held in the Pomeranian, Sub-Carpathian and Silesian regions, also drew considerable interest and attracted a total of more than 400 participants.

A significant event was last year's Polish edition of the international Tech Camp conference in Warsaw, an initiative of the US Department of State. It involves organizing conferences, in several countries, on ICT use to build democracy and strengthen civil society. Taking part in the Warsaw Tech Camp were representatives

of Polish NGOs (mainly operating at the local level), experts from Poland and abroad and a group of Kirkland Scholarship holders – socially involved students from Ukraine, Georgia, Department of State's eDiplomacy Bureau, the US Embassy in Warsaw, the Polish-American Freedom Foundation and the Information Society Development Foundation.

→ The Foundation has disbursed **\$ 536,596**, including \$ 224,091 in 2013.

→ Program Manager:
Information Society Development Foundation

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

PAFF LOCAL PARTNERSHIPS

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

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

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

Within the program's first two editions (in 2009 and 2010) grants were awarded for initiatives submitted by fifteen partnerships. They were implemented in 30 communes (gminy) in various regions of Poland with the participation of more than 200 partners. The results of the projects include a change of legal regulations in order to reduce air pollution in Żywiec, setting up the first Internet youth radio in Nidzica, creating a mobile facility for civic participation in Pelplin and Gnień and creating a “Rafter's Club” in Solec nad Wisłą.

In the third edition of the program completed in December 2013 grants were awarded to seven partnerships active in 19 communes (gminy). The outcomes of the projects carried out by 130 partners include setting up a local Internet civic television in Grodzisk Mazowiecki jointly created by local people and volunteers, upgrading a public park in Biłgoraj and building a common space open to all, as well as renewal of friendly relations between the communes (gminy) of Drawsko Pomorskie and Złocieniec through the joint reenactment of a historical battle for a cannon. The activities were summed up in autumn 2013 at a gala meeting with Minister of Labor and Social Policy Władysław Kosiniak-Kamysz. Currently, the third-round partnerships get extra financial support from PAFF to carry on their work of developing a strategy for the consolidation of their results, making those results sustainable and ensuring the durability of the coalitions.

A two-day seminar with Polish and foreign experts held in 2013 inaugurated a pilot initiative for the alumni called “The Common Good Lab”. It was attended by partnerships set up in the first two editions. The Lab aims to popularize the cooperation of local communities working for the common good, promoting methods of animating local communities and enhancing the sustainability of existing partnerships. The initiative offers access to resources such as publications, films, workshop scenarios, civic games, experts’ support, participation in study tours and meetings enabling the sharing of best practices as well as the possibility to receive a mini-grant for the implementation of educational and training projects. Fourteen grants have been distributed so far to help develop tools required for local community animation, such as outdoor games, Internet quizzes, public campaigns, training scenarios, and workshops.



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

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- The Foundation has disbursed **\$ 1,332,909**, including \$ 265,196 in 2013.

 - Program Manager:
Academy for the Development of Philanthropy in Poland

 - more information at:
www.lokalnepartnerstwa.org.pl

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PAFF LEADERS

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

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

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

An essential component of the program is the offer for program graduates - the “Alumni Initiative”, which provides an opportunity to participate in meetings with

well-known figures of public life and in workshops adapted to alumni needs. Also, within the development fund, they may obtain grants for enhancing their leadership skills. Through the electronic newsletter alumni regularly receive information about current undertakings carried out within the program. Leaders may also exchange experiences during annual meetings of participants as well as via civic portals. In 2013, the offer addressed to graduates was expanded to include a new initiative – the “Leadership Innovation Laboratory”. Its purpose is to help local community leaders create innovative solutions to social problems. The initiative's partners are: the Ashoka Innovators for the Public Foundation, SAP and PriceWaterhouseCoopers.

Since 2008, study visits to the United States have been organized as part of the International Visitor Leadership Program in cooperation with the American Embassy in Poland. In 2013, another group of leaders and tutors participated in a visit.

The Unit for Social Innovation and Research “Shipyard” Foundation has prepared a report titled “Visionaries, Activists and Resource Brokers”, which aimed to answer the question of what influence local leaders have on their surrounding social environments. The research shows that the “PAFF Leaders” Program alumni are at the forefront of the local third sector and through various activities they introduce innovative solutions in their communities, including those in local governments. The conclusions of the report were presented during a seminar “Local Leaders: A Course for Innovations” organized in October 2012. It was attended by, among other guests, Professor Jerzy Hausner, former Deputy Prime Minister, Minister of Economy of Work and Social Policy; Krzysztof Pawłowski, PhD, President of the Higher School of Business – National Louis University in Nowy Sącz and a Member of PAFF’s Board of Directors as well as approx. 80 local leaders and representatives of non-governmental organizations, corporate foundations, centers supporting innovative activities, think-tanks and schools of higher education.

In 2012, eight program alumni took part in consultations on the draft version of the “Report on the Con-



dition of Territorial Self-Governance in Poland” prepared by a team of experts headed by Professor Jerzy Hausner. The report was published in January 2013.

As a result of the program's nine editions the qualifications of 467 local leaders from all over Poland have been improved, and an active nationwide network has emerged. In addition, more than 50 tutoring experts have been trained. In the 9th (current) edition, which began in 2013, 47 leaders and 13 tutors are taking part in it.

→ The Foundation has disbursed **\$2,928,394**, including \$ 376,062 in 2013.

→ Program Manager:
School for Leaders Association

→ more information at:
www.liderzy.pl

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 "Global Libraries", a broader project in which the Gates Foundation creates partnerships in selected countries to provide 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.

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-function information, cultural and education centers stimulating civic involvement. Thanks to the assistance received by nearly 4,000 libraries, residents of rural areas and small towns gain an opportunity to improve their quality of life. On an ongoing basis librarians expand the libraries' offer, providing courses on computer and Internet use, the possibility to enroll in a film club and organizing meetings with book authors. As a result, libraries become the "third place" in their localities – a place open to all.

In 2008, the program's planning phase was carried out. This was intended to conduct a diagnosis and create a detailed plan of assistance to Polish libraries

by way of providing them with computer hardware and software as well as training for the librarians. A cooperation agreement was also signed with the Ministry of Culture and National Heritage which is conducting a long-term program called "Library+"; it is managed by the Book Institute. The aims of both undertakings are convergent so PAFF's and the Ministry's programs reinforce and complement each other.

In 2009 the implementation of the program got under way. As many as 1,873 libraries qualified for the first round. 1,454 libraries qualified for the second round of the program in Spring 2011. In the first half of 2013, recruitment to the third round was carried



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out. Its organization was possible thanks to a decision to prolong the Library Development Program until March 2015 made by the Polish-American Freedom Foundation and the Bill and Melinda Gates Foundation due to the effective management of funds granted by the Gates Foundation and PAFF's financial contribution. The extended program provides support to both new participants as well as those who are already participating. All told, the program covers 3,808 libraries in more than 1,250 communes (gminy), which comprises almost 60 percent of all Polish libraries in villages and small towns.

Program participants receive content-related support in the form of various training courses (such as library planning workshops, IT training and other training which helps profile further development of the libraries to meet the needs of their local communities) and technical assistance in the form of modern computer equipment (including multifunctional devices, printers, laptops, projectors and digital cameras) together with software provided for free by Microsoft. Additionally, libraries have an opportunity to apply for grants to finance activities included in the libraries' development plans, which enhance and develop their offer for library users. Also, 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 Partnership for Library Development, which brings together more than 100 representatives from the world of science, art, economy, the media, politics and the non-governmental sector. In addition, 16 Regional Partnerships with provincial authorities were established by the Information Society Development Foundation. Their task is to promote the modernization of public libraries in small localities. The partnerships for the development of libraries are also set up at the commune level. They are of an open character: in addition to local-governments other institutions important to social life at the local level may participate, such as schools, non-governmental organizations, business entities, mass media as well as local leaders.

Actions are also taken to promote libraries such as social campaigns organized within the program, e.g.

an all-Poland promotional-informational campaign "Library. A Place of Reading. A Place of Activity" and an Internet competition "Let's Meet In the Library" as well as an all-Poland public libraries' convention held every year since 2010 with participation of over 500 people, mainly librarians from small localities. The LABiB initiative is also being developed, which encompasses a network of a few dozen librarian-innovators, who, via a dedicated social networking site, create and popularize best practices in library activities.

Also engaged in activities benefiting libraries are third sector organizations, such as the Center for Citizenship Education Foundation, the KARTA Center Foundation, the Comenius Foundation for Child Development and the Association of Creative Initiatives "ę". Within the "Non-Governmental Organizations For Libraries" offer, they have prepared proposals for joint actions and initiatives broadening the libraries' services. Other actions are also taken to enhance the entire library system by cooperating with the National Library, province (voivodship) public libraries and the Association of Polish Librarians.

In 2012 the Ministry of Culture and National Heritage, the Ministry of Administration and Digitization, the Information Society Development Foundation and Orange Polska concluded an agreement important to the Library Development Program – extending for the next three years their joint efforts for the digitization of Polish public libraries. The agreement was first signed in 2009. The Telekomunikacja Polska Group declared then to provide all commune public libraries with free Internet access via cable technology, and in other localities – a wireless system with the highest-capacity links at a given location, plus exemption from subscription fees. So far approx. 3,500 libraries have benefited from the offer.

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

After three years of the program's implementation, the Unit for Social Innovation and Research "Shipyard" Foundation, commissioned by FRSI, conducted quantity and quality studies in communes (gminy) covered by the program in order to discover how Poles benefit from library use. The research results are presented in the "What do Poles Need Libraries For?" report available at the program's website (<http://frsi.org.pl/po-polakom-biblioteki/>).

The Library Development Program has been primarily financed by a \$30 million grant made available to the Polish-American Freedom Foundation by the Bill and Melinda

Gates Foundation. Microsoft has donated to the libraries (participants in the Library Development Program and outsiders considered as the program's target group) computer software worth an estimated \$18 million.

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- The Foundation has disbursed **\$ 1,421,403**, including \$ 747,254 in 2013.
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- Program Manager:
Information Society Development Foundation
-
- more information at:
www.biblioteki.org
-

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 exercise their rights in the public sphere. Thanks to the development of the free legal counseling the program provides assistance to individuals in difficult financial straits or life situations. It has also fostered public debate on reforming the system of access to legal assistance.

In the course of the program in 2002-2013, a grant competition was organized for non-governmental organizations providing legal and civic consultancy. During seven editions held since the start of the program 190 projects have been funded, including 150 within open grant competitions and 40 others as part of re-granting provided by the Legal Clinics Foundation and the Union of Citizens' Advice Bureaus. These projects made it possible to provide over 160,000 legal and civic consultations, open 218 new consultancy points, organize 1,100 training courses and conferences as well as print 225 publications and other materials. The total amount of grants amounted to over PLN 6 million. The last two rounds of the competition focused on quality legal advice services rendered to members of social groups with specific legal needs, such as the disabled, the homeless, and refugees.

Activities within the program are overseen by the Council of Experts comprised of authorities from the legal community. The Council's task was to recommend solutions facilitating citizens' access to legal aid. The Council stimulated public debate by holding open seminars attended by representatives of legal communities and the media. Discussions dealt with access to free legal assistance and information as well as the need for organizational and legislative changes, limited access to legal professions, legal ethics, the limited access of citizens to free legal assistance and challenges facing the judicial system. The Council also commissioned pilot projects dealing with issues of a systemic nature. These included strategic litigation concerning selected aspects of citizens' access to legal aid, popularization of civil 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 on legal acts and judicature as well as NGOs' cooperation with law sociologists. The effects of the Council of Experts' efforts have been popularized among non-governmental consulting organizations, in the legal community and among decision-makers of the justice administration. The work of the Council has led to the creation of the www.mediacyjajemza.pl website, promoting civil

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mediation and the Pro Bono Center, thanks to which NGOs may obtain free legal assistance from well-known law offices.

The “Active Citizen” Forum, an independent consultative body studying organizational obstacles limiting voter turnout and developing recommendations on how to improve citizens’ voting involvement, has been part of the program. The Forum affiliates more than a dozen individuals engaged in promoting improved voter turnout, including experts (sociologists, psychologists, political scientists and constitutional law experts) as well as NGO leaders.

In January 2014 the eighth edition of the program began to consolidate its achievements. A portal will be created

to put together the resources gathered as part of the projects supported by the grant competitions and activities of the Council of Experts as well as the “Active Citizen” Forum. The Advisory Organizations Platform continues advocating new EU funds and the community of advisory organizations continues training courses and debates with experts on selected subjects.

→ The Foundation has disbursed **\$ 3,281,305**, including \$ 179,734 in 2013.

→ Program Manager:
Institute of Public Affairs

→ more information at:
www.isp.org.pl/oip

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Sharing the Polish Experiences in Transformation



LANE KIRKLAND SCHOLARSHIP PROGRAM
REGION IN TRANSITION (RITA)

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Sharing the Polish Experiences in Transformation

LANE KIRKLAND SCHOLARSHIP PROGRAM

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

The program begins with an "orientation course", the purpose of which is to provide students with knowledge about the history and current political and social situation of Poland. Kirkland scholarship holders then proceed with their individually-programmed studies at universities in Warsaw, Kraków, Poznań, Wrocław and Lublin. They prepare their end-of-term papers and diploma dissertations under the supervision of

academic tutors. They also participate in integration meetings, thematic integration gatherings and traineeship at state institutions (including the Supreme Court, National Bank of Poland and marshal offices) as well as non-governmental organizations and private sector firms. Courses on project implementation and teamwork supplement the curriculum.

Between 2000 and 2013, 565 scholarship holders completed the program. Of that number 280 were from Ukraine, 125 from Belarus, 41 from Georgia, 35 from Russia, 21 from Armenia, 17 from Kazakhstan, 15 from Moldova, 12 from Lithuania, 10 from Slovakia, 6 from Azerbaijan and 3 from Kyrgyzstan. The majority of scholarship holders studied economics and management, and law as well as social science, journalism, political science, and international relations. Academic staff have accounted for the largest professional group followed by public officials and experts.

Following the program's completion, contact with graduates is regularly maintained thanks to the 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 it is to maintain graduates' contacts with Poland and encourage them to undertake joint initiatives such as graduates' associations.

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



→ The Foundation has disbursed **\$ 9,782,516**, including \$ 801,729 in 2013.

→ Program Manager:
[Education for Democracy Foundation](http://www.educationfordemocracyfoundation.org)

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

REGION IN TRANSITION (RITA)

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

The program's open grant competitions award grants to Polish non-governmental organizations for projects designed to share Polish experiences, especially in building civil society, strengthening the third sector and social activities, promoting local government transformation, reforming education and functioning of the free media. Grants are also provided for establishing and developing cooperation at the local level with partners from countries participating in the program. Since the start of the program, a total of 808 projects have been subsidized and four grants supporting larger projects and 10 study-tour grants were also provided in 2013.

In addition, Polish NGOs and schools have been offered training opportunities and experts' support as well as assistance in establishing ties and developing cooperation with foreign partners. The social networking site www.civicportal.org facilitates information-sharing between organizations and civic leaders.

An essential part of the program has been its "Study Tours to Poland" organized since 2004. Their purpose is to familiarize active citizens of Eastern Europe with the realities of Poland and the European Union. This especially pertains to 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-gov-

ernmental organizations, central-government institutions and self-governments as well as make other valuable contacts.

In 2004-2013 diverse types of study tours, hosted by Polish NGOs, were attended by nearly 5,800 people, including 2,234 students and 3,537 professionals from various circles.



- The Foundation has disbursed **\$ 14,840,531**, including \$ 1,354,890 in 2013.
- Program Managers:
Education for Democracy Foundation („RITA”)
Jan Nowak Jeziorański College of Eastern Europe
(„Study Tours to Poland”)
- more information at:
www.rita.edudemo.org.pl
www.studytours.pl

People, Projects, Initiatives

"ENGLISH TEACHING"

Grzegorz Michalek – an English Teacher, a Rescuer, and an "English Teaching" Instructor

"LEARNING SCHOOLS" (LES)

"Educational Practice Labs" – an Effective Approach to Supporting Students' Learning Process

BRIDGE SCHOLARSHIPS

Renata Bruździak – a Future Citi Intern

"EQUAL OPPORTUNITIES"

The „Youth Science Lab” Project

"PROJECTOR – STUDENT VOLUNTEERS"

„A Merry Dream on Java” – a Vacation Project for Sixth-Graders

"SENIORS IN ACTION"

The "One Spectator Theater" Intergenerational Project

"ACT LOCALLY"

The „Biotop Bike Park” Project

"PAFF LEADERS"

Paweł Grabowski – a Doctor and Civic Activist

"ICT FOR LOCAL DEVELOPMENT"

Gerard Misiaczyk – an ICT Mobile Advisor

"PAFF LOCAL PARTNERSHIPS"

"GTV – Get to Know Your Neighborhood!" – a Local Citizen Television

LIBRARY DEVELOPMENT PROGRAM

Barbara Bielska – a Librarian and a Leader with a Passion for Photography

"SUPPORT FOR NGOS"

Kursodrom – an e-Learning Platform for NGO Managers

LANE KIRKLAND SCHOLARSHIP PROGRAM

Olena Shynkarenko – a Scholarship Award Holder in the Polish Patent Office Competition

THE WARSAW EURO-ATLANTIC SUMMER ACADEMY (WEASA)

“ENGLISH TEACHING”

Grzegorz Michałek – an English Teacher, a Rescuer, and an “English Teaching” Instructor

Grzegorz Michałek cooperates with the “English Teaching” Program as an instructor at the weekend training workshops for teachers. He is an English teacher with more than twenty years’ experience and an owner of a school of English. He is also a volunteer rescuer at the Beskid Team of the Mountain Volunteer Rescue Service. He was the author and the leader of the “Heaven and Hell” project in which a group of alpinist club members from the Beskid Team of the Mountain Volunteer Rescue Service covered the largest difference of altitudes on the Earth – they went down to the bottom of the deepest Krubera-Voronya cave and then climbed Mount Everest. The difference of altitudes which he covered during these two expeditions was, after verification, 10,380 m. “I am a volunteer, not a professional rescuer. This spectacular achievement won the world record for covering the biggest difference of altitudes. We participate in various training sessions, from the evacuation of a cable car, rescuing people on the wall in winter and in summer, or in a cave - and from that came the idea. I wanted to see if a man is able to do both,” Grzegorz Michałek explained.

In 2013 the record-holder visited 13 schools implementing projects under the “English Teaching” Program in Małopolskie, Śląskie and Dolnośląskie provinces (voivodeships) and gave presentations in English. He talked about his road to success and encouraged young people to persistently strive to achieve their objectives. “Grzegorz won over the children and young people who listened to him with bated breath. He showed photos of family excursions when he was the same age as the students listening to him. He showed himself as a person who never gives up his dreams, and what’s more, he is a great storyteller,” says Sabina Marszałek, coordinator of the “In the Land of Music Fairy Tales in English” project implemented in Binarowa.



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Such meetings have additional, undeniable value: they show that you have to pursue your passions, and that you can achieve feats such as climbing Mount Everest by starting with much smaller challenges, for example, learning English.

Marta Rokicka

coordinator of the “Robin Hood – a Small Ambassador of English” project

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Grzegorz Michałek shared with children and youth not only his impressions but also his expertise in climbing. “Such meetings have additional, undeniable value: they show that you have to pursue your passions, and that you can achieve feats such as climbing Mount Everest by starting with much smaller challenges, for example, learning English,” stressed Marta Rokicka, coordinator of the “Robin Hood – a Small Ambassador of English” project implemented at school in Niegowić. The amazing journeys on which the world record-holder took young people learning English under the “English Teaching” Program not only acquainted them with distant corners of the world but also were an incentive for them to take on challenges and pursue their own dreams.

“LEARNING SCHOOLS” (LES)

“Educational Practice Labs” – an Effective Approach to Supporting Students’ Learning Process

In November 2013 students, teachers and headmasters of schools in Strachówka, Lubieszów, Gorzów Wielkopolski and Kozielnice participating in the “Educational Practice Labs” (EPL) project were visited by Professor William Stroud from the Teachers College, Columbia University in New York.

The „EPL” schools have introduced some solutions which proved effective in supporting the teaching and learning processes according to recent education surveys. These include: mutual observation of lessons by teachers; discussion and recording of lessons; planning lessons and commands which are challenging for students; discussing students’ work and using the conclusions in further planning of the teaching process; monitoring of selected students and planning changes in teaching as well as so-called „educational walks”.

Teachers from the schools participating in the „Labs” project have been applying these solutions since 2012, guided by the instructors from the Center for Citizenship Education Foun-

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We have met here to share with you the observations of an “external eye” which looks differently and can see more because it is not involved in conducting the lesson; it only observes. If these observations prove useful to you it is up to you to apply them in your future work. You know best what can and what cannot be effective.

Professor Bill Stroud

Teachers College,
Columbia University in New York



dition who in turn were trained by the lecturers from the Teachers College. In November 2013, they presented the results to teachers from other schools participating in the program. A school was comprised of observing lessons followed by workshops participated in by both teachers from a host school and visitors.

During the workshops, which were conducted by Professor Stroud, the participants discussed practical application of the solutions. In each school participating in the “Labs” project visitors focused their attention on one, selected aspect. These included the analysis of students’ work during the visit at Strachówka, monitoring of selected students at Lubieszów, mutual observation of lessons by teachers in Gorzów Wielkopolski and the procedure of lesson recording and observation at Kozielice.

“We have met here to share with you the observations of an “external eye” which looks differently and can see more because it is not involved in conducting the lesson; it only observes. If these observations prove useful to you it is up to you to apply them in your future work. You know best what can and what cannot be effective,” said Professor Bill Stroud in Lubieszów. He presented a way of sharing opinions by the observers. He also emphasized that it is very important to the observer to stick to the facts, to describe the functioning of the student in the class, without elements of assessment. “The teachers conducting the lessons listened to him, asked questions and added their opinions. The discussions lasted for more than an hour. Then the time came to draw conclusions and introduce changes in the teaching process,” reported Magdalena Jurewicz from the “Learning Schools” team at the Center for Citizenship Education.

The “Educational Practice Labs” project has been implemented since 2012 as part of the “Learning Schools” Program. It is managed by the Center for Citizenship Education Foundation in cooperation with lecturers from the Teachers College, Columbia University in New York. The objective of this project is to prepare nine selected schools participating in the “Learning Schools” Program (LES) to share their knowledge and present best educational practices to teachers from other institutions.

“BRIDGE SCHOLARSHIPS”

Renata Bruździak – a Future Citi Intern

She comes from Zaborów – a small locality in Warmińsko-Mazurskie province (voivodeship). Thanks to a very good performance at secondary school, she was awarded a scholarship for the first year at university under the Bridge Scholarships Program and was able to continue her education at the Finance and Accounting Faculty at the Warsaw School of Economics. “The Bridge Scholarships not only helped me cover the costs related to starting my studies but also motivated me to continue hard work. It was tangible proof that my efforts are appreciated,” recalls Renata.

Thanks to her high grade point average after the first year of studies, she won in the “Top Student” competition and received a second-year scholarship provided by the Polish-American Freedom Foundation. She also received scholarships during subsequent years of her studies – the corporate scholarship funded by the BRE Bank Foundation (a partner in the Bridge Scholarships Program) and a language scholarship. “The support I received made me realize that the scholarship means not only aid but also a commitment to use our potential and share

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Thanks to the internship at Citibank I will feel more self-confident and learn more about my strong and weak points. It will be not only a test of my character but also an excellent lesson of how to cope with new challenges.

Renata Bruździak



this potential with others,” says Renata, who is involved in community work as a volunteer.

In 2013 Renata decided to apply for an internship in the USA offered by Citibank under the Polish-American Internship Initiative (PAII). “It is an incredible opportunity not only to gain valuable professional experience but also broaden your horizons, get to know the United States and its culture,” she emphasized. Her strong points are: high grades at Warsaw School of Economics, very good knowledge of English as well as finance and accounting. She succeeded in being recruited and in the summer of 2014 she will leave for an internship in the USA. “Thanks to the internship at Citibank I will feel more self-confident and learn more about my strong and weak points. It will be not only a test of my character but also an excellent lesson of how to cope with new challenges,” says Renata Bruździak.

After completing her internship in New York, Renata is going to start her career in the financial sector in Poland. She believes that professional experience gained in one of the biggest financial institutions in the world will be a strong point on the labor market. And she intends to continue her community work.

“EQUAL OPPORTUNITIES”

The “Youth Science Lab” Project

As part of the “Equal Opportunities” Program, the Inspiration Generator Foundation has helped a group of thirty junior high school students from Błazowa and Dynów communes (gminy), interested in science, to organize their “Youth Science Lab”. It is composed of task teams carrying out scientific experiments in robotics, chemistry, physics and biology. Working together the students not only broaden their knowledge and pursue their interests but also acquire teamwork skills and learn the principles of leadership.

Inspiration for creation of the “Lab” were scientific experiments carried out during the extracurricular classes in Błazowa by student-volunteers of the “PROJECTOR – Student Volunteers”



Program. “There was no such place where we could spend our free time. We are all fascinated with science, therefore we decided to make an application to the “Equal Opportunities” Program and in this way we have got our second home, our Youth Science Lab,” said one of the project participants. The “Lab” members from Błażowa and Dynów organize scientific picnics for children and young people where they present their knowledge and skills. They participated in the “Night of Young Discoverers” and “RoboShow” during the “Sector 3.0” conference. They also visited the Krakow Garden of Experiments and Copernicus Science Center in Warsaw where they found new inspirations for interesting scientific experiments.

In July 2013 the “Lab” members from Błażowa and Dynów, along with the volunteers of the “PROJECTOR – student volunteers” Program, visited the Polish-American Freedom Foundation Representative Office in Warsaw. Representatives of each task team presented interesting experiments. Using a simple model made from easily accessible materials they showed for example how the lung functions, how to make a sound using a dish filled with water or how intelligent robots built with LEGO bricks work.

The young participants of the “Youth Science Lab” in Błażowa and Dynów also take advantage of various training workshops. For example, at the media workshops they have learned how to create short educational spots and now they publish them on the Internet so that their experiments benefit other young people all over Poland.

“PROJECTOR – STUDENT VOLUNTEERS”

“A Merry Dream on Java” – a Vacation Project for Sixth-Graders

In July 2013 a pair of students from Warsaw and Szczecin involved in the “PROJECTOR – Student Volunteers” Program decided to use their knowledge and passions in a summer technological project which they implemented with pupils from the elementary school at the

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It was an unforgettable adventure and a challenge, both for me and my friend. It's amazing that with our help, already on the fourth day of workshops the 6th graders were able to create a simple computer game. It gave us great satisfaction.

Aleksandra Pagórska
project leader



Complex of General Schools in Rudnik, Śląskie province (voivodeship). For a week Aleksandra, the initiator, who was a final year student of the Faculty of Psychology at the University of Warsaw, and Michał, an electronics and telecommunications engineer, who was a doctoral student at the West Pomeranian University of Technology in Szczecin, explored with the 6th graders the ins and outs of programming language under the „Merry Dream on Java” project. The pupils not only learned what an algorithm is and how to properly install programs but also got to know Java and its basic parameters and, as a consequence, were able to create a simple game.

„It was an unforgettable adventure and a challenge, both for me and my friend. It's amazing that with our help, already on the fourth day of workshops the 6th graders were able to create a simple computer game. It gave us great satisfaction,” says the leader of the initiative, Aleksandra Pagórska.

The objective of the project implemented by the volunteers was not only making young people aware of opportunities provided by new technologies but also inspiring them to broaden their interests and look for new passions. Therefore they supplemented the classes in computer science with various integration activities, which included a Spanish culture contest. They also taught children basic phrases in Spanish. They conducted workshops on self-presentation and on creating multimedia presentations. And finally they made young people from Rudnik prepare thematic photography sessions. “Young people are growing up in a world that is changing at a rapid pace. To keep up, they must develop many skills,” the volunteers of the “PROJECTOR” said of their activities.

“SENIORS IN ACTION”

The “One Spectator Theater” Intergenerational Project

For more than ten years Ms. Emilia Betlejewska has been connecting generations through the theater workshops thanks to a grant awarded in the “Seniors in Action” competition. She is a director and set designer, and one of the initiators of the “One Spectator Theater” project implemented in Toruń in 2013.

Together with Dorota Gojło, psychologist and bibliotherapist representing the younger generation, they decided to create an unusual intergenerational puppetry. In cooperation with seniors and young people they prepared some chamber performances which were next performed as puppetries at the beds of children in hospice care. “Puppetry” refers to the nineteenth-century tradition of puppet theater for children with flat carton puppets acting in the box. “I think theater is the best platform for sharing views as well as learning tolerance and mutual respect. That is the place where you can forget about your age. I would like to show the seniors, who are often self-centered, the great value of community work which is centered on other people,” says Emilia Betlejewska.

For several months, working under the supervision of experts, the intergenerational team of volunteers had been creating therapeutic fairy tales which later served as a basis for scripts of puppet theater performances. The puppetries were made by the project participants, partly during the arts and scenography workshops and partly thanks to the skills possessed by the volunteers: students of arts and bibliography and seniors with a passion for DIY. The group also had several meetings with the psychologist, a hospice employee who prepared them to work with sick children.

The performances were played on the stage of the theater and then the volunteers visited the spectators in the hospice. All sick children at the hospice saw them – they were presented a dozen or so times. “Our activities met with great enthusiasm. The project also aroused the



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Emilia Betlejewska
project initiator

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interest of pediatricians from clinics in Toruń – they would come and ask us to go with our performances to their small, often chronically ill patients. They wanted to surprise the children. We find it really valuable that people who had never had anything to do with theater got involved in promoting the idea of the “One Spectator Theater,” the initiators emphasized.

“ACT LOCALLY”

The “Biotop Bike Park” Project

One of the biggest bike tracks in Poland was built in Myślenice, Małopolskie province (voivodeship), under the project that obtained the grant from the “Act Locally” Program in 2013. The grant was awarded by the Act Locally Center – ARTS Foundation for Art, Adventure and Pleasure. “We wanted to create a common place for bike amateurs and enthusiasts. And such a place is the “Biotop Bike Park”, or the mountain cycling center,” says Mikołaj Wincenciak from the Biotop Myślenice Sport Club (coordinator of the initiative) on the idea of creating the track.

Work on the track started with finding a lot near Dolny Jaz, cleaning it up and preparing it for the building activity. Then more than 50 resident-volunteers started to construct a pump type track which allows the biker to ride and maintain speed without pedaling. Working together they also created a professional space where the competitions begin. It is adjacent to the bike rental that offers specialized bikes. The rental enables the track to be used by those without their own bikes.

“By involving both younger and older residents in the work on the track we wanted to show the value of cooperation,” adds Mikołaj Wincenciak. Residents may use all attractions free of charge. The park, which covers the area of 1 hectare where new attractions are being added all the time, has become a place of recreation. Two times sports competitions - the “Just Pump It” and the “Night Contest” - have been organized with almost 200 participants and an audience of almost 500 people.

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Mikołaj Wincenciak
project coordinator



“PAFF LEADERS”

Paweł Grabowski – a Doctor and Civic Activist

Paweł Grabowski, an alumnus of the 7th round of the “PAFF Leaders” Program comes from Kraków. For ten years he had lived and worked in Warsaw as a doctor, a specialist in palliative medicine. In 2009, he decided to give up a job at the Oncology Center in Warsaw and create a hospice in Podlasie region, where there was a shortage of professional care facilities for terminally ill people.

He does not speak much about himself, as he emphasizes that “It is the work that counts, not me”. He established the Podlaskie Oncology Hospice Foundation to help the sick and their families. He also organizes help under home hospice and training for medical staff and volunteers. Additionally, the Foundation conducts Occupational Therapy Workshops offering the disabled rehabilitation in the form of physiotherapist and psychologist care as well as by integrating the participants and involving them in interesting activities in one of the six groups: art, tailoring, gardening, multimedia, technical and household workshops.

“Nothing is impossible for him. The others speak a lot but when it comes to the specifics, they give up. And he immediately starts to act. He looks for allies, sponsors, partners. He creates something, organizes, helps and goes on. He has a lot of positive energy and charisma, on top of great knowledge and experience,” says Anna Dobrowolska-Cylwik, Vice-Mayor of Michałowo commune (gmina).

For his community work he was distinguished in the “Civic Leader of the Year 2011” competition organized by Newsweek Polska, and in 2013 he was awarded with the “Good Samaritan 2013” title in the contest held by the St. Elias Volunteering Association in Kraków.



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Anna Dobrowolska-Cylwik
Vice-Mayor of Michałowo

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“ICT FOR LOCAL DEVELOPMENT”

Gerard Misiaczyk – an ICT Mobile Advisor

He is a local government activist and a civic leader who has a degree in political science, is a passionate photographer, watercolorist, web designer and an enthusiast of new technologies. He lives in Gostyń, Wielkopolskie province (voivodeship).

He started his cooperation with the Polish-American Freedom Foundation initiatives when he became involved in a project implemented under the “Act Locally” Program. He coordinated the project carried out by an informal group which transformed into an association the following year. At present he manages that association and among other things, conducts the occupational therapy workshops for the disabled. His good experience in working for the benefit of others made him apply for a position of an ICT Mobile Advisor in the pilot round of the “ICT for Local Development” Program.

“I used skills which I already had as well as curiosity and desire to learn new issues related to ICT and improve them during professional training organized by the Information Society Development Foundation. Following that, I could start cooperation with the NGOs in the Wielkopolska region on a broader scale which would have real impact on improving the competence and capacity of the third sector regarding the use of new technologies,” Gerard Misiaczyk reported. Under the program, he has carried out several dozen technological audits and over a hundred meetings, workshops and consultations for NGOs and informal groups. He noticed that organizations, especially small ones, struggle with various problems – ranging from the fear of using ICT in their activities to huge hardware deficiencies and lack of knowledge about tools facilitating work and communication with their community. He notes that the “ICT for Local Development” Program is perfectly in line with identified needs and offers more than just one-off support. He feels satisfied observing how gratified the organizations are when they move with his help through the stages of technological initiation.

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Gerard Misiaczyk
ICT Mobile Advisor



“The ‘ICT for Local Development’ Program is multithreading and through participation in such events as the ‘Sector 3.0’ conferences, technological clubs’ meetings in a dozen of towns in Poland or launching the technologie.ngo.pl service, the level of knowledge of the third sector on ICT gradually improves and I have always an attractive offer for civic leaders willing to cooperate,” says the Mobile Advisor.

“PAFF LOCAL PARTNERSHIPS”

“GTV – Get to Know Your Neighborhood!” – a Local Citizen Television

In an attempt to stimulate the local community, the partners from six communes (gminy) of the Grodzisk powiat - Grodzisk Mazowiecki, Jaktorów, Milanówek, Żabia Wola, Podkowa Leśna and Baranów - under the leadership of the “Europe and We” Association, decided to invite the residents and local institutions to co-create the Internet citizen television. The purpose of the initiative was to create a platform for activities and social communication that would strengthen local identity and integrate residents with the use of new technologies. As a result, after a few months of intensive work, in the spring of 2013 a local “GTV- Your Neighborhood” TV was launched under a project subsidized by the “PAFF Local Partnerships” Program.

“The Grodzisk powiat is an area where a lot of new residents keep moving in. People want to integrate as they don’t know each other and don’t know the place where they’ve come to live,” Daniel Prędkopowicz, coordinator from the “Europe and We” Association, which as the leader of the partnership was awarded the grant for implementation of the initiative, explains the origins of the idea. “We decided that the local citizen TV created by and for the residents would be a good way to acquaint them with their neighborhood,” he adds.



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Daniel Prędkopowicz
President of the “Europe and We”
Association

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The TV program is prepared by volunteers who film the cultural and sports events, prepare reports on local government and NGOs' activities, and present vox-pop. They are planning to prepare news service. Among them are people who have experience in television and journalism, students of journalism but also amateurs who have found a new passion. To get ready to launch a new TV station they participated in journalism, filming and editing workshops.

The GTV volunteers try to be present at all events that are important for the local community. Their materials are published at gtv.info.pl, which has been visited by almost 15,000 users, on YouTube, where they have been viewed over 100,000 times, and on social networking sites.

To promote the local TV station and integrate the local community, the Local Partnership of Grodzisk powiat has held a Week of Civic Activity offering the residents of the powiat a visit to the travelling summer cinema and a "Your Neighborhood in the Camera's View" competition. The successes of the first months of the GTV operation were presented at a gala which included a panel discussion with participation of Edwin Bendyk from *Polityka* weekly and Grzegorz Miecugow from TVN on building interpersonal relationships and the impact of media on the local community.

The implementation of the "GTV – Your Neighborhood" project gave the PAFF Local Partnership of Grodzisk powiat an award in the "3 Pillars" competition for "The Best Intersector Partnership" in Grodzisk powiat.

LIBRARY DEVELOPMENT PROGRAM

Barbara Bielska - a Librarian and a Leader with a Passion for Photography

Barbara Bielska lives and works in Reszel, Warmia region and has been a Library Development Program participant since its first round. She has been working for the Municipal Public Library for thirty years, and since 1991 as its director. She is also a founding member of the "Re-Action" Cultural and Educational Association in Reszel.

Despite many years of work in the library, she is still enthusiastic about taking up new challenges, she learns, gains new experiences and is ready for change. Under her management the library has become a center of local activity for the residents. Ms. Bielska has not only created a good music band but also established cooperation with various partners, including NGOs, with whom she jointly implements projects benefitting the local community. She introduces new forms of activity, very popular among residents of Reszel. In 2000, with the support of the American Peace Corps she opened the first library internet café in the province (voivodeship). "My dream is to make the library a place for activity of all residents; for meetings, exchange of ideas, interesting initiatives and joint projects. Where the residents can implement their ideas, using their skills and imagination," says the energetic librarian.

Since 2012 - at present as the Information Society Development Foundation volunteer - Barbara Bielska has been a participant of the LABiB Leadership Program initiated under the Library Development Program. LABiB is based on a network of active people who cooperate, share their knowledge, inspire each other in order to integrate various groups of people, develop local communities, and improve libraries. "Because it would be the biggest sin to remain the same in a rapidly changing world," emphasizes the leader.

In April 2013, Barbara Bielska, along with nine other librarians, went to the United States as a participant of the International Visitor Leadership Program. The study visit was organized by the US Department of State under the slogan of “Public Libraries as Technologically Advanced Community Centers”. “Travel fascinates me. I like to observe, talk to people, learn the history of places that I am visiting, and experience other cultures. During many meetings with American librarians in Washington, Seattle and Florida I became convinced that even though we are separated by thousands of miles, we share the same passion and dedication to our profession,” says Barbara Bielska.

She combines her professional career with her passion which is photography. In 2013, she was a co-author of the “Library – My Time, My Place” exhibition prepared by the Provincial (Voivodeship) Public Library in Olsztyn, where she exhibited photos.

In recognition of her merits for the town and commune (gmina), and in particular for promoting the town and initiating numerous cultural and educational events which integrate the local community, in 2011 Barbara Bielska was awarded the honorary medal of “Merit for Reszel” granted her by the Town Council.



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Barbara Bielska

“SUPPORT FOR NGOS”

Kursodrom - an e-Learning Platform for NGO Managers

The Kursodrom.pl is an e-learning platform for learning via the Internet. It is addressed to NGO managers and all those who are interested in improving their qualifications in NGO management.

Marketing, law, finance, fundraising, strategic planning and human resources management are just a few of the subjects available at Kursodrom. The courses are divided into modules.

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The platform allows us to learn at a convenient place and time.

An additional advantage is that we do more than only read articles and passively watch the presentations.

Piotr Henzler

Academy of Civic Organizations Foundation



Two or three hours are required to participate in each of them. All courses are interactive – the user is asked to perform various tasks, such as joining parts of sentences, assigning definitions to the concepts, and answering the questions. At the end of a course a participant may take the test and obtain a certificate of completion.

“The platform allows us to learn at a convenient place and time. An additional advantage is that we do more than only read articles and passively watch the presentations. Another advantage is the quality of courses. It takes us several months to prepare each of them. Whereas when we enter the level of exchange of experiences, we share views and opinions not with ten persons in the classroom but with a group that is many times bigger,” says Piotr Henzler who coordinates the initiative at the Academy of Civic Organizations Foundation.

The Kursodrom was created in 2013 as part of the "NGO Managers" ("PROMENGO") Program managed by the Academy of Civic Organizations Foundation that was established by PAFF. Its objective is to increase the managerial competences of people who manage non-governmental organizations through a series of stationary training workshops conducted by qualified instructors, in the form of blended learning supplemented with e-learning. The initiative is one of the components of the PAFF "Support for NGOs" Program.

LANE KIRKLAND SCHOLARSHIP PROGRAM

Olena Shynkarenko – a Scholarship Award Holder in the Polish Patent Office Competition

Olena Shynkarenko, a Lane Kirkland scholarship holder in 2012/13 academic year, comes from Ukraine. During her stay in Poland as a Lane Kirkland scholarship holder who studied at the Intellectual Property Law Institute at Jagiellonian University, where she completed

a post-graduate course. Under the supervision of Sybilla Stanisławska-Kloc, Ph.D., she wrote “Transformation of the Polish System of Copyright Protection – Lessons for Ukraine” as her diploma thesis, which can serve as an example for Ukrainian legislators.

“Participation in the Lane Kirkland Scholarship Program gave me a great opportunity for scientific, professional and personal development. Working on the research project allowed me to gain knowledge in the field of intellectual property law and understand how the copyright is created and how it functions in Poland,” says the Kirklander.

Her thesis was submitted by her tutor to the 11th round of a competition for the best diploma dissertation in the field of intellectual property, which was organized by the Polish Patent Office in 2013, and won an award from the Minister of Science and Higher Education. The Jury of the competition is composed of academics from the University of Warsaw, Jagiellonian University, the Polish Academy of Sciences and the President of the Polish Patent Office.

Olena Shynkarenko graduated from the Faculty of Legal Sciences at the National University of “Kyiv-Mohyla Academy” in Kyiv. Before she came to Poland as a scholarship holder she had been working for a law firm offering legal services to international companies and supporting their operation in Ukraine, also in the field of intellectual property rights. She has been a member of the American Chamber of Commerce in Ukraine since 2010, and the European Business Association with its seat in Kyiv since 2011. At present, she is a post-graduate student at the Jagiellonian University in Kraków where she is working on her dissertation concerning Polish and EU copyright.

“The Kirkland scholarship was a catalyst for my further scientific development,” emphasizes Olena, as participation in the Kirkland Program allowed her to receive additional points in the recruitment procedure for the doctoral course and get the scholarship under the scholarship program for the citizens of the Eastern Partnership countries.



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Olena Shynkarenko

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WARSAW EURO-ATLANTIC SUMMER ACADEMY (WEASA)

In July 2013, 44 young international affairs and transformation experts and advisors from the Eastern Partnership countries participated in the first, two-week edition of the Warsaw Euro-Atlantic Summer Academy – WEASA, which was held at the College of Europe in Warsaw. The objective of the initiative, which is a joint undertaking of the College of Europe in Natolin, the German Marshall Fund and PAFF, is to broaden knowledge and share experiences of European integration, political system transformation and Euro-Atlantic relations with experts and analysts from the East.

“There has never before been such peace and prosperity in Europe,” said the special guest at the inauguration of the Academy, Professor Günter Verheugen, former Vice-President of the European Commission and EU Commissioner, and at present a lecturer at the European University in Viadrina in Frankfurt. In his lecture on “Political transformation and European integration” he recalled the European integration process and the challenges which successive countries, including Poland, had to meet to become a member of the Community.

Minister Jacek Michałowski, the Chief of the Presidential Chancellery, conveyed greetings from President of the Republic of Poland, Bronisław Komorowski, to the participants of the summer school, emphasizing that the President considers cooperation in the region to be very important and is involved in supporting the Eastern Partnership countries in the process of their integration with the European Union.

The issue of strengthening relations with successive countries by European Union was addressed by the Former Minister for European Integration, Member of the European Parliament and Deputy Chairman of EURONEST Parliamentary Assembly Jacek Saryusz-Wolski in his speech titled “The European Union and the Eastern Partnership Before the Summit in Vilnius”.

The inaugural ceremony was also attended by leaders of the institutions co-organizing the Academy - Ewa Ośniecka-Tamecka, Vice-Rector of the College of Europe; Jerzy Koźmiński,



President of the Polish-American Freedom Foundation; and Michał Baranowski, Director of the German Marshall Fund Office in Warsaw. They all noted that WEASA is the first, and unique joint undertaking of the three organizations that have been playing important roles in the fields covered by WEASA.

The WEASA participants benefitted from a wide range of more than 40 lectures on, among other topics, the models of transformation in Central Europe, post-socialist transformation in Poland, the role of self-governments and civil society in a democratic country, the energy safety policy, geopolitics of the countries in the region, and the future of NATO. Among experts and academics teaching at WEASA were: Professor Leszek Balcerowicz, Professor Jean-Pierre Cassarino of the European University Institute, Clifford Gaddy, PhD., representing the Brookings Institution, and Gerhard Stahl, Secretary General of the EU's Committee of the Regions. Participants of the summer school also took part in study visits to the local government in Płońsk, the Ministry of Foreign Affairs, the European Commission Representative Office in Warsaw, and the National Security Bureau among others. One of the points on their agenda was a visit to the Representative Office of the Polish-American Freedom Foundation, which was aimed at presenting the Foundation's programs addressed to the Eastern Partnership countries: i.e., the Lane Kirkland Scholarship Program and "Region in Transition" (RITA).

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Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of the Polish-American Freedom Foundation (the "Corporation"), which comprise the consolidated statement of financial position as of December 31, 2013, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Warsaw, May 28, 2014

Financial Statements

Consolidated Financial Statements as and for the Year Ended December 31, 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2013

ASSETS

ASSETS:

Investments, at fair value (Notes 3 and 7):

Common and Preferred Stocks	\$ 63,879,594
Public Mutual Funds - Equity	84,654,019
Private Mutual Funds - Equity	22,057,525
Alternative Investments	72,365,808
Fixed Income Securities	25,309,256
Public Mutual Funds – Fixed Income	680,899

Cash and cash equivalents	14,853,434
Restricted Cash (Note 4)	3,252,605
Land and fixed assets, net (Note 8)	4,899,511
Loans, net of allowance for loan losses of \$260,371 (Note 9)	4,710,896
Prepaid expenses and other assets	139,899

Total assets	\$ 296,803,446
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LIABILITIES AND NET ASSETS

LIABILITIES:

Grants payable (Note 3)	\$ 9,986,438
Accounts payable and accrued expenses	335,892

Total liabilities	10,322,330
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UNRESTRICTED NET ASSETS (Note 2)	283,228,511
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TEMPORARILY-RESTRICTED NET ASSETS (Note 2)	3,252,605
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	286,481,116
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Total liabilities and net assets	\$ 296,803,446
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The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2013

	Unrestricted	Temporarily Restricted	Total
Changes in net assets:			
Income:			
Interest and dividend income	\$ 3,532,103	\$ 136,047	\$ 3,668,150
Contributions	53,438	(863)	52,575
	3,585,541	135,184	3,720,725
Net assets released from restrictions	4,685,493	(4,685,493)	-
Total income	8,271,034	(4,550,309)	3,720,725
Expenses:			
Employee compensation and benefits	1,351,438	-	1,351,438
Operating expenses	814,313	-	814,313
Occupancy	115,787	-	115,787
Depreciation and amortization	161,255	-	161,255
Total operating expenses	2,442,793	-	2,442,793
Grants (Note 3)	(17,263,166)	-	(17,263,166)
Grants and expenses in excess of income	(11,434,925)	(4,550,309)	(15,985,234)
Net realized gain on investments (Note 7)	10,290,788		10,290,788
Net unrealized appreciation on investments (Note 7)	23,470,981	-	23,470,981
Net currency remeasurement gain (Note 3)	599,784	-	599,784
Total increase (decrease) in net assets	22,926,628	(4,550,309)	18,376,319
Net assets, beginning of the year	260,301,883	7,802,914	268,104,797
Net assets, end of the year	\$ 283,228,511	\$ 3,252,605	\$ 286,481,116

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

Financial Statements

Consolidated Financial Statements as and for the Year Ended December 31, 2013

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2013

Cash flows from operating activities:

Increase in net assets	\$ 18,376,319
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Net realized gain on investments	(10,290,788)
Net unrealized appreciation on investments	(23,470,981)
Net currency remeasurement gain	(599,784)
Provision for loan losses	82,690
Depreciation and amortization	161,255
Decrease in restricted cash	2,480,471
Decrease in grants receivable	2,112,786
Decrease in accrued interest on loans	50,173
Increase in accrued interest on investments	(66,853)
Decrease in prepaid expenses	20,706
Increase in accounts payable and accrued expenses	6,057
Increase in grants payable	1,490,216
Net cash used in operating activities	<u>(9,647,733)</u>

Cash flows from investing activities:

Proceeds from sales/redemption of investments	53,383,033
Cost of investments purchased	(41,125,456)
Loans disbursed	(4,863,508)
Proceeds from loan repayments	4,908,118
Purchase of fixed assets	(63,348)
Net cash provided by investing activities	<u>12,238,839</u>

Effects of exchange rate changes on cash and cash equivalents	<u>501,033</u>
Net increase in cash and cash equivalents	3,092,139
Cash and cash equivalents, beginning of year	<u>11,761,295</u>
Cash and cash equivalents, end of year	<u>\$ 14,853,434</u>

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

Notes to the Consolidated Financial Statements as of December 31, 2013

1. ORGANIZATION

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

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

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

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

2. BASIS OF PRESENTATION

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

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

Financial Statements

Notes to the Consolidated Financial Statements as of December 31, 2013

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's investments are assets of the Foundation. The Corporation engages professional investment managers and advisors who manage and monitor the Corporation's investments. See Note 7 for more detailed disclosures of the Corporation's investments.

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

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

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

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

- **Common and Preferred Stocks and Fixed Income Securities:** Equity and fixed income securities (primarily Polish government treasury securities) are valued based upon the closing price as quoted on major exchanges. Common and preferred stocks and certain fixed income securities are classified within level 1 of the fair value hierarchy.
- **Public Mutual Funds – Equity and Fixed Income:** These investments are public investment vehicles valued using the NAV provided by the administrator of the investment vehicle. The NAV for public mutual funds is a quoted price in an active market and classified within level 1 of the fair value hierarchy.
- **Private Mutual Funds – Equity:** These investments are private investment vehicles valued using the NAV provided by the administrator of the investment vehicle. The NAV for private mutual funds is classified within level 2 of the fair value hierarchy as the NAV's unit price is quoted on a private market that is not active; however, the unit price is based on underlying investments which are traded on an active market and the Corporation can redeem its investment at the measurement date or within the near term without redemption restrictions.
- **Alternative Investments:** These investments are private investment vehicles valued using the NAV provided by the investment vehicle manager. Underlying investments that are determined by the investment vehicle manager to be illiquid and/or lacking a readily accessible market value are valued using current estimates provided by the investment vehicle manager. Valuation inputs and methodologies are determined by the investment vehicle manager. Alternative Investments are classified within level 3 of the fair value hierarchy.

CASH AND CASH EQUIVALENTS

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

GRANTS AND GRANTS PAYABLE

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

CONTRIBUTIONS

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

INTEREST AND DIVIDEND INCOME

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

Financial Statements

Notes to the Consolidated Financial Statements as of December 31, 2013

FOREIGN CURRENCY

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

DONATED SERVICES

The Corporation's American directors receive no compensation or fees for serving as directors. Such directors donate significant amounts of their time to the Corporation. No amounts have been reflected in the accompanying consolidated financial statements for such donated services, inasmuch as no objective basis is available to measure the value of such services. The Corporation's chairman of the board of directors (the "Chairman") receives an honorarium in exchange for his services as the Chairman. The Corporation's non-executive Polish directors receive a fee for providing advice and assistance to the Corporation. For the year ended December 31, 2013, the total fees paid to all Polish directors and the Chairman amounted to \$41,223.

DEPRECIATION AND AMORTIZATION

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

OPERATING EXPENSES

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

CREDIT RISK

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

4. RESTRICTED CASH

At December 31, 2013, restricted cash of \$3,252,605 is the total amount of temporarily restricted net assets. Restricted cash represents cash received from grantors, including the Gates Foundation, not yet disbursed for program purposes.

5. 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 \$255.3 million (the “Endowment Amount”) to the Foundation through December 31, 2013, which was recorded as unrestricted net assets. 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.

6. BILL AND MELINDA GATES FOUNDATION GRANT

In March 2009, the Global Development Program of the Gates Foundation awarded the Foundation a project support grant in the amount of \$28 million for the five-year period from April 1, 2009 to March 31, 2014, which was amended in 2012 to extend the period to March 31, 2015 (the “Library Project Grant”). Funds received from the Library Project Grant, including amounts derived from the Library Project Grant such as 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. Through December 31, 2013, the Foundation had received \$28.0 million from the Gates Foundation for the Library Project Grant, with \$ 3,173,723 still considered temporarily restricted and available for disbursement.

7. INVESTMENTS AT FAIR VALUE

See “Investments, at Fair Value” in Note 3, above, for discussion of the methodologies and assumptions used to determine the fair value of the Corporation’s Investments. The cost, fair value and accumulated unrealized appreciation (depreciation) on investments at December 31, 2013 is presented in the table below:

	Cost	Fair Value	Accumulated Unrealized Appreciation (Depreciation)
Common and Preferred Stocks	\$ 32,806,742	\$ 63,879,594	\$ 31,072,852
Public Mutual Funds - Equity	73,616,057	84,654,019	11,037,962
Private Mutual Funds - Equity	15,000,606	22,057,525	7,056,919
Alternative Investments	60,760,905	72,365,808	11,604,903
Fixed Income Securities	23,806,334	25,309,256	1,502,922
Public Mutual Funds - Fixed Income	686,816	680,899	(5,917)
	<u>\$ 206,677,460</u>	<u>\$ 268,947,101</u>	<u>\$ 62,269,641</u>

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

Financial Statements

Notes to the Consolidated Financial Statements as of December 31, 2013

The net unrealized appreciation (depreciation) and net realized gain (loss) on investments for the year-ended December 31, 2013 is presented in the table below:

	Net Unrealized Appreciation (Depreciation)	Net Realized Gain (Loss)
Common and Preferred Stocks	\$ 11,526,810	\$ 1,616,680
Public Mutual Funds - Equity	7,796,225	3,496,747
Private Mutual Funds - Equity	4,918,095	-
Alternative Investments	(376,562)	4,846,688
Fixed Income Securities	(325,526)	438,382
Public Mutual Funds - Fixed Income	(68,061)	(107,709)
	<u>\$ 23,470,981</u>	<u>\$ 10,290,788</u>

Set forth in the table below are the Corporation's investments as of December 31, 2013, at fair value on a recurring basis by the hierarchy levels described in Note 3:

	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	\$ 63,879,594	\$ -	\$ -	\$ 63,879,594
Public Mutual Funds - Equity	84,654,019	-	-	84,654,019
Private Mutual Funds - Equity	-	22,057,525	-	22,057,525
Alternative Investments	-	-	72,365,808	72,365,808
Fixed Income Securities	25,309,256	-	-	25,309,256
Public Mutual Funds - Fixed Income	680,899	-	-	680,899
	<u>\$ 174,523,768</u>	<u>\$ 22,057,525</u>	<u>\$ 72,365,808</u>	<u>\$ 268,947,101</u>
% of total	64.9%	8.2%	26.9%	100.0%

During the year ended December 31, 2013, there were no transfers of investments between levels 1, 2 and 3.

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

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, 2013:

Beginning Fair Value	Net Realized Gain	Net Unrealized Depreciation	Purchases	Sales	Ending Fair Value	Net Accumulated Unrealized Appreciation Outstanding at Year-End
\$ 64,064,220	\$ 4,846,688	\$ (376,562)	\$ 14,581,617	\$ (10,750,155)	\$ 72,365,808	\$ 11,604,903

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

Included in the amount reported as interest and dividend income in the consolidated statement of activities is approximately \$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, 2013:

	Fair Value	Redemption Frequency	Redemption Notice Period	
<u>Level 2:</u>				
International	\$ 22,057,525	Daily	10 business days	(a)
<u>Level 3:</u>				
Multi-strategy	40,240,916	Quarterly/over 3 years	45-90 days	(b)
Emerging markets	14,388,100	Monthly	6-30 days	(c)
Event driven	9,377,872	Over 1 year	90 days	(d)
Long/short equity	7,784,954	Monthly	15 days	(e)
Private equity	573,966	Not able to redeem	Not applicable	(f)
	72,365,808			
	<u>\$ 94,423,333</u>			

Note:

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

- a. International:** This category has one investment fund whose objective is to achieve long-term growth primarily by investing in a diversified portfolio of equity securities of companies located in any country other than the United States. The fund invests primarily in established international markets; however a portion of the fund's assets may be invested in emerging markets.
- b. Multi-strategy:** This category includes alternative investment funds that pursue multiple investment strategies, including long/short equity, event driven, credit, merger arbitrage, distressed debt and private transactions primarily in North America, Europe and Asia (77% of this category), and global commodity and derivative strategies (13% of this category). Investments representing 17% of this category cannot be redeemed currently because the investment manager requires three years for an investor to fully redeem its investment.

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

Financial Statements

Notes to the Consolidated Financial Statements as of December 31, 2013

- c. **Emerging markets:** This category includes two alternative investment funds that pursue a long-only strategy for investment in emerging markets. One of the funds representing 51% of this category invests solely in the Asia Pacific region excluding Japan, primarily in emerging markets, but may invest in Australia or New Zealand. The other fund representing 49% of this category invests in small/mid cap emerging markets equities.
- d. **Event driven:** One alternative investment fund representing 99% of this category invests across the capital structure with exposure to equity and/or credit investments, including distressed debt, primarily in developed markets in North America and Europe.
- e. **Long/short equity:** This category is comprised of one alternative investments fund that seeks to generate equity-like returns with low correlation to equities markets and other alternative investments by investing in U.S. and International debt, equity and derivatives.
- f. **Private equity:** This category is comprised of one investment in a private equity fund that invests in the energy sector in North America. At December 31, 2013, the Foundation was committed to invest \$3.9 million in this fund. This fund does not provide for redemptions.

8. LAND AND FIXED ASSETS

As of December 31, 2013, land and fixed assets consisted of:

Land	\$ 1,913,359
Land improvements	174,158
Building	2,769,692
Computer equipment and software	142,222
Furniture and equipment	268,770
Automobiles	76,572
	<u>5,344,773</u>
Less - Accumulated depreciation and amortization	445,262
Net book value	<u>\$ 4,899,511</u>

9. LOANS AND LOAN LOSS RESERVE

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

The allowance for loan losses is maintained at a level determined by PAFPIO management to adequately absorb potential losses in the loan portfolio. This determination is based on the exposure to loss related to specific borrower situations, including their financial position, payment history and collateral values, and other relevant factors and estimates which are subject to change over time. Estimating the risk of loss and amount of loss on any loan is necessarily subjective and ultimate losses may vary from current estimates. These estimates are reviewed by PAFPIO management periodically and, as adjustments become necessary, are reported in the periods in which

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

they become known. The allowance for loan losses is increased by provisions for loan losses charged to operations and decreased by write-offs, net of recoveries. Collection efforts continue after a loan is charged-off by PAFPIO Management and future recoveries may occur.

Changes in the PAFPIO allowance for loan losses for the year ended December 31, 2013 were as follows:

Beginning balance	\$	400,632
Additional provision charged to operations, net		82,690
Loans written-off		(224,896)
Foreign currency translation adjustment		1,945
Balance, end of year	\$	<u>260,371</u>

10. COMMITMENTS

As of December 31, 2013, the Corporation had approved 15 programs totaling \$15.1 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, 2013 the Corporation signed grant agreements for these approved programs in the total amount of \$7.0 million.

11. TAX STATUS

UNITED STATES

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

POLAND

The Representative Office is not subject to Polish corporate income taxation. PAFPIO is a Polish limited liability corporation subject to Polish Corporate income tax. For the year ended December 31, 2013, PAFPIO incurred \$53,677 of income tax expense, which is included in operating expenses in the consolidated statement of activities.

12. SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through May 28, 2014, the date the consolidated financial statements were available to be issued, and has determined there were no additional events requiring consideration as adjustments to, or disclosures in, the consolidated financial statements as of and for the year ended December 31, 2013.

Board of Directors

ANDREW NAGORSKI - CHAIRMAN

Award-winning journalist and author, former foreign correspondent and senior editor of Newsweek International

JOHN P. BIRKELUND - *Chairman until May 2012, currently: Chairman Emeritus*

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

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 - *until December 2013, currently: Director Emeritus*

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

MICHAŁ BONI (*until January 2008*)

Member of the European Parliament, Former Minister of Administration and Digitization, former Minister of Labor and Social Policy, Labor Market and Social Policy Expert

ZBIGNIEW BRZEZIŃSKI

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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 US delegation to the 6 party talks on North Korean denuclearization

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

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