

Polish-American Freedom Foundation

ANNUAL REPORT



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LETTER FROM THE PAFF LEADERSHIP

LETTER FROM THE PAFF LEADERSHIP

The year 2015 marked the fifteenth anniversary of the Polish-American Freedom Foundation's program activity.

The jubilee ceremony, held in Warsaw in May, was attended by Poland's First Lady Anna Komorowska; the former Prime Minister of Poland and President of the European Parliament, Professor Jerzy Buzek; the President of the Constitutional Tribunal, Professor Andrzej Rzepliński; the President of the Supreme Audit Office, Krzysztof Kwiatkowski; the U.S. Ambassador to Poland Stephen Mull; the Head of the Chancellery of the President of Poland, Jacek Michałowski; and other representatives of the public sector, the media and business.

The event was also attended by members of the PAFF Board of Directors, the managers of the Foundation's programs, participants of the "PAFF Leaders" Program and their tutors, local activists, and representatives of groups and institutions that are cooperating closely with the Foundation, including leaders of civic organizations from all over Poland. At its jubilee, the Foundation received congratulatory letters from Polish President Bronisław Komorowski, U.S. Vice President Joe Biden and former Polish Presidents Lech Wałęsa and Aleksander Kwaśniewski. During the ceremony, jubilee statuettes were awarded to the Foundation's long-term partners: PAFF program managers. PAFF's 15th anniversary event was combined with the reunion of the Lane Kirkland Scholarship Program alumni attended by 300 people from 11 countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Lithuania, Moldova, Russia, Slovakia and Ukraine.

Fifteen years ago the Foundation adopted a Mission Statement that outlined its dual mission: to help consolidate the results of the Polish transformation and to share the Polish experience with other countries of Central and Eastern Europe. These general goals were later made more precise: the Foundation's activities in Poland were to focus on leveling the playing field in education, combined with raising the quality of education overall. And, they were meant to support the aspirations of the inhabitants of local communities, encouraging them to develop the kind of initiatives that enable them to reach their full potential. From the very outset, the Foundation's programs in Poland have focused on rural areas and small towns. PAFF now pursues its goals through programs implemented in three thematic areas: education, development of local communities and sharing the Polish experiences in transformation.

By the end of 2015, the Foundation had allocated more than \$164 million to its program activity. This has made it possible to finance approximately 27,000 scholarships for youngsters from disadvantaged families; train 65,000 teachers in modern teaching methods; and carry out 12,000 local initiatives aimed at hundreds of thousands of individuals. In addition, 30,000 educational projects at 2,000 schools have involved more than 11,000 students-volunteers who reached 300,000 children and teenagers. As many as 14,000 schools benefited directly from the Foundation's program activities while 21,000 leaders and NGO staff, as well as 9,000 librarians, participated in training efforts aimed at developing their skills and enhancing their qualifications. More than 7,600 participants from Ukraine, Belarus, Russia, Georgia, Moldova and other states took part in study visits to Poland.

We are very pleased with the outcomes of the Foundation's programs, especially those launched 15 years ago. "English Teaching" is one such program. So far, 900 projects have been implemented promoting the study of English as well as stimulating and developing a variety of civic initiatives in rural areas and small towns. The "Learning Schools" (LES) Program already encompasses more than 3,000 schools that are conducting comprehensive activities to improve the quality of Polish

education on the basis of the best foreign models and Poland's own experiences. Tens of thousands teachers have taken advantage of the training opportunities offered within all components of the "LES" Program.

The Foundation's second main goal is to support and galvanize communities in small towns and rural areas. This prompted the Foundation to launch one of its first grant-giving programs: "Act Locally". PAFF provided support to some 8,000 civic initiatives aimed at addressing local issues and stimulating development-related activities in small localities. The program attracted nearly three million participants, including more than 150,000 volunteers. The network of Act Locally Centers (ALC) has been gradually expanded from 15 ALCs in 2004 to 67 in 2015, and now encompasses a total of 618 communes (gminas). Currently, in each province there are at least two ALCs that award grants under open grant competitions.

The Foundation also continues to develop ngo.pl, the Non-governmental Organization Portal launched in 2000, which remains the key element of the "Mutual Information Society" – the information system for civic organizations that supports third sector infrastructure in Poland. The portal's database contains information on approximately 150,000 Polish and foreign non-governmental organizations.

The Foundation's first long-term international initiative was the Lane Kirkland Scholarship Program. Up to this point, the Program's alumni include 654 participants who were awarded scholarships, young leaders in the economic, social and political life of eleven Eastern countries. During the 15 years of the "Region in Transition" (RITA) Program, we also offered support to almost 1,000 projects. They are aimed at strengthening cooperation between Polish NGOs and educational institutions willing to share Poland's experiences of social and economic transformation and European integration with partners from Eastern Europe, the Southern Caucasus and Central Asia.

Last year, the Foundation completed the unique Library Development Program, which was the result of the partnership between PAFF and the Bill and Melinda Gates Foundation. The program, which ran from 2008 to April 2015 and was managed by the PAFF-established Information Society Development Foundation, was primarily financed by a grant of approximately \$31 million provided to the Polish-American Freedom Foundation by the Gates Foundation. As a result of the program, 3,808 libraries in more than 1,250 communes have been transformed into modern, multi-functional local centers of information, education, culture and civic activity. Small local libraries participating in the Library Development Program gained access to electronic equipment (including computers, laptops, tablets and printers), free Internet, offered by Orange Polska, and training. In addition, Microsoft donated computer software worth an estimated \$18 million. The Information Society Development Foundation continues to support libraries and librarians to strengthen the sustainability of the Library Development Program.

Early last year, the Foundation noted with deep sadness the passing of Frederick Bohen, who served as a member of the PAFF Board of Directors and as Chairman of the Foundation's Investment Committee. Fred was strongly committed to the Foundation's activities. He was a dear friend with a great heart. He played a critical role in the strengthening of the financial and organizational base of the Foundation, allowing us to continue developing and expanding our program initiatives. He will be greatly missed.

In the fall of 2015, Professor Zbigniew Brzeziński and Robert G. Faris, both PAFF co-founders, resigned from the Board of Directors. Their comprehensive knowledge, expertise and experience were all put to good use after 1989, when the U.S. offered support for Polish reforms. They played key roles in the pioneer undertaking of establishing the Polish-American Enterprise Fund, which

actively supported the development of Poland's market economy in the 1990s. Thanks to an effective investment policy, the Fund generated a notable surplus from the \$240 million entrusted to it by the U.S. Congress. On the basis of the arrangements between the governments of Poland and the U.S., \$120 million was returned to the U.S. budget, while the remaining portion of the capital together with any generated surplus was transferred to the Polish-American Freedom Foundation.

PAFF's creation would not have been possible without the personal efforts of Zbigniew Brzeziński and Robert Faris, and the involvement of John Birkelund, the Foundation's first Chairman of the Board, and the late U.S. Ambassador Nicholas Rey. Over the last 15 years, Brzeziński and Faris actively participated in the Foundation's work by sharing their expertise and advice with the Board of Directors and the Foundation team. Their support had a major impact on PAFF's development. We trust that our ties of friendship and their formal status as Honorary Members of the PAFF Board of Directors will ensure their further support.

On the one hand, this fifteenth anniversary inspires us to reflect and take stock. On the other hand, it gives us a perfect opportunity to extend our thanks to all our Partners and all the Friends of the Polish-American Freedom Foundation, as well as to the numerous participants of the Foundation's programs. We would like to commend the non-governmental organizations which assumed the role of PAFF program managers. In each and every case, the success of our joint efforts was due to the excellent teams composed of highly-qualified and strongly involved people. We are particularly grateful to the members of the Board of Directors, who have played a critical role in helping us achieve our goals.

We firmly believe that our achievements form a sound basis for the Foundation's further development. The experience we have accrued and the support we have received from our partners should enable us to continue successfully fulfilling the Foundation's mission in the years to come.

New York/Warsaw, June 2016

Andras Nagarski

Andrew Nagorski Chairman of the Board of Directors

Jo Zin.

Jerzy Koźmiński President and Chief Executive Officer

THE FOUNDATION'S PROGRAMMATIC FIELDS

Initiatives in Education

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

Development of Local Communities

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

Sharing the Polish Experiences in Transformation

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

Monitoring, Evaluation and Analyses (MEVA)



Initiatives in Education

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

16 YEAR OF OPERATION Initiatives in Education

ENGLISH TEACHING



→ The Foundation has disbursed \$ 6.508.745, including \$ 454,321 in 2015.

- → Program Manager: The "NIDA" Development Foundation
- → more information at: www.englishteaching.org.pl

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

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

Within the program's editions to date, conducted in 2000-2015, 864 projects were funded in grant competitions addressed to schools and nongovernmental organizations from localities of up to 20,000 inhabitants. As a result, clubs of admi ers 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 64,000 students and approx. 4,000 teachers directly participated in the projects financed within the grant competitions. Indirectly they engaged over 165,000 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, 117 such training sessions have been conducted with more than 5,300 teachers participating.

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

Under the program, 13 annual nationwide "English Teaching Market" meetings have been organized for teachers of English and interested institutions, organizations, schools and publishers. A total of approx. 6,300 people have participated in them. The meetings are aimed at the development of cooperation networks of English-language teachers from small localities and are additionally supported by the community portal and regular e-news on other educational initiatives such as grants, training sessions and competitions. In 2015, under the initiative of the English Teaching Program Ambassadors (the most active teachers participating in the program), the "English Teaching" All-Poland English Teachers Association was established, whose objective is to carry out professional training for English teachers, especially those from villages and small towns, as well as advocacy activities on behalf of them.

EQUAL OPPORTUNITIES





- → Program Manager: The Polish Children and Youth Foundation
- → more information at: www.rownacszanse.pl

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 2015, 139 projects were funded within the "All-Poland Grant Competition" and the "Regional Grant Competition".

Rounding out the program are training sessions for project coordinators. The sessions deal with ways of conducting projects, particularly emphasizing the involvement of young people in the role of active creators, participants and direct implementers of an undertaking. The project coordinators can take advantage of ICT training sessions as part of the "ICT for Local Development" Program; in 2015, they were participated by 73 people.

An important component of the "Equal Opportunities" Program are its Local Forums, held by organizations participating in the program. The Forums are a place for institutions and individuals involved in activities benefiting the youth in their communities to discuss the potential of the local environment as well as barriers limiting the development opportunities for young people living in small towns. In 2015, 11 forums were held with participation of 370 people.

The program's fifteen editions resulted in the implementation of more than 2,500 projects involving approx. 134,000 participants (indirectly nearly 440,000 people have been involved) and stimulation as well as integration of local communities around activities benefiting children and youth. 25 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.

In 2015, the Program's 15th anniversary jubilee meeting was held summing up its achievements. During that meeting, the best practices of involving young people in public space activities, as well as social trends that might have an impact on young people's situation in Poland in the future were presented. It also made an opportunity to present the "Let Them See Us or How to Present Your Activities in Public Space" guidebook prepared by the "Equal Opportunities" Program experts and coordinators.

Also last year, the second edition of the summer school for 24 most active project participants took place. Its objective was to improve the skills of social initiatives implementation targeted at local environment and development of leadership skills. The summer school graduates have the opportunity to obtain a grant for carrying out short-term projects benefitting their local communities.

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 and currently implemented by the Copernicus Science Center. The goal of the "Young Explorer Clubs" is to promote interest in science among children and youth. The Clubs are based on learning through discovery and self-directed experiments with simple and easily accessible materials. Last year, the fourth edition of the "Young Explorer Clubs" Forum was held which gathered more than 200 people. The forum is the platform of contacts and exchange of experiences, serving also the promotion of Young Explorer Clubs. The "Young Explorer Clubs" network comprises almost 500 clubs, including those established in Ukraine, Belarus, Lithuania and Georgia.

LEARNING SCHOOLS (LES)

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

A broad offer of the "LES" Program encompasses teacher training, staff workshops, conferences for headmasters, Internet courses, a systemic program facilitating the introduction of formative assessment, educational labs and post-graduate studies. Schools participating in the program develop 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 15-year history, more than 3,100 schools have participated (including more than 1,200 in the core part of "LES", introducing them to the basis

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

Two major projects have been carried out since 2009 – the "Online Teachers Academy" (OTA) and the "Students' Academy". The former is Poland's largest online distance training system for teachers of various subjects in different types and





- → Program Manager: The Center for Citizenship Education Foundation
- → more information at: www.sus.ceo.org.pl

levels of schools as well as kindergartens. "OTA" courses make use of e-learning and online coaching and among other things, serve to prepare teachers to use modern information technologies in their work with pupils. "OTA" offers seven yearlong courses. In the 2014/15 school year more than 1,500 teachers took part in "OTA" training courses, and in 2015/16, next 1,500 people applied to participate in the project.

The many-year experience gained in the implementation of the "LES" Program was used in the "Students' Academy" Program, completed in 2015, financed from the EU funds. Its objective was to promote math and science at the junior high school level. The program covered 310 junior high schools, 1,500 teachers and over 40,000 students. Among other things, the participating schools received grants for running student math, physics, chemistry and biology research clubs, young discoverer's kits and an opportunity to take part in science fairs.

Since 2007, the "Post-Graduate Studies for Educational Leaders" Program has been carried out in cooperation with Collegium Civitas and the All-Poland Educational Management Staff Association. Their objective is skill-improvement training for management staff: headmasters and supervisory organs as well as the staff of the school superintendents' offices. So far, 291 persons have received the post-graduate study program's completion diplomas.

PAFF is a partner of the "School with Class 2.0" undertaking, promoting the use of information and communication technologies in learning and teaching. It expands on the "School with Class" mass campaign, launched in 2002 and inspired by the "LES" Program. It was conducted by the Center for Citizenship Education in cooperation with the "Gazeta Wyborcza" daily newspaper. By the end of 2015, all stages of the undertaking were completed by more than 8,500 schools from all over Poland. Its extensions were such initiatives as the "Teacher with Class", "Lego, Cogito, Ago", the "Student with Class" and the "School of Thinking". In 2014, the "First Class Teacher" pilot project was launched that offers training, expert support and inspiration for early childhood education teachers. By the end of 2015, almost 800 teachers joined the project.

16 YEAR OF OPERATION Initiatives in Education

BRIDGE SCHOLARSHIPS



- → The Foundation has disbursed \$ 19,755,531, including \$ 859,901 in 2015.
- → Program Managers: Educational Enterprise Foundation The Good Network Foundation ("My Scholarship" and "e-volunteering")
- → more information at: www.stypendia-pomostowe.pl www.paii.pl www.dobrasiec.org

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

The Bridge Scholarships Program is a joint undertaking of various partners. It is financed by the Polish-American Freedom Foundation, the National Bank of Poland, the PZU Foundation (State Insurance Group), the BGK Foundation, the Orange Foundation, the BGŻ Foundation, the Rural Development Foundation and a coalition of some 100 local NGOs. The undertaking is implemented with the organizational assistance of the Agricultural Property Agency and in cooperation with Professor Bronisław Geremek's Center as well as the Unit for Social Innovation and Research "Shipyard" Foundation. During the fourteen editions of the program the Partners have disbursed close to PLN 92 million, including PLN 52.5 million provided by the Polish-American Freedom Foundation.

Since 2006, under the "Diploma of Dreams" campaign intended to en-

courage and support additional local NGOs to become involved in scholarship initiatives, 138 organizations have extended assistance to 3,461 scholarship holders.

Since the beginning of the program, a total of over 19,500 scholarships have been awarded, including more than 14,000 scholarships for the first year of studies. In the 2015/16 academic year, 1283 students and doctoral students have received scholarships, including 846 for the first year of studies.

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

Also available under the program are summer internships in the United States ("the Polish-American Internship Initiative"), organized in cooperation with the U.S. Embassy in Warsaw. In the years 2011-2015, 79 students have worked as interns in the following companies: Chevron North America, Boeing, Citi, General Electric Hitachi, Pittsburgh Glass Works LLC, Raytheon BBN Technologies, Sikorsky Aircraft Corporation and Westinghouse Electric Company.

One segment of the program offered scholarships addressed to high-performing students of economics from small towns and rural areas, enrolled in non-state institutions and private business schools. Between 2001-2014, nearly 7,000 such scholarships were awarded.

A survey conducted among scholarship holders revealed that nearly 30 percent of them would not have been able to undertake university studies were it not for the Bridge Scholarships Program. Nearly 90 percent of graduates had grade averages of "good" or better, and 80 percent completed them without any delays. A mere 4 percent dropped out. More than 50 percent of them plan to continue their education after graduation.

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

The program's media partners are "Rzeczpospolita" daily as well as "Forum Akademickie" (the Academic Forum) and "Perspektywy" (Perspectives) monthly.

PROJECTOR – STUDENT VOLUNTEERS





- → Program Manager: The Foundation for the Development of Voluntary Service
- → more information at: www.projektor.org.pl

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

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

Since 2003, in all program editions,

over 30,000 educational projects have been carried out all over Poland in 2,127 schools involving more than 12,000 student volunteers and 300,000 pupils.

The program was supported by two former prime ministers, Professor Jerzy Buzek and Professor Marek Belka, who in 2007 volunteered to conduct vacation activities for children in several rural communes. In 2012, the Foundation for the Development of Voluntary Service, in cooperation with the Chancellery of the President of Poland, carried out the "Modern Patriotism" project, in which Ministers and Advisors at the President's Chancellery visited eight schools in small localities. The project under the honorary patronage of President Bronisław Komorowski was designed to popularize knowledge of patriotism, instill civic values among young people, teach local traditions and national symbols and foster tolerance and respect for other people.

Since 2011, the program has been monitored and projects carried out by student-volunteers have been evaluated on a regular basis. It serves both the direct measurement of the program results as well as recognition of its impact. Among the greatest advantages mentioned by student-volunteers are the opportunity to gain new, practical experiences, the development of communication skills, the possibility to establish new contacts, and the fact that schools of higher education acknowledge their civic activity. Educational institutions also find the program beneficial. It broadens their educational offer and improves school attractiveness making parents pleased that their children are part of the undertaking.

For years the "PROJECTOR - Student Volunteers" Program has been supported by the network of institutional partners (schools of higher education, local authorities and media). At present it affiliates more than 40 institutions including the Ignacy Łukasiewicz PGNiG Foundation, which is a strategic partner, the National Bank of Poland Foundation, the BGK Foundation, the Information Society Development Foundation, the Orange Foundation, the Unit for Social Innovation and Research "Shipyard" Foundation, Intel, Microsoft, PGNiG SA, the Ministry of Treasury, IBM, Euro<26, TVP INFO and the NGOs' portal www.ngo.pl.

The Ministry of Science and Higher Education has assumed an honorary patronage over the program.

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 intergenerational initiatives. It is mainly carried out by supporting and promoting the civic initiatives of senior citizens and harnessing their potential, knowledge, experience and time to benefit communities. Support for the Third Age Universities' environment is also provided.

Within the "Seniors in Action" competition, grants and training are offered to people over 60 years of age, who wish to carry out on their own or in cooperation with a young person 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 264 intergenerational projects stimulating seniors to act for the benefit of their communities and promoting their voluntary work have been carried out. 33 projects are implemented within the 8th edition of the competition. Accounts on their implementation are available 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, Warsaw, Nowy Sącz and Katowice. In 2011-2013, the program gave its support to 14 regional meetings of the Third Age Universities. Within the program, events important to the TAU environment are also provided with support – the annual Third Age University Forum, which is part of the





- → Program Manager: The Association of the Creative Initiatives "ę"
- → more information at: www.seniorzywakcji.pl

Economic Forum in Krynica, and the Nationwide TAU Conventions.

Since 2013, the TAU representatives have been provided with an opportunity to take part in a series of workshops "TAU for Local Communities", which support the establishment of voluntary sections at TAUs and initiate cooperation with local communities.

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



Development of Local Communities

- \rightarrow SUPPORT FOR NGOs
- \rightarrow act locally
- \rightarrow ICT FOR LOCAL DEVELOPMENT
- \rightarrow PAFF LEADERS
- \rightarrow The "pro publico bono" competition
- ightarrow The Library development program
- \rightarrow PAFF LOCAL PARTNERSHIPS
- \rightarrow CITIZEN AND LAW

Polish-American Freedom Foundation

SUPPORT FOR NGOs



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

At present, the program operates along four paths.

The first is the "Mutual Information Society" ("MIS@NGO") - the NGO information system whose main component is the Non-Governmental Organizations' Portal www.ngo.pl, including a database of ca. 150,000 non-governmental organizations. In 2015, it scored a monthly average of more than 785,000 page views a month and more than 700,000 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 path 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 competencies, which enabled them to apply successfully for EU funds. The program supported third sector organizations in building partnerships, advocacy activitie and becoming involved in planning structural funds for the years 2007-2013 and currently - 2014-2020. Information activities are carried out via the www.eu.ngo.pl service, while advocacy activities by the National Federation of Polish NGOs. The offer includes experts' support.

The third path – "NGO Training" comprises two components. The first is the "Financial Management



- → Program Managers: The Klon/Jawor Association ("MIS@NGO") The Civil Society Development Foundation ("FIMANGO") The Academy of Civic Organizations Foundation ("PROMENGO") The Institute of Public Affairs ("Citizen and Law")
- → more information at: www.ngo.pl; www.frso.pl www.promengo.pl www.obywateliprawo.pl

for NGOs" ("FIM@NGO") which includes training, counseling and publications for people responsible for financial management of nonprofit organizations, mainly those operating beyond major metropolitan areas. All told, during the period 2000-2015 more than 3,800 people representing 2,700 organizations from all over Poland took advantage of such training opportunities. The training courses are implemented by the Civil Society Development Foundation. The second component, launched in 2013, includes a comprehensive educational offer for NGO managers. It comprises the training program "PROMENGO", the "Kursodrom" e-learning platform as well as workshops devoted to NGO management. It is implemented by the Academy of Civic Organizations Foundation, set up by PAFF.

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

Additionally, under the program, the PAFF has been a co-organizer of the annual meeting of rural organizations in Maróz. Nearly 300 representatives of 160 organizations from different regions of Poland have participated in the meetings which promote integration, experience sharing, the acquisition of new knowledge and skills as well as cooperation. The meetings are organized by the Rural Development Foundation and the "Nida" Development Foundation. PAFF also supports the third sector condition research which is carried out cyclically.

ACT LOCALLY



→ The Foundation has disbursed \$12,418,087, including \$ 999,735 in 2015.

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

→ more information at: www.dzialajlokalnie.pl

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

Grants are awarded at the local level in open grant competitions, organized each year by a network of Act Locally Centers (ALC) which encompasses associations and foundations in localities with up to 50,000 residents. Their area of activity may cover from four communes to several districts. The ALC network has successively expanded from 15 centers in 2004 to 67 organizations in 2015. At present, it involves nearly 618 communes. There are at least two Act Locally Centers in each voivodship. New ALCs are selected in open recruitment procedure by the Competition Committee. The beneficiaries of local competitions are NGOs and informal groups of citizens on whose behalf applications may be submitted by organizations and local public institutions (schools, community centers, libraries) operating in localities of less than 20,000 inhabitants.

In the first three editions of the "Act Locally" Program, started in 2000, 356 projects were supported in the national grant competition, involving more than \$1 million from PAFF funds. In 2004 local competitions were launched as well through the agency of Local Grant Organizations (currently known as Act Locally Centers). In the years 2004-2012, grants were awarded in nationwide competitions to 99 projects, while 4,886 grants were provided through the Act Locally Centers' network. As part of the program's 8th edition, in two competitions, in 2013 and 2014, 1578 grants were awarded. In the 9th edition of the program, started in 2015, a total of 806 projects have been supported with grants. All told, nearly three million participants including close to 150,000 volunteers joined forces to carry out close to 8,000 projects. The financially assisted initiatives mainly center around strengthening local community cooperation, creating new personaldevelopment 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 residents to acquire news skills, learn how to self-organize better and react to new problems. For those implementing financially assisted initiatives, a "Tell Me..." competition has been organized. Prizes are presented for the most interesting ways of promoting and communicating about the undertaken activities. The best films are presented at the program's website. Also, for several years a competition has been organized awarding the most creative ideas for carrying out campaigns informing about the possibility of submitting 1% of the income tax to the public charity organization.

Improvement of the Act Locally Centers' operation 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. ALCs meeting the highest standards in the implementation of the program are awarded with certificates. This is the form of appreciation for outstanding involvement and professionalism in carrying out activities aimed at the development and stimulation of local communities, which can serve as model for other organizations. So far, 21 Centers have been presented with certificates.

In 2015, the program celebrated its 15th anniversary. Its achievements were summed up during the meeting held in Warsaw in autumn, which was attended by over 200 people – NGO representatives from all over Poland, social activists and civic leaders. Dr Adam Bodnar, Commissioner for Civic Rights was the event's special guest.

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 participants 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. In the years 2012-2014, the Act Locally Centers took 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, that 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 "Newsweek 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.

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

ICT FOR LOCAL DEVELOPMENT



- → The Foundation has disbursed \$1,284,108, including \$ 372,979 in 2015.
- → Program Manager: The Information Society Development Foundation
- → more information at: www.technologielokalnie.pl www.technologie.ngo.pl

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 NGOs' employees, in particular coming from small local communities, in an effective use of such technologies in their everyday work in order to facilitate their activities.

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. Consultations with domestic and foreign experts were held. Information collected on the progress made by NGOs in the ICT field and on the knowledge and qualifications of their staff in that area has been made available.

Within the four program editions, thematic training for local NGOs was carried out showing examples of using modern technologies in communication, marketing and management. Subsequently, some of those organizations received grants for purchase of hardware and software as well as for financing projects focusing on the practical use of ICT in third sector activities. The program's offer also includes an ICT Mobile Advisors' Network – 60 experts providing free educational and technological support services for local NGOs. So far, Mobile Advisors have provided counselling 2,000 times and 800 organizations from all over Poland benefited from it.

At present the program comprises the information component - the technologie.ngo.pl portal, and the financial one - in the form of the Innovation Fund supporting the creation of new ICT tools that can be then used by non-profit organizations. Particular emphasis is placed on providing knowledge on how to identify potential areas where information technologies can be harnessed by NGOs. A network of Tech Clubs has been set up in sixteen Polish cities where representatives of NGOs, local business, local governments and the academic community meet on a cyclical basis to share

experiences on putting the potential of modern technologies to practical use. Since 2012, the Tech Club meetings have been participated by more than 7,000 people.

An important part of the program is the annual all-Poland "Sector 3.0" conference, held in Warsaw, as well as Regional Technological Forums. They gather representatives of nongovernmental organizations, ICT professionals from business circles, politicians, academics as well as foreign experts (including representatives of the USA, Great Britain, India and Nigeria). They constitute a platform for the exchange of information about current trends in the wide ICT and Internet use in social/civic activities. In 2012-2015, over 1,400 people participated in the four editions of the annual "Sector 3.0" Conference held in Warsaw.

Polish-American Freedom Foundation

PAFF LEADERS



- → The Foundation has disbursed \$3,688,664, including \$ 359,557 in 2015.
- → Program Manager: The School for Leaders Foundation
- → more information at: www.liderzy.pl www.drzwipowoli.pl

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

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

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

An essential component of the pro-

gram is the offer for program graduates - the "Alumni Initiative", which serves cooperation and experience sharing. It provides an opportunity to participate in meetings with well-known figures of public life and in workshops adapted to alumni needs. Also, within the alumni initiative fund, the participants may obtain grants for carrying out projects. Through the electronic newsletter alumni regularly receive information about current undertakings carried our within the program. Leaders may also exchange experiences during annual meetings of participants as well as via civic portals.

Since 2008, study visits of selected leaders to the United States have been organized as part of the International Visitor Leadership Program in cooperation with the American Embassy in Poland. In 2015, another two groups of leaders and tutors participated in such a visit.

In 2014, the publication entitled "This is Where You Have to Open the Door Slowly" was issued. It consists of 10 reportages presenting the activities of local leaders – program alumni. The stories described by the journalists present people with vision and passion who act in various parts of Poland for the benefit of their local communities. This is another publication which is to promote the "PAFF Leaders" Program and the social change which takes place thanks to its implementation.

The year 2015 marked the 10th anniversary of the program. An event accompanying the jubilee celebrations was the annual alumni congress held under the slogan "We Create Good Stories". As a result of the program's ten editions the qualifications of 501 local leaders from all over Poland have been improved, and an active nationwide network has emerged. In addition, more than 60 tutoring experts have been trained. In the 11th (current) edition, which began in

2015, 40 leaders and 11 tutors are participating.

THE "PRO PUBLICO BONO" COMPETITION

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

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

When considering an initiative, the Chapter or evaluating body (whose first honorary chairman was Jan Nowak-Jeziorański+) takes into account the social importance of the initiative, its innovativeness, impact on the development and competitiveness of local communities, and the effectiveness and transparency with which it makes use of public funds. Also, the Chapter considers the institutional stability of the nominee, compliance with ethical standards in its activity, and its cooperation with public administration and other institutions. The competition winners are rewarded with financial support which most frequently is allocated for the continuation of their efforts.

In 2014 – the year of the 25th anniversary of political transformation and 15th anniversary of the "Pro Publico Bono Competition" – jubilee Pro Pubico Bono Independence Rebirth Awards were presented to the Cultural Promotion Association of Aleksander Tansman seated in Łódź and to the Polish Academy of Arts and Sciences seated in Kraków. Distinctions went to the "East Bound" Association for Civilizational Development from Sejny and "Doctors of Hope" Association from Krakow.

As part of the program, since 2007 PAFF has funded Bolesław Wierzbiański Award for the local press editorial staff. Until 2011 the award was granted by the Polish Journalists Association, and since then by the Local Newspapers Association. The winner of the 2015 Bolesław Wierzbiański Award was the editorial staff of the "Wiadomości Oławskie". → The Foundation has disbursed \$2,420,675, including \$17,541 in 2015.

- → Program Manager: The "Pro Publico Bono" Competition Foundation (2000-2014) The Local Press Association
- → more information at: www.gazetylokalne.pl

THE LIBRARY DEVELOPMENT PROGRAM



→ The Foundation has disbursed \$3,371,128, including \$ 845,472 in 2015.

- → Program Manager: The Information Society Development Foundation
- → more information at: www.biblioteki.org

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

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

In 2008, PAFF established the Information Society Development Foundation and in cooperation with it prepared the detailed plan of assistance to Polish libraries by providing them with computer hardware and software as well as training opportunities for the librarians. PAFF also signed a cooperation agreement with the Ministry of Culture and National Heritage which launched a long-term program called "Library+" managed by the Book Institute. The aim of PAFF and the Ministry was to shape both undertakings to reinforce and complement each other.

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

Program participants received content-related support in the form of various training courses (such as library planning workshops, IT training and other training which helps profile further development of the libraries to meet the needs of their local communities) and technical assistance in the form of modern computer equipment (including computers, laptops, tablets, multifunctional devices, printers, projectors and digital cameras) together with software provided for free by Microsoft. Libraries also had an opportunity to apply for grants to finance activities included in the libraries' development plans, which enhanced their offer for library users with computer and Internet courses, meetings with interesting people and organization of exhibitions. Also, they could receive grants for the organization of meetings for cooperating institutions aimed at integrating the local librarians' environment and sharing experiences. As a result, at present the libraries serve as "third places" in their local communities that is meeting places open to all.

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

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

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

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

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 covered by the program in order to discover how Poles benefit from library use. The research results were presented in the "What Do Poles Need Libraries for?" report. The impact of the program on the libraries participating in it was also analyzed on the basis of the date provided by the Central Statistical Office and then described in the "What Has Changed in Libraries?" study published in July 2014. The results of it showed, among other things, that more and more libraries play the role of a "third place" that is friendly and open to everybody. They also are the place where residents can access new technologies - as much as 37% of the library computer users have used the Internet for the first time in a library.

The program was financed by an almost \$31 million grant made available to PAFF by the Bill and Melinda Gates Foundation. Microsoft donated to the libraries (both participants and non-participants in the Library Development Program, considered as its target group) computer software worth an estimated \$18 million. The implementation of the program in cooperation with the Gates Foundation ended in March 2015. Support for libraries will be continued as part of the strategy aimed at building the sustainability of the Library Development Program.

PAFF LOCAL PARTNERSHIPS



- → The Foundation has disbursed \$1,756,078, including \$ 230,650 in 2015.
- → Program Manager: The Academy for the Development of Philanthropy in Poland
- → more information at: www.lokalnepartnerstwa.org.pl

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

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

the partnerships may also be led by organizations taking part in one of the following programs: "English Teaching", "Equal Opportunities", "Learning Schools", "PAFF Leaders", Library Development Program, and "Region in Transition" (RITA). Numerous local residents and volunteers are engaged in the implementation of the program.

Within the program's first three editions (in the years 2009-2013) grants were awarded for initiatives submitted by 22 partnerships. They were implemented in 49 communes in various regions of Poland with the participation of more than 330 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 and local Internet civic TV in Grodzisk Mazowiecki, as well as upgrading a public park in Bilgoraj and building a common space open to all.

Under the fourth edition of the program, completed in December 2015, projects implemented by eight partnerships operating in 24 communes were supported. Partner cooperation made it possible to create a district voluntary center in Dębica, reconstruction group in Stoczek Łukowski, cultural-civic stops in Ełk and youth village councils in Staszów. In Strachówka the Cyprian Norwid family history was restored, in Supraśl a series of civil café meetings was held, during which the residents designed the common space development plan, in Barycza Valley the local community managed to promote carp as the local product, while in Trzciel a tradition to hol the village fair was revived. Thanks to additional support from PAFF, the partnerships continue their activities and work on the strategy to embed their project results and make them self-sufficient.

In the fall of 2015, a jubilee gala was held to celebrate the 15th anniversary of the "Act Locally" Program. It made an occasion to sum up the fourth edition of the "PAFF Local Partnerships" Program and present awards in the "Civic Leader of the Year" competition carried out by "Newsweek Polska" weekly. During the event, the most active partnerships - from Ełk and Dębica - were awarded. Representatives of these partnerships were invited to take part in a study visit to the United Kingdom where they had an opportunity to get acquainted with various models of foreign multisector coalitions and best practices in building their sustainability.

So far in all editions of the Program a total of 30 partnerships have been established which cover 73 communes, with over 430 partners involved. A series of films about their achievements is available at the program's website.

Partnerships set up in the first three program editions take part in the alumni initiative, called the "Common Good Lab". 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. 27 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. Additionally, in the years 2013-2015, three alumni meetings were held.

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". In 2015 the publication titled "How to Build Local Partnerships" was issued, presenting expert materials dealing with problems important to building coalitions and working on their sustainability. They are all exemplified with projects implemented under the program. 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.

CITIZEN AND LAW

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

Within the program, a grant competition was organized for nongovernmental organizations providing legal and civic consultancy. 190 projects were funded, including 150 within open grant competitions and 40 others as part of regranting provided by the Legal Clinics Foundation and the Union of Citizens' Advice Bureaus. Those projects made it possible to 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 grants were worth a total of over PLN 6 million. The last two editions → The Foundation has disbursed
\$3,442,628

- → Program Manager: The Institute of Public Affairs
- → more information at: www.obywateliprawo.pl

of the competition focused on quality legal advice services rendered to members of social groups with specific legal needs, such as the disabled, the homeless, and refugees.

Activities within the program were overseen by the Council of Experts comprised of authorities from the legal community. The Council's task was to recommend solutions facilitating citizens' access to legal aid. The Council stimulated public debate by holding open seminars attended by representatives of legal communities and the media. Discussions dealt with access to free legal assistance and information as well as the need for organizational and legislative changes, limited access to legal professions, legal ethics, the limited access of citizens to free legal assistance and challenges facing the judicial system. The Council also commissioned pilot projects dealing with issues of a systemic nature. These included strategic litigation concerning selected aspects of citizens' access to legal aid, popularization of civil 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 were popularized among nongovernmental consulting organizations, in the legal community and among decision-makers of the justice administration. The work of the Council led to the creation of the www.mediacjajestemza.pl website, promoting civil mediation and the Pro Bono Center, thanks to which NGOs may obtain free legal assistance from well-known law offices.

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

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



Sharing the Polish Experiences in Transformation

- ightarrow The lane Kirkland Scholarship Program
- \rightarrow REGION IN TRANSITION (RITA)
- ightarrow STUDY TOURS TO POLAND (STP)

THE LANE KIRKLAND SCHOLARSHIP PROGRAM



→ The Foundation has disbursed \$11,356,908, including \$761,449 in 2015.

- → Program Manager: The Education for Democracy Foundation
- → more information at: www.kirkland.edu.pl

The objective of the program, implemented since 2000, is to share Polish experiences in transformation and European integration with representatives from Eastern Europe, the Caucasus and Central Asia during twosemester 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, the scholarship holders study selected aspects of economics and management, public administration and business, law, social and political sciences, journalism, NGO management and culture management.

The program begins with a introductory course, the purpose of which is to provide students with and systematize their knowledge of 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 civic project implementation and teamwork supplement the curriculum.

Each year, the program is participated by approx. 45 scholarship holders. Between 2000 and 2015, 654 scholarship holders coming from 11 countries completed the program. Of that number 340 were from Ukraine, 133 from Belarus, 46 from Georgia, 40 from Russia, 24 from Armenia, 18 from Kazakhstan, 18 from Moldova, 12 from Lithuania, 10 from Slovakia, 7 from Kyrgyzstan and 6 from Azerbaijan. 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.

The current edition (2015/2016) is participated by 45 representatives of 8 countries. The majority of them come from Ukraine (33 people), while the remaining ones from Belarus, Russia, Armenia, Azerbaijan, Georgia, Moldova, and Kyrgyzstan. They are mostly lawyers, economists, journalists, and local government workers as well as non-governmental organizations' activists.

Following the program's completion, contact with graduates is regularly maintained thanks to the bulletin, reunions of graduates and the website www.kirkand.edu.pl. The alumni conferences, held every 3-4 years, help to maintain graduates' contacts with Poland and establish new contacts. They also make the opportunity to broaden the Kirklanders' knowledge of Poland and the European Union and discuss possible directions of transformation that shall take place in the countries of the Region. Former scholarship holders are supported by 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.

In 2015, the 5th Conference of the Kirkland Scholarship Program Alumni was held. It was attended by almost 300 people from 11 countries. Among the guests were Professor Leszek Balcerowicz, Jarosław Pietras and Andrew Nagorski. The conference was of special character as it was combined with the celebrations of the Polish-American Freedom Foundation's 15th anniversary celebrations, also attended by Kirkland Program alumni.

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

REGION IN TRANSITION (RITA)



→ The Foundation has disbursed \$12,648,430, including \$ 619,218 in 2015.

- → Program Manager: The Education for Democracy Foundation
- → more information at: www.programrita.org

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

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

Under the program, it is possible to apply for small travel grants which may be earmarked for project consultation before it is submitted, strengthening cooperation with a partner organization or evaluation of an implemented project. As part of a special path the "RITA" Program grants may be used for co-financing a larger project for which a given organization has been awarded a grant from other sources – Polish or foreign. However, such projects must comply with the "RITA" Program's objectives as well as geographic and thematic areas of operation. Additionally, the program offers Polish NGOs and schools training opportunities and experts' support as well as assistance in establishing contacts and developing cooperation with foreign partners. Every two years, the meetings of the "RITA" Program grant recipients, named "Ambassadors of Transition in the Regions", are held. They serve integration of the Polish non-governmental organizations operating abroad and experience sharing on the subject of international cooperation. The social networking site www.civicportal.org which facilitates information-sharing between organizations and civic leaders is also available. The portal is also an e-learning platform offering training to Polish and foreign NGOs. The main grant competition is announced twice a year. Applications can be submitted by mid-March and by mid-October. Applications for travel grants and subsidies for larger projects are accepted on an on-going basis until the funds set aside for these activities are exhausted.

In the years 2000-2015, a total of 920 projects were subsidized.

STUDY TOURS TO POLAND (STP)



→ The Foundation has disbursed \$4,846,998, including \$528,382 in 2015.

- → Program Manager: Jan Nowak Jeziorański College of Eastern Europe
- → more information at: www.studytours.pl

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

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

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

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

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

In total, in the years 2004-2015, 7,601 participants, including 2,680

students and 4,921 professionals representing various environments took part in the study tours. Each year Poland is visited by more than 500 professionals and more than 200 students.

Within the "Study Tours to Poland" Program, the Foundation supports the Warsaw Euro-Atlantic Summer Academy – WEASA – a common undertaking of PAFF, the German Marshall Fund and the European Center Natolin Foundation. WEASA offers two weeks of classes, based on the Natolin campus, addressed to experts from the Eastern Partnership countries, i.e. analysts, political and government advisors, NGO and think tanks staff, civic service representatives and journalists. The thematic scope encompasses political transformation, European integration and transatlantic relations. Students are offered lectures, workshops, and meetings with practitioners, with participation of prominent lecturers and experts from Poland and abroad. A total of more than 130 people from Eastern Partnership countries took part in three editions of WEA-SA (2013, 2014, 2015).

MONITORING, EVALUATION AND ANALYSES (MEVA)

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

The results of the PAFF programs evaluation, e.g. the Library Development Program, "Act Locally", "PAFF Local Partnerships", "English Teaching" or "PAFF Leaders" serve both setting down the future program activities and modifying the existing ones. One of the "MEVA" duties is to monitor the initiatives completed by the Foundation in terms of the sustainability of achieved results.

Potential PAFF activities are considered in the context of existing and anticipated social needs. To that end, the selected social groups are examined (e.g. village youth, librarians or NGO employees) and new initiatives tested. One of them is the study of trends in ICT use in Poland and abroad, which allowed to prepare the report that recommended launching the "ICT for Local Development" Program; or the analysis of impact of the Library Development Program on its participants in comparison with the libraries and communities that did not participate in the program.

Under the "MEVA" Program, mutually complementing and strengthening elements of PAFF programs are analyzed in order to improve the quality and effectiveness of the Foundation's activities. Among the projects serving that aim, there is the "Squared Evaluation" initiative helping develop the evaluation culture in the environment of organizations cooperating with PAFF, as part of which the "Evaluation - How Do You Carry It Out?" guide was prepared. As part of that project, a seminar participated by representatives of PAFF and organizations that manage its programs was held in 2015. It aimed at sharing experiences on ways of communicating about social change caused by the Foundation's initiatives as well as using evaluation to cooperate with other organizations and institutions.

Another project of that kind is "Influence on the social capital in PAFF communities" (the so called "BOX") project whose aim was to work out the set of methods and research techniques (the toolbox) allowing to define the changes in the social capital level resulting from the influence of the Foundation programs on local communities.

Within the Program the Foundation also supports the Unit for Social Innovation and Research "Shipyard" Foundation (whose one of co-founders was PAFF). At the same time, a significant part of the program is managed by the Unit for Social Innovation and Research "Shipyard" Foundation.

→ The Foundation has disbursed \$1,711,723, including \$112,170 in 2015.

PEOPLE, PROJECTS, INITIATIVES

ENGLISH TEACHING

Robert Pine's Language Journeys

EQUAL OPPORTUNITIES Discovering Local History

PROJECTOR - STUDENT VOLUNTEERS / PAIL A Volunteer in "PROJECTOR" Becomes PAIL Intern

BRIDGE SCHOLARSHIPS The Bridge Scholarships Holder Gets the "Innovators Under 35" Title

LEARNING SCHOOLS (LES) Effective Teaching with Experts from Teachers College

THE "SENIORS IN ACTION" GRANT COMPETITION "Czaritka" – Not Just a Charity Shop

ACT LOCALLY W.A.R.K.A. Acts Locally

PAFF LOCAL PARTNERSHIPS "The Dębica District Painted with Volunteering"

PAFF LEADERS

Sports for Social Change – PAFF Leaders Study Tour to the USA

THE LIBRARY DEVELOPMENT PROGRAM Meeting of the National Partnership for the Library Development

ICT FOR LOCAL DEVELOPMENT #MoreDigital – Non-governmental Organizations Rank First on Twitter

REGION IN TRANSITION (RITA) "Under the Skies of Kyrgyzstan"

THE LANE KIRKLAND SCHOLARSHIP PROGRAM The 5th Conference of Kirkland Scholarships Program Alumni
ENGLISH TEACHING

Robert Pine's Language Journeys

In April 2015, Robert Pine, expert for the Wisconsin International Educational Scientific Cultural Organization (WIESCO) visited ten Polish schools taking part in the "English Teaching" Program, where he gave English lessons.

A challenge for students attending classes with the American guest was that Robert Pine did not speak their native language, despite having some Polish roots. The students had no alternative but rely on their own command of English.

Robert Pine told young people about everyday life in America and familiarized them with American cuisine, national holidays in the USA, and other topics. Pine's presentations were supplemented by games, and language quizzes. The students, both younger and older alike, gave presentations on projects done in their schools as part of the "English Teaching" Program. The American guest encouraged them to learn more about the United States as well as keep working hard on reaching their goals and improving their language competencies. The classes were a perfect opportunity to improve their English, expand their interests, and build attitudes open to other cultures.

"I hope, such meetings will be held more often. I perfectly understand the importance of classes' authenticity and direct contact with the living language," says Ludmiła Makoviychuk, an English teacher and coordinator of the "English Adventure" project implemented by the General Education School Complex in Józefów on Vistula. "Classes with native speakers are an excellent motivation for mastering command of foreign languages, they help break a psychological barrier in practical use of a foreign language," the teacher stressed.



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Ludmiła Makoviychuk, an English teacher, coordinator of the "English Adventure" project

EQUAL OPPORTUNITIES

Discovering Local History

"This initiative helped me to come to know my Grandma better. I heard the story of her life and of all she had gone through during World War II and after"– says Anna, a participant in the "Our Roots" project carried out by young people from Kowale Oleckie in the Warmińsko-Mazurskie province.

Within this project, a group of about a dozen junior high school students – "Young Documentalists" worked as historians to reconstruct the fates of their ancestors living in the areas regained after World War II. "Their work was aimed at expanding their knowledge of local history, and participation in journalism and photography workshops gave them the skill of making documentation and presentations," stressed project coordinator Zbigniew Sieńko. These young people interviewed the oldest people of Kowale Oleckie who had settled in the village right after the end of the war in 1945. The students also found some old photographs which were scanned and published by permission of their owners. They used the local parish annals to reconstruct the history and development of the parish and the life of the population that migrated to live there in the early post-war years. In their research, the young documentalists came across a footage showing Kowale Oleckie as it was before 1945 when it was resided by the Germans. This historical footage and other documents gathered during the project implementation were shown in the form of classes with "living" history.

The biggest challenge was to organize a conference at which the students presented the results of their work to the local community and authorities. "Adventure – this word describes best what we were doing. It was the first time I could make my independent decisions on what to do and what to change. I realized all I was doing was really mine, my ideas, my work, and not a concept of anybody else," stressed Samuel, one of the young documentalists from Kowale Oleckie.





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Samuel, project participant

A Volunteer in "PROJECTOR" Becomes PAll Intern

Mateusz Salach studies information science, automation, and robotics at the Electrotechnics and Informatics Department of the Rzeszów Technical University. As a volunteer of the "PROJECTOR - Student Volunteers" Program, he and other students have been implementing educational projects in schools of the Podkarpackie province since 2012. "Right in my first year at the university, I realized that I should do something for other people in addition to my studies" - Mateusz says. As a "PROJECTOR" volunteer, he took part in such initiatives as the Young Nobel, the Youth Voluntary Laboratory, TechClubs, and "Robotics in the Library". "Volunteer work offers lots of adventure and unforgettable time. The team I work with is just unbelievably creative and engaged. During vacation, we carry out projects at marvelous places," he stressed.

His friend, a former PAII intern at Boeing and a volunteer in "PROJECTOR", encouraged him to apply for an internship as part of the Polish-American Internship Initiative (PAII).

As an intern of the Polish-American Internship Initiative, he completed a three-month practice in the Global Command Center at the Citi Technology Infrastructure in 2015. He recalls it as an experience by all means unusual. He stresses the great advantage of being able to work for a prestigious company which makes such a huge input to the global economy and of being able to meet people of other cultures. "It's a great initiative. Everyone can apply for it and make one's dreams of doing an internship abroad a reality. During my internship at Citi, I learned to manage my time and developed my team work skills. The tasks I was supposed to do there also developed my programming competence which is part of my studies," Mateusz added.

He continues to do volunteer work for "PROJECTOR" and he cannot imagine life without that program. He wants to continue his development and commitment to civic activity. Mateusz also believes that his internship will help him reach his professional objectives and, after graduation, he will be able to get a job at the Polish branch of the Citi Global Command Center in Warsaw.



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Mateusz Salach

THE BRIDGE SCHOLARSHIPS PROGRAM

The Bridge Scholarships Holder Gets the "Innovators Under 35" Title

Eng. Katarzyna Nawrotek, Sc.D., an alumnus of the Bridge Scholarships Program, was distinguished with the title of MIT Technology Review "Innovators Under 35" in the first Polish edition of this prestigious world competition of young visionaries and innovators.

The winner comes from the village of Byszewy in the Łódzkie province. Her experience with the Bridge Scholarships Program dates back to 2004 when she got a scholarship for the first year of her studies awarded to the most gifted high school leavers from villages and small towns. "I applied to the Bridge Scholarships Program because my parents could not afford paying for my education" – Katarzyna Nawrotek explains. As she passed all her examinations with merit, she was granted a new scholarship for further years at the university and then for her doctoral studies. "This financial support allowed me to focus entirely on my scientific development without being forced to get a job and earn my living"– she emphasized.

Katarzyna Nawrotek is a doctor of technical sciences in chemical engineering who specializes in biomedical engineering. Her doctoral dissertation titled "The Kinetics of Releasing Pharmacological Substances From Thermo Sensitive Chitosan Gels" discussed the application of biomaterials in controlled releasing of medicines and in regeneration of the central nervous system. In 2013, Katarzyna received a grant from the Department of Process Engineering and Environmental Protection at Łódź University of Technology where she carried out a project: "Entubulation for Peripheral Nerve Reconstruction, Made of Polymer Biocomposites Based on Chitosan and Polylactyde". This research project was crowned with a patent and it won an award at the Polish Competition "Student-Inventor" 2013/2014, granted by the President of Świętokrzyski Technical University. The award included the opportunity to present the research results and solutions at the 42nd International Exhibition of Inventions in Geneva. The jury found the structures developed by Katarzyna Nawrotek an innovative solution and distinguished her with a Gold Medal of the World Intellectual Property Organization WIPO in the "Best Woman Inventor" category.

Katarzyna Nawrotek is currently a scholarship holder at the European program "Marie Skłodowska-Curie" and continues her research work at the Medical Department of the Institute of Basic Medical Sciences in Oslo. This is what she says about her experience: "I keep the words of Joseph Conrad in my head: *to follow the dream, and again to follow the dream and so – ewig – usque ad finem.* I believe, it is important to choose our goal as early as we can and then untiringly work to reach it."





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Katarzyna Nawrotek

LEARNING SCHOOLS (LES)

Effective Teaching with Experts from Teachers College

What makes teaching more effective? Why lesson planning is so important? How to manage a developing coaching conversation with a teacher? These questions were discussed by trainers of the "Learning Schools" Program who took part in last September's "Highly Effective Teaching Practices" workshop conducted by experts from the Teachers College, Columbia University in New York: Kate Montgomery, Elizabeth Hulbert, and Tom Corcoran. Then, they had an opportunity to practice various skills related to the topics discussed.

"When proposing us tasks related to the learning requirements at Polish and math classes, the American lecturers stressed the importance of planning the lessons, especially the four key elements: opening, controlled practice, tasks at different cognitive complexity, and closing as an opportunity to check how much material was absorbed by the students" – explains Agnieszka Karlak, the "LES" trainer. The Teachers College experts strongly emphasized the diversification of tasks to be solved by the students and bringing them to higher levels of competence in a way that develops them. "Let us believe in our students, let us give them challenges to take, and we will see that if properly facilitated, inspired, and motivated, they will often surprise us with their imagination, creativity, and original ways of tackling problems" – says the "LES" trainer.

The workshop helped the Polish teachers realize that the best teaching effects can be achieved only in collaboration with an observer who works together with a teacher on finding the best possible solutions enabling the improvement of the undertaken activities. "We were practicing this with our American experts by studying class scenarios, recordings, and cognitive requirements for tasks in Polish textbooks" – Agnieszka Karlak explains.

The workshop was organized by the Center for Citizenship Education Foundation (the manager of the "Learning Schools" Program) in collaboration with the Polish-American Freedom Foundation, the Teachers College of the Columbia University in New York, and the Good Education Foundation.



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Agnieszka Karklak, the "LES" trainer

THE "SENIORS IN ACTION" GRANT COMPETITION

"Czaritka" - Not Just a Charity Shop

It is the only such place in Rzeszów. The shop was opened by the initiative of two social animators, Teresa Pszonka and Irena Siwak, in collaboration with the Polish ADHD Association as part of a project implemented in the 7th round of the "Seniors in Action" competition.

Czaritka is a polonized word for "a charity shop". Its authors, supported by an inter-generational representation of old and young residents of Rzeszów, are collecting used things for their charity shop. They collect toys, clothing, books, music records, and a lot of other objects. Some of them need cleaning, others are mended by seniors at special sessions called "patching up the world". They also accept new objects, such as "end-of-line" products offered by manufacturers. This way, only those things that are in good condition are offered to the charity shop customers. "Onedigit price tags attract many visitors, especially the budget shoppers. Old and young attendants take shifts to serve the customers," Irena Siwak says. "In this way they combine the experience of seniors with the energy of juniors."

Where does the sales profit go? All the income, less costs, is used to support the Polish ADHD Association and to activate seniors under such programs as: "Free Time Bank", "Grandpas to Hire", "Helpful Hand", "Patching up the World", "Factory of Unusual Objects" and many others.

"Czaritka" is not just a shop that is popular among customers. "Our joint effort has made it also a meeting place for young and old residents of Rzeszów. Many small social events and workshops are also held here. It is a place where you can make new friends, talk, and have a nice time," stresses Teresa Pszonka.



Our joint effort has made it also a meeting place for young and old residents of Rzeszów. Many small social events and workshops are also held here. It is a place where you can make new friends, talk, and have a nice time.

Teresa Pszonka, the social animator

ACT LOCALLY

W.A.R.K.A. Acts Locally

The W.A.R.K.A. Association (Polish acronym for Vision, Activity, Entertainment, Culture, Alternative) was established in 2003 on the initiative of a group of young people who decided to "take a matter into their own hands" and do something for their hometown. "We started with organizing events for the people of Warka. The larger-scale activity was prompted by the first projects carried out as part of the "Act Locally" Program in 2006," says Andrzej Zaręba, President of the Association. From a small NGO established by some passionate civic leaders, the Association grew to a strong organization and a certified Act Locally Center supporting local development not only of the town of Warka but also of the whole Grójec district.

"People get together to identify their problems and then do their best to solve them," stresses Dorota Lenarczyk, a grant competitions' coordinator of the W.A.R.K.A. Association. Civic projects supported by the Act Locally Center in Warka encompass a variety of activities including starting up sports clubs and a school radio station, building a playground and organizing workshops in journalism and music combined with publishing a local paper and setting up a musical band, as well as organizing excursions, competitions, and festivities. Development of the local community is the common denominator of all these activities.

The W.A.R.K.A. Act Locally Center also takes part in other PAFF programs. Members of the Association, Andrzej Zaręba and Dorota Lenarczyk are not only "PAFF Leaders" alumni, but also have been involved in the "ICT for Local Development" and "PROMENGO" Programs. Some community organizers cooperating with the Association and implementing local projects – Małgorzata Dąbrowska, Monika Górniewicz, Agnieszka Gostkowska, and Łukasz Rejer – also graduated from the "PAFF Leaders" Program.

For ten years the W.A.R.K.A. Association has been involved in the "Act Locally" Program and provided support to 202 civic projects. The total value of this support amounts to PLN 1.7 million coming from the PAFF program, the 1% income tax deductions offered by the Grójec district tax payers, local government allocations, and donations by various sponsors. In 2015, civic projects implemented in 33 communes of Warka, Chynów, Goszczyna, Grójec, and Jasieniec received funds worth PLN 78,000. "We are really satisfied that we have been involved in the "Act Locally" Program for a decade. By providing grants we help build active local communities," concludes Andrzej Zaręba, President of the W.A.R.K.A. Association.



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Andrzej Zaręba, President of the W.A.R.K.A. Association

PAFF LOCAL PARTNERSHIPS

"The Dębica District Painted with Volunteering"

Numerous plenary sessions, meetings, long conversations, and consultations with the local community have permitted a precise definition of what is a common good in the Dębica district. This is where, within the 4th edition of the "PAFF Local Partnerships" Program, participants in various PAFF undertakings made up the initiative group, and later the partnership led by the Act Locally Center – Dębica Business Club.

"Discovering volunteering as a value that integrates us all was a real breakthrough, which happened thanks to the fact that our individual life attitudes were based on the urge to do something good," explains Paweł Werbowy of the Dębica Business Club. And he adds: "There is one more thing to it. We could start volunteering by making use of the resources available right here."

Earlier on, the region had some scattered organizations but no coordinated volunteer services. The people themselves, although happy to do some work for others, had no idea how to go about it. The Dębica Partnership decided to organize a volunteer service structure in the whole district. As a result, they have a civic innovation in the form of an Internet platform linking all the needy with those who can help. The Dębica District Volunteering Center is available at www.wolontariat.dkb.info.pl where information is stored about volunteers, their activities, interesting concepts, and best practices. Everyone who lives in the district is welcome to visit the site and seek help or offer support.

The idea turned out very successful. The combination of new technologies with volunteering attracts many young people who use it to spend their time after school. Seniors have also got engaged and set up a theatrical group. Others began to work for a local animal shelter and on renovating some premises and buildings. The partnership attracts new partners and so it was joined by the Tikkurila company, among other firms. When a kindergarten principal asked for painting one of the swings in the playground, she did not really imagine the company employees would volunteer and renovate everything else in the playground as well.

"We try to make the local community active. We encourage them to go out and we put a brush and some paint in their hands. Little effort – but a good deal of satisfaction," says Paweł Werbowy who coordinates the project.



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Paweł Werbowy, project coordinator

PAFF LEADERS

Sports for Social Change – PAFF Leaders Study Tour to the USA

This year's study tour the "PAFF Leaders" Program participants was possible owing to cooperation between PAFF, the U.S. Embassy in Poland and the Department of State. The visit was devoted to promoting social change and improving the quality of life through sports and health. The Polish guests visited Washington, D.C., St. Louis, Missouri, and Atlanta, Georgia, where they attended several meetings with representatives of American organizations and institutions involved in promoting physical activity and healthy lifestyle for galvanization of local communities.

In Washington, D.C., they visited a rowing club which implements projects for youth from various social groups to integrate them with the disabled. While at the headquarters of Special Olympics, they learned about the organization of training and sports competitions for people with intellectual disability which helps them develop physically and socially. "I have learned a lot, from simple solutions that make daily life easier, facilities for the disabled, to the organization of different-scale cultural and sports events, and to the systemic solutions to obesity control, promotion and social change in which physical activity plays a role," Paweł Piwowarczyk, one of the visitors, explains.

PAFF Leaders also met with members of the President's Council on Fitness, Sports and Nutrition, who told them about the national obesity control programs such as: "Let's Move", "Commit to Inclusion" and "I Can Do It, You Can Do It". While at the St. Louis Metropolitan Police Department, they saw a presentation of a league organized by police officers for children and youth living in the highest crime rate districts. The league teaches the young people to play baseball, soccer, do track-and-field, boxing, and other sports. The Leaders also visited the offices of an organization called "Girls on the Run" which has attracted 30 thousand women to its training program in St. Louis alone. In Atlanta, the Leaders from Poland discussed the influence of soccer on social change with officials from the organization "Soccer on the Street" which runs programs for children from the poorest districts.

"The visit has inspired me to take a new look at what I am doing. In the USA, I saw solutions worth implementing in my organization," concludes one of the participants Sylwia Nikko-Biernacka.



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Sylwia Nikko-Biernacka, PAFF Leader

THE LIBRARY DEVELOPMENT PROGRAM

Meeting of the National Partnership for the Library Development

A conference of the National Partnership for the Library Development was held at the Polin Museum of the History of Polish Jews in Warsaw on February 26. It was to sum up a seven-year long undertaking – the Library Development Program – which was a partner undertaking of the Polish-American Freedom Foundation and the Bill and Melinda Gates Foundation implemented by the Information Society Development Foundation. The conference was attended by: Professor Małgorzata Omilanowska, the Minister of Culture and National Heritage, and Darren Hoerner of the Bill and Melinda Gates Foundation.

The National Partnership for the Library Development is the key advisor and advocate for the Library Development Program. It associates figures active in various fields, people who believe in the purpose of modernizing local libraries and know how to attract others to this idea. It is a group of more than 100 personalities from the world of science, art, economy, mass media, politics, and the non-governmental sector who play the role of friendly and, at the same time, demanding advisors. Professor Małgorzata Omilanowska, the Minister of Culture and National Heritage, stressed that for her the meeting was an opportunity to voice thanks to all those who worked for the implementation of the Library Development Program. She also pointed to a great change that had taken place in the life and world of people who associate their professional activity, passions, and pleasures with libraries. She admitted that all this could not have been achieved without the support provided to Polish libraries in the recent years.

Darren Hoerner, representing the Bill and Melinda Gates Foundation, shared his insights on changes going on in public libraries and his impressions after visiting some Polish posts. "Public libraries are getting more and more an integral part of local communities. They are changing, they are undergoing transformation, and they provide new services different from what traditionally libraries offer," Darren Hoerner said. "This can also be seen in Poland. I have been deeply impressed by the changes here. The Library Development Program has been a great success. Modernization of public libraries in Poland is going on at a surprisingly wide scale and, even more than that, it sticks to the particularly high quality standards," the Gates Foundation representative said.

Participants in the meeting had also an opportunity to familiarize with other projects addressed to libraries: "Tablets in Your Library", "Code a Robot in... Your Library!", "Webinars", "Innovation Zones", "Direction: Library", and "LABiB".



Public libraries are getting more and more an integral part of local communities. They are changing, they are undergoing transformation, and they provide new services different from what traditionally libraries offer.

Darren Hoerner, the Bill and Melinda Gates Foundation

ICT FOR LOCAL DEVELOPMENT

#MoreDigital – Non-governmental Organizations Rank First on Twitter

Almost 700 participants, 57 lecturers from six countries, 400 on-line participants, 26 thousand people watching the event on Facebook and #MoreDigital being the most popular hash tag on Twitter – this is the essence of "Sector 3.0," a two-day conference on using the Internet and advanced technologies by NGOs, held in May at the Copernicus Science Center in Warsaw.

The ICT for Local Development "Sector 3.0" award worth PLN 40,000 was handed to the Katarynka Foundation from Wrocław during the conference. The Katarynka Foundation was the first in Poland – and most probably in the whole world – to build an Adapter portal which offers movies to people with impaired vision and hearing.

"Such conferences help us better understand what is going on during the digital revolution that changes the world around us. The main feature of this changing world is our ability to process all sorts of data and make totally new services possible," said member of the European Parliament Michał Boni at the conference inauguration. The Minster of Infrastructure and Development Maria Wasiak and Deputy Minister for Administration and Digitization Roman Dmowski presented the main concepts of the "Digital Poland" program and its impact on the technological development of the country. The foreign guests also addressed the conference. In his presentation on "Man, Technology, Development", Professor Junseok Hwang of the University of Seoul, described his concept of relation between the development of society and technological progress. Ivan Owen who represented the foundation e-NABLE Community discussed the ways in which new technologies can be used to serve people, and gave the example of 3D printers that can create and cheaply produce artificial limbs.

Participants in the conference also took part in many seminars, especially in those devoted to: "The Three Social Media That Will Dominate the Polish Market", "Gamification Using Mobile Devices", "Drones, Cameras, Wearables – Fashion or Reality", "Big Data and Selection of Content in an Organization" and "Internet Fundraising on the Example of the Great Orchestra of Christmas Charity". The agenda also included many presentations on ICT applications in the work of non-governmental organizations.

The Polish "Sector 3.0" conference was part of the PAFF "ICT for Local Development" Program implemented by the Information Society Development Foundation.



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Michał Boni, member of the European Parliament

REGION IN TRANSITION (RITA)

"Under the Skies of Kyrgyzstan"

Can astronomy be used to develop key educational competencies? Yes, it can, and it was proved by initiators of the project carried out in Kyrgyzstan in 2015 by the Angelus Silesius House of Meetings in Wrocław in collaboration with the "Svet Lubvi" Kyrgyz NGO in Bishkek.

The project "Under the Skies of Kyrgyzstan" was addressed to teachers of physics, geography, and mathematics, as well as to students of schools in the village of Suzak, district of Jalalabad. The project objective was to equalize the educational opportunities of children and youth and to activate their teachers by engaging them in attractive educational initiatives.

Educational institutions included in the project were selected by a competition and the teachers attended workshops in which they learned how to design a fascinating lesson on astronomy, organize sky watching, and how to use advanced IT and communication technologies for the purpose. "The workshops were enthusiastically welcomed and they drew high interest, while their contents and course exceeded the bravest imagination of both the participants and the instructors. Teachers who came to the program with the intention »to win« computers for their schools, left the training as great fans of astronomy," stressed project leader Ewelina Grądzka.

Their schools were equipped with computers, telescopes, star atlases and globes anyway. Now, these schools have their own science clubs and astronomy classes have become far more attractive to students. "They are happy to take extra classes for the fun of discovering new fascinating things. They make models of the Solar System, do sky watching at night, and learn how to make their own telescope," says trainer involved in the project Jarosław Pióro. There were also classes for parents and other members of the local community.

The project demonstrated that astronomy may be an excellent tool for the intellectual development of students; it teaches independent thinking, asking questions, and finding answers. The Kyrgyz teachers have realized that studying new areas expands their knowledge and gives them new competencies.





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Jarosław Pióro, trainer

The 5th Conference of Kirkland Scholarships Program Alumni

Almost 300 people from 11 countries of Central and Eastern Europe, South Caucasus and Central Asia took part in the 5th Conference of Kirkland Scholarship Program Alumni which was held in Warsaw in May. The Conference was attended by such guests as: Professor Leszek Balcerowicz, Jarosław Pietras, and Andrew Nagorski. This year's conference was combined with the 15th jubilee of the Polish-American Freedom Foundation in which the former scholarship holders also took part.

The conventions of alumni held every 3-4 years strengthen their bonds both with Poland, and between the participants themselves, while at the same time they enable the establishment of new contacts. They are also an opportunity to improve the Kirklanders' knowledge of Poland and the European Union as well as to discuss the possible directions of transformation in countries of the region. The conference agenda includes meetings with outstanding experts and well-known public figures.

The Kirkland scholarship holders listened to lectures on three subjects: systemic transition, European integration, and trans-Atlantic relations. Professor Leszek Balcerowicz, former Deputy Prime Minister and Minister of Finance, also former President of the National Bank of Poland, Chairman of the Board of the Civic Development Forum, delivered a lecture on the vision of necessary reforms in both the EU countries weakened by the recent economic crisis and the Central and Eastern European countries troubled by the development traps and the political conflict in the region. Jarosław Pietras, former Minister for European Affairs and Director-General at the Council of the European Union, spoke about the condition of the European Union. He shared with the audience his knowledge and experience gained while being one of the negotiators for Poland's EU membership. Andrew Nagorski, a journalist, writer, and Chairman of the PAFF Board of Directors, spoke about his reflections on "The United States in the World: 2000-2015", that is the time in which PAFF and the Kirkland Program performed their activities. Each lecture was followed by a lively debate between the audience and the lecturers.

Participants in the conference also took part in meetings with representatives of Polish non-governmental organizations. They were related to sharing Polish experiences in such areas as preventing corruption, the role of civic activity in the process of transition, and watchdog-type initiatives. Problems of migration and its social consequences were among the most important issues discussed. The meeting was prepared with the engagement of the alumni themselves, who held workshops and panel discussions. "The Kirkland Program expanded my knowledge and horizons, it gave me confidence in my own potential and a conviction that I can succeed. I am happy I could reunite with people who were in the program and who have actually made it," says Roman Kiflyuk, an alumnus in the years 2003-2004, now a member of the National Television and Radio Broadcasting Council of Ukraine.



"

The Kirkland Program expanded my knowledge and horizons, it gave me confidence in my own potential and a conviction that I can succeed. I am happy I could reunite with people who were in the program and who have actually made it.

Roman Kiflyuk, alumni of the Kirkland Program

FINANCIAL STATEMENTS

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Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of the Polish-American Freedom Foundation (the "Corporation"), which comprise the consolidated statement of financial position as of December 31, 2015, 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, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Warsaw, April 29, 2016

Delaithe Polaka Grass Jok.

Consolidated Financial Statements as of and for the year ended December 31, 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2015

ASSETS

ASSETS:	
Investments, at fair value (Notes 3 and 5):	
Common and Preferred Stocks	\$ 53,359,264
Public Mutual Funds - Equity	48,267,487
Private Mutual Fund - Equity	21,875,218
Alternative Investments	47,685,972
Fixed Income Securities	18,076,940
Public Mutual Fund – Fixed Income	701,431
Cash and cash equivalents (Notes 3 and 5)	51,168,256
Investment redemptions receivable	11,369,718
Land and fixed assets, net (Note 6)	4,657,851
Loans, net of allowance for loan losses of \$332,993 (Note 7)	3,143,940
Prepaid expenses and other assets	85,282
Total assets	\$ 260,391,359
Total assets LIABILITIES AND NET ASSETS	\$ 260,391,359
	<u>\$ 260,391,359</u>
LIABILITIES AND NET ASSETS	<u>\$ 260,391,359</u> \$ 5,913,101
LIABILITIES AND NET ASSETS LIABILITIES:	
LIABILITIES AND NET ASSETS LIABILITIES: Grants payable (Note 3)	\$ 5,913,101
LIABILITIES AND NET ASSETS LIABILITIES: Grants payable (Note 3) Accounts payable and accrued expenses	\$
LIABILITIES AND NET ASSETS LIABILITIES: Grants payable (Note 3) Accounts payable and accrued expenses Total liabilities	\$ 5,913,101 272,079 6,185,180

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

CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2015

	 Unrestricted
Changes in net assets:	
Income:	
Interest and dividend income	\$ 2,720,187
Expenses:	
Employee compensation and benefits	1,242,816
Operating expenses	827,057
Occupancy	93,481
Depreciation and amortization	 153,170
Total operating expenses	2,316,524
Grants (Note 3)	 (11,846,967)
Grants and expenses in excess of income	(11,443,304)
Net realized gain on investments (Note 5)	8,211,872
Net unrealized depreciation on investments (Note 5)	(15,677,230)
Net currency remeasurement loss (Note 3)	 (3,028,401)
Total decrease in net assets	(21,937,063)
Net assets, beginning of the year	 276,143,242
Net assets, end of the year	\$ 254,206,179

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

Consolidated Financial Statements as of and for the year ended December 31, 2015

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities:

Decrease in net assets	\$ (21,937,063)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Net realized gain on investments	(8,211,872)
Net unrealized depreciation on investments	15,677,230
Net currency remeasurement loss	3,028,401
Provision for loan losses	101,543
Depreciation and amortization	153,170
Increase in accrued interest on loans	(481)
Decrease in accrued interest on investments	178,821
Decrease in prepaid expenses	52,633
Decrease in accounts payable and accrued expenses	(61,198)
Increase in grants payable	1,881,844
Net cash used in operating activities	 (9,136,972)
Cash flows from investing activities:	
Proceeds from sales/redemption of investments	76,765,801
Cost of investments purchased	(35,470,522)
Loans disbursed	(4,183,008)
Proceeds from loan repayments	4,758,205
Purchase of fixed assets	(52,836)
Net cash provided by investing activities	 41,817,640
Effects of exchange rate changes on cash and cash equivalents	 (1,755,144)
Net increase in cash and cash equivalents	30,925,524
Cash and cash equivalents, beginning of year	 20,242,732
Cash and cash equivalents, end of year	\$ 51,168,256

Supplemental information on noncash investing activities:

The Foundation sold \$11,369,718 of investments on December 31, 2015 that increased investment redemptions receivable by the same amount, resulting from a corresponding decrease to investments, at fair value, in the alternative investments category.

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

Notes to the Consolidated Financial Statements as of December 31, 2015

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 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. At December 31, 2015, the entire balance of net assets was classified as unrestricted. Unrestricted net assets are those net assets that are not restricted by donor imposed stipulations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

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

Notes to the Consolidated Financial Statements as of December 31, 2015

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 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 5 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 as described below:

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

A financial instrument's level within the fair value hierarchy is based on the lowest of any input that is significant to the fair value measurement. Certain instruments are valued using the net asset value ("NAV") of the investment vehicle. The NAV is based on the value of the underlying assets owned by the investment vehicle, minus its liabilities. The fair value of investments valued using NAV represents the portion of the NAV owned by the Corporation. 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 Fund Equity:** This investment is a private investment vehicle valued using the NAV provided by the administrator of the investment vehicle. The NAV for this private mutual fund 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 between the Corporation and the donor is signed to the extent there are no donor-imposed conditions or there are donor-imposed conditions but the likelihood of the Corporation not meeting such conditions is remote.

INTEREST AND DIVIDEND INCOME

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

FOREIGN CURRENCY

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

DONATED SERVICES

The Corporation's American directors receive no compensation or fees for serving as directors. Such directors donate significant amounts of their time to the Corporation. No amounts have been reflected in the accompanying consolidated financial statements for such donated services, inasmuch as no objective basis is available to measure the value of such services. The Corporation's chairman of the board of directors (the "Chairman") receives an honorarium in exchange for his services as the Chairman. The Corporation's non-executive Polish directors receive a fee for providing advice and assistance to the Corporation. For the year ended December 31, 2015, the total fees paid to all Polish directors and the Chairman amounted to \$38,608.

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.

Notes to the Consolidated Financial Statements as of December 31, 2015

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, 2015, the Corporation had credit exposure mainly from debt instruments in the Corporation's investment portfolio and loans extended by PAFPIO. The maximum risk of loss from these assets is represented by their respective consolidated statement of financial position amounts.

4. POLISH-AMERICAN ENTERPRISE FUND GRANT

Pursuant to an agreement signed in 1999 between the Fund and the U.S. Government and in consultation with the Government of Poland, the Fund returned \$120 million of the Fund's assets to the U.S. Treasury and contributed the Fund's remaining assets to the Foundation pursuant to a grant agreement between the Fund and the Foundation (as amended, the "Grant Agreement"). The total amount the Fund contributed to the Foundation was \$255.3 million, which was recorded as unrestricted net assets. According to the terms of the final amendment to the Grant Agreement, the Grant Agreement terminated upon the Fund's dissolution on December 27, 2011 except that certain provisions survived termination, including that the U.S. Government may require the Foundation to return the assets received from the Fund, together with any earnings generated thereby, to the U.S. Treasury if the U. S. Government determines that the Foundation has provided grants to or otherwise financed certain prohibited activities.

5. 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, 2015 is presented in the table below:

			Accumulated
			Unrealized
			Appreciation
	 Cost	Fair Value	(Depreciation)
Common and Preferred Stocks	\$ 28,573,121	\$ 53,359,264	\$ 24,786,143
Public Mutual Funds - Equity	48,463,365	48,267,487	(195,878)
Private Mutual Fund - Equity	15,000,606	21,875,218	6,874,612
Alternative Investments	38,010,081	47,685,972	9,675,891
Fixed Income Securities	18,885,503	18,076,940	(808,563)
Public Mutual Fund - Fixed Income	 716,639	701,431	(15,208)
	\$ 149,649,315	\$ 189,966,312	\$ 40,316,997

		Net Unrealized		
	Appreciation		Net Realized Gain	
		(Depreciation)		/ (Loss)
Common and Preferred Stocks	\$	(5,810,228)	\$	6,431,423
Public Mutual Funds - Equity		(7,533,437)		3,102,383
Private Mutual Fund - Equity		267,258		-
Alternative Investments		(2,698,383)		(741,286)
Fixed Income Securities		104,206		(331,935)
Public Mutual Fund - Fixed Income		(6,646)		(248,713)
	\$	(15,677,230)	\$	8,211,872

The net unrealized appreciation (depreciation) and net realized gain on investments for the year-ended December 31, 2015 is presented in the table below:

Set forth in the table below are the Corporation's investments as of December 31, 2015, 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)		Active Markets for Identical Assets		Othe	Significant er Observable Inputs (Level 2)	L	Significant Inobservable Inputs (Level 3)		Total
Common and Preferred Stock	\$	53,359,264	\$	-	\$	-	\$	53,359,264		
Public Mutual Funds - Equity		48,267,487		-		-		48,267,487		
Private Mutual Fund - Equity		-		21,875,218		-		21,875,218		
Alternative Investments		-		-		47,685,972		47,685,972		
Fixed Income Securities		18,076,940		-		-		18,076,940		
Public Mutual Fund - Fixed Income		701,431		-		-		701,431		
	\$	120,405,122	\$	21,875,218	\$	47,685,972	\$	189,966,312		
% of total		63.4%		11.5%		25.1%		100.0%		

Notes to the Consolidated Financial Statements as of December 31, 2015

During the year ended December 31, 2015, there were no transfers of investments between levels 1, 2 and 3. As of January 1, 2016, \$34.15 million of the Corporation's cash was invested into one existing and four new alternative investment funds, which will be valued primarily using unobservable inputs using the NAV of the investment vehicle as a practical expedient. Therefore these investments will be classified as level 3 in the fair value hierarchy. Of the \$34.15 million of cash invested on January 1, 2016, 27% is redeemable monthly and the remainder cannot be redeemed currently because the investment funds require full redemptions over periods of up to three years. The percentages of the \$34.15 million and related redemption terms for these investment funds are as follows: (a) 7% over four consecutive quarters, (b) 22% over eight consecutive quarters, (c) 22% every two years, and (d) 22% every three years. Due to the redemption restrictions, the amount ultimately received from the sale of these investments will likely be different from the present fair value.

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, 2015:

						Net
						Accumulated
						Unrealized
						Appreciation
Beginning	Net Realized	Net Unrealized			Ending	Outstanding
Fair Value	Loss	Depreciation	Purchases	Sales	Fair Value	at Year-End
\$ 71,409,660	\$ (741,286)	\$ (2,698,383)	\$ 1,669,159	\$ (21,953,178)	\$ 47,685,972	\$ 9,675,891

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 \$0.8 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, 2015:

	Fair Value	Redemption Frequency	Redemption Notice Period	
Level 2:				
International	\$ 21,875,218	Daily	10 business days	(a)
Level 3:				
Multi-strategy	28,638,004	Quarterly/over one year	45-90 days	(b)
Emerging markets	12,663,138	Monthly	6-30 days	(c)
Event driven	3,251,376	Over 1 year	90 days	(d)
Private equity	3,133,454	Not able to redeem	Not applicable	(e)
	 47,685,972			
	\$ 69,561,190			

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

It is probable that the amount ultimately received if Level 2 and Level 3 investments were to be sold would be different than the fair value of these investments at December 31, 2015.

(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 (99% of this category). Investments representing 26% of this category cannot be redeemed currently because the investment manager requires full redemptions to be paid over four consecutive quarters. One investment representing 1% of this category does not provide for redemptions as distributions are expected to be made as the underlying assets are sold by the fund.; it is not possible to estimate the period of time over which the underlying assets will be sold.

(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 55% 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 45% of this category invests in small/mid cap emerging markets equities.

(d) Event driven: This category is comprised of one alternative investments fund that invests across the capital structure with exposure to equity and/or credit investments, including distressed debt, primarily in developed markets in North America and Europe. The Corporation has provided this fund with a request for full redemption, approximately 85% of which is due to be received by July 31, 2016; it is not possible to predict when the remaining 15% will be received.

(e) **Private equity:** This category is comprised of two investments in private equity funds that invest in the energy sector in North America. The Corporation has committed to invest \$9.0 million in these funds, \$4.5 million to each, and, at December 31, 2015, the Foundation's remaining commitment to both funds was a total of \$5.9 million.

These funds do not provide for redemptions as distributions are expected to be made as the underlying assets are sold by the funds; it is not possible to estimate the period of time over which the underlying assets will be sold; pursuant to the fund documents, all distributions are due to be made by the termination date of each fund (which may be extended for two years), which is in 2022 for the first fund and 2025 for the second fund.

6. LAND AND FIXED ASSETS

As of December 31, 2015, land and fixed assets consisted of:

Land	\$ 1,913,359
Land improvements	174,158
Building	2,769,692
Computer equipment and software	145,804
Furniture and equipment	250,449
Automobiles	 70,391
	5,323,853
Less - Accumulated depreciation and amortization	 666,002
Net book value	\$ 4,657,851

Notes to the Consolidated Financial Statements as of December 31, 2015

7. LOANS AND ALLOWANCE FOR LOAN LOSSES

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

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

Changes in the PAFPIO allowance for loan losses for the year ended December 31, 2015 were as follows:

Beginning balance	\$ 365,210
Additional provision charged to operations	101,543
Recoveries of loans previously provided for in allowance for loan losses	(59,669)
Loans written-off	(37,587)
Foreign currency translation adjustment	 (36,504)
Balance, end of year	\$ 332,993

8. COMMITMENTS

As of December 31, 2015, the Corporation had approved 14 programs totaling \$14.7 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, 2015 the Corporation signed grant agreements for these approved programs in the total amount of \$5.3 million.

9. 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, 2015, PAFPIO incurred \$40,079 of income tax expense, which is included in operating expenses in the consolidated statement of activities.

Polish-American Freedom Foundation

10. SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through April 29, 2016, 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, 2015.

BOARD OF DIRECTORS

* as of June 2016

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, former 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

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 – until November 2015, currently: Director Emeritus

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

ROBERT G. FARIS – until November 2015, currently: Director Emeritus

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

ANNA FORNALCZYK

Former President of the Polish Office for Competition and Consumer Protection

CHRISTOPHER HILL

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

GEOFFREY HOGUET

Managing Member, GRH Holdings, LLC

ALEKSANDER KOJ – until November 2010, currently: Director Emeritus

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

Polish-American Freedom Foundation

JERZY KOŹMIŃSKI

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

DAVID NIEMIEC Senior Advisor Saratoga Partners

KRZYSZTOF PAWŁOWSKI President of the High School of Business-National Louis University in Nowy Sacz, former Polish Senator

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

CARLA H. SKODINSKI Vice President and Chief Investment Officer, KCM, LLC

U.S. AMBASSADOR TO POLAND, PARTICIPATING IN THE WORK OF THE BOARD OF DIRECTORS PAUL W. JONES

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MANAGEMENT AND STAFF

* as of June 2016

President and Chief Executive Officer JERZY KOŹMIŃSKI

Head of the Representative Office GRZEGORZ JĘDRYS

Program Directors: RADOSŁAW JASIŃSKI RENATA KOŹLICKA-GLIŃSKA KATARZYNA MANISZEWSKA JOANNA LEMPART-WINNICKA

Program Officers: MIROSŁAW CZYŻEWSKI AGNIESZKA MAZUR KATARZYNA ŚWIĄTKIEWICZ

Chief Accountant AGNIESZKA KWIATKOWSKA

Programs' Financial Controller MIRA OSIECKA

Public Relations Specialist PRZEMYSŁAW ZAROŃ

Program Coordinator KALINA GRZESZUK-ZAJĄCZKOWSKA

Accounting GRAŻYNA SKRZYPIEC

Assistants / Administration: JOANNA RECHNIO JUSTYNA FLORCZAK KAROLINA JOCZ TOMASZ WOJCIECHOWSKI Treasurer and Chief Financial Officer Secretary to the Board of Directors NORMAN E. HASLUN III

Senior Consultant C. DOUGLAS ADES

Financial Analyst GRZEGORZ BORCZYK

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