



POLISH-AMERICAN FREEDOM FOUNDATION



2020 ANNUAL REPORT



2000-20**20** YEARS
POLISH-AMERICAN
FREEDOM FOUNDATION

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Letter from the PAFF Leadership



Andrew Nagorski
Chairman of the Board
of Directors



Jerzy Koźmiński
President and Chief
Executive Officer

Dear Friends,

In the previous Annual Report we shared our hope that in May 2020 we would be able to commemorate the twentieth anniversary of the establishing of the Polish-American Freedom Foundation, which would be an occasion to summarize its achievements.

The coronavirus pandemic thwarted our plans for the jubilee events that we had been preparing for several months. We had expected to attract nearly a thousand leaders of non-governmental organizations as well as other institutions involved in PAFF actions, including hundreds of Kirkland alumni from Eastern Europe, the South Caucasus, and Central Asia. Since all those plans had to be shelved, here is a summary of some of the points we would have made.

PAFF initiated its first programs in May 2000 and from the very outset its activities were grounded in a two-fold mission. First, they sought to strengthen the outcomes brought about by the Polish systemic changes initiated in 1989. Second, they aimed to share Poland's transformation experience with other countries of the region.

Carefully selected goals have governed PAFF's activity in Poland ever since: leveling the playing field in education combined with raising its overall quality, as well as unleashing citizen energy in small communities which contributes to building social capital. From the very beginning these endeavors have primarily targeted residents of small towns and rural areas.

Foundation programs have for years been focused on three main areas: education, development of local communities, and sharing Poland's transformation experience.

By the end of 2020, PAFF had allocated nearly \$225 million to its activities. The source of those funds was the capital transferred to PAFF from the Polish-American Enterprise Fund, PAFF's founder, which entrusted a total of \$255 million to the Foundation. It is also noteworthy that over the 20 years of its activity, PAFF attracted \$226 million for its programs from other sources.

Those financial resources made it possible for PAFF to offer 32,000 scholarships to young people from low-income families, allowing them to continue their education at the university level. They also enabled the training of 150,000 teachers in modern teaching methods.

A total of 40,000 educational projects arranged by more than 15,000 student volunteers reached 430,000 rural children and youth. In parallel, 17,000 diverse undertakings were implemented across Poland to stimulate local community development.

Nearly 4,000 libraries in villages and small towns underwent a transformation into modern centers of information, education, culture, and civic activity, with training provided to just under 10,000 librarians. PAFF received the bulk of the funding from the Bill and Melinda Gates Foundation, which fueled these far-reaching changes in the library system.

PAFF training programs also attracted 31,000 leaders and staff members of NGOs operating primarily in rural areas and small towns. The participants vastly improved their managerial and other skills.

More than 14,000 young people from Ukraine, Belarus, Russia, Georgia, Moldova, Armenia, Azerbaijan, and other countries visited Poland and learned about Polish experiences in internal transformation and integration with the West.

Interestingly, from among PAFF's first programs that were launched in 2000, six are still in existence until today. "English Teaching" has led to more than 1,100 educational projects which promoted learning English and simultaneously sparked interesting civic initiatives in rural and small-town areas. The "English Teaching" projects attracted more than 73,000 children and youth, and nearly 5,000 teachers.

Another major educational program, "Learning Schools" (LES), has reached 3,000 schools and thousands of teachers. "LES" seeks to elevate the quality of education by employing the best foreign and domestic practices.

"Act Locally", PAFF's first program to offer grants to small NGOs and informal groups, provided support to more than 12,000 civic initiatives aimed at solving local problems and involving residents in actions for jointly determined goals. These initiatives engaged 4 million people, including 200,000 volunteers. The program helps to steadily expand the network of Act Locally Centers (ALCs), which award donations under open grant competitions. This network has grown from 15 ALCs in 2004 to 78 today, and is present in 670 communes across Poland.

The ngo.pl Portal for Non-governmental Organizations continues to evolve since its launch in 2000; it constitutes the cornerstone of the information system for civic organizations, supporting Poland's third-sector infrastructure overall. The last two decades have brought major technological developments to the Portal, whose impact vastly increased.

The number of Kirkland alumni is now 880. This very first international PAFF program has supported young leaders of economic, social, and political walks of life in eleven countries of our region.

Over the twenty years of its operation, "Region in Transition" (RITA), another east-oriented program, provided support to nearly 1,100 projects furthering cooperation between Polish non-governmental organizations and educational institutions, and their partners in Eastern Europe, the South Caucasus, and Central Asia.

2020 was an exceptional year for all, including our Foundation; it marked the outbreak of the coronavirus pandemic whose acute effects are felt across the globe to this day. The new situation spurred significant shifts in PAFF's program activities. Sanitary restrictions caused almost all conferences, seminars, workshops, and other meetings to shift to online. At the same time, many PAFF programs redesigned to respond to pandemic-related needs and challenges.

As an example, a series of open webinars on remote teaching was held under the "LES" Program, providing assistance to more than 100,000 teachers and school principals. There was also keen interest in the cycle of 17 webinars for teachers as well as other professional and social educators organized by the School of Education of PAFF and the University of Warsaw; webinar subjects reflected the needs arising from the exceptional situation at schools. These attracted a total of 13,000 participants.

“Act Locally” channeled all funds initially earmarked for 2020 regular local grant competitions to initiatives supporting the fight against the pandemic and mitigating its destructive effects on communities covered by the program. “Act Locally” awarded 882 grants which made up a total of almost \$1 million. PAFF contributed \$450,000 of that amount, with the remaining funds coming from local sources. Also, the “Anti-Crisis Package” was launched that provided Act Locally Centers with \$60,000 of ad hoc support early in the pandemic.

The Library Development Program provided online training to 30,000 librarians in mid-pandemic library management, delivering remote services to local communities as well as leveraging new technologies for internal work organization and experience exchanges with other libraries.

April 2020 saw the Polish-American Freedom Foundation establish the special “Relief Fund for Non-Governmental Organizations and Civic Initiatives”. To this day, the “Relief Fund” supports ongoing activities undertaken by organizations in response to the COVID crisis, and offers assistance in designing and implementing actions to mitigate the long-term effects of the pandemic.

By the end of 2020, “Relief Fund” grants for co-financing institutional needs and program activities reached 15 organizations that serve as PAFF Program Managers, 36 ALCs and “Study Tours to Poland” coordinators, as well as 49 other organizations which were implementing initiatives aligned with PAFF’s programmatic goals. To date, PAFF has delivered \$1.6 million from the “Relief Fund” to non-governmental organizations and civic initiatives during the pandemic.

At the end of this challenging period, we wish to express our heartfelt gratitude to our colleagues who are part of the dedicated PAFF team, as well as all our partners and other institutions and groups involved in PAFF programs. We extend sincere thanks to the members of the PAFF Board of Directors for their unwavering support, invaluable knowledge and important advice. With particular gratitude we remember those who passed away and could not accompany us in taking stock of the twenty years of PAFF activity: John P. Birkelund, Zbigniew Brzeziński, Frederick M. Bohen, John H. D’Arms, Robert G. Faris, Aleksander Koj, and Nicholas A. Rey.

It is our conviction that the experience accrued by the Polish-American Freedom Foundation over the past two decades, coupled with its achievements form a robust and durable underpinning for PAFF’s further development. Above all, we know that, with the continued support of so many people and institutions, we are well-positioned to carry on with PAFF’s mission.

New York – Warsaw, June 2021



Andrew Nagorski
Chairman of the Board of Directors



Jerzy Koźmiński
President and CEO

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Initiatives in Education

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ENGLISH TEACHING

PAFF HAS DISBURSED

\$ 8,886,019

in grants, including \$ 616,170 in 2020.

PROGRAM MANAGER:

► The "Nida" Development Foundation

MORE INFORMATION AT:

www.englishteaching.org.pl



► **Since 2000, this program has initiated and supported actions to promote the English language and improve its teaching standards among children and youth from small towns and villages, thus strengthening their educational opportunities overall. At the same time, the program fosters the professional development of English teachers working in small towns and rural areas.**

“English Teaching” stimulates and develops a variety of social initiatives. Their results often surpass the initial goal, leading to the general spurring of activity in local communities. The program is mostly aimed at English language teachers working in primary schools and kindergartens based in rural areas and small towns. In the past, many initiatives were organized at junior high schools, but they no longer exist. The program includes training sessions for teachers, coupled with the possibility of implementing projects with their pupils; it also provides help in preparing these undertakings.

Between 2000 and 2020, grant competitions addressed to small-town schools and non-governmental organizations financed 1,116 projects to organize school clubs for fans of Anglo-Saxon culture and English, create libraries with English literature and press, and form theatrical clubs. The program led to organizing numerous contests focused on Anglo-Saxon writers, culture, and history, as well as some song festivals. Children and teenagers were invited to watch English films and take part in lessons with native speakers of English. Around 72,000 pupils and 4,700 teachers participated in the projects directly, and over 170,000 parents and other representatives of local communities were engaged indirectly.

The program also offers “Weekends with English Teaching”, namely methodology training for English teachers based

in towns and villages with populations up to 20,000. To date, 142 such training sessions have been organized for a total of 6,513 participants.

The most active teachers can increase their competencies during the three-week Teaching English to Speakers of Other Languages (TESOL) Summer School organized by Gonzaga University in the USA.

17 nation-wide educational meetings – English Teaching Markets – were organized for English teachers and representatives of interested institutions, organizations, schools, and publishing houses; they attracted almost 9,000 attendees. These annual meetings help expand the cooperation network of English teachers from smaller localities; they are backed up with a social media por-

1,116

projects were funded through grant competitions addressed to schools and non-governmental organizations in small localities.

tal and regular e-news about other educational initiatives, such as grants for projects, training, or contests.

The “English Teaching” Polish English Teachers Association was founded in 2015, developed from the “English Teaching Ambassadors” initiative – the most active teachers participating in the program. Its main purpose is the professional development of English teachers from small towns and villages in particular, as well as advocating social activity.

In 2020, because of the pandemic restrictions, the program offered mostly online training sessions, as well as weekly webinars held by experts and trainers in cooperation with InstaLing which attracted over 50,000 participants in total. The annual English Teaching Market meeting did not take place. English teachers who cooperate with the program were provided support in terms of methodology and techniques of remote teaching. Teachers’ language projects for students, which began in September were mostly carried out online.

PROJECTOR – STUDENT VOLUNTEERS

PAFF HAS DISBURSED

\$7,475,029

in grants, including \$321,361 in 2020.

PROGRAM MANAGER:

› The Educational Enterprise Foundation

WIĘCEJ INFORMACJI:

www.projektor.org.pl



- **The purpose of the program is to equalize education opportunities of children and youth from villages and small towns. Under this program, groups of 2 to 3 volunteer university students carry out projects that expand knowledge, skills, and personal interests of kids and teenagers. The projects are carried out in free time during the school year and during summer and winter holidays.**

They focus on a specific field of science, subject, or a selected scope of activity; these can be visual art classes, artistic classes, sport activities, IT classes, theatrical or language classes. The program encourages pupils to develop their skills by promoting positive role models and, at the same time, it shapes university students’ sense of social responsibility and solidarity while providing them with an attractive way to discover and fulfil their passions and interests.

Since 2003 more than 40,000 educational projects have been organized across Poland, more than 2,800 schools with 14,700 volunteer students involving more than 430,000 pupils.

The program gained support from two former Prime Ministers: Professor Jerzy Buzek and Professor Marek Belka, who during the 2007 summer holidays took on the role of volunteers and taught classes for school pupils in several rural communes. In 2012, in cooperation with the Chancellery of Polish President Bronisław Komorowski, the Modern Patriotism project was carried out as part of the program where Chancellery Ministers and Advisors visited schools in small localities. The project was designed to stimulate discussion about patriotism, shaping citizen attitudes in young people, introducing them to national symbols and local traditions, as well as promoting respect and tolerance.

Since 2011 the projects carried out by volunteer students as part of the program have been regularly monitored and evaluated. This is meant to both evaluate direct results of the entire program, and to observe its long-term influence. The biggest benefits mentioned by student-volunteers include opportunities to acquire new, practical experience, develop communication skills, meet people, and the opportunity for their social activity to be seen and appreciated by their alma maters. And, most importantly, the benefits of taking part in the "PROJECTOR" are emphasized by schools which mention: expanding the educational offer, increasing school attractiveness, and positive reception of the program by parents.

Due to the coronavirus pandemic, in 2020 the program was dominated by online activities. As part of the "Make the Cut to Online Knowledge" campaign, "PROJECTOR" volunteers prepared inspiring multimedia educational materials that were used by pupils, teachers, and parents. The initiative attracted great interest across social media. In total, it reached 450,000 people. Another

40,000

educational projects have been carried out since 2003 in about 2,800 schools all over Poland; they involved 14,700 student volunteers and 430,000 pupils.

campaign aimed to share student volunteers' practical experiences in studying, consisted of 12 webinars attended by more than 2,600 high school graduates from all over Poland.

Between 2005 and 2010, the program was carried out by the Polish Association of Pedagogues and Animators "Klanza". Later, until 2017, the program was implemented by the Foundation for the Development of Voluntary Service.

LEARNING SCHOOLS (LES)

PAFF HAS DISBURSED

\$13,858,857

in grants, including \$883,690 in 2020.

PROGRAM MANAGER:

› The Center for Citizenship Education Foundation

MORE INFORMATION AT:

www.sus.ceo.org.pl



➤ **Comprehensive action to improve Polish education using best international standards has been carried out under this program since its launch in 2000. The quality of schools improves mostly thanks to training delivered to teachers and headmasters, in rural areas and small towns in particular.**

“LES” introduces into the daily operation of schools an original quality assurance system that improves pupils' learning outcomes. This is achieved by increasing the competencies and autonomy of the teaching staff,

strengthening the school principal's position, and improving teamwork. The program offers online courses for teachers, workshops for teacher boards, post-graduate studies and conferences for principals, during which par-

ticipants learn the principles of formative assessment and other educational practices. “LES” schools develop ways to perfect teacher performance, monitor results of performed activities, and share best practices with each other. The “Learning Schools” Program improves quality in areas key to school operations, namely: the effectiveness of teaching and learning, organizing the functioning of a school as a learning institution, and ensuring cooperation between the school and its outside environment.

In the course of 20 years the program gathered some 5,000 schools, of which 3,000 took part in its core part aimed at comprehensive school development by introducing formative assessment. 150,000 teachers participated in training sessions offered by various “LES” components.

Since the 2017/18 school year, “LES” has been carried out in new conditions resulting from the far-reaching changes introduced to the Polish educational system by the Polish Ministry of Education. The program, adjusted to the needs imposed by the new reality, continues to be very popular with teachers and schools all over Poland.

In 2020, due to pandemic restrictions, schools introduced remote learning. The “LES” training and advisory offer had to switch over to a new method: more than 100,000 teachers participated in online courses, training, and webinars focused mostly on methods for delivering remote learning.

For many years, apart from the large-scale training and workshops, the “Online Teachers Academy” (OTA) has offered e-courses for teachers of numerous subjects from all types of schools and kindergartens. These courses prepare teachers for applying modern methods and techniques in working with pupils. “OTA” offers eight different types of one-year courses, which attract around 800 teachers each time. In the past pandemic year the most popular “OTA” course was “School in the Web”, a course dedicated to methods of remote learning.

The many years of “LES” experience is used in various educational initiatives financed from EU funds. These include: “The Student Academy”, “Digital School”, “The Learning Schools Academy for Education Leaders”, or the “School for the Innovator” introduced in 2019. The purpose of these initiatives is to develop competen-

5,000

schools have taken part in the program over 20 years, almost 3,000 of them participated in the core part which is aimed at comprehensive development of the school. Training sessions offered as part of various components of the “LES” Program covered 150,000 teachers.

cies which students will need in adult life, by promoting innovative teaching and evaluation methods among teachers and school principals, and by reshaping the organization of schoolwork. So far, more than 10,000 schools have taken part in these initiatives.

After a two-year break, the post-graduate studies for Education Leaders were reopened. Thanks to the experience from the 2017-2019 European project addressed to 900 heads and deputy heads of schools and kindergartens from the Mazovia and Świętokrzyskie Provinces, the current program has been expanded by new content, forms, and methods of work. The studies are organized in cooperation with Collegium Civitas. So far, over 500 school principals have taken part.

PAFF is a partner to the “School with Class” initiative which promotes modern educational solutions among schools and teachers, using IT and communication technologies, the design thinking method, and the agile methodology. In total, it has gathered more than 9,000 schools from all over Poland and around 150,000 teachers. It is the continuation of the “School with Class” campaign initiated in 2002, inspired by “LES” and carried out by the Center for Citizenship Education Foundation in cooperation with the “Gazeta Wyborcza” daily. In the past, the campaign included such initiatives as: “Teacher with Class”, “Lego, Cogito, Ago”, “Student with Class”, and “School of Thinking”. In 2020, the entire program was carried out mostly online, with more than 10,000 teachers taking part in numerous webinars, remote training sessions and meetings.

EQUAL OPPORTUNITIES

PAFF HAS DISBURSED

\$16,979,452

in grants, including \$1,616,462 in 2020.

PROGRAM MANAGER:

› The Polish Children and Youth Foundation

MORE INFORMATION AT:

www.rownacszanse.pl



- **The purpose of this program, initiated in 2001, is to support social initiatives aimed at evening out the opportunities for a good start into adult life for rural and small-town children and youth by increasing their competencies and developing their social skills, such as teamwork, winning the support necessary to accomplish set goals, and planning actions.**

As part of the program, non-governmental organizations, cultural centers, libraries, and informal groups apply for grants for projects that stimulate the aspirations of children and young people, are conducive to the fulfillment of the realistic goals they set on their own, develop activeness and openness, and encourage acting for the benefit of their own communities. The projects enable young people to participate in classes extending beyond the standard educational offer of their schools.

In 2020, 125 projects were financed under the Nationwide Grant Competition and Regional Grant Competition. These included initiatives to promote pro-ecological activities, reclaiming public space by the young (e.g. by painting murals, or taking care of urban green spaces), broadening the scope of educational and cultural activities for youth, e.g. by organizing outdoor urban games or staging theatrical productions.

The program also offers training for project coordinators that increase their qualifications, teach project management with a focus on engaging youth as active creators, participants, and direct executors of a given undertaking. The coordinators are also offered training in using modern technologies in educational project management and promotion. The "Equal Opportunities" Local Forums, scheduled regularly by participating organizations, constitute an important part of the program. The Forums offer a space for institutions and individuals concerned with various youth-engaging activities in

their local environments to discuss how to use the potential of such environments, and to break barriers that get in the way of development opportunities for young people from small towns and villages.

The coronavirus pandemic significantly limited available options to celebrate the 20th jubilee of the program in 2020. One part of the jubilee was the special grant competition which allowed 13 local non-governmental organizations to arrange program-promoting events in their communities; these were, for instance, meetings with participants and coordinators, exhibitions of pictures and posters created during the projects, and local field games to explore places related to the projects carried out under "Equal Opportunities". The results of the 20 years of program activity was also broadly presented during social media campaigns.

In two decades of the program 3,200 projects with ca. 149,000 participants were carried out (indirectly: nearly 480,000 people), as well as the activation and integration of local communities to act for the benefit of children and youth.

The program allows the Foundation to support the Young Explorer Clubs initiative, which is a continuation of a model project initiated as part of the program in 2002 by the Education Society of Kłodzko, now carried out by the Copernicus Science Center. The purpose of the Young Explorer Clubs is to attract children and young people to

the sciences. The YEC formula helps young people learn through experimentation and independent experiments using simple, easily available materials. Last year, the international Young Explorer Clubs Forum was held for the ninth time, this time online owing to the pandemic. The event gathered over 1,700 people from Armenia, Georgia, Germany, and Poland. The Forum is a platform of contact and experience sharing, it also serves to promote the Clubs. Nearly 800 units belong to the YEC network; over 180 operate in Georgia.

3,200

projects have been implemented within the program engaging approximately 149,000 active participants – indirectly nearly 480,000 people have been involved.

BRIDGE SCHOLARSHIPS

PAFF HAS DISBURSED

\$25,485,222

in grants, including \$1,143,926 in 2020.

PROGRAM MANAGERS:

- › The Educational Enterprise Foundation
- › The Good Network Foundation (My Scholarship and “e-wolontariat”)

MORE INFORMATION AT:

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



- **This program was launched in 2002 to address the crucial issue of the stark disproportion in access to higher education between young people from rural and urban areas. It was meant to help gifted youngsters from small towns and villages, from former state farms (PGR) in particular, make the decision to continue their education at universities by awarding first-year continuity of education scholarships.**

From the beginning, “Bridge Scholarships” were a joint undertaking of many partners. Now they are financed by the Polish-American Freedom Foundation, the National Bank of Poland, the Rural Development Foundation, and the BNP Paribas Foundation. Also engaged is a coalition of 80 or so local non-governmental organizations. The program is carried out with organizational help from the National Support Center for Agriculture (former Agricultural Property Agency), and in cooperation with the Professor Bronisław Geremek Center and the Shipyard Foundation. So far, the Partners have designated more than PLN 123 million for the execution of the program. Almost 25,000 scholarships have been granted since the beginning of the program, including more than 17,000 for the first year of studies.

The “Diploma of Dreams” campaign, which aims to encourage and support more local non-governmental organizations to take up similar scholarship initiatives aligned with the “Bridge Scholarships” concept, has resulted in engaging another 153 NGOs in helping more than 6,500 students since 2006.

After several years, the program transformed into a complex scholarship system, offering much more than an allowance for the first year of studies. Today the scholarship holders who do 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 apply for corporate scholarships for their third and fourth years, or a scholarship under the Study Abroad

initiative, and doctoral scholarships. Additionally, the program offers language scholarships, workshops preparing scholarship holders for entering the job market and challenges of the digitalized world, and annual Scientific Start conferences.

There are also summer internships in the USA organized in cooperation with the Embassy of the United States in Warsaw (the Polish-American Internship Initiative – PAII). In the years 2011–2019, 111 students completed internships in thirteen corporations, such as Boeing, Chevron North America, Citigroup, GE Hitachi Nuclear Energy, MoneyGram, Pittsburgh Glass Works LLC, Raytheon BBN Technologies, Sikorsky Aircraft Corporation, Westinghouse Electric Company, or Discovery Inc. Additionally, thanks to cooperation with the Transatlantic Future Leaders Forum, 46 students did their internships at the United States Congress.

In the past, one of the program segments offered scientific scholarships to the best performing young people from small towns and villages who studied economics at non-state universities and private business schools. Between 2001 and 2014, nearly 7,000 such scholarships were granted.

Surveys conducted among program graduates show that 98% believe their bridge scholarship significantly improved their financial standing during studies. 90% of scholarship holders achieve good or very good academic results,

70% finish their studies on time, and only 4% discontinued their studies.

Last year, because of the pandemic situation, all substantial program operations were shifted online, internships with the Polish-American Internship Initiative were suspended, and the Scientific Start conference did not take place.

The Bridge Scholarships Program enables PAFF to support the development of scholarships and volunteer services carried out by the Good Network Foundation, which among other things runs the My Scholarship (www.mojestypendium.pl) website – the largest Polish website about scholarships.

“Rzeczpospolita”, “Forum Akademickie”, “Perspektywy” and the dlaStudenta.pl website provide media sponsorship for the program.

25,000

“bridge” scholarships have been awarded since the beginning of the program, including over 17,000 scholarships for the first year of studies.

PAFF AND UW SCHOOL OF EDUCATION

PAFF HAS DISBURSED

\$5,016,023

in grants, including \$1,055,858 in 2020.

PROGRAM MANAGER:

› The Foundation for Quality Education

MORE INFORMATION AT:

www.szkoledukacji.pl



› **School of Education is a joint undertaking of the Polish-American Freedom Foundation and the University of Warsaw, designed in close cooperation with the renowned Columbia University Teachers College in New York. This is the only non-remote full-time post-graduate course in Poland granting teaching certificates.**

At present, the course is provided free of charge. At the same time SE students may apply for a scholarship to help cover the costs of living and for a place in a UW dormitory.

The fifth round (the 2020/21 academic year) is attended by 38 students following one of the four education paths: Polish studies, mathematics, history and civic education, as well as biology and natural studies. Additionally, 17 students are on the psychological and pedagogical education path carried out in cooperation with the UW Faculty of Biology.

Daily school teaching practice is an integral part of teacher training at the School of Education. Students spend time in both academic classes and a school classroom. They observe lessons, co-teach, and teach, take part in meetings of teacher boards and parent-teacher conferences. The experience accrued at schools are then regularly discussed during academic classes. The School of Education takes responsibility for the quality of in-school apprenticeships by closely cooperating with thoroughly selected schools in Warsaw and its vicinity. Almost 200 teachers from the cooperating schools participate in workshops and consultation meetings held for SE students.

Each student has her/his own individual tutor from School of Education. Academic classes are held in small groups. Focus is set on discussion and systematic analysis of student progress. SE faculty is made up of people with school experience, actively involved in the area of education, and having different perspectives: in-service teachers, academics, and other people with a passion for education. The School of Education employs lecturers from many academic centers, trained by renowned American and European specialists in teacher education.

The PAFF and UW School of Education has its own Alumni Office which offers long-term support for more than 100 former SE students, also helping them find a job in their profession. The alumni cooperate with SE lecturers on an ongoing basis, regularly perfecting their methods and sharing teaching experiences. Education facilities hiring the alumni may take part in the rich training offer of the School of Education.

Since 2017, the School has added to its offer professional development for in-service teachers in teaching literature and Polish, mathematics, biology, history, as well as didactic and communication competencies. In the 2020/21 academic year the courses are attended by around 100 people.

Since March 2020 most academic courses, school apprenticeships, professional development courses, and educational events have been conducted online. The SE faculty modified the teaching curriculum to conform to the special conditions caused by the COVID pandemic.

Good practices developed in School of Education are popularized not only in schools but also in institutions for teacher education and professional development. In 2020 alone, with the pandemic restricting available options, various SE conferences, training sessions, and workshops attracted more than 2,000 people. During these meetings the participants could learn about methods and tools used by the School in teaching students. At the same time more than 10,000 teachers from all over Poland took part in special online classes on methods of remote teaching.

On behalf of PAFF, the Foundation for Quality Education, established by PAFF in 2014, is responsible for the management and development of the School of Education. SE is situated in the UW Center of New Technologies (CENT) in Warsaw.

2,000

people attended in 2020 in various online meetings (conferences, training sessions, workshops) where methods and tools used by the School of Education in their work with students were presented.

THIRD AGE UNIVERSITIES (TAU)

PAFF HAS DISBURSED

\$5,493,221

in grants, including \$236,480 in 2020.

PROGRAM MANAGER:

› The Association of Creative Initiatives "e"

MORE INFORMATION AT:

www.seniorzyw akcji.pl



› **The program, initiated in 2005, aims to promote educational actions that encourage older people to become more active, with emphasis placed on their social activity, and inter-generational relations in particular. The program is carried out mainly by supporting and promoting initiatives taken by seniors themselves, who use their potential, knowledge, experience, and time for the benefit of their own environment and local communities, and by supporting the operations of the Third Age Universities.**

The "Seniors in Action" competition offers grants and training for people over 60 who wish to carry out social initiatives based on their own ideas, individually or in tandem with a younger person. The competition is addressed to active seniors enrolled into a Third Age University, as well as those cooperating with other organizations and institutions.

So far, 398 projects have been financed in the thirteen editions of the "Seniors in Action" competition: inter-generational projects, projects that encourage older people to act for the benefit of their community, and projects promoting volunteer services by the seniors.

To support Third Age Universities, the program offers training, workshops, and experience exchange during conferences for TAU representatives. In 2004–2012, the nation-wide TAU meetings were held in Cracow, Bydgoszcz, Słupsk, Płock, Warsaw, Nowy Sącz, and Katowice. Between 2011 and 2013, 14 regional TAU meetings were granted support. The program is also engaged in other events important to the TAU movement, in particular the annual Third Age Forum, which is a part of the International Economic Forum in Krynica.

Since 2013, representatives of Third Age Universities may participate in TAU for Local Communities workshops which encourage the formation of volunteer groups at the Universities, as well as cooperation with local communities. Seven editions of this project gathered 70 TAUs; the present eighth edition includes 12 more.

2020 was the last year of the pilot program "Tandem. Mentoring 55+" focused on engaging older people in mentoring children and youth living in environments requiring support. About a dozen mentors cooperated with their protégés to boost their self-esteem and social competencies. The result was the publication "Tandem. How to Provide Inter-generational Mentoring", a step-by-step compendium for institutions and organizations interested in such actions among children and teenagers (available for free on the website of the Program Manager). The partners of the pilot program were: the Elżbieta Sołtys Education and Kindergarten Complex "School with Passion" in Ostrowiec Świętokrzyski and Joanna Raziwiłł's Foundation Caring Wings in Warsaw.

Additionally, from 2005 to 2008 under the grant competition addressed directly to the Third Age Universities,

131 grants were awarded for projects improving the quality of their educational offers, including computer and Internet courses enabling Third Age Universities to reach a wider audience of senior citizens, as well as stimulating seniors' involvement in activities for the benefit of their local communities, particularly through voluntary work.

400

intergenerational projects stimulating seniors to act for the benefit of their communities and promoting their voluntary work have been carried out under the program.

Development of Local Communities

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SUPPORT FOR NGOs

PAFF HAS DISBURSED

\$14,637,000

in grants, including \$685,225 in 2020.

PROGRAM MANAGERS:

- › The Klon/Jawor Association
- › The Civil Society Development Foundation („FIMANGO“)
- › The Academy of Civic Organizations Foundation („PROMENGO“)

MORE INFORMATION AT:

www.ngo.pl
www.frso.pl
www.fao.pl



- **The purpose of the program is to support non-governmental organizations and community leaders in Poland, especially in small towns and villages, by providing them with information, guidance, and training. This improves management quality in third-sector organizations and strengthens their potential, leading to better efficiency and improved effectiveness of social undertakings.**

The program operates along three paths.

The first, “Mutual Information Society” (MIS@NGO), is an information system for civil society organizations, the main component of which is the Non-governmental Organizations Portal ngo.pl – the largest Polish portal about civil society, recognized by almost 80% of NGOs in Poland. Visited annually by more than 4 million users, its database contains information about nearly 180,000 Polish non-governmental organizations. The system also includes the Informatory and Helpline 801-646-719 (around 5,000 consultations a year), as well as research and publications.

The second path, “EURO-NGO+”, aims to increase NGO capacity of acquiring EU funds. This is the continuation of the 2003-2006 PAFF “EURO-NGO” program which helped Polish non-governmental organizations obtain knowledge about structural funds and raise their competencies, thus enabling them to apply for EU grants with greater effectiveness. NGOs were granted support in building partnerships, advocacy, and participating in planning structural funds for 2007-2013 and then 2014-2020. In this respect, the National Federation of Polish NGOs (OFOP) is responsible for information and advocacy.

The third path, “NGO Training”, consists of two parts. The first, “Financial Management for NGOs” (FIMANGO), consists in providing training, guidance, and publications to persons responsible for financial management in non-profit organizations, mostly those operating outside major metropolitan areas. In total, nearly 5,500 representatives from almost 3,500 organizations from across Poland participated in such trainings in the years 2000-2020. Training efforts were carried out by the Civil Society Development Foundation. Last year, due to the pandemic, the bulk of training activity was performed online.

The second part, launched in 2013, is a comprehensive educational offer for NGO managers, consisting of the

5,500

people representing 3,500 organizations from all over Poland took advantage of training opportunities under the “Financial Management for NGOs” initiative during the period 2000-2020.

"PROMENGO" training program, the "Kursodrom" e-learning platform that has been used already by 6,300 users, and workshops in NGO management whose most important element is the Fundraising Education Program addressed to people who are focused on obtaining funds for non-profit organizations. The Third Sector quarterly completes the offer. It is a scientific publication wholly dedicated to research and analysis of issues pertinent to the development of NGOs in Poland. This part is executed by the Academy of Civic Organizations Foundation created by PAFF.

Additionally, PAFF co-organizes the annual nation-wide meetings of rural civic organizations in Maróz under this

program. Each such event, aimed at integration, experience exchange, cooperation, acquiring knowledge and skills, is attended by more than 300 representatives of nearly 160 organizations from all over Poland. The meetings are organized by the Rural Development Foundation and the "Nida" Development Foundation. Due to the coronavirus pandemic, in 2020 the meeting in Maróz was not held.

PAFF also supports regular research on the condition of the third sector in Poland.

ACT LOCALLY

PAFF HAS DISBURSED

\$17,582,792

in grants, including \$695,203 in 2020.

PROGRAM MANAGER:

► The Academy for the Development of Philanthropy in Poland

MORE INFORMATION AT:

www.dzialajlokalnie.pl



► **The purpose of this program, launched in 2000, is to support and activate local communities in rural areas and small towns through civic projects meant to encourage development and increase the quality of life, at the same time building social capital. The program offers support for active local communities whose members define their needs themselves and take collective action.**

Each community is made of various people, with different needs, resources, traditions, and experiences. That is why "Act Locally" supports distinctly varied projects.

Grants are awarded in open grant competitions organized once a year on a local level by the network of Act Locally Centers (ALCs) which encompasses associations and foundations operating in localities with up to 50,000 people, and covering areas whose size ranges from four

rural communes to several counties. The ALC network is gradually growing. It began with 15 ALCs in 2004, and now includes 77 organizations and is present in nearly 660 communes. There are at least two Act Locally Centers in every Polish province. They cooperate with other non-governmental organizations, as well as local authorities and entrepreneurs. New ALCs are appointed by the Competition Committee in an open recruitment procedure. The beneficiaries of local competitions are non-

-governmental organizations as well as informal citizen groups that may apply through public organizations and institutions (schools, cultural centers, libraries) in small towns and villages of less than 20,000 inhabitants.

So far, more than 12,000 projects have engaged nearly 4 million participants, including some 220,000 volunteers. The 11th edition of the program was launched in January 2019 and has delivered support to more than 1,800 local projects.

Funded initiatives focus on culture and tradition, education, health, ecology, sport, creating new opportunities for personal development and spending free time, tourism, and improving the attractiveness of the region, as well as fighting social exclusion. Their common denominator is local activity, which allows the population to learn new skills, better organize themselves, and react to emerging problems.

The "Tell Me..." competition is organized for the managers of supported initiatives; it awards the most interesting forms of communicating and promoting the actions taken. Winning works from all competition editions can be viewed on the program website. For several years there has also been another competition awarding the most creative ideas on how to carry out a campaign to donate 1% of income tax to an NGO with public charity status.

The quality of Act Locally Centers work is improved with trainings, workshops, regional meetings, study tours, and webinars which enable the exchange of good practices, acquiring knowledge and competencies, and increase cooperation within the ALC network. Act Locally Centers use their "Act Locally" experience to engage in other PAFF efforts, such as "PAFF Local Partnerships", where they lead coalitions of participants involved in different PAFF programs formed to execute social projects that meet the needs of their communities. "PAFF Leaders" is also one such program where ALC representatives take on the role of both leaders and tutors. In "Sector 3.0", ALC representatives co-create the Mobile Advisers Network supporting other organizations in their using of ICT.

The "FIMANGO" Local Advisers School has been operating since 2016. This initiative utilizes resources of the PAFF programs "Act Locally" and "Financial Management for NGOs" (FIMANGO). It is an intense training program which raises competencies of ALC representatives in financial management counselling for smaller local organizations they work with. So far, the program has been completed by 41 representatives of 27 Act Locally Centers.

In 2020, funds from grant competitions were transferred to initiatives counteracting the negative effects of the COVID-19 pandemic. The projects included intervention actions, helping senior and disabled people, those undergoing quarantine, providing psychological help and counselling, as well as supporting remote education. A special institutionalized relief fund was initiated for Act Locally Centers that found themselves in a difficult situation due to the pandemic – so far it has benefited 31 ALCs. The same number have accepted support as part of the "Relief Fund for Non-governmental Organizations and Civil Initiatives" created by PAFF. In total, Act Locally Centers received PLN 650,000 of financial support.

Actions were also taken to transfer the "Act Locally" program experience to Ukraine and inspire Ukrainian non-governmental organizations to create a network modeled after Act Locally Centers as part of the "Act Locally in Ukraine" action carried out by the Academy for the Development of Philanthropy in Poland in cooperation with the ISAR Ednannia Foundation in Ukraine.

As part of "Act Locally", PAFF also participates in various undertakings that serve the development and promotion of social philanthropy. The Foundation supports the "Benefactor of the Year" competition and holds patronage over its "Local Development" category promoting social activity of businesses which, together with Act Locally Centers, help introduce permanent changes in local communities. The Foundation is also the main partner of the "Civic Leader of the Year" organized by the Newsweek Polska weekly (with the Academy for the Development of Philanthropy in Poland as its expert partner), the purpose of which is to award civic attitudes and promote civic activity of individuals and organizations backing them in solving various social problems. As part of the Program, the Foundation also supports the "Charity Stars" competition organized by the Academy, which awards public figures for their charitable activities.

4,000,000

participants, including about 220,000 volunteers, have been involved in the implementation of nearly 12,000 local projects. The common denominator of the projects has been local involvement.

SECTOR 3.0

PAFF HAS DISBURSED

\$3,494,239

in grants, including \$495,450 in 2020.

PROGRAM MANAGER:

► The Information Society
Development Foundation

MORE INFORMATION AT:

www.sektor3-0.pl



► **This program, launched in 2012 (previously under the name “ICT for Local Development”), is a continuation of earlier actions implemented by PAFF to support the use of modern information and communication technologies in local development and civic activity. Its purpose is to broaden the knowledge and increase the skills of NGO activists and employees, in small towns and villages in particular, in terms of effective ICT use in daily work, thus increasing the range and effectiveness of their actions.**

The actual program was preceded by an analysis conducted by the Shipyard Foundation, as well as consultations with Polish and international experts. Information was gathered and published about the advancement of non-governmental organizations in utilizing digital tools, including adequate knowledge and competencies of their staff.

Under the program, thematic training for NGOs was carried out showing examples of effective use of modern technologies in communication, marketing, and management. Some of the NGOs received grants to buy hardware and software, and to carry out projects aimed at practical use of ICT in the third sector. The program offer also includes a Mobile ICT Advisors' Network, currently consisting of 80 experts who provide free training and technological support for local non-governmental organizations. So far, the Mobile Advisers gave over 7,500 pieces of advice, and almost 15,000 NGO representatives from across Poland benefited from their help. Last year, because of the pandemic, Mobile Advisers focused mainly on supporting civil organizations in performing their tasks online.

The offer of the program also includes the means to support creating new ICT tools that could then be used by

non-profit organizations. In 2020, the “Sector 3.0” Fund supported two projects. The first one, “Patients for Patients”, carried out by the People and Medicine Foundation, obtained PLN 30,000 to create an application that would offer mentorship in illness; it is addressed to people with chronic diseases. The “Find: Inductive Loop” project of the Culture Without Barriers Foundation has received a grant of PLN 20,000 to create a data base of places and events where an inductive loop is available; where people with hearing loss can take fuller part in social life.

Particular emphasis is placed on providing knowledge that enables the identification of potential areas where ICT could be used in non-governmental organizations. A network of TechClubs was created for this purpose in 16 cities in Poland. The clubs hold regular meetings (online in 2020) for representatives of NGOs, businesses, local governments, and academia with the aim of sharing experiences related to the use of modern digital tools. Since 2012, TechClubs succeeded in attracting around 18,000 people.

Annual international conferences, “Sector 3.0” Festivals, play an important role in the program. These events attract representatives from non-governmental organiza-

tions, business ICT experts, politicians, scientists, and foreign experts (i.a. from the USA, the UK, South Korea, Israel, and India). They offer a platform to share information about modern trends in how to utilize ICTs for social actions. Between 2012 and 2019, the nine editions of the "Sector 3.0" conference held in Warsaw attracted 4,550 people. In 2020, the Festival was organized fully online for the first time. It reached 3.3 million Internet users, including 400,000 live viewings through the Onet.pl portal, and more than 1,300 people participated in events organized through the Hopin platform and social media.

3,300,000

Internet users participated in the 2020 "Sector 3.0" Festival, which was held online for the first time.

PAFF LEADERS

PAFF HAS DISBURSED

\$5,592,657

in grants, including \$423,625 in 2020.

PROGRAM MANAGER:

› The School for Leaders Foundation

MORE INFORMATION AT:

www.liderzy.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 local communities. This is achieved mainly through the tutorial method consisting in regular cooperation between an experienced tutor and a local leader.**

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

The main part of the program is the 12-month leader-tutor cooperation and the training cycle adjusted to user needs and priorities, consisting of planning their own development, team building, organization management, communication, engaging the community, and building a local partnership. Skills acquired during the program help leaders act for the benefit of local communities.

An important part of the program, the offer addressed to the graduates – the "Alumni" initiative – provides an opportunity for cooperation and experience exchange. It enables the participants to meet with well-known public figures, take part in workshops that meet their needs, and access funds from graduate initiatives to carry out leader projects. Thanks to the e-newsletter subscription, the alumni regularly receive news about current program actions. The experience exchange between leaders is also possible during annual meetings and through the social media. A special group of program participants and alumni are those who are active in local governments. In the local government elections of the autumn of 2018, 184 of them ran; 83 were

elected mayor or member of a commune, municipality, or town council.

Since 2008, study visits to the USA for PAFF leaders have been organized as part of the International Visitor Leadership Program implemented with the U.S. Embassy in Poland. Each year, a group of 10 leaders and tutors takes part in the program. The visit planned for 2020 was cancelled due to the pandemic.

Pandemic restrictions forced most of last year's program meetings to be held online. PAFF Leaders participated in about a dozen meetings where public figures discussed such issues as carrying out civic actions during the pandemic and in times of social isolation. These meetings were attended by 350 people.

The program's fifteen editions held to date have resulted in raising the qualifications of more than 700 local

706

local leaders from all over Poland improved their qualifications, and they have established an active nationwide network. Also, 67 tutoring experts have been trained.

leaders from across Poland and creating their active nation-wide network, as well as educating 67 experts in employing the tutoring method. This sixteenth edition of the program, which ends in June 2021, is attended by 46 leaders and 14 tutors. Recruitment for the seventeenth edition begins in February 2021.

PAFF LOCAL PARTNERSHIPS

PAFF HAS DISBURSED

\$2,883,205

in grants, including \$261,350 in 2020.

PROGRAM MANAGER:

› The Academy for the Development of Philanthropy in Poland

MORE INFORMATION AT:

www.lokalnepartnerstwa.org.pl



➤ **The objective of the program is to initiate and develop cooperation among participants of various PAFF programs to promote setting up partnerships capable of implementing social projects important to entire local communities. The program uses the local community civic activation method to build common good on the basis of a social needs diagnosis.**

Thanks to the diversified PAFF programmatic offer, many local communities in Poland have carried out projects which have created opportunities for gaining experience and building resources that enable unleashing additional civic energy. The "PAFF Local Partner-

ships" Program offers participants of these projects the possibility of building joint partnership initiatives using the accumulated potential for work benefiting their local communities. At the same time, this contributes to strengthening local social capital through a synergy of

experiences and results of various initiatives. Partnerships primarily composed of participants of several PAFF programs, who constitute an Initiative Group within each coalition, are established. They are joined by local governments, businesses, the local media, and non-governmental organizations and institutions that have not participated in any PAFF programs before. Organizations participating in one of the following PAFF programs can become partnership leaders: "Act Locally", "English Teaching", "Equal Opportunities", "The Learning Schools" (LES), "PAFF Leaders", the Library Development Program, "Region in Transition" (RITA), and "Third Age Universities" (TAU). Many local residents and volunteers are engaged in the execution of the projects.

In the seven editions held to date since 2009, 50 PAFF Local Partnerships and 11 partner start-ups have been formed, reaching 107 communes and engaging 900 partners.

Thanks to the partner projects it was possible to amend existing legal regulations and reduce air pollution in Żywiec, open a local online citizen television in Grodzisk Mazowiecki, develop a public park in Biłgoraj, and open a county volunteer center in Dębica. The projects also resulted in the promotion of local products – a "Route of the Carp" was created in the Barycz River Valley, and an "Apple Route" was outlined near Warka. The program led to the establishment of the Network of Youth-Friendly Places in the Podkarpacie region, and the formation of the "Volcano" Activity Center in Złotoryja. These projects focus on actions engaging young people. Niemce witnessed the creation of a Youth Forest Guard which now protects the purity and beauty of the Kozłowiecki Forest and promotes pro-ecological attitudes. Under the 6th edition of the program, completed in December 2019, the engagement of partners and local residents resulted in restoring Poland's first, though shut-down at the time, locomotive factory Fablok SA as the showpiece of Chrzanów. In Krotoszyn, a neglected park situated next to the public library is now teeming with life. Three grants for smaller start-up projects were also awarded in this edition. As a result, a local TV station was established in Międzyrzecze, whilst Niepołomice inhabitants integrated to act for reinvigorating the Niepołomice Forest they had before been neglecting.

In the 7th edition, launched in January 2020, five partnerships and four start-ups were formed. Additionally, as a pilot program, four start-up grants were awarded for actions aiming to expand the local offer of informal education, create thematic villages, maintain natural he-

ritage, as well as build inter-generational relations and multiculturalism in the region. All of them also intend to counteract the negative effects of the pandemic.

Additional financial support offered by PAFF enables local partnerships to continue already launched actions and motivates them to prepare strategies to sustain results of the implemented activities. The program promotes the local community activation method developed together with the Shipyard Foundation. It was presented in the publication titled "How to Build the Common Good? A Handbook for Local Activists" ("Jak budować dobro wspólne? poradnik dla działających lokalnie"). The subsequent 2015 publication "How to Build Partnerships Locally?" ("Jak lokalnie budować partnerstwa?") includes articles by experts on issues crucial in creating coalitions and ensuring their durability, illustrated with examples from implemented projects. Regular regional meetings, seminars, and the program e-bulletin co-created by partnership members help enhance the sustainability of the partnerships and enable experience sharing. During the pandemic, the majority of such actions was carried out online.

Another program component – the Common Good Lab – is addressed to program alumni. The objective of this initiative is to popularize cooperation of local communities working for the common good, promoting methods of local communities' animation and enhancing the sustainability of existing partnerships. The initiative offers expert support and access to a database of materials, as well as regular alumni gatherings, training sessions, and webinars. The most active participants form the Civic Activists' Community, which works to improve the animation method and to develop tools to mobilize local communities. They also support creating new partnerships in locations that have not yet been covered by the program.

50

PAFF Local Partnerships and 11 partnership start-ups were set up in 7 rounds of the program. They cover 107 communes and municipalities and involve 900 partners.

LIBRARY DEVELOPMENT PROGRAM

PAFF HAS DISBURSED

\$5,582,045

in grants, including \$133,143 in 2020.

PROGRAM MANAGER:

► The Information Society
Development Foundation

MORE INFORMATION AT:

www.biblioteki.org



- **The program was addressed to public libraries and their branches in rural communes, rural-and-municipal communes, and towns of up to 20,000 residents. Its main purpose was to support the transformation of libraries into modern, multi-functional centers that provide access to information, culture, and education, and at the same time stimulate civic activity. Nearly 4,000 libraries received support. This helped improve the quality of life of small-town and village populations. An important part of the program was to increase the competencies of librarians and strengthen the prestige of their profession.**

Between 2008 and 2015, the program was carried within the partnership of the Polish-American Freedom Foundation and the Bill and Melinda Gates Foundation. It was part of a broader initiative of the Gates Foundation, "Global Libraries", covering about a dozen countries. The Information Society Development Foundation, established by PAFF in 2008, performed the role of manager from the outset of the Library Development Program. The Gates Foundation entrusted PAFF with a \$31 million grant for the program.

As many as 3,808 public libraries from 1,256 communes (nearly 60% of the target group) were involved in the program, recruited in three rounds between 2009 and 2015. Participants received support in the form of counselling and training (10,000 librarians), technological support through modern hardware (nearly 10,000 devices: PCs, laptops, tablets, multifunctional devices, printers, multimedia projectors, and digital cameras). Additionally, libraries received software worth \$18 million provided free of charge by the Microsoft – including libraries that did not participate in the program. Libraries could also apply for grants to finance the activities they listed

in their library development plans, which enabled them to expand their offers, for instance, with computer skills courses, Internet courses, meetings with interesting people, or exhibitions. They could also receive funds to organize meetings between cooperating libraries to integrate the community of librarians and share experiences.

The program was supported by the National Partnership for Library Development, consisting of almost a hundred representatives of science, arts, economy, media, politics, and the non-governmental sector. Additionally, regional agreements were signed with the authorities of all 16 provinces in Poland to promote the public library modernization in villages and small towns. Local partnerships were also created for the purpose of developing libraries in more than 300 communes.

The Library Development Program helped launch many initiatives to support the entire library system. In 2008, PAFF signed a cooperation agreement with the Ministry of Culture and National Heritage, which initiated the multiannual "Library+" program carried out by the

Polish Book Institute. The objectives of both initiatives were similar – the Foundation and the Ministry were shaping their activities in such a way that these could reinforce and complement each other. In 2009, the Ministry of Culture and National Heritage, the Ministry of Administration and Digitalization, the Information Society Development Foundation, and Orange Polska signed an agreement regarding the digitalization of public libraries, as part of which Orange Polska provided all libraries in the country with free Internet access until 2015. There were also joint actions carried out with the National Library, provincial public libraries, and the Association of Polish Librarians. Initiatives for the benefit of libraries wishing to extend their offers to local communities resulted in engaging other non-governmental organizations including: the Center for Citizenship Education Foundation, the KARTA Center Foundation, the Comenius Foundation for Children Development, and the Association of Creative Initiatives “e”.

In 2012, the Information Society Development Foundation received the 2012 E-Inclusion Award for the Library Development Program from the European Commission in a competition that promotes best practices in using modern information and communication technologies and preventing digital exclusion.

Since 2016, libraries in rural areas and small towns have been further supported as part of the strategy to perpetuate the effects of the main phase of the Library Development Program. The purpose is the consolidation of changes in the functioning of libraries, so as to increase their influence on local community development, to further propagate modern technologies to the largest possible extent providing the population with access to information, knowledge, culture, and education, including the ability to use digital media in a critical manner, and to stimulate pro-social activity. The program enhances the position of libraries as institutions offering social counselling in various forms and engaging residents in solving problems important for their communities. To strengthen the institutional potential of libraries, the program continues developing librarian competencies and building their prestige.

Actions taken as part of the program currently include training and e-learning courses for library employees and their local partners, grants for technological expansion of selected libraries, support in their networking and cooperation for the benefit of local community, as well as creation and development of innovation incubators based on library infrastructure. The LABiB initiative has been developed as well, which is a network of librarian-innovators using the LABiB.pl social portal to popularize best practices in activities held at libraries. Program actions also respond to the pandemic-related needs of libraries. Among others, libraries drafted optimal development plans adjusted to the new conditions. In those plans, they involved on-site, on-line, and hybrid operation models.

January 2021 saw the launch of the 4th round of the Library Development Program financed by the Polish-American Freedom Foundation. Apart from benefiting the 4,000 libraries involved so far, the program will also **support another 75 libraries with their branches (ca. 300 libraries in total)** in towns and villages of up to 50,000 residents, recruited in an open competition planned for March. The comprehensive offer includes training and counselling, hardware, as well as support in preparing plans for developing the services offered to local residents so as to respond to the diagnosed needs.

3,808

libraries from all over Poland benefited from the offer of the program. Raising librarians' competencies and building the prestige of their profession constituted an important component of the program.

PRO PUBLICO BONO

PAFF HAS DISBURSED

\$2,516,349

in grants, including \$3,028 in 2020.

PROGRAM MANAGERS:

- › The "Pro Publico Bono" Competition Foundation (2000–2014)
- › The Local Press Association



- › **The competition for the Best Civil Initiative "Pro Publico Bono" was initiated in 1999 by then Prime Minister Jerzy Buzek. The Polish-American Freedom Foundation has funded the Competition awards since 2000.**

The objective of the Competition was to support development of civil society by annually selecting and promoting the most valuable and creative NGO activities – on a national, regional, and especially local community level. The Competition looked at actions taken in the fields of education, culture and national heritage, healthcare, social assistance and charity, environment and regional development, as well as social diplomacy and European integration.

When considering an initiative submitted for the competition, the Competition Chapter (Jury), whose first honorary chairman was Jan Nowak-Jeziorański, took into account the social importance of the initiative, its innovativeness, its impact on development and competitiveness of local communities, as well as the effectiveness and transparency of using public funds. Additionally, the Chapter took into account the institutional stability of a given organization, its adherence to ethical methods in its actions, and the quality of the cooperation with the public administration and other institutions. Competition winners received financial awards that most often were used for continuation of their activities.

In 2007 the Bolesław Wierzbiański Award for the editorial staff of local press was established and PAFF took on the role of founder. Until 2011, the Award was granted by the Polish Journalists Association. At present, it is awarded by the Local Press Association. The 2020

Bolesław Wierzbiański Award went to the editorial staff of "Gazeta Powiatowa – Wiadomości Oławskie (The Oława County News)".

As part of the program, the Foundation also supports the Civic Congress organized annually by the Institute for Market Economics. Former Congress editions were attended by winners of the Pro Publico Bono Competition. This event, held since 2005, is a unique method for engaging citizens in a discussion about the directions of Poland's development, the condition of the society, and the common good. This way it helps stimulate and reinforce the civil society. The Congress is an open event which each time attracts nearly a thousand participants, including representatives of central and local administration, non-governmental organizations, scientific groups,

1,100

participants took part in the 15th Civic Congress, which was held online in 2020. The theme of this year's event was „What Kind Of Poland In The Face Of The Challenges Of The Future”.

business, student organizations, and local communities. Apart from the issues directly related to the theme of a given Congress, the discussion approaches questions concerning the development of local government in Poland. Additionally, the Congress offers an opportunity to present PAFF's experience in stimulating and supporting local communities.

The 15th Civic Congress, organized in 2020 under the motto "What Should Poland be Like In The Face of Fu-

ture Challenges?", was held online due to pandemic restrictions. It was attended by 1,100 participants. A new feature in the Congress offer are interactive newsletters ("thinkletters") entitled "Ideas for Poland", which create a space for discussion about important topics concerning Poland's national and regional development.

2020 RELIEF FUND FOR NGOs AND CIVIC INITIATIVES

PAFF HAS DISBURSED

\$844,807

in grants.

PROGRAM MANAGER:

› The Education for Democracy Foundation

MORE INFORMATION AT:

www.fed.org.pl



➤ **In April 2020, the Polish-American Freedom Foundation launched a new program: "The Relief Fund" to support non-governmental organizations and civic initiatives during the pandemic. The Foundation appropriated \$1 million for this purpose.**

For two decades, PAFF has used its programs to actively support non-governmental organizations, schools, libraries, Third Age Universities, as well as local leaders and citizen groups. When the pandemic began it became particularly important for the Foundation to secure the continuity of pending activities and to provide aid to the non-governmental organizations involved to preserve their achievements.

For this purpose, in April 2020 PAFF established the "Relief Fund for Non-governmental Organizations and Civic Initiatives" and embarked on supporting NGOs involved

in PAFF programs in their responses to the crisis. At the same time PAFF offered help in designing and implementing actions aimed at minimizing the long-term effects of the pandemic.

This program provided the necessary financial support to adjust to the pandemic circumstances. Aid was delivered to NGOs participating in PAFF programs – their Program Managers, regional and local NGOs cooperating with the Program Managers (Act Locally Centers and organizers of "Study Tours to Poland" for university students), and PAFF program participants (local NGOs, schools, Third Age

Universities, informal groups, e.g. youth groups), as well as social organizations that had not cooperated with the Foundation, but whose operations matched the Foundation's mission. PAFF allocated relief funds to initiate new initiatives, launch expanded projects, and instigate intervention procedures. Another offer was institutional support. It consisted of financing the necessary administrative and payroll costs.

By the end of 2020, PAFF had awarded grants for institutional needs and programmatic operations to 9 nationwide organizations (PLN 70,000 each), 6 organizations acting as managers of individual PAFF program components (PLN 30,000 each), 36 Act Locally Centers and "STP" Coordinators (PLN 10,000 each, on average), as well as 43 organizations participating in PAFF programs (PLN 33,000 each, on average).

Apart from institutional support to purchase IT equipment, provide additional funding for data management systems, online platforms, and employee training in remote work, the "Relief Fund" also supported the following, among others: research on the situation of non-governmental organizations (the Klon/Jawor Association) and the mental health of schoolchildren during the pandemic (the School with Class Foundation), a webinar and training cycle for teachers and school principals on or-

ganizing remote school work (the Center for Citizenship Education Foundation), webinars for independent local press publishers concerning fundraising (the Local Press Association), campaigns promoting e-volunteering (the Good Network Foundation), as well as educational projects for children and youth, personal development and preventive programs, and stimulating schoolchildren to take up actions for the benefit of the local community.

The activities supported by PAFF were carried out from April 2020 to June 2021.

USD 1,000,000

earmarked the Polish-American Freedom Foundation in 2020 for implementation of the "2020 Relief Fund for NGOs and Civic Initiatives".

Sharing the Polish Experiences in Transformation

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LANE KIRKLAND SCHOLARSHIP PROGRAM

PAFF HAS DISBURSED

\$15,350,370

in grants, including \$888,340 in 2020.

PROGRAM MANAGER:

► The Leaders of Change Foundation

MORE INFORMATION AT:

www.kirkland.edu.pl



► **The objective of this program, launched in 2000, is to share the Polish experiences in transformation and European integration with representatives of Eastern European countries, the South Caucasus, and Central Asia by offering two-semester complementary courses at Polish universities. The program is currently addressed to candidates from Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Ukraine, and Uzbekistan.**

In the course of their individual programs, the scholarship holders study selected aspects of economics and management, public administration and business, law, social and political sciences, journalism, NGO management, or culture management.

The scholarship begins with a preparatory course, which aims to present and systematize knowledge about Poland's history and the current socio-political situation. Scholarship holders then go on to attend their individual programs at universities in Warsaw, Cracow, Poznań, Wrocław, and Lublin, where they write semester and diploma papers under the tutelage of their academic supervisors. Integration and knowledge-sharing meetings are organized for the scholarship holders, as well as internships in State, non-governmental, and private institutions (e.g. the Supreme Court, the National Bank of Poland, or regional marshal offices). Participants are also welcome to take part in classes concerning the preparation and execution of civic projects and teamwork.

In 2016, a new path was launched – the Kirkland Research Project. This is a one-semester offer of research and scientific internships for academics holding an established position in participating countries. Interns following this path write a scientific article under the supervision of their academic supervisor.

Each year, the Kirkland Scholarship Program is attended by 45 individuals. Between 2000 and 2020, the program was completed by 880 people from 13 countries: 484 from Ukraine, 157 from Belarus, 58 from Georgia, 56 from Russia, 34 from Armenia, 24 from Moldova, 22 from Kazakhstan, 12 from Lithuania, 10 from Slovakia, 10 from Azerbaijan, 10 from Kyrgyzstan, 2 from Uzbekistan, and 1 scholar from Tajikistan.

The most popular faculties are economics and management, and law. Also popular are social sciences, journalism, political sciences, and international relations. Academic staff, public institutions' representatives and experts have accounted for the largest number of professionals coming to Poland.

After the program's completion, the graduates keep in regular touch among themselves and with their Polish hosts through the bulletin, alumni reunions, and the www.kirkland.edu.pl website. The alumni conferences, held every few years, help maintain alumni ties with Poland and with each other, as well as establish new contacts. They also offer an opportunity to broaden alumni knowledge about Poland and the European Union, and to discuss possible directions of changes in countries of the region. Former scholarship holders are supported by the Coordinator of Post-Scholarship Pro-

jects whose task is to maintain graduates' contacts with Poland and encourage them to undertake joint initiatives such as developing national alumni associations.

The coronavirus pandemic of 2020 forced the bulk of program activities to shift online, e.g., integration and knowledge-sharing meetings had to go digital.

Because of the pandemic-related sanitary restrictions, the planned 20th jubilee of the program had to be called off. The Kirkland Scholars and Alumni meeting, scheduled for May, was to be an important event of the 20th anniversary of PAFF. Instead other meetings between Kirkland alumni were held online and attended by more than 150 participants.

Between 2001 and 2013, the Kirkland Program was managed by the Polish-U.S. Fulbright Commission. In the following period leading up to 2016, the Education for

Democracy Foundation took over the task of managing the program.

Since 2017, some of the Kirkland scholarships have been financed from funding provided by the Polish National Agency for Academic Exchange.

880

people from 13 countries completed the Lane Kirkland Scholarship Program since 2000. Each year approximately 45 scholarship holders participate in the program.

REGION IN TRANSITION (RITA)

PAFF HAS DISBURSED

\$15,734,315

in grants, including \$601,119 in 2020.

PROGRAM MANAGER:

› The Education for Democracy Foundation

MORE INFORMATION AT:

www.programrita.org



➤ **The program, launched in 2000, is addressed to non-governmental organizations willing to share Poland's experience of social and economic transformations with partners from Eastern European countries, the Southern Caucasus, and Central Asia.**

The program's open grant competitions award donations to Polish non-governmental organizations for projects designed to share Polish experiences, especially in building civil society, social assistance, transformation of local government, education reform, and free media.

The maximum grant amount is PLN 60,000. About 30 grants are awarded annually.

As part of the program, organizations may also apply for small travel grants which can be earmarked for project

consultation with a foreign partner before the application for a regular grant is submitted, for strengthening cooperation with a partner organization or evaluation of an implemented project. Under a special grant path, "RITA" Program grants may be used for co-financing a larger project for which a given organization had been awarded a grant from other sources – Polish or foreign. However, such projects must comply with objectives of the "RITA" Program as well as geographic and thematic areas of its operations.

Additionally, the program offers training opportunities and expert support to Polish NGOs and schools, as well as assistance in establishing contacts and developing cooperation with foreign partners. Every two years meetings of the "RITA" Program grant recipients, "Ambassadors of Transition in the Region", are held. Information exchange between organizations and civic leaders is facilitated by the www.civicportal.org social networking site. 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 may be submitted by mid-March any by mid-October. Applications for travel grants and subsidies for larger projects are accepted on an on-going

1,092

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, have been supported in the years 2000-2020.

basis until the funds earmarked for those activities are exhausted.

In 2020, despite the pandemic restrictions, it was possible to maintain cooperation within international partnerships. Part of the program had to be carried out online. Meetings with other applicants and recipients, and some project activities implemented in cooperation with partners based in the Region had to go digital as well.

Between 2000 and 2020, „RITA” provided support to 1,092 projects.

STUDY TOURS TO POLAND (STP)

PAFF HAS DISBURSED

\$7,149,544

in grants, including \$295,472 in 2020.

PROGRAM MANAGER:

› The Leaders of Change Foundation

MORE INFORMATION AT:

www.studytours.pl



› **Launched in 2004, the program is addressed to active university students and professionals from countries of Eastern Europe and other post-communist states. The objective of the program is to show participants the realities of Poland and the European Union as well as develop and strengthen professional and personal contacts between young leaders from Eastern Europe and their Polish hosts.**

University students are offered a study tour of more than ten days to Poland; the eligible candidates are 18 to 21 years old, they come from Belarus, Moldova, Ukraine, and the Russian Federation – currently from the Kaliningrad, Novgorod, Leningrad, and St. Petersburg regions, as well as from Moscow and Voronezh. Students participating in the “STP” meet representatives of the Polish academic environment, civic organizations, leaders of public life; they also participate in lectures, workshops, seminars, and cultural events.

Students apply to the program individually. The tours are organized for mixed groups of about a dozen people coming from various countries. They are held twice a year, in the spring and the fall, and are managed by experienced Polish NGOs selected in an open competition. Study tours for students are coordinated by the Borussia Foundation from Olsztyn.

The offer for professionals is addressed to representatives of local governments, state administration, central state institutions, NGOs, media, education, and other professional groups from Eastern Europe, the Southern 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 bodies.

After the Maidan events in 2014, special emphasis on contacts with Ukraine has been placed on sharing experience with people involved in local government reform and activities related to integration of Ukraine with EU structures. Over the period from 2004 to 2020, study tours to Poland were held for 6,557 citizens of Ukraine, including 4,465 professionals and 2,092 students.

The recruitment of participants in study tours for professionals is preceded by a letter of intent sent to the “STP” Program Office in Warsaw by an interested institution and its partner organization from the countries of the region, or by a Polish NGO or another institution.

Between 2004 and 2020, a total of 10,327 participants, including 3,523 university students and 6,804 profes-

sionals representing various environments took part in the study tours. Each year, Poland is visited by over 300 professionals and 200 students.

Under the “Study Tours to Poland” Program, the Foundation supports the Warsaw Euro-Atlantic Summer Academy (WEASA) – a joint initiative of PAFF, the German Marshall Fund of the United States and the College of Europe. The Academy offers two weeks of classes, based at the Natolin campus, and is addressed to experts from the EU Eastern Partnership countries, i.e. analysts, political and government advisors, think tank and NGO staff, civil servants, and journalists. In the years 2013–2016, the thematic scope of the Academy focused on political transformation, European integration, and transatlantic relations. Since 2017, WEASA’s main subjects have been digital challenges, in particular cybersecurity. The 8th WEASA edition titled “Public Speech, Private Platforms” took the form of webinars and online meetings. In total, the eight (2013–2020) WEASA editions attracted 374 people from Eastern Partnership countries and (since 2017) Western Balkans, including: 38 participants from Armenia, 29 from Azerbaijan, 34 from Belarus, 70 from Georgia, 34 from Moldova, and 107 from Ukraine.

Due to the COVID pandemic and related restrictions, study tours to Poland under the “STP” Program were suspended in March 2020. The “STP” alumni (both students and professionals) maintain remote contact.

10,327

participants, both university students and professionals representing various environments took part in the study tours. Each year Poland is visited by more than 300 professionals and more than 200 students.

MONITORING, EVALUATION, ANALYSES (MEVA)

PAFF HAS DISBURSED

\$2,434,292

in grants, including \$144,270 in 2020.



- **“MEVA” is an expert-research program initiated in 2005. The primary purpose is to carry out regular analytic research in order to maximize the effectiveness of other PAFF programs. The methods developed under the program and the results of its analyses are also used by other NGOs to pursue their activities.**

The analytical work aids the process of determining the extent to which the goals defined in PAFF programs and activities, as well as achieved results, meet the existing needs and are capable of resolving the problems, especially with regard to local communities, equal education opportunities and overall education quality improvement.

Evaluation research of PAFF programs, such as „Act Locally”, „Third Age Universities”, or „PAFF and UW School of Education”, helps the Foundation to both determine future program initiatives and modify the existing ones. One of the tasks of „MEVA” is to monitor completed PAFF projects in terms of the durability of their outcomes.

PAFF's potential actions are evaluated in the context of existing and expected social needs. To that end, selected social groups and communities are studied – for example village youth, librarians, or NGO employees – and new initiatives are tested. An example is the study on key trends influencing social activities in villages and small towns and their impact on the role of a local leader, carried out in 2019 under the “PAFF Leaders” Program. Another example is the analysis of the Library Development Program's impact on its participants, which compared program libraries with the libraries and communities that did not participate in the program. In 2020, certa-

in analyses and evaluations (including „Act Locally” and the Library Development Program) have been aimed at identifying the problems organizations faced during the pandemic, so as to adjust programmatic actions to the changing conditions. An analysis was also carried out to assess the possibilities for PAFF and cooperating institutions to join local community educational and animation activities aimed at protecting the environment and climate. The program also led to the establishment of a working Digital Challenges Group whose secretariat is situated at the Information Society Development Foundation. The Group brings together representatives of PAFF Programs Managers to support knowledge and experience exchange between its members, i.e. experts and NGOs. The purpose of this exchange is to better understand the threats (e.g. disinformation) and opportunities (e.g. educational) arising from the constant development of digital technologies and the resulting changes in the functioning of societies. The Group will focus on research directed at bridging the gaps in NGOs' understanding of digital challenges. Research results are meant to support further development of the Group's members as well as to become an open source of knowledge for individuals and institutions from outside the Group.

As part of the “MEVA” Program, mutually complementing and strengthening elements of PAFF programs are ana-

lyzed in order to improve the quality and effectiveness of the Foundation's activities overall. Among the projects serving that aim is the "Squared Evaluation" initiative helping foster evaluation culture among the organizations closely cooperating with PAFF, part of which the "Evaluation – How do You Carry It out?" guide was prepared. Cyclical seminars about evaluation research are also being held. Special among these is the "Impact on Social Capital in PAFF Communities" project (the so-called „BOX") that helped create and test out a set of methods and research techniques enabling the determination of changes in the social capital level resulting from the impact of Foundation programs on local communities.

Through „MEVA", PAFF supports the Shipyard Foundation (which it co-founded). At the same time, the Shipyard Foundation is the manager of a significant part of the "MEVA" Program itself.

PAFF's potential actions are evaluated in the context of existing and expected social needs. To that end, selected social groups and communities are studied – for example village youth, librarians, or NGO employees – and new initiatives are tested.

People, Projects, Initiatives

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ENGLISH TEACHING

"THANK YOU FOR THE CHOCOLATE" – LEARNING ENGLISH THE SWEET WAY

> The coronavirus pandemic may have ushered in social isolation, but failed to stop Ambassadors of the "English Teaching" Program from improving the language skills of Polish learners.

Anna Krzemińska-Kaczyńska worked with educators of the WorldLINK Foundation to organize a lesson cycle titled "Thank You for the Chocolate" for pupils of the Henryk Sucharski Primary School in Sadki (the Cuyavian-Pomeranian Province). While listening to the story of the contracting chain behind chocolate production, workshop participants learned what global education is and what competencies it requires. They also found out why it is worthwhile to learn English and how to go about it.

"The outbreak of the pandemic left us with two options. We could wait until normal life is resumed, or seek alternative solutions. Idleness was out of the question. After all, we are living in a global village and have increasingly effective technologies at hand. We decided on adjusting our program to an online format", said Anna Krzemińska-Kaczyńska, Founder and President of the WorldLINK Foundation.

"It was not easy, as this choice rendered us computer-bound for several weeks. It was worth it, though. The workshops turned out to be very interesting. I learned many new things about global education. I took more no-

tes than I normally do at school. It was also an occasion to test my English, and I'm really happy about the results. I'm starting to think about studying abroad!" summed up Lidia, a participant.

What caught learners' attention? It was important matters which are usually ignored at school that sparked interest. What does it mean that the world functions like a global village? What is it like to study in other countries? Is it possible to choose any goal I want to for my personal development? What possibilities are there for me to continue my education abroad, and what do I need to do that? How do I go about time management, self-motivation, and convincing others? These are just some of the issues discussed at a few of the sessions attended by learners.

The "ET" Program Ambassador invited young people from other schools to join the lessons as well. A total of more than 100 English learners and teachers took part in the lesson cycle prepared by Anna Krzemińska-Kaczyńska, involving Natasha Sharma, Communications Director at the WorldLINK Foundation.

”

The outbreak of the pandemic left us with two options. We could wait until normal life is resumed, or seek alternative solutions. Idleness was out of the question. After all, we are living in a global village and have increasingly effective technologies at hand.

Anna Krzemińska-Kaczyńska
Ambassador of the "English Teaching" Program



EQUAL OPPORTUNITIES

3D PRINTING TO COUNTERACT THE PANDEMIC

➤ **The initiative taken in turbulent times by a group of Pawłoszewo youth (the Lower Silesia Province) to support healthcare staff and the local community by producing face shields is a very good example of how some projects implemented under PAFF programs were aligned with aid measures taken during the pandemic.**

Participants of the “Pawłoszewo in 3D? Why not?” found inspiration in the global “Printers for Hospitals” campaign.

A 3D printer was purchased for initial project purposes, i.e. so that the young people could design and create a 3D model of Pawłoszewo buildings. On the Internet, the young people found a visor frame design and adjusted it to local needs. When selecting the face shield model, they followed current Polish sanitary and epidemiological guidelines. PET foil, elastic bands and a 3D printer filament were purchased to produce the visors. Support came from scouts and local businesspeople.

Printing a single face shield takes a whopping 4.5 hours. PET or Easy PET filaments should be used, because they are easy to sanitize. The print-outs must be elastic. “We’re getting some very positive feedback from doctors and emergency medical services. We’ve heard multiple times that our face shields are better than the standard visors purchased by hospitals for their staff”, project participants claimed with pride. They drafted their own

instructions for sanitizing the face shields to ensure their longer usability.

The first face shield lot was delivered to the EMS Department in Wołów, and the second lot went to the hospital in Brzeg Dolny. The next face shields found their way to individuals: a saleslady at a grocery store, a clerk at the local government office, and a salesman at a gas station. When combined with face masks, visors were very effective at protecting users against a coronavirus infection.

Project participants received many thanks, among others from the Wołów Governor who wrote that he was impressed by their involvement in acting for the local community and developing such an initiative in the district. “We welcome each and every hour of 3D printing, the aid offered by ordinary people, and the happiness of the future recipients of the face shields. After all, is it not goodness that we are printing? Our project should be renamed to “Goodness in 3D? Why not?” said leaders of the Pawłoszewo initiative with a smile on their face.

”

We welcome each and every hour of 3D printing, the aid offered by ordinary people, and the happiness of the future recipients of the face shields. After all, is it not goodness that we are printing?

—
The young people of Pawłoszewo



BRIDGE SCHOLARSHIPS

FROM BRIDGE SCHOLAR TO CERN INTERN

> Aleksandra Bartkowska graduated from the Warsaw University of Technology. The Bridge Scholarships Program provided her with support during the first year of her studies and a foreign language scholarship. As a “Bridge Scholarships” alumna, she was actively involved in the “Career and Labor Market” workshops and the “Scientific Start” conference held for bridge scholars. From April 2019 to May 2020, she completed an internship at the European Organization for Nuclear Research (CERN) under the Technical Studentship program.

“As a member of the Vacuum, Surface and Coatings (VSC) group which worked on vacuum systems for particle accelerators and detectors, I was part of the Surface, Chemistry and Coatings (SCC) section entrusted with coating, surface treatment, surface analysis, and chemical analysis of the materials used in particle accelerators and detectors”, explained Aleksandra Bartkowska.

Her tasks included placing niobium coatings on copper surfaces with HiPIMS (High-power impulse magnetron sputtering), while using a broad spectrum of parameters and analyzing the content of residue gases in the created layers by means of the laser ablation method, using an excimer laser and mass spectrometry.

Moreover, the internship took her to many seminars and lectures on pending CERN research as well as the outlook for this organization’s development.

“It was an incredible experience, abounding in new information, giving me possibilities for learning innovative, unique research techniques and experiencing the immense international group of scientists from many parts of the world. I could observe the rules governing such a large scientific organization first hand. I met many young science enthusiasts with whom I quickly made friends. I believe that these will be years-long friendships”, said Aleksandra.

”

It was an incredible experience, abounding in new information, giving me possibilities for learning innovative, unique research techniques and experiencing the immense international group of scientists from many parts of the world.

Aleksandra Bartkowska
scholar



PROJECTOR – STUDENT VOLUNTEERS

“MAKE THE CUT TO ONLINE KNOWLEDGE”

➤ **The student-volunteers of the “PROJECTOR” program decided to relieve some of the burden from working-at-home parents taking care of their children during the pandemic. Such was the objective behind the “Make the Cut to Online Knowledge” campaign conducted from April to June 2020.**

“We all have different experiences and completely different passions. We wanted to share them in these difficult times”, said Aleksandra Skorzyńska-Surowiec of the “PROJECTOR – Student Volunteers” Program Office.

The idea behind the campaign was to motivate children to learn by showing them short videos and video presentations. The students created multimedia materials falling within five thematic areas: people and society, free time and animation, science and technology, culture and arts, health and sports. The videos they cut encouraged learners to work individually, with their parents or siblings.

Campaign initiators Weronika Madejek and Marta Chorna gave advice to those inexperienced in working in front of webcams.

“We collected video materials, verified them, and published them online. We then sent out information about the campaign to the target audience: children, young people, parents, and teachers”, explained Aleksandra Skorzyńska-Surowiec.

The campaign resulted in the making of 28 videos on a variety of topics. All are available at montujemywiedze.projektor.org.pl and the #MontujemyWiedze Youtube and Youtube Kids channels. The campaign enjoyed great popularity in social media. Overall, Facebook reached nearly half a million recipients.

”

We all have different experiences and completely different passions. We wanted to share them in these difficult times.

Aleksandra Skorzyńska-Surowiec
“PROJECTOR – Student Volunteers” Program



PAFF-UW SCHOOL OF EDUCATION

OBSERVATION. A TEACHER'S WORK TOOL

> The School of Education of the Polish-American Freedom Foundation and the University of Warsaw guides students on how to be attentive teachers. The School teaches students how to notice and appreciate the weaknesses of their learners, and themselves as well. SE alumna Aleksandra Korba discusses the importance of observation in the work of a teacher.

"At the School of Education, I learned that observation was the most frequently employed research and diagnostic method there. SE workshops, along with the psychological and teaching apprenticeship, prepared me for carrying out my own observations while working with learners", said Aleksandra Korba.

Careful observation helps teachers select teaching methods adjusted to learner needs, and then monitor the effectiveness of the choices they made. Because they are focused on leading a class, providing explanations, answering questions and monitoring learner behavior, beginner teachers find it difficult to pay attention to their own reactions. That is why it is so important to learn how to do just that. During their apprenticeships at the

School of Education students observe a lesson conducted by a different teacher, an experienced mentor. As the students observe how someone else handles a class they witness reactions worth replicating, and identify areas where there is room for improvement.

The observation method is important at every step of a teacher's professional journey. "I feel that the observation skills and tools are a key element of what I learned at the School of Education: I can now make the best possible use of the observation process. I can see the impact on my pupils, but also on myself. Observation helps me decide on the direction for my personal development and what to do to become a better teacher every day", shared the School of Education alumna.

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At the School of Education, I learned that observation was the most frequently employed research and diagnostic method there.

Aleksandra Korba
teacher and PAFF-UW
School of Education alumna



THIRD AGE UNIVERSITIES (TAU)

THE “FACTORY OF IDEAS” IN SKIERNIEWICE

> The name of this intergenerational project is a reference to the history of Skierniewice (the Łódź Province), namely to the now abandoned Rawent factory of steel structures. The “Factory of Ideas” originated with social animator Zofia Cieślak, who also initiated and now chairs the Rawka Seniors Club, along with teacher and theater instructor Tomasz Staroń.

For decades, Rawent was the center of Rawka social life, as the factory employed most of its population. Rawent’s 2002 liquidation had a very negative effect on its staff, especially that most were nearing retirement at the time. This led to apathy. People were unwilling to leave their homes, especially because the factory housing estate is located far from the town and cultural centers. As time passed, it was mainly the elderly who continued to live in the Rawka estate.

The aim of “Factory of Ideas” initiators was to break the apathy of Rawka social life, engage senior residents in new activities, and restore the memory of this quarter’s former greatness. Consultations with older residents triggered the idea of organizing a picnic combined with an exhibition of photographs taken when the factory was still in operation, a concert of songs popular in the times of the Polish People’s Republic (PRL), and a theater play about life back then. “We wanted seniors to venture out of their houses, to have a celebration of their own in their housing estate”, explained Zofia Cieślak. “Memories

of times long past were the common ground for all activities. They were the basis for the play and the exhibition of photographs”, added Tomasz Staroń.

Despite the pandemic, the project was embraced with enthusiasm by the community living in the Rawka estate in Skierniewice. During the theater, vocal and handicraft workshop cycle, elder residents prepared a theater and musical show recorded as a film titled “In the Distorted Mirror of the PRL”, an exhibition of photographs titled “And it all Started with Rawent” documenting the times when the factory was operational, as well as the “Colorful Little Wonders” handicraft exhibition. These activities offered older and younger estate residents a trip to the past, which is still alive and well in the memory of the older generation.

What is also important is that the “Factory of Ideas” became a local starting point for further social initiatives.

”

We wanted seniors to venture out of their houses, to have a celebration of their own in their housing estate.

Zofia Cieślak

social animator and chair of Rawka Seniors Club.



SUPPORT FOR NGOS

KURSODROM – A NEW TAKE
ON E-LEARNING FOR NGO MANAGERS

> Kursodrom was launched in 2013 under the “NGO Managers” (“PROMENGO”) program implemented by the Academy of Civic Organizations Foundation (FAOO). This remote learning platform is used mainly by NGO experts and managers seeking to enhance their qualifications.

In 2020, the e-learning platform was revamped and a new Kursodrom version is now available. “Changes were introduced to graphic design, but also to the methods used for cataloging and presenting materials. The website is much more legible and user-friendly, though that is not the only reason to visit Kursodrom”, said Lidia Kuczmierowska, FAOO President. “We noticed that many people decided to use the time freed up by the pandemic to improve their skills. Kursodrom is the perfect place for self study”, she indicated.

Fundraising, organization management, human resource management, personal development, and new technologies in NGOs are only some of the issues one can study with Kursodrom. Students are welcome to use 70 extensive courses, more than 30 guides, and more than

180 multimedia educational materials. Once a student completes a course, they have the option of taking a test and obtaining a course certificate. More than 2,500 participants succeeded in receiving course completion credentials to date.

The count of Kursodrom's registered users has already exceeded 6,000. Each year brings another thousand learners on average.

“The e-learning platform was designed mainly as an educational space for NGO staff, but it is open to other groups as well. An analysis of Kursodrom user profiles showed that the platform is also popular with school and university employees, local government officials and entrepreneurs”, Lidia Kuczmierowska summed up.

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We noticed that many people decided to use the time freed up by the pandemic to improve their skills. Kursodrom is the perfect place for self study.

—
Lidia Kuczmierowska
President of the Academy of Civic
Organizations Foundation



ACT LOCALLY

ŻYWIEC: PASSIONATE ABOUT ECOLOGY

> The “WE act with PASSION” Association of Friends of the School and Pre-School Complex No. 2 in Żywiec (the Silesia Province) unleashed the social energy in the local community by embarking on a 2020 project where children and youth worked with Oczkowo quarter residents to create their dream ecological garden with a greenhouse.

This is our Association's first initiative. Ecological activity proved the perfect stepping stone for working together with the local community. It also lent itself well to filling the free time of children, youth, and other members of the local community. The initiative involved them in various actions mitigating the negative effects of pandemic-induced social isolation”, clarified Joanna Górna, President of the “WE act with PASSION” Association.

As part of the project, participants outlined a route passing through nineteen ecological sites scattered across Żywiec. Each spot played an important role in the history and culture of the region. A tourist map is now available for travelers willing to take this route. In keeping with health and safety rules, workshops on crafts and ecology

were held. Participants were welcome to weave macramés, sew bags from fabric scraps, decorate ecological plant pots, and crochet.

The “On the Trail of Trash” campaign had Oczkowo residents clean up their area. “The competition, combined with the ‘Recycled Wonders’ school exhibition, was right on target. Children gave trash a ‘second life’ and displayed great creativity in coming up with elaborate forms”, Joanna Górna enthusiastically reported.

The project attracted great interest from the local Oczkowo community. More than 300 people joined the campaign. Collective actions helped integrate the residents of this Żywiec quarter and acted as an impulse for further social initiatives.

”

It also lent itself well to filling the free time of children, youth, and other members of the local community. The initiative involved them in various actions mitigating the negative effects of pandemic-induced social isolation.

Joanna Górna

President of the “WE Act with PASSION” Association



SEKTOR 3.0

“SECTOR 3.0” AWARD GOES TO VIRTUAL DREAM

➤ **PLN 40,000 went to Piotr Łój, founder of Virtual Dream – the winner of this year’s PAFF “Sector 3.0” Award. The jury recognized the foundation for using virtual reality to work with hospices and old-age homes, and support rehabilitation therapy of the paralyzed.**

The jury also expressed its appreciation for the fact that the foundation was quick to provide aid in response to the pandemic. Virtual Dream and its patrons started producing face shields for healthcare staff at the very outset of the crisis.

Virtual Dream uses the virtual realm to treat and provide therapy to paralyzed patients, a globally innovative concept. “VR goggles, along with specially designed and recorded videos, support the rehabilitation of accident victims by using images to stimulate neurotransmitters. VR is also useful in oncology hospices for children and old-age homes. There, Virtual Dream fulfills the dreams of bed-ridden patients by taking them to worlds where

their bodily imperfections no longer prevent them from making their dreams come true,” explained the winner of the 2020 “Sector 3.0” Award.

Piotr Łój’s activity has garnered him many invitations to international conferences in Israel, South Korea, and the USA.

Virtual Dream has cooperated with the UN and the Red Cross in Geneva, and Polish healthcare facilities, i.a. the Medical University of Warsaw, the Institute of Mother and Child, and Saint Barbara’s Voivodeship Specialist Hospital No. 5 in Sosnowiec.

”

Virtual Dream fulfills the dreams of bed-ridden patients by taking them to worlds where their bodily imperfections no longer prevent them from making their dreams come true.

—
Piotr Łój

founder of Virtual Dream Foundation,
winner of PAFF “Sector 3.0” Award



PAFF LOCAL PARTNERSHIPS

“S.O.W.A. VIRTUAL SPACE”

➤ **Created in 2012 as a result of the revitalization of the neglected Solidarity Park in Biłgoraj's center (the Lublin Province) on the initiative of the Biłgoraj Land Local Fund Foundation (FFLZB) and a group of local partners, “S.O.W.A.” has established itself as a space for people who show Solidarity, Openness, Freedom, and Activity. Biłgoraj's local government, in cooperation with the Zwierzyniec Commune, entered S.O.W.A. into the local zoning plan.**

“Owing to the pandemic situation, which has particularly affected small local communities, we decided to create a new space, only in the virtual world this time. We created a studio for online transmission and editing, furnished with all the necessary equipment”, explained Irena Gadaj, FFLZB President. “And so this space hosts the program activities of local NGOs and social campaigns carried out during the pandemic”, she added.

One example was the online campaign which supported a public fundraiser for scholarships awarded under the Biłgoraj Scholarship Fund. “We collected PLN 6,500 thanks to the campaign. These funds will be allocated to scholarships for talented and active youth”, rejoiced Iwona Dublińska, project coordinator.

“S.O.W.A. Virtual Space” also hosts the Online Donor Evening. This event has a long-standing tradition in Biłgoraj, yet due to the pandemic it had to be held online this time. Foundation friends and partners participate in this event. “This year's income exceeded PLN 22,000. We are glad that the Online Donor Evening turned out to be such a great success”, the Foundation's President summed up.

The “S.O.W.A. Virtual Space” project was executed in 2020 and financed from the funds of the Common Good Laboratory Development Fund which associates program alumni as part of the sixth round of “PAFF Local Partnerships”.

”

Owing to the pandemic situation, which has particularly affected small local communities, we decided to create a new space, only in the virtual world this time. We created a studio for online transmission and editing, equipped with all the necessary equipment.

Irena Gadaj

President of the Biłgoraj Land Local Fund Foundation (FFLZB)



LIBRARY DEVELOPMENT PROGRAM

11TH NATIONAL LIBRARY CONGRESS:
“LIBRARY – A LOT IS GOING ON!”

➤ **The motto of this year’s 11th National Library Congress, held online for the first time owing to the pandemic conditions, refers to the new situation of libraries – global activity coming to a halt, a new hybrid reality, change of priorities, and the need to find a new format for library activities.**

The event attracted nearly 800 librarians who participated in workshops and panels involving prominent literature experts and practitioners engaged in social activity and new technologies. Writer and reporter Filip Springer was this year’s special guest of the Congress.

PAFF Program Director Joanna Lempart, and President of the Information Society Development Foundation Jacek Królikowski opened the Congress. “The new library, now operating hybrid, has a much more important role to play in the context of pandemic-created isolation. It helps one find oneself, as it provides access to culture and readership, therefore changing the world for the better”, said Jacek Królikowski. Event participants reflected on the challenges faced by libraries: creating a local community, reinstating local figures of authority, and granting access to reliable information.

Next, Gazeta Wyborcza journalist Michał Nogaś invited writers Renata Lis, Sylwia Chutnik, and Wojciech Szot to discuss how literature was describing the modern world and whether it was socially involved. As the Congress unfolded, participants joined seminars held by expert-practitioners, i.e. NGO representatives whose daily routine involves working with social matters.

The organizers also secured a virtual space for meetings with speakers. Participants could enter separate “breakout” rooms and enjoy a more intimate conversation with a selected expert about the details of the issues covered at seminars. Between seminars, participants could join virtual “coffee breaks” and meet other Congress participants.



The new library, now operating hybrid, has a much more important role to play in the context of pandemic-created isolation. It helps one find oneself, as it provides access to culture and readership, therefore changing the world for the better.

Jacek Królikowski
President of the Information
Society Development Foundation

ZMIANA
WSPARCIE I RELACJE
PRZELACZANIE ON-OFF
HYBRYDOWA RZECZYWISTOŚĆ
NOWA ROLA BIBLIOTEKI
DIALOG I REFLEKSJA
KULTURA I EDUKACJA
ONLINE PRACA ZDALNA
FINANSOWANIE ZMIAN
HIGIENA CYFROWA
WSPÓLPRACA ZESPÓŁ

REGION IN TRANSITION (RITA)

THE POLISH-KAZAKH REGIONAL CENTER FOR SAFETY AND EMERGENCY MEDICINE EDUCATION

> Implemented in 2020 by the Bydgoszcz-based European Center for Sports and Emergency Medicine in partnership with the Zhubanov University in Kazakhstan, this project aimed at enhancing the competencies of Aktope city and region residents in providing pre-medical first aid in compliance with Polish Red Cross standards and European Resuscitation Council guidelines.

Polish-Kazakh cooperation responded to a significant problem due to the lack of knowledge about the basic principles of pre-medical first aid in Kazakhstan. It ought to be noted that the Kazakh Ministry of Health issued a special law defining pre-medical first aid standards based on, among others, Polish experiences in this area.

Polish-Kazakh cooperation brought about by the project led to the establishment of the Polish-Kazakh Regional Center for Safety and Emergency Medicine Education at the Zhubanov University in Aktope. The Center was equipped with necessary training equipment, including first-aid mannequins, training defibrillators, and training materials in Kazakh and Russian.

“The project attracted great interest. More than 500 people were willing to participate, and training was provided to 165 training participants”, Agnieszka Świeczka,

Project Coordinator at the Education for Democracy Foundation, was pleased to note. Other applicants are being instructed by Kazakh trainers of the Zhubanov University, who had been trained by Polish experts. The project’s target group is made up of about 30,000 Aktope residents. Reaching out across the region will be possible thanks to student-volunteers of the Zhubanov University.

“These actions are a perfect example of an effective ‘RITA’ partnership. However, their implementation would not be possible without the involvement of the following project partners: the Embassy of Kazakhstan in Poland, the University of Economy in Bydgoszcz, the Bydgoszcz City Hall, and Laerdal Medical Poland”, Agnieszka Świeczka emphasized.

”

The project attracted great interest. More than 500 people were willing to participate, and training was provided to 165 training participants.

Agnieszka Świeczka

Project Coordinator, the Education for Democracy Foundation



STUDY TOURS TO POLAND (STP)

“ALUMNI FOR ALUMNI” WEBINARS

- **Owing to the COVID-19 pandemic and resulting restrictions, the organization of study visits to Poland and STP alumni meetings had to be suspended in March of the previous year. Program participants decided to initiate online contacts, and “Alumni for Alumni” webinars was one such initiative.**

This alumni initiative received support from the “STP” Program Team and was quickly embraced by alumni of different years and professionals from almost all “STP” countries.

The webinars were aimed primarily at keeping in touch, but also at sharing professional experiences and interests. This idea stemmed from a workshop cycle held to celebrate the fifteenth anniversary of the “Study Tours to Poland” program in September 2019.

The webinars touched upon various issues: building a personal brand, working as a freelancer, succeeding as an analyst, decision-making, and coping with stress amid the pandemic.

Ukrainian journalist Anna Korbut, one of the webinar speakers and 2019/20 Kirkland scholar, held a workshop on the relations between man and nature in modern photography. “The ‘Alumni for Alumni’ series of meetings gave us the possibility of exchanging experiences. I talked about my stay in Poland as a Kirkland scholar, among others. I am glad that I could share my achievements with such a wonderful audience”, said Anna.

Between April and March, this alumni initiative resulted in 18 webinars attracting approx. 20 “STP” participants each.

”

The ‘Alumni for Alumni’ series of meetings gave us the possibility of exchanging experiences. I talked about my stay in Poland as a Kirkland scholar.

—
Anna Korbut
journalist and Kirkland alumna.



Consolidated Financial Statements

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Polish-American Freedom Foundation

**Consolidated Financial Statements as of and for
the year ended December 31, 2020, and
Independent Auditors' Report**



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors the Polish-American Freedom Foundation

Opinion

We have audited the consolidated financial statements of the Polish-American Freedom Foundation (the "Corporation"), located in the United States of America, which comprise the consolidated statement of financial position as of December 31, 2020, and the consolidated statement of activities, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies ("Consolidated financial statements").

In our opinion, the accompanying Consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the applicable accounting principles generally accepted in the United States of America and the adopted accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Corporation in accordance with the principles of professional ethics specified in the International Code of Ethics for Professional Accountants (including International Independence Standards) ("Code of ethics") developed and issued by the International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code of ethics.

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

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Corporation's Management is responsible for the preparation and fair presentation of Consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for such internal control as the Corporation's Management determines is necessary to enable the preparation of Consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the Corporation's Management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation's Management either intends to liquidate the Corporation, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

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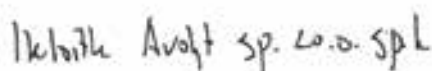
Auditor's Responsibilities for the Audit

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation's to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or businesses activities within the Corporation to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Deloitte Audyt Spółka z ograniczoną odpowiedzialnością sp. k.

Warsaw, April 30, 2021

POLISH-AMERICAN FREEDOM FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

ASSETS

ASSETS:

| | |
|--|-----------------------|
| Investments, at fair value (Notes 3 and 6): | |
| Common and Preferred Stocks | \$ 55,205,606 |
| Public Mutual Fund – Fixed Income | 15,471,933 |
| Alternative Investments | 163,148,393 |
| Private Mutual Fund - Equity | 26,997,733 |
| Cash and cash equivalents (Notes 3 and 5) | 27,121,280 |
| Investment redemptions receivable | 3,676,652 |
| Land and fixed assets, net (Note 7) | 4,193,982 |
| Loans, net of allowance for loan losses (Note 9) | 4,321,814 |
| Prepaid expenses and other assets | 16,059,061 |
| | <u>16,059,061</u> |
| Total assets | <u>\$ 316,196,454</u> |

LIABILITIES AND NET ASSETS

LIABILITIES:

| | |
|---------------------------------------|-----------------------|
| Grants payable (Note 3) | \$ 7,454,685 |
| Accounts payable and accrued expenses | 274,219 |
| | <u>274,219</u> |
| Total liabilities | 7,728,904 |
| NET ASSETS (Note 2): | |
| With donor restrictions | - |
| Without donor restrictions | 308,467,550 |
| | <u>308,467,550</u> |
| Total liabilities and net assets | <u>\$ 316,196,454</u> |

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

POLISH-AMERICAN FREEDOM FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>Without Donor Restrictions</u> |
|--|---------------------------------------|
| Changes in net assets without donor restrictions: | |
| Increases in net assets without donor restrictions: | |
| Interest and dividend income | \$ 988,359 |
| Polish Government Support - COVID-19 | 48,815 |
| Total Income | <u>1,037,174</u> |
| Decreases in net assets without donor restrictions: | |
| Employee compensation and benefits | 1,431,941 |
| Operating expenses | 561,968 |
| Occupancy | 114,020 |
| Depreciation and amortization | <u>124,802</u> |
| Total decrease in net assets without donor restrictions | 2,232,731 |
| Grants (Note 3) | <u>(12,792,463)</u> |
| Grants and decrease in net assets without donor restrictions in excess of income | (13,988,020) |
| Net realized gain on investments (Note 6) | 9,527,933 |
| Net unrealized appreciation on investments (Note 6) | 27,107,657 |
| Net currency remeasurement gain (Note 3) | <u>355,764</u> |
| Total increase in net assets without donor restrictions | 23,003,334 |
| Net assets without donor restrictions, beginning of the year | <u>285,464,216</u> |
| Net assets without donor restrictions, end of the year | <u>\$ 308,467,550</u> |

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

POLISH-AMERICAN FREEDOM FOUNDATION **CONSOLIDATED STATEMENT OF CASH FLOWS** **FOR THE YEAR ENDED DECEMBER 31, 2020**

Cash flows from operating activities:

| | | |
|---|----|------------|
| Increase in net assets without donor restrictions | \$ | 23,003,334 |
|---|----|------------|

Adjustments to reconcile decrease in net assets without donor restrictions to net cash used in operating activities:

| | |
|---|--------------|
| Net realized gain on investments | (9,527,933) |
| Net unrealized appreciation on investments | (27,107,657) |
| Net currency remeasurement gain | (355,764) |
| Provision for loan losses | 26,342 |
| Depreciation and amortization | 124,802 |
| Increase in accrued interest on loans | (832) |
| Decrease in accrued interest on investments | 4,105 |
| Increase in investment redemption receivable | (3,451,124) |
| Increase in prepaid expenses | (12,397,588) |
| Decrease in accounts payable and accrued expenses | (64,141) |
| Increase in grants payable | 1,781,382 |
| Net cash used in operating activities | (27,956,074) |

Cash flows from investing activities:

| | |
|---|--------------|
| Proceeds from sales/redemption of investments | 71,326,475 |
| Cost of investments purchased | (41,815,436) |
| Loans disbursed | (4,533,344) |
| Proceeds from loan repayments | 4,538,736 |
| Purchase of fixed assets | (25,615) |
| Net cash provided by investing activities | 29,490,816 |

| | |
|---|---------|
| Effects of exchange rate changes on cash and cash equivalents | 467,801 |
|---|---------|

| | |
|---|-----------|
| Net increase in cash and cash equivalents | 1,993,543 |
|---|-----------|

| | |
|--|------------|
| Cash and cash equivalents, beginning of year | 25,127,737 |
|--|------------|

| | |
|--|---------------|
| Cash and cash equivalents, end of year | \$ 27,121,280 |
|--|---------------|

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

POLISH-AMERICAN FREEDOM FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

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 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, 2020, the entire balance of net assets was classified as net assets without donor restrictions and the Corporation had no net assets with donor restrictions and no net assets designated by the Board of Directors as restricted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

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

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and

POLISH-AMERICAN FREEDOM FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

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 6 for more detailed disclosures of the Corporation's investments. Investments, at fair value, are categorized according to the "fair value hierarchy" or measured at net asset value ("NAV"), as described below.

Investments, at Fair Value, Categorized According to the Fair Value Hierarchy

The Corporation's investments categorized according to the "fair value hierarchy" 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 categorized according to the fair value hierarchy are classified 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. 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 (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 market price and classified within level 1 of the fair value hierarchy.

POLISH-AMERICAN FREEDOM FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

Investments, at Fair Value, Measured at Net Asset Value

Investments measured at NAV are valued using the NAV of the investment vehicle as a practical expedient. 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, and are comprised of Alternative Investments and Private Mutual Fund – Equity:

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.

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 the NAV's unit price which is quoted on a private market that is not active; however, the unit price is based on underlying investments which are traded on active markets and the Corporation can redeem its investment at the measurement date or within the near term without redemption restrictions.

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. At December 31, 2020, the Corporation had no restricted cash.

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. In 2020 there were no contributions.

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

POLISH-AMERICAN FREEDOM FOUNDATION NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

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 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 consulting fee for support of the Foundation's programs in Poland. For the year ended December 31, 2020, the total fees paid to all Polish directors and the Chairman amounted to \$93,137.

Depreciation and Amortization

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

Operating Expenses

Professional services, expenses of Board of Directors meetings, fees paid to Polish directors and the Chairman, expenses for travel, lodging and meals, administrative expenses, VAT, 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, 2020, 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.

POLISH-AMERICAN FREEDOM FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

5. MANAGEMENT OF LIQUID RESOURCES

The Foundation relies on returns on its investment portfolio (the "Portfolio") and PAFPIO relies on interest income from loans to support spending for operations, which are the costs incurred to carry out the mission of the Foundation and the mission of PAFPIO. The Foundation has adopted an investment policy to govern the management of the Portfolio, which includes a spending policy that provides that annual spending, which includes grants and operating expenses, shall be based on approximately 5.0% of the average quarter-end Portfolio value for the most recent twelve quarters. Approximately 95% of the Foundation's spending is in Polish zlotys. The Foundation seeks to maintain approximately two years of estimated spending in Polish zlotys. At December 31, 2020, the Foundation held approximately 1.2 years of spending in Polish zlotys. To meet cash needs for operations within one year of the balance sheet date, the Corporation had available liquid resources of \$27.1 million held in cash. In addition, \$70.7 million of the Corporation's investments at fair value have daily liquidity. None of the Corporation's cash or investments are subject to any donor or board restrictions.

6. INVESTMENTS AT FAIR VALUE

See "Investments, at Fair Value" in Note 3, above, for discussion of the methodologies and assumptions used to determine the fair value of the Corporation's Investments. The cost, fair value and accumulated unrealized appreciation on investments at December 31, 2020 is presented in the table below:

| | Cost | Fair Value | Accumulated Unrealized Appreciation |
|--|-----------------------|-----------------------|---|
| Investments Categorized According to the Fair Value Hierarchy: | | | |
| Common and Preferred Stocks | \$ 21,420,314 | \$ 55,205,606 | \$ 33,785,292 |
| Fixed Income Securities | 15,423,202 | 15,471,933 | 48,731 |
| Investments Measured at NAV: | | | |
| Alternative Investments | 99,181,013 | 163,148,393 | 63,967,380 |
| Private Mutual Fund - Equity | 13,860,006 | 26,997,733 | 13,137,727 |
| | <u>\$ 149,884,535</u> | <u>\$ 260,823,665</u> | <u>\$ 110,939,130</u> |

The net unrealized appreciation (depreciation) and net realized gain / (loss) on investments for the year-ended December 31, 2020 is presented in the table below:

| | Net Unrealized Appreciation (Depreciation) | Net Realized Gain / (Loss) |
|--|--|-------------------------------|
| Investments Categorized According to the Fair Value Hierarchy: | | |
| Common and Preferred Stocks | \$ (1,514,947) | \$ 9,462,521 |
| Public Mutual Funds - Equity | 353,929 | (2,007,856) |
| Fixed Income Securities | (7,363) | - |
| Public Mutual Fund - Fixed Income | 44,034 | 18,752 |
| Investments Measured at NAV: | | |
| Alternative Investments | 28,509,795 | 2,054,515 |
| Private Mutual Fund - Equity | (277,791) | - |
| | <u>\$ 27,107,657</u> | <u>\$ 9,527,933</u> |

POLISH-AMERICAN FREEDOM FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

Set forth in the table below are the Corporation's investments as of December 31, 2020, at fair value on a recurring basis by the hierarchy levels described in Note 3:

| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Measured at Net Asset Value | Total |
|--|--|-----------------------------------|-----------------------|
| Investments Categorized According to the Fair Value Hierarchy: | | | |
| Common and Preferred Stock | \$ 55,205,606 | \$ - | \$ 55,205,606 |
| Public Mutual Fund - Fixed Income | 15,471,933 | - | 15,471,933 |
| Investments Measured at NAV: | | | |
| Alternative Investments | - | 163,148,393 | 163,148,393 |
| Private Mutual Fund - Equity | - | 26,997,733 | 26,997,733 |
| | <u>\$ 70,677,539</u> | <u>\$ 190,146,126</u> | <u>\$ 260,823,665</u> |
| % of total | 27.1% | 72.9% | 100.0% |

For the year ended December 31, 2020, the Foundation's investments, net of external and direct internal investment expenses had an annual rate of return of 13.13%.

Included in other assets as of December 31, 2020 is \$16.0 million of the Corporation's cash, which was held in the subscription account of two new alternative investments funds until accepted by each fund, which occurred on January 1, 2021. The Corporation invested \$8.0 million in one fund, which pursues a long-only equity strategy in United States, International Developed and Emerging markets. This fund has quarterly liquidity with a 30-day redemption notice period. The Corporation invested \$8.0 million in a second fund, which pursues a long-only, international large-cap strategy. This fund has monthly liquidity with a 30-day redemption notice period. These investments will be valued using the NAV provided by the investment vehicle manager and will be classified as level 3 in the fair value hierarchy.

Presented in the table below is a reconciliation from the opening balances to the closing balances for assets categorized within Level 3 of the fair value hierarchy:

| | Alternative Investments | Private Mutual Fund - Equity | Total |
|--|----------------------------|---------------------------------|-----------------------|
| Opening balance | \$ 147,948,854 | \$ 27,275,524 | \$ 175,224,378 |
| Transfers into Level 3 | - | - | - |
| Transfers out of Level 3 | - | - | - |
| Total net gains for the period included in total increase in net assets without donor restrictions | 30,564,310 | (277,791) | 30,286,519 |
| Purchases | 10,294,434 | - | 10,294,434 |
| Sales | (25,659,204) | - | (25,659,204) |
| Closing balance | <u>\$ 163,148,393</u> | <u>\$ 26,997,733</u> | <u>\$ 190,146,126</u> |

POLISH-AMERICAN FREEDOM FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

Presented in the table below is information about the Corporation's investments valued using the NAV of the investment vehicle as a practical expedient, categorized by investment strategy, as of December 31, 2020:

| | Fair Value | Redemption Frequency | Redemption Notice Period | |
|--------------------------------------|-----------------------|----------------------|--------------------------|-----|
| <u>Alternative Investments:</u> | | | | |
| Multi-strategy | \$ 48,154,269 | Quarterly | 45-90 days | (a) |
| Emerging markets | 18,208,193 | Monthly | 20-60 days | (b) |
| Long/short equity | 33,320,025 | See note | 30-90 days | (c) |
| Long Only | 48,517,799 | See note | 30-45 days | (d) |
| Private equity | 14,948,107 | Not able to redeem | Not applicable | (e) |
| | <u>163,148,393</u> | | | |
| <u>Private Mutual Fund – Equity:</u> | | | | |
| International | 26,997,733 | Monthly | 10 business days | (f) |
| | <u>\$ 190,146,126</u> | | | |

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 investments measured at NAV were to be sold would be different than the fair value of these investments at December 31, 2020.

- a) 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 the United States and countries comprising the Organization for Economic Co-operation and Development.
- b) Emerging markets: This category includes two alternative investment funds that pursue a long-only strategy for investment in emerging markets. One fund representing 55% of this category primarily invests in companies located in countries that are included in the MSCI Emerging Markets Index and the MSCI Frontier Markets Index. The other fund representing 45% of this category invests principally in companies established or operating in emerging market and frontier countries, principally in Asia, Eastern Europe, the Middle East, Africa and Latin America. Redemptions may be made from these funds monthly.
- c) Long/short equity: This category includes three alternative investment funds that pursue long/short equity strategies. One fund holds interests in five private or illiquid companies, which will be liquidated as market opportunities, applicable laws and transfer restrictions permit (1% of this category). The other two funds invest in equities focused on the global technology, media and telecommunications sectors. 47% of the investments in this category may be redeemed quarterly. The percentages of investments in this category that cannot be redeemed currently are as follows: (a) 52%, which can be redeemed every three years beginning after January 1, 2022, and (b), 1%, which cannot be redeemed.
- d) Long Only: This category is comprised of three investments which focus on equity investments in the healthcare, industrial, technology and consumer discretionary sectors. 36% of the investments

POLISH-AMERICAN FREEDOM FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

in this category are redeemable monthly and 42% are redeemable quarterly. 22% of the investments in this category are redeemable once every three years upon 150 days prior notice beginning on December 31, 2022 and on each three year anniversary after that date.

- e) Private equity: The Corporation has invested in seven private equity funds. 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. This category is comprised of (i) 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, 2020, the Corporation's remaining commitment to both funds was \$0.8 million. The termination dates of the first and second fund are in 2022 and 2025, respectively, (ii) an investment in two private equity funds that invest in expansion and growth-stage healthcare investments primarily in the specialty pharmaceuticals, medical technologies and healthcare services sectors; the Corporation has committed to invest \$10.0 million to these funds and, at December 31, 2020, the Corporation's remaining commitment to both funds was \$4.5 million. The termination dates of the first and second fund are in 2025 and 2029, respectively, (iii) an investment in a private equity fund that is a dislocation fund that is designed to invest during periods of market stress, with a focus on stressed and distressed securities, mainly in the United States and OECD countries; the Corporation has committed to invest \$5.0 million to this fund and, at December 31, 2020, the Corporation's remaining commitment to this fund was \$3.4 million. The termination date for this fund is in 2024, (iv) an investment in a globally diversified portfolio of venture capital funds that also pursues co-investment opportunities; the Corporation has committed to invest \$1.5 million to this fund and, at December 31, 2020, the Corporation's remaining commitment to this fund was \$0.9 million. The termination date of this fund is in 2031, and, (v) an investment in equity and equity-related investments principally in a diversified group of venture capital and other private equity funds, but also including equity and equity-related investments in operating companies; the Corporation has committed to invest \$1.5 million to this fund and, at December 31, 2020, the Corporation's remaining commitment to this fund was \$1.4 million. The termination date of this fund is in 2035.
- f) International: This category has one investment fund whose objective is to achieve long-term growth primarily by investing in a diversified portfolio of non-tobacco 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 market securities and currencies.

POLISH-AMERICAN FREEDOM FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

7. CORONAVIRUS (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a Public Health Emergency of National Concern and, on March 11, 2020, declared it a pandemic (the "Pandemic"). The onset of the Pandemic caused a significant decline in the value of the Foundation's investment Portfolio. By March 31, 2020, the Foundation's investment portfolio had declined by \$47.1 million, or 16.6%, a significant decline from December 31, 2019 net assets of \$285.5 million. In practice the Pandemic has had no impact on the Corporation's estimates, operations and assets. Subsequently, the investment portfolio recovered, and at December 31, 2020 net assets were \$308.47 million. Actions were taken around the world and in Poland to help mitigate the spread of the Pandemic including restrictions on travel, quarantines, shelter-in-place orders and forced and voluntary closures of businesses and public places. COVID-19 and actions taken to mitigate it have had and are expected to continue to have a significant impact on the economy of Poland. Management is continually monitoring the potential impact of COVID-19 on the Corporation.

8. LAND AND FIXED ASSETS

As of December 31, 2020, land and fixed assets consisted of:

| | |
|--|---------------------|
| Land | \$ 1,913,359 |
| Land improvements | 174,158 |
| Building | 2,769,692 |
| Computer equipment and software | 123,293 |
| Furniture and equipment | 292,292 |
| Automobiles | 82,615 |
| | <u>5,355,409</u> |
| Less - Accumulated depreciation and amortization | <u>1,161,427</u> |
| Net book value | <u>\$ 4,193,982</u> |

9. FUNCTIONAL CLASSIFICATION AND ALLOCATION OF EXPENSES

Set forth below are the Corporation's expenses for the year ended December 31, 2020, reported by functional expense classification.

| | Decreases in Net Assets Without Donor Restrictions and Grants | Program Services | Management and General |
|--|---|----------------------|---------------------------|
| Employee compensation and benefits | \$ 1,431,941 | \$ 994,432 | \$ 437,509 |
| Operating expenses | 561,968 | 119,794 | 442,174 |
| Occupancy | 114,020 | 77,100 | 36,920 |
| Depreciation and amortization | 124,802 | 78,862 | 45,940 |
| Total decrease in net assets without donor restrictions | <u>2,232,731</u> | <u>1,270,188</u> | <u>962,543</u> |
| Grants | 12,792,463 | 12,792,463 | - |
| Grants and decrease in net assets without donor restrictions | <u>\$ 15,025,194</u> | <u>\$ 14,062,651</u> | <u>\$ 962,543</u> |

POLISH-AMERICAN FREEDOM FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020

The costs of the Corporation's operations incurred to carry out the mission of the Foundation and the mission of PAFPIO are classified as grants and decreases in net assets without donor restrictions in the Consolidated Statement of Activities ("Decreases in Net Assets without Donor Restrictions"). Program services consist of services rendered to beneficiaries that fulfill the mission of the Foundation and the mission of PAFPIO ("Program Services"). Management and general expenses are all other activities of the Corporation and PAFPIO that support program services ("Management and General"). The Corporation had no fundraising expenses in 2020. Included on the Statement of Activities are Decreases in Net Assets without Donor Restrictions that are attributable to (i) Program Services and (ii) Management and General which require that expenses be allocated to those functional expense classifications on a reasonable basis that is consistently applied. Employee compensation and benefits and depreciation and amortization are allocated by employee based on estimates of time and effort spent on the Program Services and Management and General classifications. The majority of operating expenses by their nature are not programmatic expenses and are allocated to the Management and General classification. Occupancy is allocated based on square footage and estimates by employee of time and effort spent on the Program Services and Management and General classifications.

10. 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 (i) increased by provisions for loan losses charged to operations, (ii) decreased by recoveries of loans previously provided for in the allowance for loan losses and (iii) decreased by write-offs. 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, 2020 were as follows:

| | |
|--|-------------------|
| Beginning balance | \$ 559,838 |
| Additional provision charged to operations | 26,342 |
| Recoveries of loans previously provided for in allowance for loan losses | (4,924) |
| Loans written-off | (278,957) |
| Foreign currency translation adjustment | 7,071 |
| Balance, end of year | <u>\$ 309,370</u> |

11. COMMITMENTS AND OFF-BALANCE SHEET COMMITMENTS

As of December 31, 2020, the Corporation had approved 22 programs totaling \$16.2 million that were subject to the completion of grant negotiations and the signing of grant agreements to the satisfaction of

POLISH-AMERICAN FREEDOM FOUNDATION NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

all parties. Subsequent to December 31, 2020 the Corporation signed grant agreements for these approved programs in the total amount of \$6.3 million.

At December 31, 2020, PAFPIO had granted guarantees in the amount of \$419,062 to secure the performance of three Polish non-governmental organizations ("NGOs") under grant agreements and loans. The guarantees expire as follows: \$6,652 on April 30, 2021 and \$412,410 on December 31, 2022. To the extent the NGO beneficiaries of these guarantees do not perform, PAFPIO would be obligated in the amounts set forth above. As of December 31, 2020, one guarantee in the amount of \$6,652 has been fully reserved for based on management's judgment of the financial situation of the borrower of a loan that PAFPIO guaranteed.

12. TAX STATUS

United States

The Foundation is exempt from U.S. Federal income taxes under Section 501(c)(4) of the U.S. Internal Revenue Code (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, 2020, PAFPIO incurred \$21,847 of income tax expense, which is included in operating expenses in the consolidated statement of activities.

13. SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through April 30, 2021, the date the consolidated financial statements were available to be issued, and has determined that there were no events requiring consideration as adjustments to, or disclosures in, the consolidated financial statements as of and for the year ended December 31, 2020.

BOARD OF DIRECTORS

* as of June 2021

ANDREW NAGORSKI – CHAIRMAN

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

JOSEPH C. BELL

Senior Counsel, 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

ANNA FORNALCZYK

Former President of the Polish Office for Competition and Consumer Protection

CHRISTOPHER HILL

Chief Advisor to the Chancellor for Global Engagement and Professor of the Practice in Diplomacy, 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

GEOFFREY HOGUET

Managing Member, GRH Holdings, LLC

JOHN KASNICKI

Managing Director on the Investment Team, Summit Rock Advisors

KATARZYNA KIELI

President and Managing Director of Discovery Europe, Middle East and Africa

JERZY KOŹMIŃSKI

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

KRZYSZTOF PAWŁOWSKI

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

CARLA H. SKODINSKI

Vice President and Chief Investment Officer, KCM, LLC

SYLWIA WILKOS

Chief Executive Officer, Scorpio Studio; academic teacher in social and political studies

FORMER MEMBERS

OF THE BOARD OF DIRECTORS:

MAREK BELKA – 2000-2010

MICHAŁ BONI – 2000-2008

COLIN G. CAMPBELL – in 2000 roku

DAVID NIEMIEC – 2011-2020

JOHN P. BIRKELUND † – 2000-2019

FREDERICK M. BOHEN † – 2003-2013

ZBIGNIEW BRZEZIŃSKI † – 2000-2015

JOHN H'DARMS † – 2000-2002

ROBERT G. FARIS † – 2000-2015

ALEKSANDER KOJ † – 2000-2010

NICHOLAS A. REY † – 2000-2009

MANAGEMENT AND STAFF

* as of June 2021

President and Chief Executive Officer

JERZY KOŹMIŃSKI

Head of the Representative Office

GRZEGORZ JĘDRYS

Program Directors

RADOSŁAW JASIŃSKI

JOANNA LEMPART

MARIANNA HAJDUKIEWICZ

AGNIESZKA MAZUR

RENATA KOŹLICKA-GLIŃSKA (*parental leave*)

Treasurer and Chief Financial Officer

Secretary to the Board of Directors

NORMAN E. HASLUN III

Senior Consultant

C. DOUGLAS ADES

Program Officers

MIROŚŁAW CZYŻEWSKI

KATARZYNA ŚWIĄTKIEWICZ

KALINA GRZESZUK-ZAJĄCZKOWSKA

Chief Accountant

AGNIESZKA KWIATKOWSKA

Programs' Financial Controller

JUSTYNA PODRAZA

Public Relations Specialist

PRZEMYSŁAW ZAROŃ

Analyst

MACIEJ MAKULSKI

Accounting

GRAŻYNA SKRZYPIEC

Assistants / Administration:

KAROLINA REWSKA (*maternity leave*)

TOMASZ WOJCIECHOWSKI

JULIA CHĘCIŃSKA

IZABELA STAWSKA

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