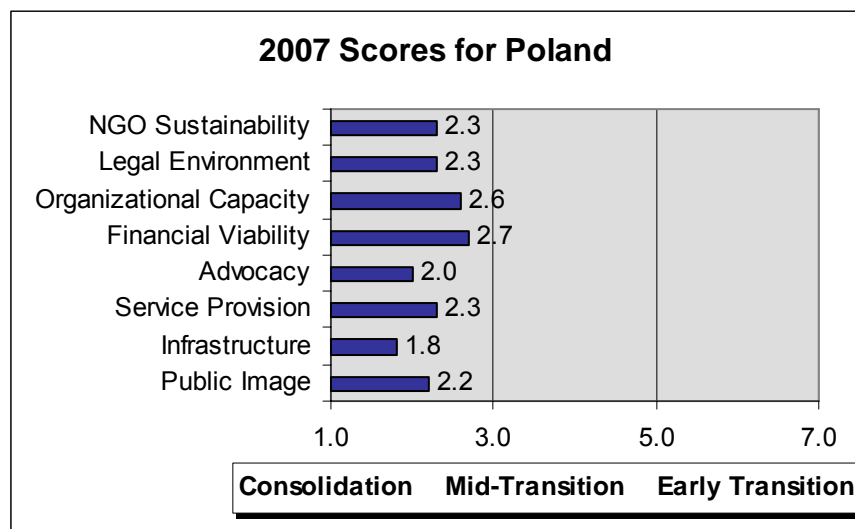


## POLAND



**Capital:** Warsaw

**Polity:**  
Republic

**Population:**  
38,500,696 (July 2008 est.)

**GDP per capita (PPP):**  
\$16,200 (2007 est.)

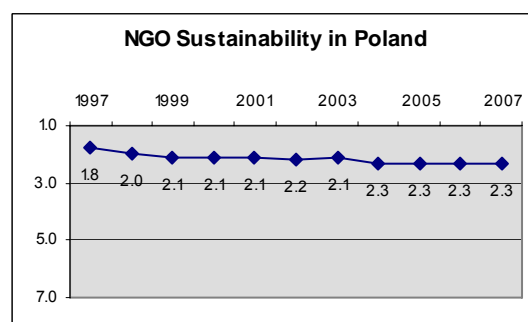
### NGO SUSTAINABILITY: 2.3

The overall condition of Polish NGOs did not change significantly in 2007: while there were slight negative and positive changes, they tended to cancel each other out.

There are currently about 63,000 registered organizations in Poland, of which 55,000 are associations and 8,200 are foundations. This represents significant growth since 2004, when there were 52,000 registered organizations, including 45,000 associations and 7,000 foundations. However, this data is imprecise because the national registry does not track organizations that have ceased to exist. The Polish NGO KLON JAWOR conducts research on the Polish NGO sector every two years. In 2005, KLON JAWOR's research revealed a large percentage of young organizations in the Polish NGO sector, with the average NGO 11 years old, and half of organizations no more than six or seven years old. These numbers suggest the difficulties faced by newly-established social initiatives; in fact, many new organizations collapse within the first two or three years.

NGOs tend to be concentrated in urban areas, with 70 percent of NGOs located in towns and only 20 percent in rural areas. Furthermore, 40

percent of organizations are located in the 16 main cities in Poland.



The Polish NGO sector is dominated by organizations operating in the fields of sports, tourism, and recreation and hobbies (39 percent of organizations point to these as the most important fields of their activities). Other significant fields of activity include: culture and art (12 percent), education (10 percent), social services and social assistance (10 percent), and health care (eight percent). This distribution of areas has remained unchanged for years.

2007 marked the fourth year of the Act on Public Benefit Activity and Volunteer Work, which made some forms of cooperation between

local governments and NGOs mandatory. Cooperation has continued to grow, although this has mostly consisted of the government contracting public tasks out to NGOs. Both NGOs and local governments are now familiar with the mechanics of this type of contracting relationship, but they are far from creating real partnerships. On the one hand, the government's focus on fighting corruption created an atmosphere of general mistrust towards all institutions and organizations, including NGOs. Giving more power to NGOs appeared to be an obstacle to creating a stronger state. On the other hand, over the past several years, NGOs seem to have become accustomed to complaining about the negative relations between the sectors, which has only reinforced such attitudes.

The availability of EU funding increased significantly. The number of support centers and trainings available to NGOs, often free-of-charge, has also increased, providing many Polish NGOs with the opportunity to become more professionalized. At the same time, however, only the most professional NGOs have been able to access EU funding, which has increased stratification within the sector. The sector is presently divided into two extremes. On one end of the spectrum are the comparatively few professional organizations that implement large and profitable projects funded by the EU and are increasingly engaged in for-profit

activities. On the other end lie the vast majority of organizations that are scarcely able to sustain their existences. Consequently, the level of solidarity within the NGO sector is relatively low, and the gap between large, professional, often Warsaw-based organizations and small, community-based organizations in small towns is growing. Since the representatives of the NGO sector come only from the former group, advocacy efforts mostly benefit organizations of their kind. Small organizations continue to be marginalized. Thus, the Polish nonprofit sector does not have any clear, common interests and therefore lacks a common identity.

Advocacy remains the strongest dimension for the NGO sector in Poland, yet the importance of NGOs' advocacy decreased in 2007. The sector has intermediary, representative bodies and groups that represent its opinions before government agencies; however, fewer organizations are utilizing or participating in these groups. Making use of personal connections often proves to be a more successful way to affect policies and legislation and selection of grantees than participation in formal forums. NGOs also appear to focus more on seeking funds and delivering services according to the priorities of donors rather than needs expressed by constituencies. NGOs are becoming more and more detached from their constituencies.

### **LEGAL ENVIRONMENT: 2.3**

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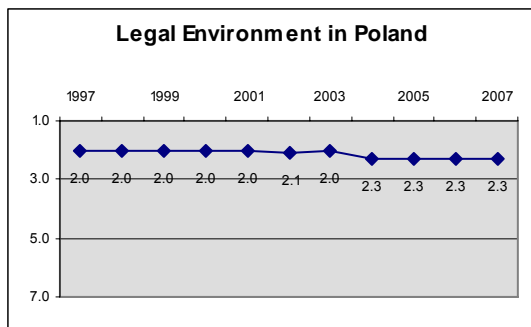
The legal environment governing the NGO sector has not changed significantly. The laws that regulate the functioning of the nonprofit sector are still quite ambiguous and open to various interpretations and arbitrary decisions by court officials.

Registration is the only area in which there has been a slight improvement. Both organizations and registry courts are becoming more familiar with the legal requirements for registration. As a result, some standards and common interpretations are being established. However, Poland still has not established any regulations that would force non-functioning organizations to "de-register." Without de-registration, the

data kept by the National Registry Court, the institution that registers NGOs, will only show the number of organizations that have ever registered. This prevents researchers from determining the actual number of acting organizations and tracking trends in the development of the nonprofit sector in Poland. This also prohibits researchers from determining whether the number of operating organizations is growing or decreasing.

While the laws regulating governmental control of NGOs or cooperation between NGOs and local governments have not changed, cooperation between the sectors has deteriorated. NGOs are partly to blame for the negative

relationship with the government. Many organizations still do not abide by government regulations, such as submitting proper reports. Consequently, the government responds by intensifying its enforcement of these regulations. The EU has begun funding the creation of legal support centers to help NGOs with these government reports. However, despite the increased development of such centers, many small, rural organizations still lack access to professional legal services and are consequently more likely to submit incorrect reports. The EU also provides funding to NGOs for legal expertise, which has encouraged a small, but slightly growing, number of lawyers to concentrate in NGO law. However, only a small percentage of NGOs benefits from this funding.



Over the past several years, NGOs have become accustomed to complaining and offering unhelpful, negative criticism, as opposed to constructive criticism that could potentially contribute to partnerships and positive changes in government policies. Furthermore, NGOs often fail to recognize positive changes in their local governments' attitudes or willingness to cooperate; rather, they remain hostile towards members of the local governments. This has only provoked mutual feelings of disdain, and inhibited cooperation.

The Polish government of 2006 and most of 2007 focused on creating a strong state and

fighting corruption, which further contributed to the deterioration of relations between NGOs and public institutions, particularly central government. The Polish government viewed NGO activities negatively as they appeared to constitute a threat to the development of a strong state and the elimination of corruption. The extreme discord between the two leading political parties also contributed to the deterioration of relations between NGOs and the government.

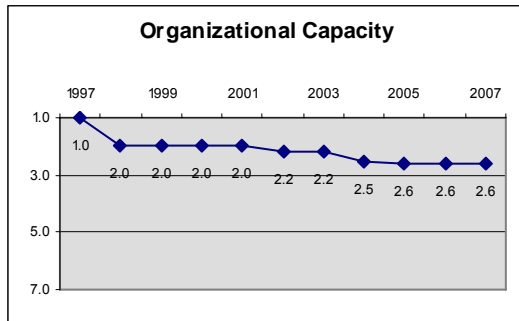
The Act on Public Benefit Activity and Volunteer Work benefits NGOs by allowing citizens to donate one percent of their tax liabilities to eligible organizations. Fluctuations in Poland's overall tax law create many problems. For example, the types of donations that can be deducted from tax liabilities often change, which not only makes planning difficult, but also discourages potential donors. Furthermore, a new regulation inhibits NGOs' ability to use the one percent mechanism to recognize and develop their groups of supporters. Now, instead of paying one percent of their tax liabilities and waiting months for reimbursement, citizens will henceforth only mark the selected organizations on their tax returns, and the tax office will pay the one percent of their tax liabilities for them. This new regulation makes all donors anonymous, making it impossible for NGOs to thank donors for their support. NGOs speculate that this lack of recognition might discourage citizens from taking advantage of this new law.

NGOs are legally allowed to compete for government contracts and procurements at the local level, and earn income from the provision of goods and services. However, the regulations are too complex for many organizations. Furthermore, the regulations are likely to change as Poland adjusts its laws according to EU directives.

## ORGANIZATIONAL CAPACITY: 2.6

The overall organizational capacity of the NGO sector has remained the same. While there was some improvement in the area of technical advancement, this was cancelled out by the

significant deterioration in NGOs' capacities to build local constituencies.



NGOs do not work to build local constituencies, as it does not pay off and sometimes even creates obstacles to effective management. The support provided by members, both in terms of their work and membership fees, is insignificant in comparison to the funding available from other sources, such as government, business, or for-profit activity. Membership is often treated only as a necessary condition to create an association. Once the number of members needed to create an association (currently 15) is reached, new members are not recruited. Moreover, NGOs feel that citizens are not interested in being members of local associations as they do not feel responsible for their local environment.

In the case of most public benefit organizations, contact with their constituencies appears, if at all, only during one or two months a year when campaigning for one percent contributions. However, as previously mentioned, the planned changes in the Act on Public Benefit Activity and Volunteer Work inhibit NGOs' ability to recognize donors who contribute via the tax donation, which, in turn, limits NGOs' capacity to expand their donor bases.

Most organizations do not engage in strategic planning. NGOs that develop strategies do it either because particular donors require it or because having a strategy increases their chances of receiving grants. Most NGOs have difficulty developing long-term strategies as they rely on external sources of funding and their activities

### **FINANCIAL VIABILITY: 2.7**

With the availability of EU funding, the financial condition of many Polish NGOs significantly improved in 2007. However, a

depend on how much funding they receive. Strategic planning is a luxury that only strong organizations with stable funding can afford. Only they can prioritize their goals and plan actions with long-term results. Larger and richer organizations look for sources that would support or help develop their actions. Meanwhile, smaller and poorer organizations try to adjust their actions to the priorities and themes of available grants: their strategy focuses more on planning where and when they should apply for particular funding. On a positive note, however, NGOs are starting to realize the importance of strategic planning combined with financial stability. Consequently, they are requesting that the government create more financial stability by standardizing its funding opportunities for NGOs.

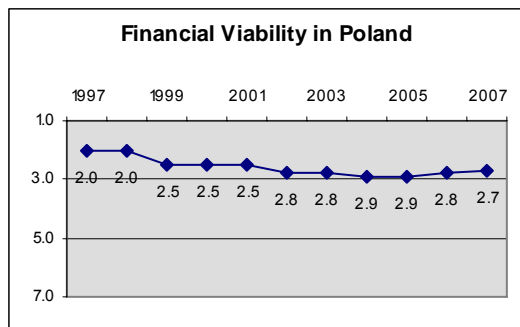
Internal management structures changed little in 2007. The number of organizations that use volunteers is decreasing, and at the same time, fewer organizations hire paid staff. Larger organizations are growing and becoming more professional, and hiring experienced volunteers from smaller organizations. Although there is no data to support this hypothesis, this phenomenon likely results from the fact that those few organizations that profit from EU grants can hire more employees and pay them better salaries than other organizations. This contributes to the growing gap between large, professionalized organizations and smaller organizations.

The slight improvement in the technical advancement of NGOs can be attributed, for the most part, to the general technical advancement of society as a result of less expensive and more available technical equipment. This advancement has allowed many NGO activists to purchase personal computers which they use for their NGOs. Still, most organizations, when asked what they would spend extra money on, point to hard equipment, which demonstrates that NGOs are not as technically advanced as they should be.

closer look reveals that only large, professional organizations were able to profit from the funding and improve their financial viability.

Although these larger organizations do hire a large percentage of the third sector workforce, they only constitute around three percent of all Polish organizations.

Seventy five percent of organizations do not have any financial reserves. NGOs also lack diverse sources of funding, and are unsure which institutions or grant sources will be available in following years, as they constantly change. NGOs more frequently stray from their original missions in response to their need to secure funding for overhead and salaries.



Most local organizations rely on funding from local governments that award them contracts to carry out public tasks. Since they consider local governments as secure sources of funding, these local organizations do not seek other sources, and when or if the government funding disappears, these organizations may collapse. Although NGOs have noticed a growth in local funds, mostly from local philanthropists, it is still not enough to meet existing needs. Furthermore, many organizations did not try to diversify their funding in 2007 because they were counting on large EU grants. However, when the grants became available, most organizations discovered they were too small

### ADVOCACY: 2.0

Advocacy remains the strongest dimension of the NGO sector in Poland, yet NGO advocacy became less critical in 2007. When communism collapsed in Poland, people participated actively in advocacy organizations because they finally had the opportunity to express their opinions. Consequently, intermediary and representative bodies and groups flourished, as a means of influencing central or local government policies

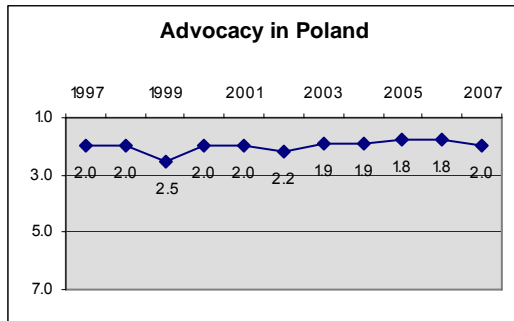
and did not have sufficient institutional capacity to qualify for these funds. The EU grants were designated for large projects, and only those organizations that demonstrated experience running large and expensive projects were eligible. As a result, the gap between large, professionalized organizations and small, local ones has increased and small organizations were not even given the opportunity to learn how to manage large funds and receive funding that would be sufficient for their development.

The one percent tax donations have had a positive impact on NGOs. However, as in Hungary, the majority of these funds are given to large, often national organizations with media access. Small grassroots organizations that need this funding the most are often unable to afford the publicity necessary to inform the public that they are able to receive the tax designations.

Nonprofits could benefit from models of financing other than grants and contracts, such as in-kind donations or services; however, often they are unaware of these other options. For instance, few organizations realize that they can organize events with support from sponsors that donate space or other items or services.

Most organizations do not conduct audits, as it is too expensive. The five percent that do conduct audits do so to meet donor requirements. More organizations are publishing annual reports, but only because the government – and a growing number of grantors and sponsors – require it of all public benefit organizations. Almost 20 percent of organizations do no accounting at all; in 30 percent of those that do, the staff responsible for accounting lack the appropriate accounting training or skills.

related to NGOs. Over time, however, the number of organizations that engage in consultations of various documents, legislation, or programs has decreased and fewer organizations participate in these intermediary and representative bodies and groups. Most NGO staff members are overwhelmed with the work of their own organizations, including seeking funding for projects, and do not have



time to engage in advocacy. Many people are also dissatisfied with the level of cooperation they have with the government and, consequently, do not feel they are able to have a real impact. In particular, local organizations are unwilling to engage in advocacy activities aimed at the central government, where they are often ignored, because leaders of large, national organizations tend to have the most say. Thus, the consultation bodies are increasingly less effective.

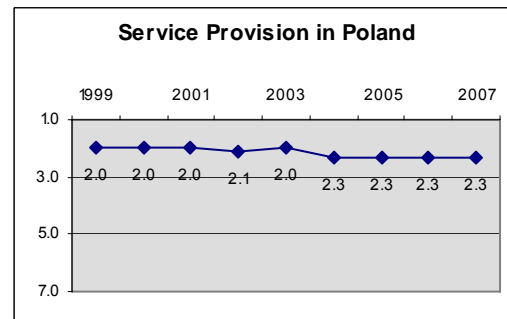
Another likely explanation for the decrease in advocacy is the large or even excessive number of representative bodies, which dilutes the importance and uniqueness of each. In addition, different bodies, like different organizations, have different interests. For example, salaries of

### SERVICE PROVISION: 2.3

Contracting of services has improved over the past year as local governments and NGOs are now more familiar with the contracting procedures. The role of NGOs in providing services is growing; however, the types of services NGOs deliver depend on what local governments want to contract out. Therefore, the services NGOs deliver are increasingly reflecting the priorities of local governments, as opposed to the needs and desires of the organizations' constituencies. Furthermore, since NGOs do not have stable constituencies, they typically deliver services to a much broader group of people outside of their constituencies. In conclusion, as NGOs cater more to the needs of the government, rather than their constituencies, they stray farther from their core missions.

nonprofit workers cannot exceed a certain amount. Smaller organizations agree with this regulation, but larger organization would like to change it so they can attract more professionals with more competitive salaries. In general, the Polish nonprofit sector has not defined its shared interests. NGOs unite and mobilize only when some concrete, existing rights or privileges, such as tax donations, become threatened. Polish organizations seem to be much better at criticizing than providing proposals for concrete solutions. They also lack a constituency base to pressure organizations to represent their interests before the government.

Even though the advocacy instruments introduced in 2003 by the Act on Public Benefit Activity and Volunteer Work are becoming well-known and the culture of dialogue appears be taking shape and becoming natural, nepotism still discourages local and formal advocacy. Organizations often find that engaging in formal advocacy activities is less effective than having informal meetings with a local decision maker and convincing them to support certain legislation or policy proposals.



The only type of public funding that actually allows most NGOs to stick to their missions – and to the needs of their constituencies – is the Civic Initiatives Fund. The Fund supports as many as 24 fields of public tasks, which, in practice, gives most organizations a chance to apply for funding to provide services that directly benefit their constituencies. These grants, however, are quite small.

Overall, cost recovery among Polish NGOs did not change much in 2007. On the one hand, organizations gained some experience in charging fees for their services to recover some of their costs, which they can do so as long as they do not exceed the caps on salaries specified by the Act on Public Benefit and Volunteer Work. On the other hand, Polish NGOs do not have strong knowledge of market demand, nor are they encouraged to gain such knowledge. Since most services they deliver are contracted, or at least subsidized, by public sources, they

assume no risk for delivering services for which there is insufficient demand. Furthermore, some publicly funded programs, such as EQUAL, Poland's most famous EU-funded program, forbid NGOs to charge any fees for services or products produced with their funding. For example, the purpose of EQUAL is to develop and strengthen Poland's social economy by encouraging NGOs to combine market activities with social goals. However, because of the restrictions on earning income, grantees have no chance to develop any real market skills.

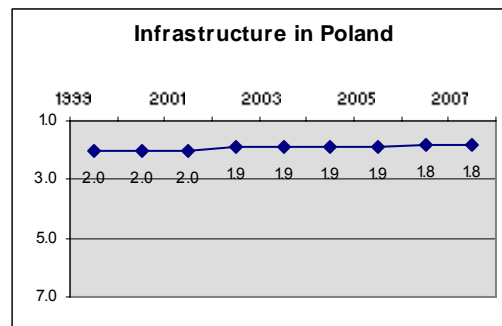
### INFRASTRUCTURE: 1.8

The infrastructure supporting NGOs slightly improved in the last year, although not sufficiently to improve the score for this dimension. The most noticeable improvement has been in the growth of support centers that provide trainings that, because they are funded by the EU, are free-of-charge to NGOs. Training, however, is a perfect example of how NGOs' activities have developed more in accordance with available funds than with real needs, which are hardly ever assessed. As a result, the trainings that are available seem to be very ineffective, as many well-established organizations still experience the same problems. Such organizations might benefit more from individual consultations and support rather than trainings on general issues. Furthermore, trainings are generally delivered in large cities and are largely inaccessible to small organizations from rural areas.

cabinet of ministers, and its members typically come from large and infrastructure organizations. Small organizations, which are frequently outside of the capital, lack representatives. Furthermore, these smaller organizations do not have money to come to the capital to attend advocacy meetings. The members of the Council primarily represent their own interests, or those of similar organizations.

Passed in 2005, the Act on Public-Private Partnership is intended to encourage inter-sectoral partnerships. However, existing

The portal [www.ngo.pl](http://www.ngo.pl), run by KLON JAWOR, collects information of interest to NGOs on a daily basis, including analyses of legal changes or advertisements of upcoming conferences, trainings, and job offers. The portal is interactive and a large portion of the information is posted by its readers. Half of Polish NGOs recognize this service and have visited the portal.



NGOs can promote their interests through a great number of representative bodies. Yet, as stated above, these forums are becoming less effective. The most important representative body is the Public Benefit Activity Council, which was created by the Act on Public Benefit and Volunteer Work. This Council advises the

'partnerships' between public and private bodies, including NGOs, are often the result of funding requirements and are limited to the realization of particular public tasks. Therefore, they are unlikely to develop into long-term coalitions after funding is exhausted. Such coalitions, or partnerships, are grant-based, rather than mission-oriented. They are also very rare between less professional organizations or outside of Warsaw. Cooperation with businesses is typically limited to the support that businesses provide NGOs. The scale of real cooperation,

mostly in the context of projects focused on corporate social responsibility (CSR), is still minimal. There is growing awareness of the necessity of partnerships; however, this

awareness stems from a desire for funding rather than recognition of the important role partnerships can play.

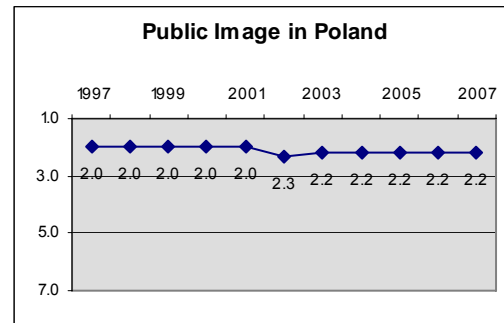
## **PUBLIC IMAGE: 2.2**

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The overall public image of NGOs remained unchanged in 2007. Although NGOs have received some positive support from the media, the recent administration's suspiciousness towards all citizens and institutions, resulting from its efforts to fight corruption, has created an atmosphere of general mistrust, which has consequently affected public opinion towards nonprofit organizations. This mistrust extends also to the government, with which NGOs continue to have strained relations. In general, the public image of NGOs still requires improvement.

NGOs' support from the media has varied. In some cases, the media continues to under-appreciate the role of NGOs. Although some media on the national level cover examples of NGOs' good work, many media outlets still concentrate on scandals in the sector, as good works are not considered newsworthy. In spite of this, the one percent campaigns have increased cooperation with the media, and various media – mostly local newspapers – give space to NGOs to advertise their activities at reduced price or for free. Furthermore, some nonprofit issues have been appearing in popular soap operas on TV. Thus, the media has both negatively and positively affected NGOs and their public image in the past year.

Government has been learning to appreciate the role of NGOs in providing professional services and realizing various public tasks. However, governments still consider NGOs as institutions that can carry out public tasks for them rather than real partners. An example of the public distrust of NGOs is that many individuals who donated one percent of their taxes to NGOs and did not receive thank you letters with details about the use of the money automatically thought that their contributions must have been misused.



Nepotism is another problem in the relations between NGOs and local government. This favoritism by government officials happens both in big cities and small towns, although it is more common in small towns where people are more likely to know more government officials. In such situations, connections and powers of persuasion impact decisions concerning NGOs, which undermines transparency. This situation is quite difficult to change, as organizations that profit from such relations are interested in keeping the status quo.

Self-regulation is no longer a matter of interest for NGOs. Few organizations are even aware of the Charter of Principles developed and published in 1997 by some NGO leaders. There are many reasons for a lack of NGO interest in this issue. First, NGOs are convinced that they already face over-regulation, primarily from the government, and do not want to submit themselves voluntarily to any other regulations. NGOs also do not want to follow regulations that cannot or will not be enforced. Instead, organizations, as previously mentioned, concentrate on the requirements of actual or potential grantors and act accordingly. Furthermore, NGOs are often unwilling to share information they regard as trade/business secrets, such as donor lists. NGOs, like corporations, are mostly interested in the effectiveness and efficacy of their actions and often ignore the core values behind their work.



A sense of common identity and unity is also lacking in Poland.

Many NGOs' actions are also based on the constraints of their grant sources. "Creative accounting" helps NGOs pay for costs not covered by their grants, which serves as a disincentive to increasing transparency. Public discussions could reveal certain NGO practices that would damage the public image of the sector and increase mistrust of the people and government.

Over the past two years, the only time self-regulation entered the public debate was when the government issued a proposal to increase control over foundations. At that time, organizations responded positively to improving self-regulation. Nonetheless, as soon as the government withdrew this proposal and the risk passed, the issue of self-regulation died as well.