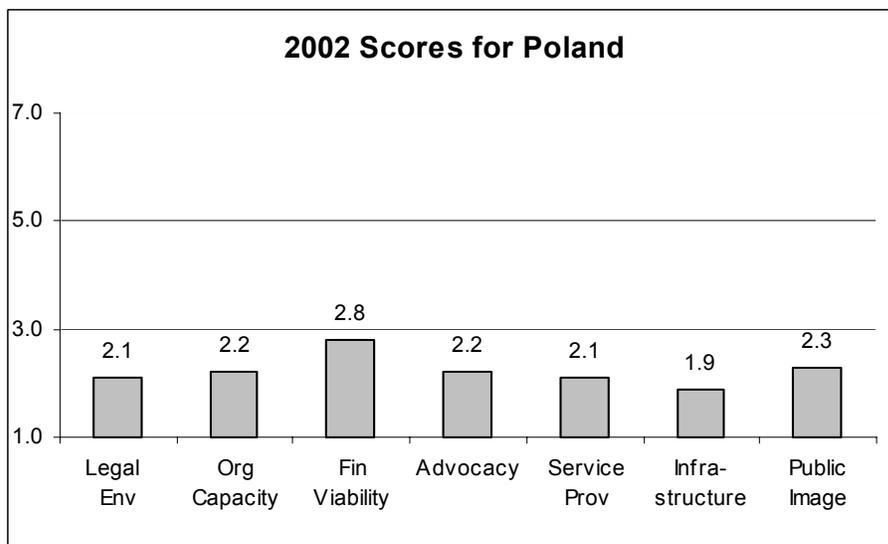


POLAND



Capital: Warsaw

Polity:
Presidential-parliamentary democracy

Population:
38,625,478

GDP per capita (PPP): \$8,800

NGO SUSTAINABILITY: 2.2

Poland has a vibrant NGO sector with approximately 41,000 registered organizations, of which 36,000 are associations and the remainder foundations. Approximately two-thirds of these are considered active. One in

Year	Score
2002	2.2
2001	2.1
2000	2.1
1999	2.1
1998	2.0

five organizations are located in Warsaw, although many of these work at the national level. The third sector is still relatively young – 25% of NGOs are less than three years old and 90% were established since 1989. It is estimated that Third Sector accounts for 1.2% of the nonagricultural employment in Poland although almost half do not have any permanent employees.

Organizations are active both in providing services to their members or clients and in advocating on behalf of their constituents. The largest share of NGOs is involved in the areas of sports and recreation, health care, social service, education and culture.

Many Polish NGOs remain financially dependent on grant support from various donors. While funding from American private and public donors is decreasing, EU funding is on the rise. Many NGOs are developing other sources of support, particularly by forming relationships with local government and introducing mechanisms of remuneration for their services. A draft Law on Public Benefit Organizations and on Volunteers is currently being debated in Parliament. Hopefully, it will provide a better framework for cooperation between

NGOs and the public sector, including access to funding, but will also introduce a mechanism under which taxpayers can

dedicate 1% of their Personal Income Tax to Public Benefit Organizations.

LEGAL ENVIRONMENT: 2.1

Poland still does not have a modern law regulating relations between NGOs and the public sector, including a framework for the public sector to fund NGOs through grants and contracts. However, after six years of effort, a draft Law on Public Benefit Organizations (PBOs)

LEGAL ENVIRONMENT

2002 2.1
2001 2.0
2000 2.0
1999 2.0
1998 2.0

and on Volunteers was submitted to the Parliament at the beginning of 2002, which will hopefully come into effect in 2003. The draft law introduces several important mechanisms affecting the work of NGOs. First, it introduces the concept of Public Benefit Organizations and outlines both their privileges and obligations. It also enables taxpayers to allocate 1% of their personal income tax to PBOs. Finally, the draft law provides incentives for work with volunteers but also protects their rights.

Grants and donations received by NGOs are tax-exempt. Polish law also provides

tax exemptions for individual and corporate donors if donations support certain aims. Such donations are tax-deductible up to 10% or 15% of pre-tax income.

Foundations in Poland are required to submit annual reports and financial statements to the ministries relevant to their area of activity. In 2000 only one-third of registered foundations did so. Associations, on the other hand, are not subject to this requirement, as by their nature they should be controlled primarily by their members. All organizations must report to different state agencies, including the Tax Office, Central Statistical Office, and Labor Inspection office. Every organization receiving public financing is obligated to report on expenses and purchases financed by taxpayer money.

Expertise on NGO legal issues is insufficient. There are few lawyers who specialize in NGO issues and those lawyers who are trained in this field offer services that are often too expensive for most NGOs to afford.

ORGANIZATIONAL CAPACITY: 2.2

ORGANIZATIONAL CAPACITY

2002 2.2
2001 2.0
2000 2.0
1999 2.0
1998 2.0

employees. There are difficulties in retaining

Half of NGOs do not employ paid staff, relying on the voluntary work of their members. One-third of NGOs have between one and five employees.

employees in NGOs, as salaries are relatively low – the average salary is less than 50% of that in the business sector.

Half of NGOs work with volunteers, although generally in a highly informal manner. Mechanisms to recruit volunteers are ad hoc – 80% of NGOs that work with volunteers do not use any organized methods to recruit them. Very few NGOs have in-

ternal regulations concerning volunteer work or written agreements with volunteers. Hardly any NGOs insure volunteers due to the lack of relevant legal procedures. One in ten adult Poles claim to have volunteered in an organization or institution during the past year.

Research data documents a decrease in the general level of public participation in Polish society in the past few years. This has also affected involvement in NGOs. The membership base of NGOs has dropped significantly over the past decade from 30% of Poles being members of at least one association in 1989 to 15% in 1997. In a recent survey only 4.5% claimed to be members of an organization.

Far too many organizations function in “low profile mode” mainly fueled by the commitment of their leaders and a small fraction of active members. There are few active or visible campaigns for recruiting new members.

Organizations are technically well equipped. A majority (70%) has access to a computer and 33% use the Internet in their offices. An increasing number of NGOs are aware of the advantages of the Internet and are designing their own websites – already one in five NGOs has a website.

FINANCIAL VIABILITY: 2.8

For a majority of NGOs, local governments are an important source of income. The law on public finance delegates to local

FINANCIAL VIABILITY	
2002	2.8
2001	2.5
2000	2.5
1999	2.5
1998	2.0

councils responsibility for the creation of local procedures to access the public funds they administer. Unfortunately, the majority of councils do not follow through and establish such procedures. There are seri-

ous problems with clientelism and politicization of local government decisions re-

garding the distribution of money. Over half of available financial resources are distributed to NGOs without any formal review and approval. The “culture of contracts” for service provision NGOs still does not exist in Poland.

NGOs in Poland often face serious problems managing their finances. There are too few accountants familiar with the specifics of NGO financial systems and, due to high costs, the services of those who are professional are accessible only to some of the leading organizations.

ADVOCACY: 2.2

Although there is a limited number of organizations which specialize in lobbying and commenting on various public issues, the number of advocacy activities initiated by NGOs is increasing. One of the most visible examples of lobbying and advocacy work recently was the success of a group

of ecological organizations in getting laws passed on animal rights. There are also a number of NGOs and umbrella groups in other fields, such as human rights, the disabled, gender issues, and improving the legal framework for NGO activities.

ADVOCACY

2002 2.2
 2001 2.0
 2000 2.0
 1999 2.5
 1998 2.0

In 2002 a Polish NGOs Representative Office was established in Brussels. This is unique among the countries seeking to join the European Union. The new office's goal is both

to influence relevant EU structures and to deliver information about NGOs in Europe.

Serious efforts are afoot to establish a formal federation of NGOs in Poland. Until now, a few organizations were working "on behalf" of NGOs in Poland, dealing with a number of challenges (mainly legal) facing the Third Sector in Poland, but without a formal mandate. Sixty key organizations have worked out a model of the future federation and are in the process of designing its statutes.

SERVICE PROVISION: 2.1

The largest portion of NGOs are active in the sports arena. NGOs are also very active providing basic social services in education, health protection and rehabilitation, and culture. A small number of NGOs are active in the fields of housing development

SERVICE PROVISION

2002 2.1
 2001 2.0
 2000 2.0
 1999 2.0

and public security. The recipients of NGO services are most frequently children and youth, ill and disabled people, and local community institutions.

governments to fund NGOs means that most NGOs provide services for people who are outside of the public social safety net. One of the most fundamental issues, not only for NGOs themselves, but more generally for the overall performance of democratic reforms in Poland, is the lack of "division of labor" between the state and self-organized groups of citizens, including NGOs. For example, the role and potential of NGOs were not addressed in any of the four major reforms passed in the last few years – i.e., in education, health care, public administration, and the pension system.

The lack of a stable system for local

INFRASTRUCTURE: 1.9

NGOs in Poland benefit from a well-developed infrastructure. The "SPLOT" network, consisting of 11 NGO support centers located in major cities, provides information, training and advisory services in fund-raising, NGO management and

INFRA-STRUCTURE

2002 1.9
 2001 2.0
 2000 2.0
 1999 2.0

cooperation with local government. Another network, Centers for Local Activity (CAL), was created in 2000 to encourage activities within local communities; network mem-

bers include NGOs, schools, cultural centers, social clubs, and others. There is also a network of Citizens Advice Bureaus (BPO) providing information and counseling to individuals and a network of 12 Volunteer Centers to encourage volunteerism in NGOs and public institutions.

The above-mentioned infrastructure organizations are largely dependent on donors, mainly foreign donors who are currently leaving Poland. In response to this difficult financial situation, these groups have begun to charge for their services,

which until now were generally provided for free.

NGO internal communication networks are improving, and new forms of distributing information are being developed. To increase communication among NGOs and inform the general public on the role of the

Third Sector, a special Mutual Information Society Program was jointly established by Association KLON/JAWOR and the Polish-American Freedom Foundation. One important outcome was establishment of the website www.ngo.pl. The website offers a wide range of interactive tools to encourage the exchange of information.

PUBLIC IMAGE: 2.3

National media outlets cooperate with NGOs and cover the most important

PUBLIC IMAGE
2002 2.3
2001 2.0
2000 2.0
1999 2.0
1998 2.0

events, such as the national NGO forum or the international day of volunteering. More information about NGOs is found in the local media. However, in general, with the exception of publicizing scandals involving NGOs, most media is not very interested in the activities of NGOs.

The business sector's perception of NGOs is rather low. In 2000, only 18% of small and medium companies made donations to NGOs. Within the Third Sector several initiatives have been undertaken to foster the idea of corporate social responsibility, including cooperation with NGOs. In 2001,

the Voluntary Center and the Academy for the Development of Philanthropy launched a project called "Volunteerism and Corporate Social Responsibility", which aims to build linkages between the sectors in local communities.

NGOs are partly responsible for the lack of understanding and a certain level of suspicion vis-a-vis NGOs on the part of the general public. One in five NGOs have never published an annual report and a majority of organizations do so irregularly and rarely make them available to the public. In many cases creation of such a document is not legally obligatory, but would increase transparency in the sector. Only leading NGOs, which are aware of the standards and adhere to them, tend to publish reports annually and conduct audits of their finances.