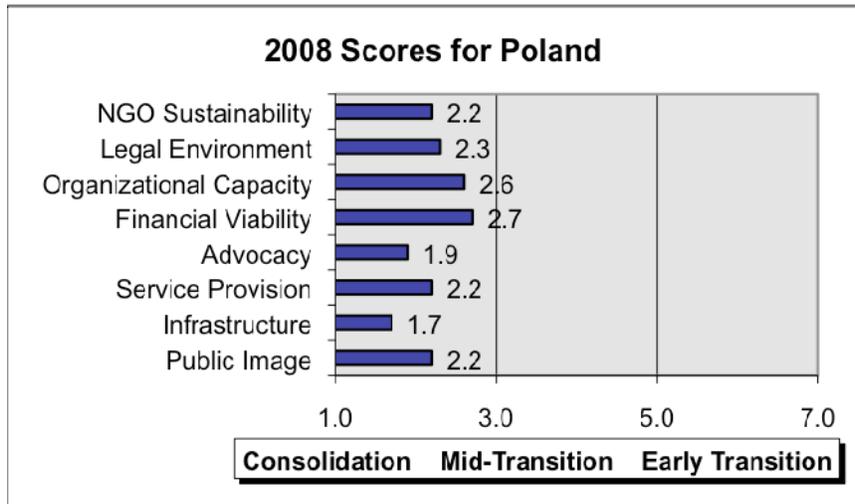


## POLAND



**Capital:** Warsaw

**Polity:**  
Republic

**Population:**  
38,482,919 (July 2009 est.)

**GDP per capita (PPP):**  
\$17,300 (2008 est.)

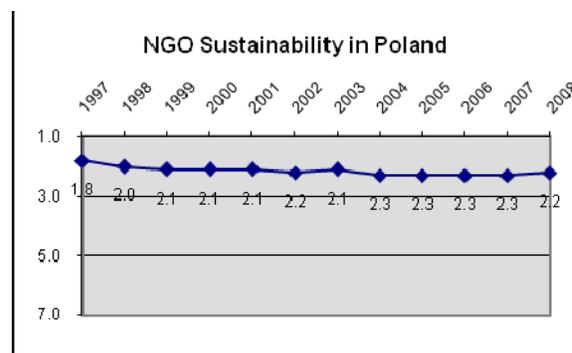
### NGO SUSTAINABILITY: 2.2

The overall condition of NGOs slightly improved in 2008, mostly in the advocacy, service provision and infrastructure dimensions.

Currently about 67,000 NGOs are registered, of which 58,000 are associations and 9,000 are foundations. The number of registered NGOs is growing every year, but because the registry does not remove NGOs that have ceased to exist, determining the actual number of active NGOs is impossible. Most data on the NGO sector comes from research conducted every two years by the Klon Jawor Association.

The NGO sector is quite young. Over one-third of all NGOs were established between 2003 and 2007 and one-fourth came into being between 1999 and 2002. NGOs tend to concentrate in urban areas, with only 20 percent in rural areas. The sector is dominated by NGOs in the fields of sports, tourism, and recreation and hobbies. Other popular fields of activities are culture and art, education, social services, social assistance, and health care.

Relations between NGOs and public administration at central and local levels have improved. The government tries to show, however superficially, that it supports NGOs.



The year 2008 marked the fifth year of the Act on Public Benefit Activity and Volunteer Work. As NGOs and local governments grow increasingly familiar with the mechanics of this type of contracting relationship, many forms of cooperation made mandatory by the act have continued to grow.

The general financial condition of NGOs improved in 2008, mostly due to the increased availability of public money. Despite bureaucratic burdens, obtaining public money is still relatively easier, less humiliating than many fundraising activities, and less risky than commercial activities. At the same time, by focusing on seeking public funds and delivering contracted services, NGOs are becoming more detached from their constituencies. New regulations limit the role the 1 percent

mechanism could play in building local constituencies.

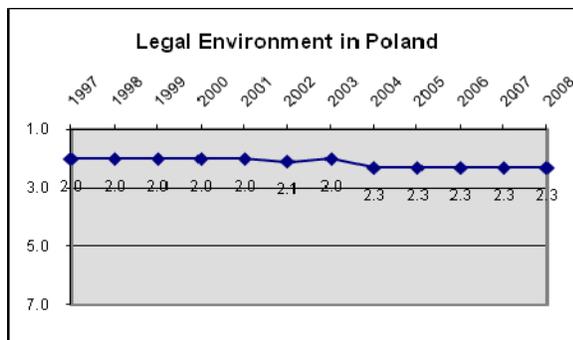
The availability of EU funding increased significantly in 2008, but the competition for EU funds is growing. In the first years after Poland joined the EU, most EU funding went to the largest organizations that were able to carry out large projects, while grant programs for 2008–2013 are intended for smaller projects. Advocacy remains the strongest dimension of the NGO sector in Poland. Awareness of the

necessity of mutual dialogue has increased, but with few tangible results. Making use of personal connections proves to be more successful than participation in formal forums. Although the sector has many intermediary bodies and coalitions, none of them really represents the whole sector's interests.

The number of support centers and trainings available to NGOs has increased. Even if the quality of training is not always high, the professionalism of many NGOs is growing.

### LEGAL ENVIRONMENT: 2.3

The legal environment governing the NGO sector did not change significantly in 2008. The registration process still takes from three weeks in big cities like Warsaw to six months in some parts of Poland. The complicated regulations have not changed, and although both NGOs and registry courts are becoming more familiar with the legal requirements, the level of knowledge is still low. Sometimes informal contacts speed up the process.



The lack of necessity to de-register non-functioning NGOs remains a problem and makes national registry data unreliable.

Another problem connected with registration is that, according to law, an association must be established by at least fifteen people. Many experts believe this number is too high, especially since it is much higher than in many Western European countries. Setting up a foundation does not require any members and the minimum capital required is very low. This increases the number of foundations with no capital. Some people find others who agree to

support the establishment of an association provided they will not have to do anything else in the future, creating masses of inactive members.

NGOs can act freely, and the law guarantees their sovereignty, although they depend on funding that often comes from local authorities. The government cannot dissolve NGOs for political reasons, and large protests by the NGO sector have stopped attempts to increase legal control over NGOs. Meanwhile, many NGOs do not abide by reporting requirements.

The public administration, having heard numerous opinions from NGO sector activists, has admitted that the Act on Public Benefit Activity and Volunteer Work imposes unnecessarily complicated bureaucratic requirements. Work to amend the law is in progress.

Local legal capacity is the only area in the legal environment context that improved in 2008. A growing number of lawyers know NGO sector specifics. Although many small, rural NGOs still lack access to professional legal services, there are more legal aid centers, mostly thanks to EU funding. The great achievement of 2008 was the establishment of the Pro Bono Center, which offers large-scale legal support for nonprofits free of charge.

For the first time, instead of paying 1 percent of their tax liabilities to organizations of public benefit status and then waiting months for

reimbursement, citizens needed only to mark their selected organizations on their tax returns. This significantly increased the amounts of money donated, yet the overall results of this change were mixed. The new regulation made donors anonymous, which deprived NGOs of the opportunity to thank donors and use this mechanism to build local constituencies. In addition, the largest, richest national NGOs that had access to mass media received most of the donations. Some NGOs distributed CDs with tax return forms where the names of their NGOs were already inserted as recipients of the 1 percent donations. Each year shows that the 1 percent mechanism is abused and often does not serve its assigned purpose.

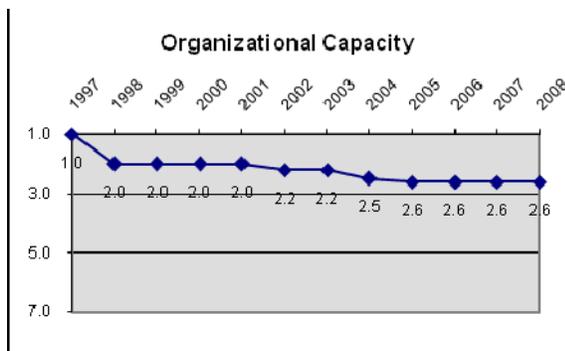
Donors still need to pay VAT on donated items, while they can deduct VAT if they throw away the unused goods. This discourages goods donations and is especially harmful for services for the hungry, such as food banks. Discussions with the Ministry of Finances give some hope that the regulations might change in the future.

NGOs are legally allowed to compete for government contracts and procurements at the local level, as well as earn income from the provision of goods and services. Yet the direction of the trend is difficult to determine. The EU program EQUAL was intended to support the so-called social economy (activities of nonprofit organizations that serve both social and economic purposes), but did not allow NGOs to sell any products produced with public money.

## ORGANIZATIONAL CAPACITY: 2.6

The overall organizational capacity of the NGO sector has stayed the same. Despite significant technical advancement, the capacities of NGOs to build local constituencies have deteriorated.

NGOs do not work to build local constituencies. The support of NGO members in terms of their work and membership fees is not significant in comparison to funding from other sources.



NGOs tend to be more oriented towards institutions or persons that can provide funding rather than towards their constituencies. Membership is often treated only as a necessary condition to create an association. Moreover, citizens are less interested in being members of local associations. As NGOs provide more

services contracted by local governments, they are increasingly perceived as commercialized government extensions. Many young people treat the nonprofit sector as part of the establishment, as opposed to a place for independent thought and action.

All NGOs have mission statements, but try to make them as broad as possible so as not to block access to any possible funding. Only large, strong NGOs can engage in strategic planning, and they often do so because particular donors require it or because having a strategy increases their chances of being selected to receive a grant. The strategy of smaller, poorer NGOs is primarily centered on planning where and when they should apply for funding.

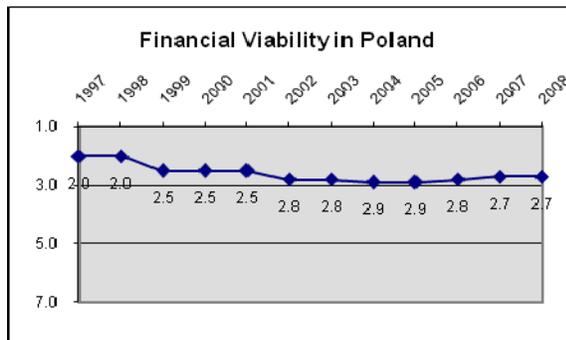
Internal management structures did not change in 2008, which is particularly a problem in smaller NGOs, where the same persons play many functions. In larger NGOs that receive EU funds, desirable practices are imposed by reporting requirements and numerous checks and inspections.

The NGO sector continues to be an unattractive workplace due to the instability of employment. Most NGOs hire people for particular projects.

Even though some larger European projects offer relatively attractive salaries, the projects rarely last more than two years. Recruiting volunteers continues to be a problem. This might be due to the tendency for many young people to go to England after finishing school, whereas in the past they might have sought volunteer work. Some also claim that NGOs focus on project funding rather than building local constituencies or attracting volunteers.

The visible improvement in the technical advancement of NGOs can be attributed to several factors. Computer equipment prices have decreased, making technology more accessible to NGOs. Many companies regularly replace their equipment, donating the older, but still good, equipment to NGOs. Also, a growing number of donors, including the EU and the government, allow NGOs to use funding to buy technical equipment.

## FINANCIAL VIABILITY: 2.7



The financial viability of the NGO sector did not change much in 2008. In general, the financial condition of NGOs improved due to the increase in public money available to the sector, although the approximately 25 percent of NGOs that primarily benefited from these funds already tended to be rich. Still, the money that has been pumped into the sector has generally come from the government and must be used for particular projects.

The sector continues to be dependent on public funds, as opposed to increasing its financial viability in the true sense of the word. Most public funds come from local governments. Many larger NGOs are also becoming dependent on EU funds. NGOs have limited commercial or fundraising activities and make few attempts to gain income from local communities, new members, or supporters. Half of all NGOs have

only one or two sources of income. Public funding is typically short-term, and grant programs and their priorities constantly change. Such a situation does not allow for strategic planning. While the changes in the 1 percent mechanism increased the amount of money to the sector, they also broke bonds between NGOs and their supporters. Furthermore, 1 percent contributions occur only once a year and, in most cases, do not constitute a significant portion of an organization's income.

Placing commercials in national media seems to be the most effective method for collecting 1 percent contributions. A growing number of local NGOs with no access to national media instead look for other tools (like the CDs with tax return programs, as mentioned above) to obtain funds rather than seeking local support.

A growing number of NGOs do proper accounting and have financial management systems in place. These systems are required as a condition of many grant institutions. Many organizations of public benefit status, however, eschew requirements to submit annual reports to the appropriate government departments. Financial information is treated as secret. NGOs' financial reports are hard to understand and often difficult to find on their websites.

## ADVOCACY: 1.9

Advocacy remains the strongest dimension, and it slightly improved in 2008, especially the atmosphere of cooperation between NGOs and governments at the central and local levels. In

late 2007, the new prime minister declared that cooperating with NGOs and strengthening civil society would be important priorities during his administration. NGOs are now able to easily

organize meetings with political decision makers. Decision makers also initiate many meetings with NGOs themselves.

Nevertheless, although many discussions take place, they do not necessarily lead to tangible results. Many NGOs complain that their opinions and proposals about various legislative acts and policy programs, although listened to, are often not implemented. Politicians at various levels argue that they cannot take into account the many recommendations of NGOs as they are often mutually contradictory. NGOs have established various coalitions, which do not represent the interests of the whole sector but only the interests of NGOs in a given field. Rather than work together, coalitions compete against each other. Even if lack of representation of the whole NGO sector might not be problematic, conflicts between related coalitions certainly are. The government is unable to choose between competing forces and these coalitions ultimately hinder advocacy attempts. Informal contacts remain the most effective medium of influence.

Partnerships between NGOs and local governments are not equal, as the local governments choose which NGOs will receive government contracts. Nevertheless, these partnerships have led to more projects being

realized. Grant proposals for partnership projects are more likely to be selected. Working together to complete projects allows local governments and NGOs to strengthen relationships and build trust, which will hopefully lead to equal partnership in the future.

Thanks to the EU funds available for advocacy in 2008, many NGOs carried out advocacy campaigns to change public opinion and influence policy programs. Still, those changes that did occur seemed to result primarily from informal contacts between NGO activists and central-level authorities.



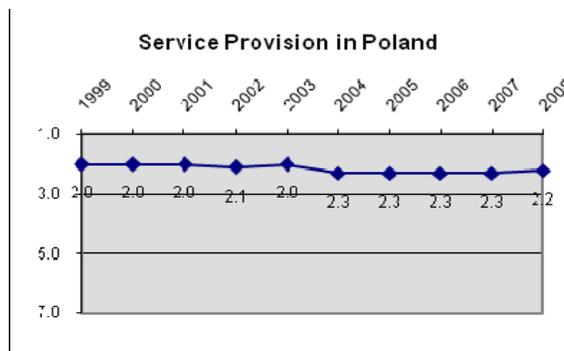
There was an intensive debate between the NGO sector and the government regarding amending the Act on Public Benefit Activity and Volunteer Work.

## SERVICE PROVISION: 2.2

As in 2007, service contracting has continued to improve as both local governments and NGOs became more familiar with contractual procedures. NGOs delivered more services.

When applying for grants funded from programs managed by local authorities, NGOs have to provide supporting data to demonstrate that the problems they intend to address are the real problems of their local communities. However, the types of services NGOs deliver still depend upon the kinds of services local governments want to contract out, or upon priorities of EU or central government funding programs managed by local authorities. Since NGOs do not have stable constituency bases, the services they

deliver typically go to a much broader group of people.



Some NGOs participating in the EU Community Initiative EQUAL Program, designed to build

Poland's social economy and set up cooperatives and social enterprises, had to look for unmet local needs to enter the market. Although some of these attempts were successful, their scale was not high at the national level.

NGOs are publishing more reports and analyses, thanks to the availability of EU funding. However, the availability of more publications does not necessarily indicate quality. Sometimes the content of publications overlaps. In the EQUAL Program, which ended in March 2008, all partnerships were obliged to organize final conferences and publish material on the development of social economy. During a few months, several conferences took place during which the same group of experts spoke and publications on the same themes by the same authors were distributed.

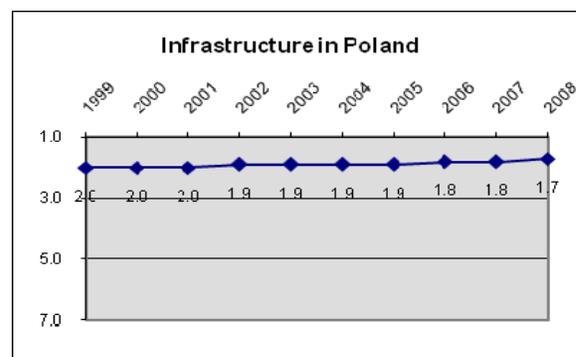
## INFRASTRUCTURE: 1.7

The infrastructure of NGOs slightly improved in the last year. The most noticeable improvement has been in the growth of support centers created within the framework of EU-funded projects. These centers provide numerous trainings, often free of charge, to NGOs, but the quality of training is not always high. Many NGOs lacking training expertise obtained funding to conduct trainings. Also, many commercial firms discovered that they could make profits organizing trainings for NGOs, sometimes with the support of EU funds.

The portal [www.ngo.pl](http://www.ngo.pl), run by the Klon Jawor Association, continues to constitute the database of NGOs in Poland and publishes information of interest to NGOs on a daily basis, including analyses of legal changes and announcements of upcoming conferences, trainings, and job vacancies. Readers post a large portion of the available information. Half of Polish NGOs have visited the portal.

The number of local grantmaking organizations is slightly growing but the number is still quite small, and their influence has decreased as a result of the significant growth of EU funds.

Overall, cost recovery did not change much in 2008. On the one hand, NGOs gained some experience in charging fees for their services to recover some of their costs. According to the Act on Public Benefit and Volunteer Work they can conduct fee-charging, mission-related activities as long as they do not exceed certain caps on salary levels of their workers. Once they exceed those caps, charging fees becomes commercial activity, which imposes additional requirements on NGOs. The popularity of charging fees for mission-related activities has been growing. On the other hand, NGOs do not have strong knowledge of the market demand, nor are they encouraged to gain such knowledge. Most services they deliver are contracted, or at least subsidized, by public sources.



Several coalitions of NGOs have formed with the aim of influencing government policies, but no single body or coalition represents the whole sector's interests. Since 2003, a Public Benefit Activity Council, made up of NGO and government representatives, has existed in order to advise the Cabinet of Ministers. NGOs nominate and elect members of the council. Representatives from smaller, less-known NGOs are unable to get enough votes to win a seat on the council, so its members tend to come from large NGOs and to represent their interests. The interests of smaller NGOs are hardly ever taken into account.

The number of intersectoral partnerships has been growing, particularly partnerships between

NGOs and local governments. Partnerships between NGOs and business or NGOs and the media are still quite rare. Some donors require

intersectoral partnerships or give extra strategic points to grant proposals that include partnerships.

## **PUBLIC IMAGE: 2.2**

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The overall public image of NGOs did not change much in 2008. The media are generally not interested in covering the work of NGOs. Few journalists write articles about NGOs, and if they do, they write about scandals in the sector or spectacular events organized by large charities. The media do not know much about the sector, and journalists complain that they are frequently approached by NGO activists who use unfamiliar terminology. The campaigns for 1 percent donations have contributed to the growth of cooperation with the media, and various media (mostly local newspapers) give space to NGOs at a reduced price or for free, but this cooperation is largely seasonal.

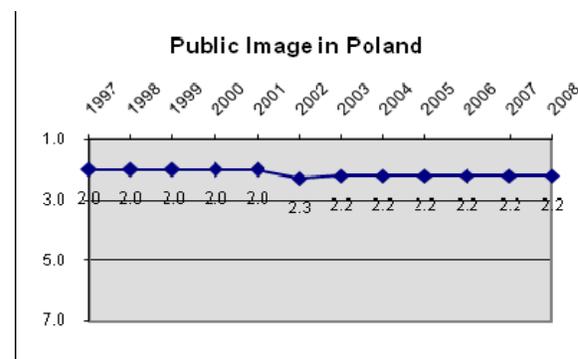
Some foundations invest in public relations and promote themselves. Some NGO issues have also been appearing in popular TV soap operas. The picture of NGOs presented by the media is, however, far from representative and does not enable citizens to understand the sector. Public opinion polls show that most citizens do not even understand the notion of the nonprofit or nongovernmental sector. They tend to identify only specific national charity organizations that are popularized in the national media by celebrities. Few people are aware of the diversity of the sector.

The government increasingly appreciates the role of NGOs in providing professional services and is beginning to look more to NGOs for expertise and information. However, many local governments still consider NGOs as institutions to whom they can contract out public tasks rather than as real partners. Partnerships are often superficial or used as a means to increase chances of receiving grants for certain projects. The same superficiality occurs in relations between the central government and NGOs. Political decision makers often invite NGO representatives to meetings and consult them on programs and laws, but opinions of the

NGO sector are often not taken into consideration in preparing and passing final versions of documents.

Only half of NGOs declare that they publicize their activities and promote their public image, which generally consists of creating and maintaining a website. NGOs concentrate on creating a good image among donors who can finance their projects, rather than seeking the support of local communities.

Self-regulation remains one of the weakest aspects of the functioning of NGOs. Few NGOs are aware of the Charter of Principles published in 1997 by NGO leaders. NGOs are convinced that they already face overregulation and believe that they should not engage in regulations that cannot or will not be enforced. The sector lacks a sense of common identity and unity. NGOs or coalitions sometimes treat other NGOs or coalitions like rivals in the quest for funding or influencing public policy.



Few NGOs publish annual reports, and the documents they prepare are written in hard-to-understand language and placed in hidden parts of their websites. Many websites do not contain contact details for staff, and the activity descriptions are vague. Financial information or donor lists are often regarded as trade secrets.