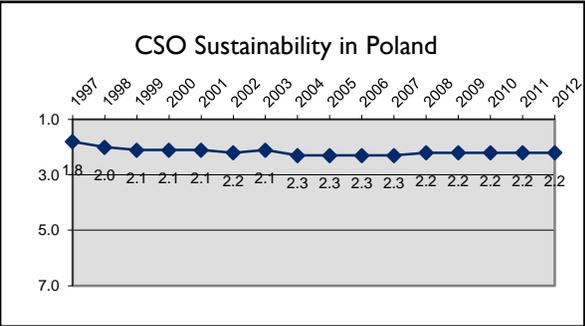


# POLAND



**Capital:** Warsaw  
**Population:** 38,383,809  
**GDP per capita (PPP):** \$21,000  
**Human Development Index:** 39

## CSO SUSTAINABILITY: 2.2



The overall sustainability of Polish CSOs remained stable in 2012. CSO-government dialogue continued to expand throughout the year and extended to policy issues beyond CSO registration and operations. CSOs proactively stated their priorities during preparations for the new EU fund programming period. CSOs also increased their capacity to form coalitions at the national level, with some notable successes.

The Public Debate Forum launched by the President of Poland in 2011 has become a key mechanism for

reforming legislation affecting CSO operations. Government agencies responsible for the economy, regional development, and agriculture also created new opportunities for CSOs to become involved in policy making. However, it remains to be seen how much of this newfound openness is driven by the government’s desire to improve its public image as opposed to true readiness to take CSO opinions into consideration. The government proposed controversial legal initiatives concerning public gatherings and access to public information that civil society perceived as limiting citizen freedoms, thereby undermining the credibility of the president and the Civic Platform-led government as civil society supporters.

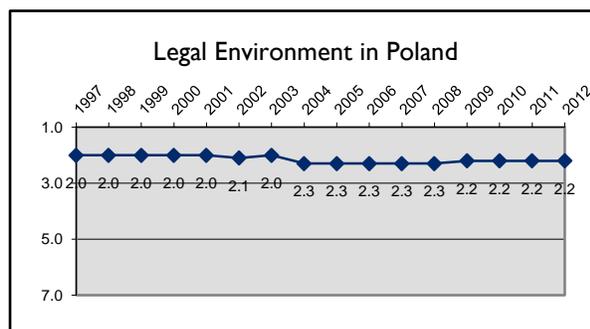
CSOs are increasingly dependent on public funding. The share of other sources of revenue, such as membership fees and income from services, in CSO budgets declined.



Diversification of funding sources also declined.

According to the Polish Public Registry of National Economy Entities (REGON), there were 114,045 associations (99,290) and foundations (14,755) as of September 2012. These figures include inactive organizations that have not formally dissolved.

## LEGAL ENVIRONMENT: 2.2



Laws regulating CSO registration and operation remained unchanged in 2012. However, the process remains bureaucratic, complicated, and lengthy. In the case of foundations, the court has seven days to review registration applications. In practice, foundations using the assistance of [informatarium.ngo.pl](http://informatarium.ngo.pl) usually need two to three weeks to register. The court has up to three months to review the applications of associations seeking registration. County authorities are also involved in the review process for associations, and frequently question provisions in organizations'

founding statutes, which may considerably extend the registration process.

CSOs have proposed reforms to the Law on Associations, which were debated within the CSO community on several occasions in 2012, as well as at the President's office and during the forum of the Parliamentary Team for Cooperation with CSOs. Besides the length of the registration procedure, the main issues include the relatively high threshold of fifteen founding members, as well as the space that registration officials have to make arbitrary decisions, such as questioning a CSO's goals or mission.

CSOs are independent in their activity and management, yet the number of formal requirements and legal regulations that they must observe once registered (over 200 according to estimates by Klon Jawor Association) poses a significant challenge. This is especially discouraging for smaller CSOs with little capacity, as the standards are the same irrespective of a CSO's size or budget.

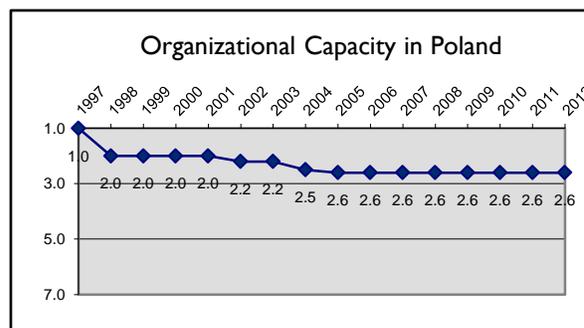
While CSOs do not fear dissolution by the state for political or arbitrary reasons, they are critical of recent legislative attempts to limit citizen freedoms and access to public information. For example, new obligations have been imposed on leaders of public gatherings that make them liable if they fail to prevent violations of public order. Provisions limiting access to public information related to public order, safety, and important economic interests of the state were introduced in 2011; the Constitutional Tribunal declared these unconstitutional in 2012. Although CSOs can express their opinions freely and openly, they often choose to restrain their criticism towards government authorities and agencies at the local level, especially in smaller communities where CSOs rely heavily on local government funding.

CSOs can legally earn money through the provision of goods and services, but earnings from such activities represent a small percentage of CSO revenues. CSOs can also compete for government contracts through open bidding procedures at both local and central levels, although they often lack the capacity to do so. Irrespective of its source, CSO income is exempt from taxation if spent on mission-related activities. CSOs with public benefit status enjoy additional privileges, including the right to receive allocations of up to 1 percent of individual taxpayers' tax liabilities.

A growing number of CSO support centers provide access to basic legal aid free-of-charge. Local government staff sometimes also provide legal support. In addition, more local lawyers are becoming knowledgeable about CSO laws.

## ORGANIZATIONAL CAPACITY: 2.6

The organizational capacity of Polish CSOs did not change in 2012. CSO membership levels remained stable. There are still no CSOs with mass memberships, few organizations implement active membership drives, and the public shows little interest in CSO activity. Typically, CSOs focus on building relationships with donors and primarily seek support from citizens during campaigns for specific causes and for 1 percent tax allocations. Large CSOs with recognizable and popular leaders and public relations experience, such as the Polish Humanitarian Action or the Great Orchestra of Christmas Charity (WOSP), are the most successful in building wider constituencies for their initiatives.



CSOs must define missions in their statutes when they register. However, according to research by Klon Jawor in 2012, 55 percent of CSOs adjust their activities to donor priorities in order to survive; 17 percent declare that they change their activities relatively often. CSOs do not plan beyond the short-term horizon set by available grants or contracts. Only a few CSOs—usually the larger ones that are more financially independent—utilize strategic planning. Some CSOs engage in strategic planning to meet donor requirements.

Only larger organizations have clear divisions of responsibilities between the boards of directors and staff members. In smaller CSOs, staff members often serve on the board.

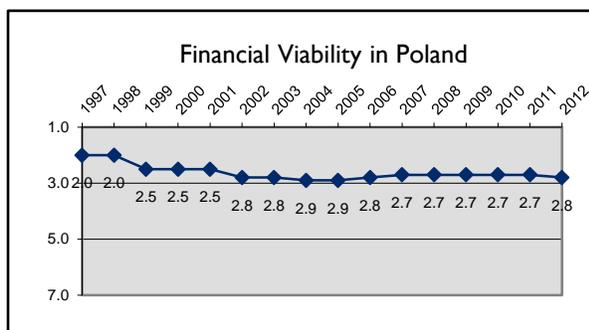
According to Klon Jawor's 2012 research, about half of CSOs have paid staff (14 percent in rural areas), but less than 20 percent employ permanent personnel. The number of organizations with paid staff has grown from 44 percent in 2010, but the share of CSOs with permanent personnel declined by 4 percent during this time period. Only a few CSOs have more than five employees. Staffing is often project-driven. Smaller CSOs in particular hire staff on fixed-term contracts that usually do not extend beyond particular projects. Most CSOs hire accountants or contract accounting services, but only those with larger budgets can afford regular assistance from professional lawyers.

CSOs continue to rely mostly on their members for voluntary work. The number of external volunteers recruited depends on CSOs' resources; CSOs with more resources generally find it easier to design tasks for volunteers and offer them the necessary guidance. Even though the experience of the European football championship EURO 2012, during which 2,500 volunteers were mobilized, shows that there is great potential in Poland to recruit volunteers for specific events or actions, there is little public interest in regular volunteer involvement in CSO activities.

CSO technical advancement continues to improve. A relatively small percentage of CSOs (14 percent in 2012 compared to 17 percent in 2010, according to Klon Jawor) lists office equipment and computers as one of the top three priorities on which they would spend extra money. Many organizations, however, rely on the private equipment of their members, volunteers, or staff. Access to IT equipment is much more limited in rural areas.

## FINANCIAL VIABILITY: 2.8

The financial viability of Poland's CSOs has declined over the last two years. The average CSO has seen its revenue drop by 7 percent. The long-term trend has also been negative. According to Klon Jawor, the 10 percent of the CSO sector with the largest budgets had annual budgets of \$98,249 in 2011, down from



\$153,515 in 2007. The richest 5 percent had annual budgets of at least \$245,624 in 2011, dropping significantly from \$414,491 in 2007.

Public funds remain the most important source of CSO financing. The total amount of national, regional, and local government grants and contracts awarded to nonprofits in 2011 was over \$1.6 billion, a level comparable to that of 2010. However, the share of grants and contracts awarded through open competitions under the Public Benefit Law dropped

from 66 percent to 42 percent. Data for 2012 is not yet available.

More than half of CSOs receive financial support from regional or local governments. However, individual awards through open competitions under the Public Benefit Law are small and declining in value. In 2011, the most recent year for which data is available, the average award was \$12,113, 38 percent lower than in 2010. Some local governments run equity funds for CSOs, which are distributed as grants through open bids. Such equity funds are frequently required in calls for project proposals issued by national government agencies.

Local philanthropy is still developing, and CSOs face growing competition for corporate support from local schools or community centers. As a result, few CSOs receive support from local businesses and those that do receive small amounts of money. According to Klon Jawor, 29 percent of CSOs received donations from individuals (including through public fundraising campaigns) and 30 percent benefited from corporate contributions. Altogether, funds coming from these sources account for 11 percent of the total budget of the CSO sector.

The number of taxpayers who assigned 1 percent of their tax liabilities to CSOs in 2012 increased by over one million since 2011, and the total amount assigned grew by 53 million Polish zloty (approximately \$16.8 million). However, over 55 percent of the funds went to just fifty CSOs, most of which were also the biggest beneficiaries of the 1 percent mechanism in previous years. CSOs from bigger cities account for the majority of this elite group of CSOs. The largest recipient is Fundacja Dzieciom "Zdążyć z Pomocą," a foundation based in Warsaw that raises funds for children who are terminally ill. In 2012, it collected \$33,159,349, nearly one-quarter of the total amount assigned by taxpayers.

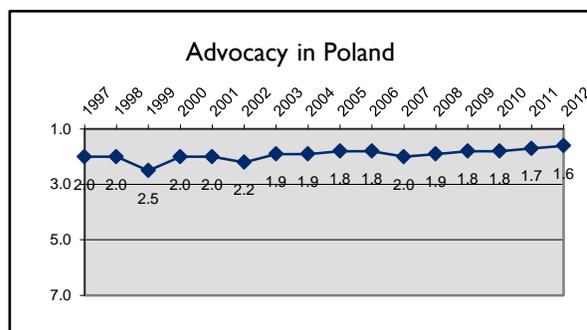
Financial diversification is limited. Many CSOs remain solely or largely dependent on public funding due to its relative accessibility. Although 57 percent of CSOs collected membership fees in 2012 (compared to 60 percent in 2010), the amount collected is usually insufficient to sustain CSO operations. Only a small percentage of CSOs sell their goods or services. The government prefers to co-finance services rather than outsource them; co-financing accounts for 91 percent of contracts awarded to CSOs. The vast majority of CSOs do not have any financial reserves to use as safeguards against liquidity problems.

CSOs prepare annual financial reports, but rarely publish them. Only a few of the most financially viable organizations can afford financial audits. In general, CSOs are more focused on accounting for project expenditures (especially those financed with public funds) than developing a strategic approach to financial management.

## ADVOCACY: 1.6

Cooperation, contacts, and formal dialogue between CSOs and public administration continued to grow in 2012, primarily at the national level.

Throughout 2012, CSOs participated in well-established platforms, such as the Council of Public Benefit Activity, the EU Fund Monitoring Committees, and the Public Debate Forum launched by the President of Poland in 2011. CSOs also succeeded in building better working contacts with central government agencies that previously showed little or no interest in policy-related dialogue. For example, the Ministry of Agriculture began to seek CSO opinions and expertise at the very initial stage of its planning process this year, in contrast to its previous practice of only inviting CSO comments on documents that had already been drafted. CSOs, along with other stakeholders, were also invited to participate in the Team on the Strategy Europe 2020, the EU's new long-term socio-economic development program. The team, which consists of high-level officials and is chaired by the Minister of Economy, has a consultative and monitoring role in the strategy's implementation at the national level.



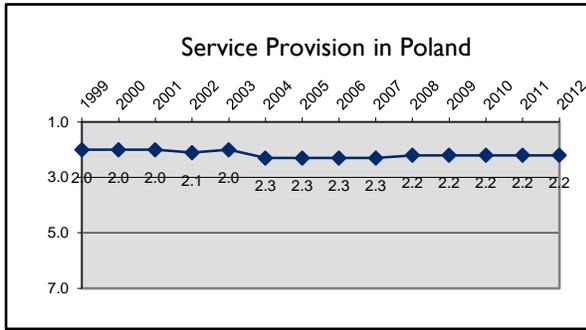
Coalitions have gained recognition as an effective form of advocacy. Numerous national coalitions and networks were active in 2012, but these tend to target decision makers and politicians rather than the wider public. An ad hoc coalition of twelve CSOs developed a list of twelve demands for the next EU fund programming period (2014 to 2020) which was supported by an additional 250 organizations. Among other demands, the CSOs asked for financial means to be made more accessible to small CSOs and for CSOs to be given a bigger role in the strategic programming, monitoring, and assessment of EU funds. The Deputy Minister of Regional Development officially welcomed the initiative and committed to work with CSOs to implement their ideas. The Coalition for Equal Opportunities drafted an amendment to the Act Implementing EU Regulations Concerning Equal Treatment and successfully persuaded a group of MPs to submit it to parliament, where it awaited further action at the end of the year. A report prepared by the Coalition for Anti-Discrimination Education was recognized by the Polish Human Rights Defender (ombudsman) and quoted in her guidelines for the Ministry of Education on human rights education.

CSOs had many opportunities to participate in national consultations and debates on legal reforms concerning public fundraising, registration, and CSO operations during 2012. At the local level, on the other hand, authorities continue to perceive CSOs predominantly as service providers and therefore only use the instruments of CSO participation provided for by the Law on Public Benefit and Voluntary Work to a limited extent.

CSO umbrella organizations and national CSO networks are the most active in trying to promote legal reforms that would benefit the sector as a whole, such as legal provisions for local equity funds, re-granting, and local philanthropy. Local CSOs often do not have enough capacity to take up such advocacy efforts or do not believe they will be successful.

## SERVICE PROVISION: 2.2

According to Klon Jawor's 2012 research, CSOs provide services in a great variety of fields, including sports, tourism and leisure (38 percent), culture and arts (17 percent), training and education (14 percent), social services and social aid (6 percent), health protection (6 percent), and local development (5 percent). While CSOs' focus areas are largely the same as in 2010, there has been a slight increase in the percentage of CSOs working in the area of culture and concurrent drops in those focused on social aid and health protection. Less common areas of work include environmental protection, human rights, science and research, employment and labor market, support to other organizations, and public safety. In rural areas, CSO offerings are usually limited to sports and education.



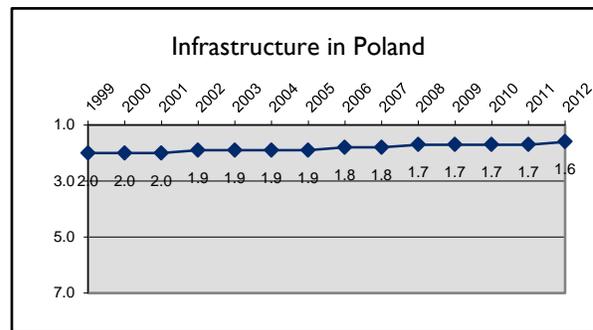
Given CSOs' heavy reliance on project funding, CSO services largely mirror donor priorities. Within the constraints set by donor policies, CSOs tailor services to meet the needs of their members, supporters, or beneficiaries, rather than the needs of the greater community, which CSOs often lack the capacity to diagnose. According to Klon Jawor, in 2012 only one-fifth of CSOs indicated that they collect and analyze data to identify the number of potential service users and one-third investigate user and community needs and analyze the situation. More than half of CSOs

provide services to audiences broader than their own members or direct beneficiaries.

CSOs only charge fees for a small portion of the services they provide. Such revenues represent a declining share of CSO budgets. CSO services are usually co-financed by local governments through grants, which cover most of their costs. For this reason, services are generally provided free-of-charge. Potential beneficiaries, who may not be able to pay for services in any case, also expect to receive services for free.

## INFRASTRUCTURE: 1.6

CSO infrastructure improved slightly in 2012. The number of CSO support and resource centers continued to grow, with some new ones opening in rural areas. According to Klon Jawor's online database, there are 384 CSO support and resource centers in Poland. These centers are mostly supported with EU funding and do not generally charge for their services, with the exception of some training workshops. Several centers have started to standardize their services thanks to a certification system developed and introduced in 2012. The certificates provide assurance to potential users about the quality of services provided.



Approximately twenty local funds distribute locally collected resources, but their scale of operation is very limited compared to needs. Legal provisions to encourage re-granting are lacking, and no mechanism exists at the national level to promote the development of local grantmaking. Local communities and their leaders can receive support for their activities from national grantmakers including the Polish-American Freedom Foundation and the implementer of its Act Locally program, the Academy for the Development of Philanthropy. The Stefan Batory Foundation also supports local initiatives and the Rural Development Foundation offers a wide array of training courses and limited grant support to CSOs from the countryside.

Thanks largely to EU funding, training is available in a growing array of topics and the number of trainers is increasing. Training materials are available in the Polish language. Trainers are becoming more competent thanks to specialized courses that build their skills in specific areas such as anti-discrimination or cooperation. However, CSOs continue to be interested primarily in proposal writing courses. Access to training is greatest in bigger cities, but some centers offer mobile training that reaches CSOs in smaller locations.

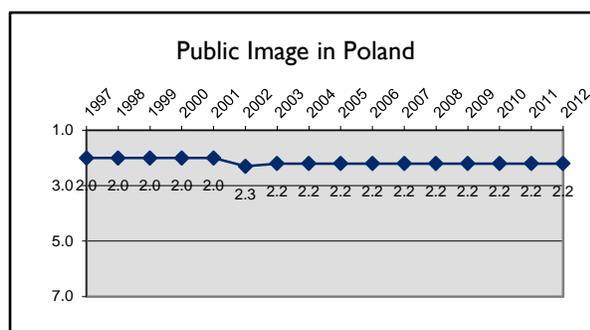
Numerous CSO coalitions and umbrella organizations at the national level unite CSOs around certain topics (such as the Polish Green Network) or in general (such as OFOP, a nationwide federation of CSOs). New coalitions and umbrella organizations are also being formed. For example, the Coalition for the Implementation of the UN Convention on the Rights of Persons with Disabilities, the Coalition for Student Councils, and the Coalition for the Family were all established in 2012. Local CSOs rarely form coalitions.

Legal mechanisms, such as the Public Benefit Councils—advisory bodies consisting of local government and CSO representatives that provide opinions on draft local laws and policy documents—exist at the local level to represent CSO interests. However, at the end of 2011, only 128 local communities out of approximately 3,000 had councils, many of which exist in name only.

CSOs use a variety of information exchange networks. Since 2002, Klon Jawor Association has run [ngo.pl](http://ngo.pl), a dedicated media service with 5.8 million users annually. There are also sectoral information channels, and CSO forums are organized at the national, regional, and local levels.

Although partnerships between CSOs, local businesses, government, and media are still uncommon, the number of joint undertakings is growing, as is recognition of the benefits of cooperation. CSOs are involved in a number of joint CSO-government projects financed by the European Social Fund. In rural areas, approximately 400 local partnerships involving local CSOs, businesses, and government representatives (also called Local Activity Groups) established under the EU Leader Program continue to operate, although they are often dominated by local governments.

## PUBLIC IMAGE: 2.2



Media coverage of CSOs is growing and generally presents CSOs in a positive light. The 1 percent mechanism has contributed to the growing media interest in CSO-related topics, but has also resulted in a focus on organizations addressing health problems, even though they make up just 6 percent of the sector. Otherwise, media generally focuses on just two CSO roles: helping the needy and intervening in crisis situations. At the local level, the objectivity of information published in the media is often affected by the political situation, pressure from local governments

(which often have paid inserts in local media), and local interest groups, particularly in cases where local CSO leaders are perceived as potential competitors in upcoming elections.

The number of CSO announcements in the media is also growing. As a rule, CSOs are offered lower rates than those set for corporate advertising. Since April 2011, CSOs with public benefit status can apply to broadcast public service announcements on public television for free.

Media coverage of CSOs is driven more by journalists' interest than by CSO efforts. Most organizations lack the skills needed to attract media attention. Relatively few CSOs, usually only larger ones with more resources, are capable of maintaining ongoing contact with key nationwide media outlets.

Over the last few years, public trust in CSOs has grown thanks to well-publicized public campaigns and the 1 percent mechanism. Still, according to research conducted by Grażyna Piechota in 2011, the majority of taxpayers do not remember what organization they supported through the 1 percent mechanism.

As CSOs become more professional, the national administration more frequently approaches them for expert opinions, information, and analyses. At the regional and local levels, government perceptions of CSOs are varied. In smaller communities, CSO recognition by local government often has only a declarative character. In many locations, clientelism or reserved attitudes dominate.

The business community has started to recognize the relevance of CSOs for their corporate social responsibility (CSR) activities. In 2012, Harvard Business Review Poland investigated CSO-business relations in Poland for the first time. With three other partners, it conducted a survey in which the great majority of managers from large and medium firms declared their interest in cooperating with CSOs.

The majority of CSOs publish annual reports and the number of those who do so continues to grow. However, CSOs tend to publish annual reports because they are required or expected to do so, rather than out of respect for their shareholders or a deep-rooted desire to be transparent. It is difficult to collect reliable data from many CSOs regarding their finances, personnel, or other sensitive issues. Few CSOs have adopted their own codes of ethics.