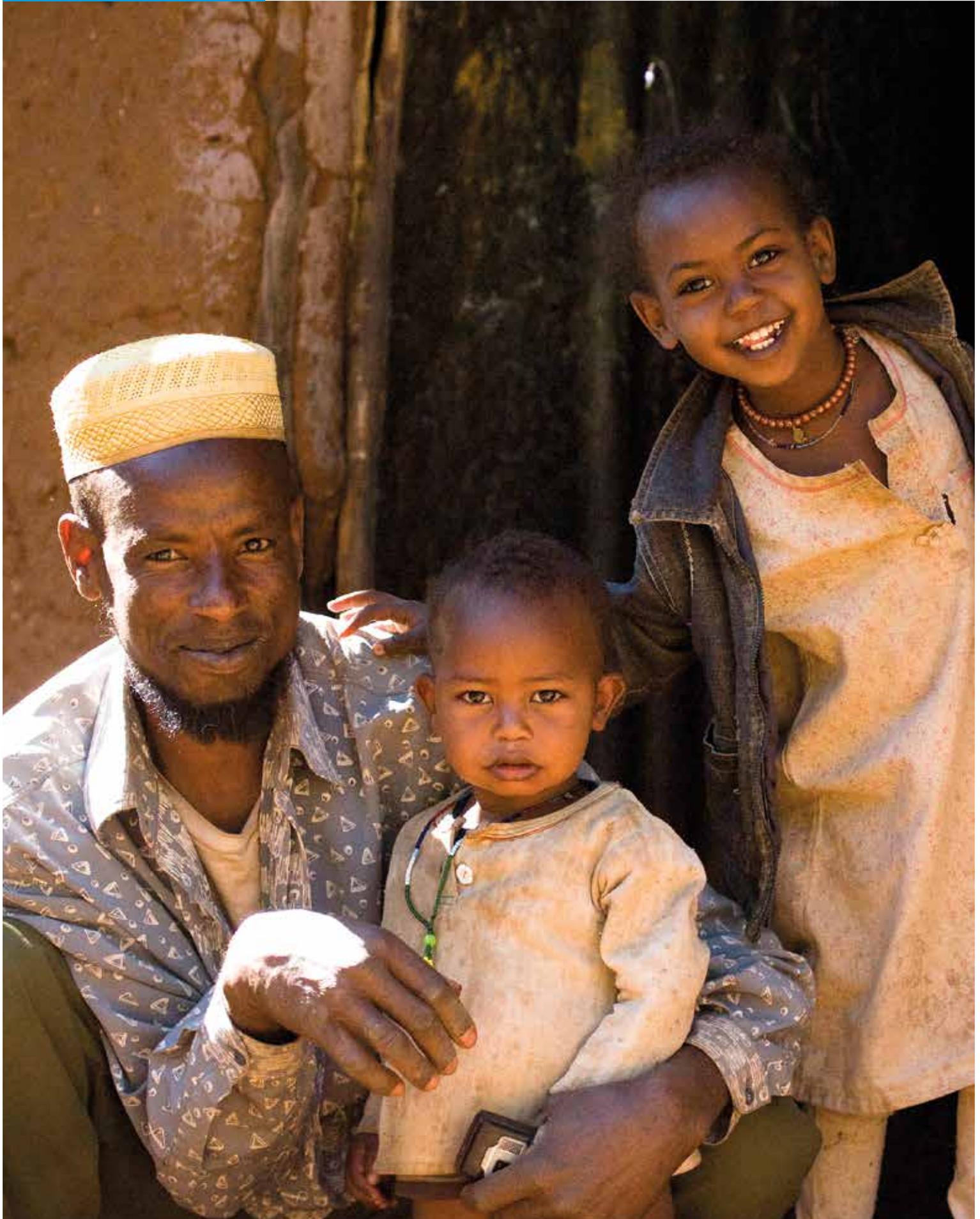


INTERNATIONAL ANNUAL REPORT 2012



SOS CHILDREN'S
VILLAGES
INTERNATIONAL



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Father with two children supported by an SOS Family
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In Guatemala, this girl is one of approximately 3,000 children and young people who benefit from our work in that country. Globally, we enable hundreds of thousands of children to grow up in a caring family.
© Joris Lugtigheid

Never has helping the child at risk been so important

Poverty. Half of the population of developing countries lives on less than two dollars a day. As a result, one in five children under the age of five in those countries is underweight. World Bank 2010; UN 2012

Death. In 2011, every day 19,000 children under the age of five died. UNICEF

Economic crisis. The UN and the World Bank estimate that the current economic crisis has driven an additional 47 to 84 million people into extreme poverty. World Bank 2010; UN 2010

Shrinking budgets. Research in 28 low income countries shows that government spending on social protection declined from 1.9% to 1.6% of GDP. Kyrili and Martin 2010

Lack of healthcare. In 30 developing countries, public health spending is below 20 US dollars per person per year. WHO Each day about 800 women die worldwide because of complications related to pregnancy and childbirth; developing countries account for 99 per cent of those deaths. UNICEF 2010

War. Over one billion children live in countries affected by armed conflict. UNICEF 2009

Loss of parents. 153 million children worldwide have lost one or both parents. UNICEF 2011

Unemployment. The global unemployment rate for youth (ages 15-24) remains at crisis peak levels and is not expected to come down until at least 2016. International Labour Organisation 2012

Lack of education. 67 million children of primary school age do not go to school. UNESCO 2011

Domestic violence. Children suffer from domestic violence everywhere. On every continent, domestic violence occurs in 20-60% of households. UN DESA; UNICEF 2010/2011

We see it first-hand everywhere
SOS Children's Villages works

Abandonment. In many countries, a high number of children born out of wedlock are abandoned – in Egypt, 9 out of 10 children; in Sri Lanka 7 out of 20.

Neglect. In 44% of cases in Chile the main reason for children being placed in the care of SOS families is neglect.

Death of parents. In Laos 72%, in India 30% and in Zimbabwe 66% of children in SOS families are from families where both parents have died.

Substance abuse. 60% of children living in the care of SOS families in Finland are from families where the parents are struggling with alcohol or drug addiction.

Disease. 70% of children living in SOS families in Kenya and Malawi have been orphaned, in most cases because of HIV/AIDS.

THE CHILDREN WE WORK FOR

Sometimes parents are, for various reasons, not able to care for their children alone; sometimes children lose their parents or never knew them. These are the children we help.

Who we are

SOS Children's Villages works in 133 countries to support families and help children at risk grow up in a loving home. In a world filled with poverty, violence, and injustice, the greatest victims are often children. For more than 60 years, we have worked with partners in each community to either help families care for their children or to provide an alternative, for instance an SOS family, in which the love of a carer is essential. Everything we do is based on the best interests of the child, and each has an individual development plan. We focus on the care, health, education and general development of each individual child.



SOS mother and children at SOS Children's Village Medan, Indonesia. More than 11,000 children and young people benefit from our 36 different programmes in Indonesia. © Tessa Jol

Uniquely, we provide practical support over the long term, so that each child or young person can develop resilient relationships and face life's challenges in the future. In turn, this strengthens communities and the whole of society. We also speak up on behalf of children to governments and international organisations, striving to end violations of children's rights and improve living conditions worldwide. To do everything we do, we need the support of partners and donors to give thousands of vulnerable children a loving home and a second chance just to be a child.

Our structure

In all countries where SOS Children's Villages operates, an autonomous national association is formed as a separate legal entity, with its own statutes and Board of Directors. Associations are members of the international umbrella organisation, and their Board

of Directors work on an honorary basis. Each member must comply with the SOS Children's Villages' international statutes and principles for child care and education, as well as a predetermined set of financial and administrative practices.

Each national association is registered as a foundation, trust, association, non-profit company or society. As a full member of SOS Children's Villages International, they have the right to apply for funding through the umbrella association, and to request services from the General Secretariat.

Guiding frameworks

External frameworks that guide our work are, amongst others, the UN Convention on the Rights of the Child, the UN Guidelines for the Alternative Care of Children, the UN Millennium Development Goals, Quality4Children standards for out-of-home child and



youth care in Europe, Keeping Children Safe standards for child protection, the African Charter on the Rights and Welfare of the Child, the EU Framework on Children's Rights in EU External Actions, the Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief, the INGO Accountability Charter and the International Accounting Standards Board. Further information about our risk management and auditing standards is provided in our financial statement on page 31.

Internal frameworks that guide our work include binding policies on child protection, education, HIV/AIDS, inclusion and emergency relief, amongst others. The umbrella framework that guides all our work is the SOS Children's Villages Programme Policy. All member associations of SOS Children's Villages, all board members, all offices, employees and persons working for or on behalf of SOS Children's Villages have to act according to our internal anti-fraud and anti-corruption guidelines, as well as the SOS Children's Villages Code of Conduct.

How we work

We at SOS Children's Villages believe that children can develop to their full potential only if they have a supportive and protective family environment. We work to make this a reality. At the core of SOS Children's Villages programmes is the individual child who has lost the security of a well-functioning family. What is best for the child guides our work. We focus on each child's care, education and health and we encourage children to actively take part in the decision making that affects their lives.

CARE

We work with disadvantaged families in order to prevent crises that can lead to family breakdown. We offer various forms of support to strengthen and stabilise them as much as possible so that ideally children can grow up in their own families. The objective is to build on the skills and capacity of biological parents, SOS families, social workers and other carers within the community and to ensure that children enjoy positive and caring relationships. When children can no longer live with their own families, we provide quality alternative care, for instance an SOS family, in which the love of a carer is essential. We also support foster families who provide stable and consistent care to children who cannot remain in their biological family and for whom this form of family-based care is considered the best option. Short-term solutions may be offered in crisis situations. Through advocacy, we aim to highlight the need for governments and other providers to improve the quality of care for all children.

EDUCATION

We believe that through quality education, the cycle of exclusion, poverty, domestic violence and family breakdown can be broken. SOS Children's Villages operates kindergartens, day-care centres, schools and vocational training centres. We also operate in partnership with local authorities to build capacity and improve standards of education in the communities where we work.

HEALTH

SOS Children's Villages provides individualised care and supports communities in the development of improved health services infrastructure, as well as the promotion of education and child development. We also run medical centres in underdeveloped areas where we specialise in the care of women and children.

EMERGENCY

In situations of crisis, war, and disaster, children in particular require specific protection and care. SOS Children's Villages is in a strong position to promptly respond with an established infrastructure whenever children and families most need urgent assistance.

MESSAGE FROM THE PRESIDENT

SOS Children's Villages of tomorrow

In June 2012, I accepted the presidency of SOS Children's Villages from Helmut Kutin who led us for years with all his energy for the 'child who has no one'. Leading this organisation is a tremendous responsibility; however attempting to bring about change in children's lives is a constant source of fulfilment. I thank Helmut Kutin for being my mentor. I feel honoured and humbled that the organisation places so much trust in me and feels that I can continue the journey our founder Hermann Gmeiner started in 1949 and Helmut Kutin continued. I am fully committed and request your continuous support to achieve our mission for children.

When I asked Helmut Kutin for guiding words, he told me, 'We need to develop SOS Children's Villages for today's children who will live in tomorrow's world'. We have the unique opportunity to try to shape the future of our children. And as guardians we are duty-bound to equip the next generation with all the necessary tools to lead successful lives as self-supporting, contributing and caring members of their societies.

Times are tough, and the global economic downturn has impacted us significantly. The income in our traditional European markets has stagnated, and income in emerging economies has not kept pace with our strategic growth plans. All SOS member associations have worked very hard to address this issue, and the result was the development of a new set of goals that reflect a sustainable growth. Despite the economic challenges of the past years, our friends and donors have continued to support us. Our income has remained stable. This is due to the tremendous trust that we have gained over the last 64 years and for which we are all deeply grateful.

The impact of the economic downturn is most severe in weak economies, with the cost of living and food inflation skyrocketing. Unfortunately, the vast majority of our children and youth live in such countries. Compounding the issue, the employment opportunities available to young people are limited. We

will have to work harder to assist them in the transition to independence.

What does that mean for our strategy to reach one million children? We will get there later than sooner, while ensuring that every child or adult in our programmes receives an appropriate quality care for as long as it is necessary.



© SOS Archives

Allow me to share a personal experience with you. I spent last Christmas with SOS families in Sri Lanka, a country where I lived for five years and learned what it means to run SOS programmes. This is a country whose children suffered tremendously during a civil conflict lasting over 25 years.

So it was an emotional homecoming. I met a young man who grew up in the village where I was the director. He had been what some might call a 'difficult child'. It took a long time, but with the unstinted support from his SOS mother and family, he eventually stopped seeing the world as a hostile place. Today, he is a well-placed engineer in a happy marriage with a beautiful daughter. We shared and laughed a lot talking about the old days. What more can one ask for!

Mahatma Gandhi said, 'The future depends on what you do today'. This young man is just one of many thousands who needed help and found a family. Ensuring that this is possible for many thousands more is – and always will be – our mission.

Siddhartha Kaul
President
SOS Children's Villages International

Maintaining our ambition, partnerships will deliver real benefits for children

Never before has the need for support provided by SOS Children's Villages been so great. The difficulties faced by the world's most vulnerable families became even more acute in 2012. The destructive forces of war, poverty, famine and injustice continued to separate children from their families or to overwhelm parents struggling with these challenges. The economic crisis in Europe has had a huge impact in Spain, Greece and other countries, where young people are unemployed in ever higher numbers and parents struggle to provide for their children.

In a world where half the population of developing countries is living on less than two dollars a day, the global economic crisis has driven an additional tens of millions of people into extreme poverty.

Governments everywhere are struggling to meet the needs of vulnerable children. In European nations, the source for the majority of our funds, austerity budgets have resulted in cuts in social services, which means less support for struggling families. Unfortunately, it is often the children who suffer most.

At SOS Children's Villages, we haven't lost our ambition to respond to those big challenges. We have adjusted our strategic plan and organisational structure to make sure we are as focused as possible. We take very seriously our responsibilities as one of the world's largest organisations working in support of children in need of care or in danger of losing care, and we will continue to adapt to global changes.

In June 2012, at our 19th General Assembly, Helmut Kutin stepped down after serving as President for 27 years and was succeeded by Siddhartha Kaul. He joined a strong management team, which has been strengthened further in early 2013 by the appointment of Hanne Rasmussen, who previously led our member association in Denmark, as Chief Operating Officer.

We have continued to strengthen partnerships with like-minded individuals and organisations in the public, private and charitable sectors. For example we signed a remarkable cooperation agreement with Habitat for Humanity International, which will help

build new homes, teach young people new skills, and respond to humanitarian disasters. Throughout the year, we worked closely with corporate partners such as the law firm Allen & Overy, Chevrolet, DHL, HSBC, Louis Vuitton, Marriott and Samsung to deliver real improvements in children's lives. In difficult economic times, our corporate partners – as well as hundreds of thousands of individual donors – have remained committed, and I am grateful for their support.



© Sebastian Posingis

I am proud also that in this time of austerity, our continued relationships with Western European governments reflects their endorsement of our expertise and confirms us as a trusted partner for delivering programmes both in Europe and throughout the world.

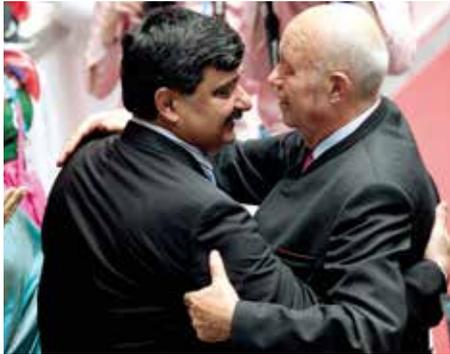
Over the coming years, we will continue to work in cooperation with the United Nations, prominent non-governmental organisations, and European agencies to help us achieve our goals. Whether this is with the Council of Europe on the rights of children in care, or through a network of non-governmental organisations to promote the UN Guidelines on the Alternative Care of Children, we know that we cannot face our challenges alone. This will be particularly important over the next two years, as the United Nations finalises its work on commitments to replace the Millennium Development Goals, which expire in 2015. We fully intend to be at the heart of debate on the post-2015 goals, which will guide policy and funding over the next two decades, working in close cooperation with other like-minded organisations and governments.

In conclusion I would like to thank the more than 30,000 SOS co-workers who work tirelessly, many in intense and challenging environments, in support of our cause. I am grateful for their effort and commitment, and I look forward to working with them in our continued pursuit of a loving home for every child.

Richard Pichler
Secretary General / CEO
SOS Children's Villages International

A YEAR IN PICTURES

●●●
 At our 19th General Assembly in Innsbruck, Austria, Helmut Kutin handed over the presidency to Siddhartha Kaul after he had been at the head of SOS Children's Villages for 27 years.
 © SOS Archives



●●●
 Rama Karki, born with a serious physical disability and raised in an SOS family in Jorpati, Nepal, received the 2012 Hermann Gmeiner Award at the SOS Children's Villages General Assembly in recognition of her help for children with disabilities.
 © SOS Archives



●●●
 At the EU Parliament in November, 35 young people with experience of living in alternative care spoke about their experiences. Legislators and others must act now to ensure the rights and wellbeing of young people leaving alternative care.
 © Tommy Standún



●●●
 Malala Yousafzai, a 14-year-old Pakistani girl, was shot in the head simply because she wants an education. SOS Children's Villages Pakistan condemned this abhorrent attack and called upon us all to keep defending basic human rights. Girls from SOS programmes throughout Pakistan prayed for Malala's recovery.
 © Carole Alfarah

●●●
 SOS Children's Villages in Haiti made big steps forward in its school rehabilitation programme following the earthquake in 2010. We renovated four public schools and completed the extension of the SOS Hermann Gmeiner School in Santo.
 © Conor Ashleigh





More than one million children were threatened by famines in West and Central Africa. SOS Children's Villages helped thousands of children and their families in some of the worst hit areas in Niger, Mali and Chad.
© Jens Honoré

The common goal of improving the living conditions of as many poor disadvantaged people as possible has resulted in a partnership between SOS Children's Villages International and Habitat for Humanity International.
© SOS Archives



As the situation in Syria had worsened further, SOS Children's Villages expanded its humanitarian aid for displaced families. Due to constant threat, the SOS families from Aleppo were brought to Damascus.
© Virginie Nguyen

Sad reality in Spain: one in four children now lives in poverty. Seven SOS Social Centres across Spain are supporting 4,500 children and over 700 families in a variety of ways, even with nutrition programmes.
© Andrea Zanchi



The movement of armed rebels and subsequent political instability in Mali led to the evacuation of SOS families from Mopti to south-western regions. SOS Children's Villages ran emergency programmes in 2012 that provided shelter and nourishment to people in Mali affected by the internal displacement.
© Kate Thomas

Momentum has been growing to tackle the grave challenge of violence against children, culminating in highlighted at a special event at the UN Headquarters in New York. Governments, regional organisations, UN agencies, networks of children and adolescents and leading child-focused NGOs, including SOS Children's Villages, were involved.
© Joris Lugtigheid



Olivier Dricot of SOS Children's Villages in France was one of several representatives of SOS Children's Villages to carry the Olympic torch on its way to London.
© SOS Archives



Making it possible for children to have loving families

The global economic crisis has severely affected the well-being of families and children. Globally, the number of unemployed rose by 27 million between 2007 and 2009 and climbed another 2 percentage points in 2011. The struggle for economic survival often leads to poverty. The psychological costs of poverty can include humiliation, despair and a sense of shame and failure. These feelings of powerlessness and hopelessness increase families' vulnerability and undermine people's belief in their ability to be 'good parents'. As a result there are profound needs for the support that SOS Children's Villages provides, whether in helping existing families cope or, when necessary, providing an alternative such as an SOS family.



Girl at front door of her home in Skopje, Macedonia, where our family strengthening programme helps more than 400 children.
© Katerina Ilievska

**In 2012,
62,000 children were living in 6,538
SOS families around the world;
20,300 young people were supported
through various youth programmes; and
236,500 children were helped within their
biological families.**

The problems

Poverty often goes hand in hand with increased labour migration and family separation which hinders children's development and compounds their level of emotional distress. Migration from the countryside has driven urban expansion, and today, over half the world's people – including more than a billion children – live in cities and towns. Hundreds of millions of children in the world's urban areas are growing up amid scarcity and deprivation.

Additionally, the global economic crisis has restricted the ability of authorities everywhere to support families. Reinforcing social protection measures is therefore necessary. The most vulnerable families living in poverty – including ethnic minorities and migrants – face the greatest risk of being excluded from public services. The reduction in support services increases the problem, despite the fact that governments have a duty to support families with housing, sanitation, food security, health care and education.

Our response

SOS Children's Villages is convinced that the healthy development of a child requires a caring family environment. But not all families are capable of taking good care of their children. Poverty is usually the key factor. While in Africa the death of one or both parents is the most common reason for children needing our support, in Eastern Europe it is primarily families with several children, mostly in poor living conditions, who do not feel up to life's daily challenges. SOS Children's Villages has responded by developing measures that strengthen the family. These 'family strengthening measures' can be therapeutic services, counselling or assistance with seeking employment. Almost always, SOS Children's Villages works with local partners.

If it is not possible for a child to grow up in his or her family, or if this is not in the child's best interests,

it is usually the authorities who place a child into alternative care of some sort. In Western Europe, this is often after extensive efforts to support the family staying together. In such cases, these children can remain with their siblings and become part of an SOS family, who can provide them with affection, steady relationships and a secure foundation for life. Again, it is the loss of one or both parents that is a common reason for children to be accepted into SOS families – in the eastern and southern parts of Africa, for example, it is often as a result of HIV/AIDS. But alcohol and other drug-related problems, as well as poverty and crime, are also causes for children being neglected and not being able to stay with their parents or relatives.

Recently, in search of more possibilities to help children in need of alternative care, SOS Children's Villages has started to work with foster families. Our support takes a number of forms, such as training and support for foster parents. We also work with childcare authorities to help them improve their existing foster care systems.

Progress

Implementing new approaches

Current research findings are continuously being incorporated into social work and used to shape government policy on alternative care. These developments, as well as cost-cutting measures that have become necessary due to the impact of the financial crisis, have led SOS Children's Villages to accelerate the introduction of new approaches, especially in our SOS families. New approaches however bring change, which must be implemented carefully and always according to the child's best interests.

For example, in Brazil, in the small town of Goioerê (pop. 30,000) located in the south of the country, there has been an SOS Children's Village in existence



Family life in SOS programmes worldwide (clockwise):

Children playing in the streets of the integrated SOS Children's Village in Santa Rosa de Copán in Honduras © Sophie Preisch

Mother and son supported by SOS family strengthening programme in Calcutta, India © Katrin Harms

Family lunch at the SOS Children's Village Plagiari in Greece © SOS Archives

SOS mother cuddling with two children in the SOS Children's Village Abobo Gare in Côte d'Ivoire © Axel Nédée



since 1977. Poverty, migration, drug problems and domestic violence were the most common reasons for children being admitted into the village. In Brazil today, like in other countries, the process of 'De-institutionalisation' is currently underway, meaning that children should grow up in the most family-friendly environment possible. As of last year, all the families from the SOS Children's Village have moved into new homes within the local community, which brings multiple advantages. Previously, the SOS Children's Village was located in a remote area. However, now the children are living in the middle of the community, and the state now contributes about one-third of our operating costs. SOS Children's Villages is focused on ensuring that the quality of care is guaranteed and on supporting, training and advising the families.

Consequences of the financial crisis

The exceedingly high public debt of some European countries has led to economic recession, high unemployment and austerity measures, including a reduction in social spending. Greece and Spain are well-known examples.

These austerity measures are often used as the rationale for reducing social support services provided by the public authorities. These developments have had drastic effects on the work of the SOS Social Centre in the Greek capital of Athens. In the last two years the centre has seen the number of families seeking

assistance rise by eight times, to about 650. At the end of 2012 the figure was about 650 families. The social centre supports people in looking for employment, facilitates networking and provides counselling on parenting issues. In 2012 SOS Children's Villages opened social centres in five more cities, which currently support 300 families.

Also in Spain, several SOS Social Centres are working alongside a variety of partners to fight against a sad reality: In Spain today, one out of four children is living in poverty. The social centres distribute food and groceries to those in need and offer breakfast and lunch to children at risk of malnutrition. Services also include family therapy and tutoring.

Young people in Spain are confronted with a multitude of problems. Teenage pregnancy often means dropping out of school and few vocational training opportunities. In response, the SOS Social Centre in Barcelona has launched a counselling programme for single, young mothers-to-be. Together, a custom-tailored approach to support mother and child is developed. Day care, training courses and assistance in looking for employment are key components. In case of imminent eviction, SOS Children's Villages also offers temporary accommodation.

In 2011 alone, the seven Spanish SOS Social Centres supported 4,500 children and 700 families. During this time, despite the deteriorating economic situation, many families and young people have managed to take back their lives.



In Uzbekistan, this girl and her grandmother were among more than 2,000 children and adults to benefit from our programmes.
© SOS Archives

Supporting family ties

Shining modern architecture reflects a fresh positive atmosphere in Tashkent. It is home to renowned libraries containing historic manuscripts – including the world’s oldest Koran. Uzbekistan’s capital is a place of prosperity and learning. The city celebrated in 2007, when it was named the Cultural Capital of the Islamic world.

But such jubilation was remote for one household, when a tragic turn of events weakened the family and placed children at risk.

When their parents died, Diana, then aged 15, and Veronica aged 7, ended up in the care of Nina – their grieving grandmother. The growing mildew on the walls of their Tashkent apartment reflected their dismal lives – a situation that was gradually worsening to the point of irreparable damage.

A leaking roof exacerbated the level of dampness that contributed to the regular bouts of ill health endured by all three. Nina exhausted her savings and struggled to meet basic needs. In reaction to the upheaval, and lacking the confidence of their peers, the girls rebelled. They gradually disregarded Nina’s authority and lost the will to put things right. This added to the despair felt by their ageing grandmother.

Regular conflict within the family was the inevitable outcome. Veronica paid scant attention to her homework and became withdrawn. Their education was in peril, as both children began to play truant. Diana did not understand how difficulties faced by a grandparent who was forced to become a breadwinner, mother, and a father to adolescent children. Nina could not understand the changing needs of young girls in today’s Uzbekistan.

All three were in desperate need of practical help when they met social care experts at the SOS Family Strengthening Programme in Tashkent. They were not aware that they shared so much in common with over 230 other carers and children who receive counselling through the programme.

The family’s physical and financial health was greatly improved after the SOS Children’s Villages informed Nina that she was eligible to claim a variety of entitlements and state financial support. As a result, the leaking roof has been repaired, and the mildew problem eradicated.

Through counselling, Nina and the girls learned to understand one another’s difficulties and needs. Diana has learned to see matters from her grandmother’s perspective and has become a supportive role model for her little sister. On the advice of her counsellor she attended and successfully completed a course in bookkeeping. Diana now shares the confidence of her peers as she enjoys student life at Tashkent’s college of economics.

Veronica, who is much adored by her grandmother, now shares her sister’s high level of self-esteem. For Nina, the room lights up when the little girl runs into the apartment with her new friends from the afterschool club. As Veronica takes pride in her school achievements, her grandmother is grateful. She always knew that the children had the aptitude to deliver A grades.

To achieve this, Nina knew that she had a major role to play. Like the girls, she also needed the combination of psychological support, advice, training and supportive friends. This she found with SOS Children’s Villages. Today, Nina is an active member of the Parent’s Club where she learns from the experience of others. Community involvement is central to the success of the programme. Without initially realising it – by engaging with the group – Nina is now empowering others to help them protect and care for the children they love.

Names have been changed to protect the identities of those involved.

We strive to ensure that brothers and sisters grow up together, so that they can keep their own shared history and build a shared future.



From self-help group to community-based organisation

After the December 2004 tsunami devastated entire regions in Sri Lanka, many families had to mourn the loss of relatives. Often they were deprived of their livelihood. SOS Children's Villages has reacted with various measures to bring economic, medical, and spiritual relief to the population. In and around the town of Gandara alone, located on the southern coast of the island, nine community centres have been built with strong support from local authorities.

One initiative that has evolved from these centres with support from SOS Children's Villages is the creation of self-help groups, which have recently been registered as community-based organisations. The

goal of the initiative was to encourage a culture of saving and help families re-establish their livelihoods. Members pay a small fee, and from this money small loans are disbursed. Sita is one of the women who, after taking part in a sewing course organised by SOS Children's Villages, made an application for a loan. With the money she received she was able to open a sewing workshop, and from the revenue she earns, she pays a portion of the loan back on a monthly basis. These payments make it possible for more loans to be made available to more families. Sita, whose husband was swept away by the tsunami, can support her children today. The community-based organisation is now running so smoothly that SOS Children's Villages can slowly transition out and direct its resources towards similar initiatives in other towns.



Making space for sibling relations

There are certain principles that remain anchored in the work of SOS Children's Villages regardless of adaptations. One is the principle that siblings should grow up together – unless this is not in a child's best interests. In the last few years, SOS Children's Villages has been involved in a number of research projects to carefully examine the role of siblings in alternative care. Siblings are a valuable resource. The secure attachment to a sister or brother can, to a certain extent, buffer an insecure relationship with parents; it can also provide support and help siblings to better process and understand their own histories.

Based on the research results, SOS Children's Villages has developed recommendations that will contribute to better services for siblings. We know

how important it is to invest in the relationship between parent and child. Likewise, the work with siblings must be a high priority as well. This means that the needs and desires of siblings are considered in a systematic way so that siblings can have the experience of a relationship. It also means that parents and other caregivers are trained in helping siblings to understand and develop their relationship and that child and youth welfare services do whatever they can to ensure that siblings are admitted together and that their relationship will receive support and attention. More on this topic as well as the entire list of recommendations can found in our publication, 'Because we are sisters and brothers: Sibling relations in alternative care'.

www.sos-childrensvillages.org/what-we-do/research/pages/sibling-relations-in-alternative-care.aspx

These siblings are among more than a thousand children in Azerbaijan benefiting from our social centres, children's villages and youth programmes.
© Katerina Ilievska

Focus on: Leaving care

Young people speak out

Making the transition to adulthood is tough for any young person - but especially so for those who have grown up in an alternative care setting. Our 'I Matter' campaign raised awareness of these challenges and gave young adults a platform for persuading lawmakers that more support is needed. Our conference at the European Parliament in November 2012 allowed their voices to be heard.



'In some countries there are attitudes that if you have been in any kind of care – your biography means criminal, prostitute, etc. This has a huge negative influence. Negative enough to lose a sense of belonging, a sense of belief in yourself; you are lost in life', says Teona, a 26-year-old woman from Georgia. In a country where residential care facilities are overstretched, Teona appreciates her good fortune. Today, the social studies graduate is influencing national policy for the benefit of less fortunate children who live in care.

'In Albania kids must leave the orphanage at 14 or 15', says 23-year-old Gazmend. 'A lot of people who are now out of care have nowhere to live. They did not get a good education in the orphanage. Without a good education they cannot find a job. They found it hard to continue high school so they left. They try to get money to buy food, and resort to stealing. Some end up in prison because of this', he says.

Teona and Gazmend share the ability to empathise with others who have lived in care. On this basis SOS Children's Villages brought them together along with their peers from 21 countries. They joined other young people in the 'I Matter' International Youth Council to give a voice to countless children who struggle with the process of leaving alternative care and becoming independent. Through the 'I Matter' campaign they have shared their combined experience in foster care, SOS families or other forms of care. This has led to their empowerment which is affecting change in national and international legislation, policy and day-to-day practice.

Peer research

To ensure decision-makers have a clear understanding of the issues facing young people leaving care, SOS Children's Villages helped support a unique two-year peer research study. Forty-four young people were trained to conduct research in Poland, the Czech Republic, Albania and Finland. Together, they conducted nearly 400 interviews.

From the moment the researchers engaged with their peers, messages came through clearly on issues of wellbeing, housing, employment, education and health.

'What shocked me most was a girl who had left an institution', said Lucie Brodnickova, a peer researcher from the Czech Republic. 'She was on the street without money. She stood outside the entrance of the institution and asked herself, what could she do? It was a shock to me. I then realised that at least I have



family to fall back on.'

Indeed, it is common to expect too much of these young people. 'Even if a young person has a good education and accommodation, this does not necessarily mean that it is the right time to leave care', discovered Daniel Ahlgren, a peer researcher from Finland. 'The young person has to feel ready to leave. Many need time to overcome psychological problems and even addiction issues before they are ready to take on other challenges.'

Standards of care are often appalling. 'For children in institutions the worst case scenario is when one care giver is looking after 15 young people; it does not work', said Marta Konzak, a peer researcher from Poland. She recounted the story of one young man who had four different social workers in two years and who told her he just didn't have enough

Young people from across Europe joined the I Matter International Youth Council and shared research findings in a conference at the European Parliament in November 2012
© SOS Archives

Three girls on balcony, SOS Youth Facility Bucharest, Romania
© Katerina Ilievska



energy to establish a relationship with another.

Marta added, 'The end result is that they do not finish school. Instead they end up on drugs or alcohol and then it is jail. Also, unmotivated foster families don't develop the potential in children to help them follow their dreams.'

In places as diverse as isolated towns in Finland and urban Albania, the peer researchers realised that children leaving care share much in common.

Influencing politicians

The result of the project, a report entitled 'When Care Ends: Lessons from Peer Research', was presented at the European Parliament in November 2012.

Key recommendations of the report include:

- Leaving care isn't simple; it must be planned for well in advance. The young people themselves need to be involved in the process and be helped to gain practical life skills.
- Professional education and job-oriented counselling is essential and needs to start early on.
- Finances and accommodation are huge issues, so young people should receive financial support and help with securing a place to live in safe areas, near employment and education facilities.
- Young people need a positive sense of identity, and their physical and mental health should be assessed and monitored.
- Networks are vital. Young people leaving care need support from peers, family, former carers and other professionals.

The report now provides the basis for a legal framework that EU and UN officials said has enormous value and helps convince politicians and others to act on behalf of care leavers. The report confirms that the approach taken by SOS Children's Villages – providing care and support all the way until the young person is able to become independent, and beyond. SOS Children's Villages – like various child care organisations, authorities and experts – works in partnership to innovate and to be proactive in addressing the needs of care leavers.

Their voices have been heard. 'Those out of care don't have proper accommodation or money to buy food and school supplies' said Gazmend. 'Many wear their bed clothes every day and smell bad because they don't have a washing machine to wash them. Kids should not have to leave at 14 or 15. Change the rules to allow children to stay in care until 20 at least and then provide help; that would be useful.'

Stories of youth leaving care can be heard and viewed in greater detail on our website:

www.sos-childrensvillages.org/News-and-Stories/Stories/Childrens-Rights/Pages/Lessons-from-peer-research-for-EU-leaders.aspx

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Opening doors to a brighter future

Quality education is one of the most powerful tools to effect long-term change for the better - for individual children but also for society as a whole. It is a fundamental human right for every child. It is a key instrument in breaking the vicious circle of poverty and disease and helps fight social injustice, especially against girls and women.



Thousands of children such as this boy benefited from SOS investment in renovating free schools and teacher training in Port-au-Prince, Haiti
© Conor Ashleigh

130,500 children and young adults benefit from education provided in 404 kindergartens and schools run by SOS Children's Villages.

The problems

In spite of positive developments that have taken place over the last decade or so – the proportion of girls finishing primary school has risen, and school attendance rates have increased worldwide – the problem is far from solved. Some 67 million children remain out of school because their families are poor, belong to a discriminated ethnic group, or because armed conflicts in their country make it impossible for them to attend school. Sadly, enrolling them is not enough. In sub-Saharan Africa, where 43 percent of the world's out-of-school children live, many children begin attending school but then drop out again before graduating – ten million of them every year!

In addition, access to education does not guarantee that students will acquire the knowledge and skills they need to realise their full potential. Many children have special educational needs, especially those who, like most of the children SOS Children's Villages helps, come from difficult backgrounds. Budgetary restrictions often don't allow schools to invest in modern equipment, and an alarming worldwide shortfall of teachers has hit primary schools hardest.

Our response

SOS Children's Villages' work is guided by the UN Convention on the Rights of the Child and the Dakar Framework for Action for Education for All. All children have a right to quality education. For those who are denied this right, we work to give them access to such education. To achieve this goal, we address the problem from three different angles:

- We provide access to education where no other education programme is available by teaching children and young people in our own programmes, including day care centres, SOS Kindergartens, SOS Hermann Gmeiner Schools and SOS Vocational Training Centres. In addition, we enable children to attend public education through scholarships that fund school fees, learning materials, school

uniforms and the like. We also hire tutors, speech therapists and other specialists, and provide help with homework.

- We raise the quality of education when schools are not up to our rigorous quality standards by training parents, teachers and principals, among other stakeholders. We also invest in infrastructure and learning materials and facilitate school effectiveness and improvement processes.
- Finally, we build awareness of the need for quality education as a basic human right by influencing policies, plans and budget allocations of government institutions.

While quality education has been the focus of SOS Children's Villages' work from the very start, over the last 15 years the focus has widened to include a broad range of innovative programmes. These range from sustainable agricultural programmes to business concept development, aiming to serve the entire community, rather than just the children in our care. Looking forward, we are calling for the United Nations' post-2015 development agenda to recognise that education is first and foremost a human right - one of the main tools to end poverty and violence.

Progress

Education in Haiti – rebuilding from scratch

In countries affected by armed conflict or following major catastrophes, education becomes even more than a fundamental right shared by all children – it plays a critical role in bringing them back to some semblance of normality.

In Haiti, even before the massive earthquake in 2010 killed some 300,000 people and reduced an estimated 90 percent of schools in the capital Port-au-Prince to rubble quality education was accessible to only a few. Since there was never a government-funded universal school system, most schools were for-profit private schools in any case unaffordable to most families in Haiti; and half the teachers had only very basic education themselves.



This girl at SOS Children's Village Tomilino is one of more than 3,000 children and young adults to benefit from our support in Russia.
© Iván Hidalgo

In the immediate aftermath of the earthquake, SOS Children's Villages opened the doors of its SOS Hermann Gmeiner School in Santo for an additional 490 pupils whose schools had been destroyed. Lessons were held in tents for a while, but an additional 14 classrooms now give a total of 1,330 pupils access to quality primary and secondary education.

Throughout 2012 and early 2013, SOS Children's Villages not only opened a second brand-new SOS Hermann Gmeiner School in Santo, we also completely renovated an existing community school in Santo and four public schools in the south of the country. To ensure pupils receive top-notch education, we are also training teachers in cooperation with the University of Quisqueya and state education authorities. An additional new SOS Hermann Gmeiner School in Les Cayes is scheduled to open in August of 2013.

Raising quality for the entire community

Countries of Central and Eastern Europe, the Baltics and the Commonwealth of Independent States (CIS) have faced a huge amount of change over more than two decades. As a result of political and social disruptions, kindergartens and schools are often unable to help children overcome challenges that are rooted in the problems with which their families are struggling. The consequences include children with low

motivation and self-esteem who are more likely to have to repeat years or drop out of school altogether.

In late 2012, SOS Children's Villages completed the improvement of Tomilino Comprehensive School #17 in Russia. Most of the children attending the school live with their families, who are at risk of breaking apart. Founded in 1939, the school was in dire need of improvement.

SOS Children's Villages replaced the windows, painted the walls and ensured that the light and temperature in classrooms created a healthy learning environment. We modernised the chemistry lab, renovated the sports hall and newly outfitted the playground. We bought printers, computers, and other technical devices that make lessons more interesting and dynamic.

More important than the physical improvements, in cooperation with the Moscow State Pedagogical University, teachers and parents have been introduced to inclusive learning methods that help them make a huge shift in attitudes. As one teacher put it, they are moving 'from forcing children to learn to finding and developing the strengths of each child'. Children with special learning needs were given individual support both during and after classes. A psychologist was hired to help teachers and parents handle difficult children on the one hand, and to help those children to control their often aggressive behaviour on the other.

Signs of love

Before his first birthday, Juan was constantly ill. For a variety of reasons, his mother was unable to care for him and his condition was left untreated. His health deteriorated, and he eventually ended up in the care of SOS mother Nancy Durán, who welcomed him into her SOS family at the SOS Children's Village Cochabamba, Bolivia.

After joining his SOS family – in mid-2008 – it was clear that the toddler had a severe hearing impairment. The condition was identified as hypoacusis. This damage, experts said, arose from inadequate treatment of the respiratory illness he had suffered in his early childhood. His frequent colds were not treated on time and thus the organs of the inner ear were damaged.

Doctors informed Nancy that his language development would be determined when Juan is approximately eight years of age. In other words, he had until then to learn how to speak. Immediate professional support was needed, as every day was precious.

Without delay, Nancy sought the advice of experts. The Fey Alegria Audiology Institute of Cochabamba told the SOS mother what she needed to know. It would prove to be a challenge and a race against time. Unfortunately, a hearing aid was unaffordable. Ever positive, Nancy knew what could be done. For her and her family, it was time to learn new skills and a new language.

Her training involved almost a year in the company of two specialist tutors, one of whom was sponsored by the Department of Human Development at the Municipality of Cochabamba. Training involved various disciplines ranging from drama, games, music and child psychology. There, Emilio Sanchez, a youth worker with SOS Children's Villages explained, 'this type of training is seldom given and is restricted to special family situations. It is not normally available in Cochabamba'. An element of luck and determination is involved – Nancy had both, which enabled her to teach her son to talk and communicate through sign language.



In Bolivia, more than 22,000 children benefit from support provided through 10 Children's Villages, 9 youth programmes and 12 social centres that SOS Children's Villages runs in that country.
© Dominic Sansoni

A common language within a family is vital to develop normal relationships. Support from siblings is key. The older children in Juan's family have now learned sign language and the younger ones in turn are learning from them. As Juan and his family now converse through sign language, his speech and pronunciation is improving by the day. Reading and writing is also progressing at a pace that gives Nancy reason to be proud of her little boy and the family who support him.

Today, over 600,000 disabled Bolivians live in poverty, almost half of whom are illiterate. This sad situation endures due to the lack of support and educational opportunities. Disabled people across much of Latin America face severe discrimination in violation of their human rights. Infanticide, isolation in institutions, and family neglect is common. Through the support he receives at the SOS Children's Village, Juan can prosper, as every child should.

Names have been changed to protect the identities of those involved.

Healthcare is about strengthening families and communities

Over several decades SOS Children's Villages has focused on long-term health by supporting local teams in deprived areas. Providing clinics and free services – such as antiretroviral therapy for HIV sufferers – is not enough. Our approach is one that goes further. It ensures that disadvantaged families can take advantage of the resources available to them, so that they can prosper, and strengthen their communities. This is achieved in a way that is unique to SOS Children's Villages.



Through the SOS Children's Villages emergency relief programme in Niger, thousands of children such as this small girl have received medical or nutritional aid.
© Paul Hahn

We operate 74 different medical centres, the vast majority in Africa. More than 723,000 times, people with nowhere else to go came to us for medical treatments in 2012.

The Problems

Every week this year, 133,000 children under the age of five are likely to die. Over 5,000 expectant mothers in developing countries will probably share a similar fate. Within seven days HIV/AIDS will lead to the deaths of around 32,000 people. What is common to all of them is the fact that much of the loss and suffering is preventable. History has proven that a community led holistic approach can significantly address the challenges.

Every year, almost half a million people in many of the world's most disadvantaged communities are cared for at a growing number of SOS Medical Centres. The UN Millennium Development Goals, agreed in 2000, set 2015 as a target for the world to act. Ahead of time, in 2012, SOS Children's Villages exceeded its expectations in relation to healthcare provision. In addition, medical services have been provided to tens of thousands of others who benefited from SOS Emergency Relief Programmes in the Sahel and East Africa. The challenge is to build on that progress, adapt to evolving needs, and maintain high standards.

Civil unrest in Africa and the Middle East, economic austerity in Europe and labour migration globally added to the number of families in need of psychological support during 2012. Timely intervention and expertise is vital. The challenges involve sourcing and continually training quality healthcare personnel in communities, when and where they are most needed. Additional investment is required to cover running costs, purchase modern equipment and develop facilities. To build on the progress made in the Millennium Development Goals, SOS Children's Villages is joining the call to the international community: make quality healthcare a priority in the UN Post 2015 Development agenda, focusing not just on physical health and survival but on mental and emotional stability as well.

Our Response

Our success in addressing issues of child mortality, maternal care, HIV/AIDS and disease prevention can be attributed to an approach that is unique to SOS Children's Villages. It stems from a belief that to care for a child, the family must be strong. The most vulnerable communities in over 100 countries and territories are served by a network of 624 SOS Social Centres that help families cope with adversity, and this often entails helping them access health care. Our focus is not simply to address short-term survival, but to achieve life-long health for all.

For this reason two additional SOS Medical Centres were recently commissioned in Zambia and Ethiopia to add to the existing 74 SOS Medical Centres across the world. Success is achieved through a commitment to quality. A partnership approach adopted by SOS Children's Villages 50 years ago in Korea, India and across Latin America has endured. Community empowerment continues to form the basis of our long-term commitment to ensuring that children are healthy in all ways – physically, emotionally and mentally.

Throughout 2012, decades of experience allowed us to respond rapidly in providing vital support to children and families in Syria, South Sudan, Mali and Somalia. Adapting to the prevailing needs, SOS Emergency Programmes provided displaced communities with nutritional supplies, maternal healthcare, psychological support, child-friendly spaces, shelter and the financial support required to live with dignity.



Through our 64 medical centres in Africa, we helped hundreds of thousands of children access free medical services.
 © Claire Ladavicius (2),
 Cathérine Flore Ngo Biyack,
 Hilary Atkins



Progress

Delivering where most needed

The majority of SOS Medical Centres are based in Africa. During 2012 across the continent SOS teams helped deliver 7,000 babies – and a lot more besides. Many of our 80,000 inpatients benefited from a significant increase in the levels of obstetrics and post-natal services. Our expert lab-technicians conducted in excess of 340,000 tests in the field. With advanced diagnostics facilities our medical teams effectively treated a half a million vulnerable people.

The ever growing level of confidence and self-reliance across Africa is reflected in the communities where SOS Medical Centres are well established. Some of the children who received care from SOS medical teams across the continent over the past four decades are now among those who deliver healthcare services themselves. This generation of medical experts are today strengthening some of the most remote communities in a way that was not previously possible.

Delivering in innovative ways

In a follow-up to the success of our electronic food voucher card system during the recent drought on the Horn of Africa, telecoms technology is set to play a major role in the way SOS Children's Villages will deliver healthcare in the future.

In 2012, SMS messages were sent to many of the 6,400 HIV patients who receive treatment at SOS Medical Centres. As adherence to the antiretroviral therapy schedule is vital, the timely text messages on their mobile phones proved highly effective. In the latter part of 2012, plans to develop more complex information and communications technology for development (ICT4D) signalled the beginning of a new era. Telemedicine is set to become a common tool in the hands of our 800 local health professionals who play their part in bringing Africa's poor into a healthy modern Africa.

On-going financial support is vital to ensure that SOS Medical Centres continue to provide affordable care to the communities who need it most. Wherever possible, independent financial sustainability is encouraged. In Burundi, for example, the management team at the SOS Medical Centre in Bujumbura are financing the subsidised treatment of poorer patients in a business-like way. They provide health services on a contract basis to 14 local organisations. Income is also generated by providing 24 hour healthcare and pharmacy services. By addressing the market niche, in 2012, they generated over 90 per cent of the funds required to meet the day-to-day costs involved in providing quality healthcare services for free to the poorest women and children in the community.

Save My Mother

Cervical cancer was far from Annie's mind in 2008 when both she and her daughter tested positive for HIV. At the time her concern was for her little girl Gladys who lay in a hospital bed. Pneumonia threatened the life of the six year-old. While health services were freely available locally, they were out of reach for the ailing mother and child.

Access to healthcare is a prevailing problem in Annie's home country of Malawi. In a country the size of England, 120,000 children live with HIV/AIDS. Over half of the rural population live more than five kilometres from basic health facilities, where shelves that should contain stocks of medical supplies are often empty.

Annie lives five kilometres from the SOS Medical Centre in Blantyre and eight kilometres from Malawi's largest hospital, the Queen Elizabeth Central. Both facilities offer sophisticated levels of care, are always well stocked, affordable and dependable. Why then did healthcare gradually become out of reach for Annie and her little girl?

After recovering from pneumonia for the third time in so many months, young Gladys was happy to return from hospital to her own bed. With their school bags on their backs, her fifth grade friends waved as they walked past her house. Gladys looked on. She gave up crying about the fact that she could not join them. Now aged ten, bouts of ill health and antiviral therapy have impeded her schooling. Gladys rarely makes it to school; she does her best to teach herself.

At home, Gladys reads everything available. She became worried after learning that cervical cancer kills a quarter of a million women globally every year. She wondered if her mother had the disease. It is the most common cancer affecting people like her mother: young African women living with HIV. With early detection costing around € 10 (USD 13) per person, cervical cancer is curable. But Annie was malnourished. Every day, she became weaker, and gradually immobile as a series of infections left her legs constantly swollen. The health services were available, but the cost of getting to them was the problem.

Unselfishly, Annie who was unemployed, saved what she could to ensure she had the bus fare needed every month to get her daughter to attend retroviral therapy sessions at the hospital. Her own treatment was often sacrificed when funds were scarce. It appeared that Gladys was



Mother and daughter waiting to be attended at SOS Medical Centre Nairobi, Kenya
© Jens Honoré

destined to become one of the world's 16 million AIDS orphans.

Fortunately, word of Annie's plight reached a health worker from the SOS Medical Centre who was conducting a preventative health outreach programme in the area. This was a major turning point. Within hours, both Annie and Gladys had reason to smile, as a social worker from the nearby SOS Social Centre made some arrangements: Immediate provisions such as food and the cash required to pay for transport for medical treatment. The ten year-old was provided with extra assistance with her education. She now joins her peers in school on a regular basis.

Following treatment for her swollen legs and other conditions, Annie was able to walk again. And learning of opportunities for training and employment raised her spirits.

But lingering in Gladys' mind was her concern about the disease known as the silent killer of young mothers – cervical cancer.

Across several African countries, ten medical centres were chosen to test and quickly treat up to 100,000 women for cervical cancer – for free. The specific expertise of the Female Cancer Foundation has been put into practice at selected SOS Medical Centres; Blantyre is one of them. Gladys was happy to discover the Save My Mother initiative that also provided cancer awareness to women in the community. Now, like her mother, she was anxious to know the results of the simple test. Did her mother have cervical cancer?

The results were clear: no cancer. Annie was encouraged to return for future tests – but only once a year, which is what is recommended for all women living with HIV. For now, Gladys no longer fears becoming an orphan; her mother is not likely to die a young woman. Today, they both enjoy all that is good in Malawi.

Names have been changed to protect the identities of those involved.

In partnership

Making an impact on the lives of children and their families who need us cannot be achieved without the support of individual donors, companies, governments, charities and other organisations who share our vision. We work hard to be reliable, trustworthy partners, contributing our expertise and identifying new ways of working together to achieve common goals.

Children in SOS Children's Villages Chiang Rai, Thailand, get creative. Their designs, through a unique project supported by LOUIS VUITTON, were used to decorate a tree house designed by artist Arne Quinze in the SOS Children's Village in Chantevent, Belgium.
© SOS Archives



For every lunch or dinner purchased in Europe during February 2012 MARRIOTT INTERNATIONAL donated €1 to SOS Youth Programmes. As a prelude to the initiative some of Germany's top culinary critics assembled at the Rossi restaurant in Berlin's SOS Vocational Training Centre where they judged a cooking competition between the centre's aspiring chefs and a team from the nearby Berlin Marriott Hotel.
© Marriott International



SOS mother Sylviane Gauche from Sainte Luce sur Loire, France, carried the Olympic torch in May 2012. Her participation was sponsored by SAMSUNG ELECTRONICS, the world's largest electronics company.
© SOS Archives



Corporate Partners

We build exciting, long-term, sustainable relationships with our corporate partners that allow us to have a meaningful and sustainable impact on the lives of many children. Our organisation offers socially engaged companies a mutually beneficial relationship. Corporate funding allows us to continue our vital work on behalf of children, while generating a high visibility and recognition of a company's commitment to our values from employees, customers and business partners.

- Global law firm **Allen & Overy LLP** supports us internationally with pro bono legal advice.
- **Chevrolet Europe** renewed its European partnership with us to increase the mobility of our children and our co-workers.
- In the GoTeach partnership with **Deutsche Post DHL** we help to foster the empowerment and employability of youth across the globe.
- **HSBC** continued its partnership with us, through its flagship global education programme - Future First - investing USD 1 million in vital education support to disadvantaged children.
- Education and creativity is the hallmark of our 5-year partnership with **Louis Vuitton Malletier**. The French house and its staff are committed to children's well-being, all over the world.
- **Marriott** is supporting young people from disadvantaged backgrounds throughout Europe to reach their full potential by helping them develop employment skills.
- With **Samsung Electronics**, we started joint activities in Europe that use technology to support a stimulating educational environment for disadvantaged children and youth.

To explore possibilities in corporate partnerships:

corporate@sos-kd.org

Individuals

Millions of individuals across the globe support us through single donations, monthly giving, sponsoring a child, or other ways. If you would like to learn more how you can help, please contact the SOS Children's Villages association in your country. Find more information at www.sos-childrensvillages.org or send an email to info@sos-childrensvillages.org.

Institutional donors

We continued to develop our partnerships with institutional donors throughout 2012. These institutions financially support SOS Children's Villages associations in our community work, family strengthening activities, and humanitarian programmes. Institutional partnerships go beyond mere financial arrangements – through them we shape thinking and policies relevant to our work.

Remarkable examples of such partnerships are

two major framework contracts, signed in 2012, with the **Luxembourg Ministry of Foreign Affairs** and the **Austrian Development Agency**. These organisations support the implementation of 25 family strengthening programmes in North-West and East Africa. Both partnerships also help further strengthen the quality of our community work and our partners' capacities to mobilise resources.

Our partnership with the **Directorate for Humanitarian Aid and Civil Protection of the European Commission (ECHO)** enabled us in 2012 to continue running the SOS Maternity and Emergency Paediatric Hospital in Somalia and extend our response to the complex emergency situation in the Horn of Africa.

Our member associations also have partnerships with the European Commission, the **Norwegian Agency for Development Cooperation (NORAD)**, the **German Ministry for Economic Cooperation and Development (BMZ)**, **Belgian Development Cooperation**, and the **Netherlands Ministry of Foreign Affairs**, among others.

Our partnerships with institutions in recent years have already helped improve the living conditions of thousands of children, their families and communities. We want to help make development cooperation work even better, and to promote the rights of children around the globe.

To explore possibilities in institutional partnerships: ipd@sos-kd.org

Non-Governmental Organisations

SOS Children's Villages is partnering with like-minded Non-Governmental Organisations (NGOs) and UN agencies on international, regional and national levels. Our member associations, working in tandem with SOS Children's Villages International as the umbrella organisation, share knowledge and experience and run joint campaigns with partner organisations.

In 2012, a remarkable step on the international level was the signing of a five-year cooperation agreement between SOS Children's Villages and **Habitat for Humanity International**. Six areas have been identified where the two organisations strive to work together: housing, joint communication, disaster response, maintenance of SOS Children's Villages, capacity building of youth, and the exchange of lists of interested countries. The impact of our partnership has already been seen in Nepal, Lesotho and Macedonia.

In 2012 SOS Children's Villages became a shareholder of the **Berlin Civil Society Centre (BCSC)**.

BCSC is a global formal platform of the largest international NGOs and features among its seven current shareholders leading organisations such as Amnesty International, Greenpeace, Oxfam, Plan, Transparency International, and World Vision.

Other authorities

Our member associations, together with SOS Children's Villages International, engage with governments, social welfare authorities and international institutions (such as the EU and the UN) to provide high-quality alternative child care and family support, to improve existing childcare systems and to put children's issues on the political agenda. In Brussels, SOS Children's Villages successfully joined forces with other organisations to ensure that EU policies and funding programmes support national child care reforms, including investment in family support, early intervention and prevention and quality alternative care.

Every child entrusted to our care is referred to us on the decision of courts, welfare authorities or social institutions. In order to organise this very sensitive process of admission (and the transition from care to independent living as young adult) in the best interest of the individual, close cooperation with the authorities is essential. The same applies when we fight for the rights of disadvantaged families and families in acute crisis situations and help them get access to public social services. Through our work, we have become known as a reliable, professional partner for children, families, the responsible institutions and decision-makers.

Community empowerment

Fundamentally changing the living conditions of marginalised and vulnerable children and their families cannot be achieved from the top-down. Lasting change requires working with community representatives and community-based groups. Especially in our work with families of origin, we focus on strengthening local capacities and always seek to anchor our work locally. Community-based organisations or structures especially in Latin America and Africa are normally our key implementation partners to develop effective, sustainable and meaningful responses to assist vulnerable children.

CORPORATE PARTNERS:

ALLEN & OVERY



Deutsche Post DHL



INSTITUTIONAL PARTNERS:



NGO PARTNERS:



Global reach

Worldwide totals

SOS families and youth programmes	82,300	children & young people	These programmes are the core of our work; each child or young person has an individual development plan.
SOS family strengthening programmes ^A	352,500	children & adults	

Education and other programmes

SOS Kindergartens	22,400	children	These programmes are an important part of our community work.
SOS Hermann Gmeiner Schools	108,100	children	
SOS Vocational Training Centres	14,700	adults	
SOS Social Centres ^B	89,500	children & adults	

SOS Medical Centres	723,300	single services ^C	These programmes reach communities in greatest need.
	91,400	service days ^D	
SOS Emergency Relief Programmes	179,500	single services ^C	
	17,400	service days ^D	

A People we help through our family strengthening programmes benefit from a personal and family development plan. They receive such support as child day care, counselling, health advice, and training workshops. They are usually delivered through our 624 Social Centres.

B Users of the Social Centres may receive many of the same services as those in family strengthening programmes (indeed, they are usually supported through the same facility), but we do not yet have development plans in place.

C 'Single services' refers to very short-term support provided to an individual – for example, a single visit to a medical centre.

D 'Service days' refers to longer-term support – for example, where a person receives temporary shelter in an emergency programme, the number of days the person is in SOS shelter is considered the number of service days.

Continents

Number of people we reach

Care Programmes



	Western Europe & North America	Africa & Middle East	Latin America	Central & Eastern Europe, CIS, Baltics	Asia	
SOS families and youth programmes	6,200	24,200	15,100	4,600	32,200	children & young people
SOS family strengthening programmes	16,200	96,000	139,300	16,700	84,300	children & adults

Education and other programmes

SOS Kindergartens	100	14,400	200	700	7,000	children
SOS Hermann Gmeiner Schools	0	57,100	5,000	700	45,300	children
SOS Vocational Training Centres	3,200	4,000	1,100	0	6,400	adults
SOS Social Centres	7,500	20,500	0	57,400	4,100	children & adults

SOS Medical Centres	0	699,300	0	0	24,000	single services
	0	62,600	22,700	0	6,100	service days
SOS Emergency Relief Programmes	0	159,900	19,400	0	200	single services
	0	11,400	6,000	0	0	service days

Number of programmes we run

Care Programmes



	Western Europe & North America	Africa & Middle East	Latin America	Central & Eastern Europe, CIS, Baltics	Asia	TOTAL WORLDWIDE
SOS Families and youth programmes	143	312	289	144	259	1,147

Education and other programmes

SOS Kindergartens	7	140	3	11	61	222
SOS Hermann Gmeiner Schools	0	117	8	2	55	182
SOS Vocational Training Centres	9	18	3	0	24	54
SOS Social Centres	94	200	138	96	96	624

SOS Medical Centres	1	65	1	0	7	74
SOS Emergency Relief Programmes	0	8	6	0	2	16

TOTAL programmes worldwide **2,319**

Our Financial Results 2012

RESILIENCE IN CHALLENGING TIMES

Worldwide income for 2012 was EUR 944 million, an increase of nearly 5% over last year's audited total. The continued growth over five years reflects positively on the reliability of our fundraising base and prospects for years to come.

Expenditures increased steadily across all types of programmes, with running costs relating to our SOS families, youth programmes and family strengthening activities representing 70% of our operating costs of EUR 752 million.

Gradual shift to generating income in emerging markets

Against a backdrop of persistent economic stagnation, we generated slight (2.6%) growth in income from markets in Western Europe and North America, which traditionally are the source for the vast majority of our funds. Given our ambitious goals to help ever more children, this modest growth had a restrictive effect across the organisation.

At the same time, however, we achieved significant growth in income from the emerging markets of Asia, Latin America, and Central and Eastern Europe/CIS countries. On average, these markets generated 23% more income than in 2011, for a total of more than EUR 97 million.

As a result, the percentage of our overall income coming from Western Europe and North America decreased from 88% in 2011 to 86% in 2012.

Success stories

Despite a climate of austerity in national budgets, governmental subsidies for SOS domestic programmes grew 6.7%, to approximately EUR 270 million.

Remarkably, despite national economic challenges, member associations in Spain, Greece and Portugal achieved positive fundraising results, with Greece growing by 70%, Portugal by 43% and Spain by more than 4%.

Our two member associations in Germany combined to generate about 40% of fundraising totals. Significantly, both increased their income from foundations: Hermann-Gmeiner-Fonds Deutschland grew 33% in that category and SOS-Kinderdorf e.V. increased 27%.

Our member association in the Netherlands was highly successful in recruiting major donors, increasing income from that segment by 109%.

Our member association in Norway had a major success in generating 17,800 new sponsorships through a television gala in December, and established prosperous cooperation with various institutional partners, increasing income in this segment by 18%.

Total gross income 2008 - 2012
(all numbers in million €)



THE SOS PROMOTING AND SUPPORTING ASSOCIATIONS ARE:

SOS-Børnebyerne Danmark (DK)
SOS-Kinderdorf e.V. (DE)
Hermann-Gmeiner-Fonds Deutschland e.V. (DE)
SOS Villages d'Enfants France (FR)
SOS Villages d'Enfants Monde asbl.Luxembourg (LU)
SOS Kinderdorpen (NL)
Stiftelsen SOS Barnebyer Norge (NO)
SOS-Kinderdorf Österreich (AT)
Stiftung SOS-Kinderdorf Schweiz (CH)
SOS-Barnbyar Sverige (SE)
SOS Children's Villages UK (UK)
SOS Village d'Enfants Belgique aide le monde asbl. (BE)
SOS Children's Villages Canada (CA)
Asociación Aldeas Infantiles SOS de España (ES)
SOS-Lapsikyläsäätiö/lapsikyläry (FI)
SOS Barnaporpin (IS)
Associazione SOS Italia Villaggi dei Bambini ONLUS (IT)
SOS Children's Villages USA Inc. (USA)

STANDARDS

Audit and control

This Annual Report is an amalgam of the reports provided to us by our National Associations, and by the SOS Promoting and Supporting Associations (our fundraising-oriented bodies located in Western Europe and Northern America). Member associations must file their individual audited statements with the General Secretariat.

SOS Children's Villages has clear internal control guidelines, combined with external verification. Internal audits for each country are carried out by the National Associations as well as by the General Secretariat on behalf of the federation. The General Secretariat undertakes an annual review of the audit results of each National Association as defined in the statutes. Each member association of SOS Children's Villages must be audited annually by independent and esteemed national auditors according to internationally accepted standards. In addition, our audit control is benchmarked against peer international non-governmental organisations. Such rigour is applied also at SOS Children's Villages International in Innsbruck, Austria, annually as required by internal statutes, international best practice and good accounting principles.

The General Secretariat of SOS Children's Villages International has the following certification from auditors Ernst & Young: 'The accounting operations, internal control system, data flow and record-keeping facilitate the complete, accurate, timely and orderly logging and posting of transactions. The annual accounts [...] comply with statutory requirements and [...] give a true and fair view of the assets and liabilities, financial position, and performance of the business.'

The 2012 financial figures provided in this report are compiled from audited and unaudited financial statements from across the federation. Fully audited figures will be finalised by September 2013.

Risk Management

Like all international non-governmental organisations, SOS Children's Villages allocates resources and funds across multiple countries. In 2012, financial commitments were made in 133 countries and territories. The General Secretariat working with the National Associations and the SOS Promoting and Supporting Associations seeks to limit any potential of risk associated with investments, donations and financial control. Internal guidelines, regulation, systematic controls and of course country-by-country legislation is applied to optimise the use of all investments and reduce associated risk.

As a matter of principle, SOS Children's Villages engages only when we can be sure that there will be the scope and potential for long term commitment. SOS Promoting and Supporting Associations in Western Europe and North America will commit to fund programmes on a long-term basis in countries where their work has a sustainable future.

Our strategic planning ensures that the available resources worldwide are put to best use, both through conservative financial planning and also by building reserves for liquidity shortfalls.

International Anti-Fraud and Anti-Corruption Guidelines are in place, with clear regulations on how to avoid fraudulent action as well as binding measures to be undertaken in case fraud is detected. These guidelines are reinforced by the SOS Children's Villages Code of Conduct, which was developed in 2011, with initial roll-out within the General Secretariat taking place in 2012. The code, combined with a strong culture of accountability, trust and commitment, helps ensure respectful conduct towards everyone with whom our co-workers come into contact, including children, fellow co-workers, partners and communities.

Additional frameworks – both internally and externally originated – that contribute to the management of risk are noted on pages 4-5 of this Annual Report.

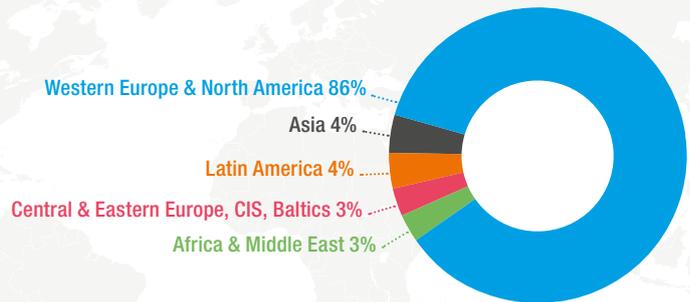
Income 2012

Total gross income EUR 943.5 million

Income by continent

Despite significant increases in income generated in the developing countries, 86% is still generated in Western Europe and North America. In many of those countries, this income funds both domestic and international programmes.

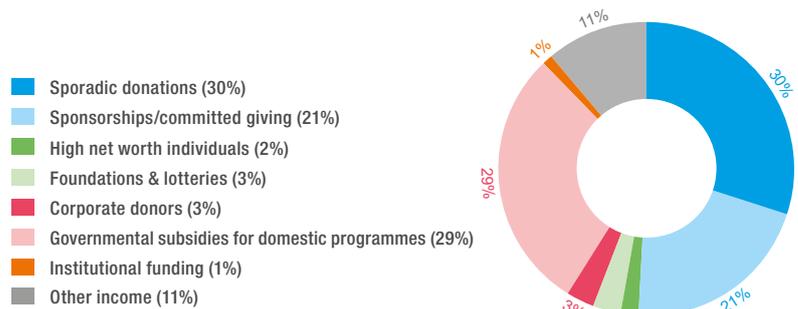
Notably, however, income from Latin America increased 38% over last year, and income from Asia increased by 28%.



Income by type of donor

SOS Children's Villages has always relied heavily on individual donors, and in 2012 they represented EUR 472 million, a total of 51% of global income.

Working in partnership with governments to deliver domestic social care services, about 29% of our income came from domestic governmental subsidies for SOS programmes.



(Emergency appeals less than 1% and therefore not shown in this graph)

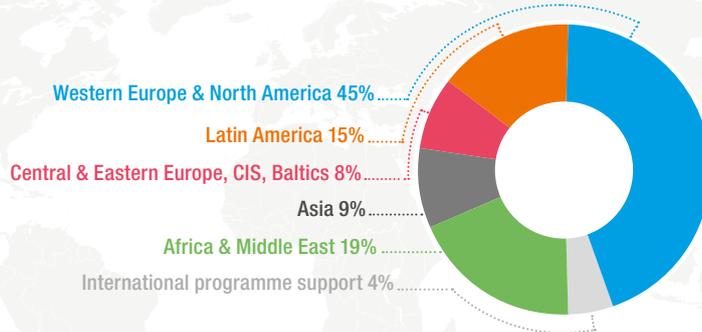
Expenditures 2012

Total expenditure EUR 751.7 million*

Expenditures by continent

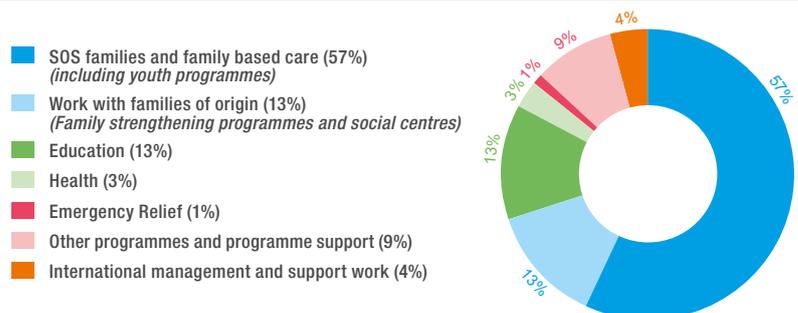
Expenditures in Western Europe and North America reflect a large number of programmes funded by governments domestically.

Of the EUR 334 million spent in that continent, more than two-thirds came from domestic government funds earmarked for domestic programmes.



Expenditures by programme

These figures reflect the significant investments required in delivering on our core competencies (family-based care and work with families of origin) with 70% of our expenditures spent on these types of programmes. The totals for 2012 reflect consistent growth over 2011 numbers across all activities.



* Expenditure total does not include construction and investments funded by Promoting and Supporting Associations (PSAs) or costs of information and fundraising work and administration in PSAs.

Statement of financial activities

All amounts in 1,000€	Actuals 2011 audited	Actuals 2012 preliminary ¹
Revenues by continent		
Africa & Middle East	29,110	31,673
Asia	26,333	33,786
Central & Eastern Europe, CIS, Baltics	24,349	28,574
Latin America	25,286	34,821
Western Europe, North America & Australia	793,806	814,078
International Programme Support	146	579
Total Revenues	899,030	943,511
Source of revenues by donor		
Sporadic donations	294,821	280,222
Sponsorships/committed giving	170,047	191,654
High net worth individuals	20,067	22,296
Foundations & lotteries	29,081	32,875
Corporate donors	25,840	32,803
Governmental subsidies for domestic programmes	252,813	269,723
Institutional funding	10,412	13,316
Emergency appeals ²	13,171	4,153
Other income ³	82,778	96,469
Total Revenues	899,030	943,511
Expenditures by continent		
Africa & Middle East	127,839	145,522
Asia	61,189	67,362
Central & Eastern Europe, CIS, Baltics	57,668	61,350
Latin America	94,909	109,433
Domestic programme work in Western Europe, North America & Australia	324,859	334,344
International coordination and programme support	31,612	33,717
Total Expenses of SOS programmes and international support	731,062	751,728
Construction and investments funds from SOS Promoting/Supporting Associations	32,986	31,947
Information & fundraising work, and costs not directly related to programmes in Promoting and Supporting Associations	147,325	160,370
Dedication to reserves / Usage of reserves	20,643	-534
TOTAL	899,030	943,511
Expenditures by programme type		
Family-based care (<i>Children's villages and youth programmes</i>)	399,671	425,560
Work with families of origin (<i>family strengthening programmes and social centres</i>)	94,469	101,485
Education (<i>Kindergartens, schools and training programmes</i>)	89,578	94,776
Health (<i>Medical centres</i>)	22,957	24,068
Emergency Relief	4,297	7,950
Other programmes	55,492	64,172
Construction and investments funds from SOS Promoting and Supporting Associations	32,986	31,947
International coordination and programme support	31,612	33,717
Information & fundraising work, costs not directly related to programmes in Promoting and Supporting Associations	147,325	160,370
Dedication to reserves / Usage of reserves	20,643	-534
TOTAL	899,030	943,511

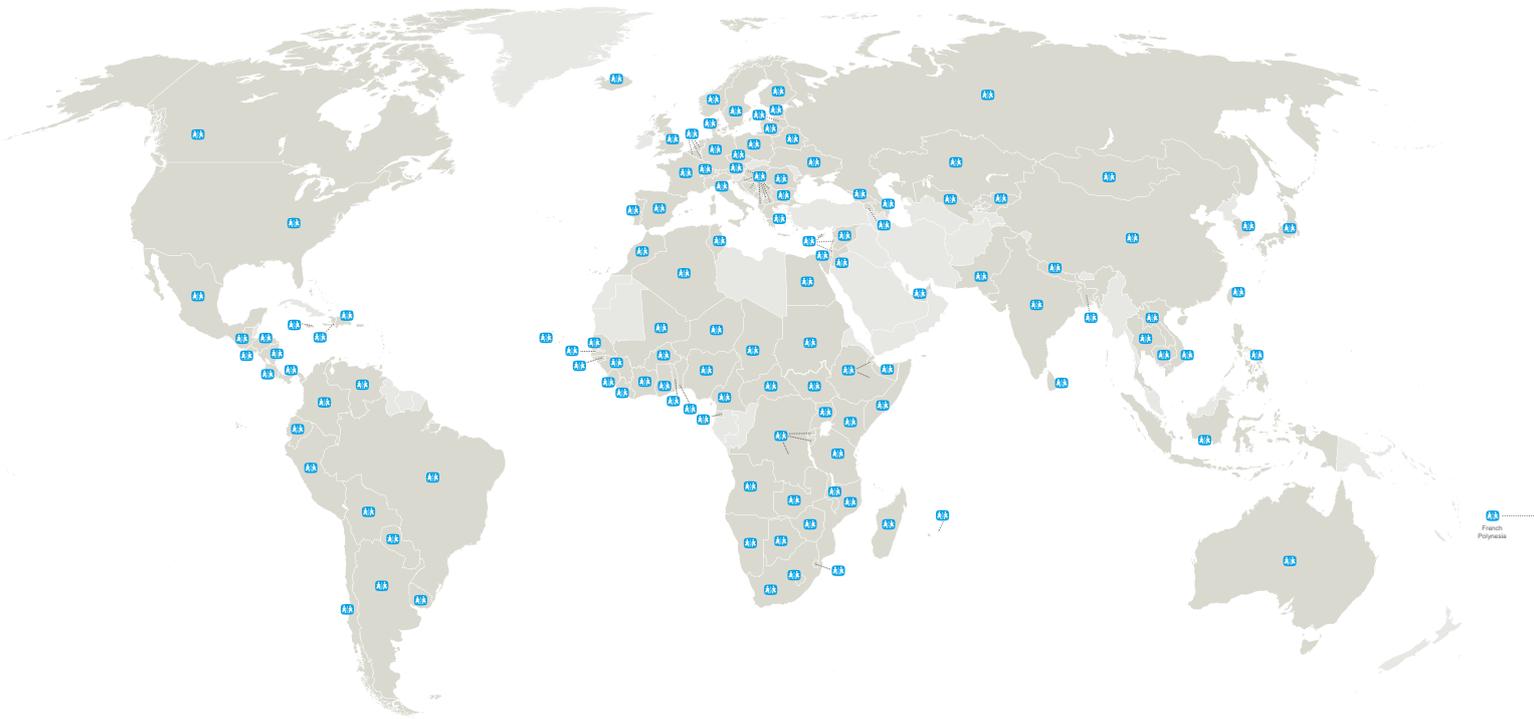
¹ Independent external audits are not yet completed in all 133 countries for 2012.

² Only major appeals are accounted for under 'Emergency appeals'; others are included under 'other income'.

³ Other income refers to financial income such as interest (Supporting Associations), operational income from facilities, and local income for example from events or merchandising.

Countries we work in

SOS Children's Villages helps children and their families in 133 countries and territories around the world:



- | | | | | |
|--------------------------|--------------------|------------------|-------------------------|----------------|
| Albania | Colombia | Honduras | Mongolia | South Africa |
| Algeria | DR of the Congo | Hungary | Morocco | South Korea |
| Angola | Costa Rica | Iceland | Mozambique | South Sudan |
| Argentina | Côte d'Ivoire | India | Namibia | Spain |
| Armenia | Croatia | Indonesia | Nepal | Sri Lanka |
| Australia | Czech Republic | Israel | Netherlands | Sudan |
| Austria | Denmark | Italy | Nicaragua | Swaziland |
| Azerbaijan | Djibouti | Jamaica | Niger | Sweden |
| Bangladesh | Dominican Republic | Japan | Nigeria | Switzerland |
| Belarus | Ecuador | Jordan | Northern Cyprus | Syria |
| Belgium | Egypt | Kazakhstan | Norway | Taiwan, China |
| Benin | El Salvador | Kenya | Pakistan | Tanzania |
| Bolivia | Equatorial Guinea | Kosovo | Palestinian territories | Thailand |
| Bosnia and Herzegovina | Estonia | Kyrgyzstan | Panama | Togo |
| Botswana | Ethiopia | Laos | Paraguay | Tunisia |
| Brazil | Finland | Latvia | Peru | Uganda |
| Bulgaria | France | Lebanon | Philippines | Ukraine |
| Burkina Faso | French Polynesia | Lesotho | Poland | United Kingdom |
| Burundi | Gambia | Liberia | Portugal | USA |
| Cambodia | Georgia | Lithuania | Romania | Uruguay |
| Cameroon | Germany | Luxembourg | Russia | Uzbekistan |
| Canada | Ghana | FYR of Macedonia | Rwanda | Venezuela |
| Cape Verde | Greece | Madagascar | Senegal | Vietnam |
| Central African Republic | Guatemala | Malawi | Serbia | Zambia |
| Chad | Guinea | Mali | Sierra Leone | Zimbabwe |
| Chile | Guinea-Bissau | Mauritius | Somalia | |
| China | Haiti | Mexico | Somaliland | |

**“Good things happen
when people do more
than they have to.”**

Hermann Gmeiner,
founder of SOS Children's Villages

Help us do more for more children in need.

Visit our website www.sos-childrensvillages.org

A LOVING HOME FOR EVERY CHILD



**SOS CHILDREN'S
VILLAGES**
INTERNATIONAL

SOS Children's Villages is a worldwide organisation that enables children to have a loving home with parents or carers.

OUR VISION

Every child belongs to a family and grows with love, respect and security.

OUR MISSION

We build families for children in need, we help them shape their own futures and we share in the development of their communities.

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