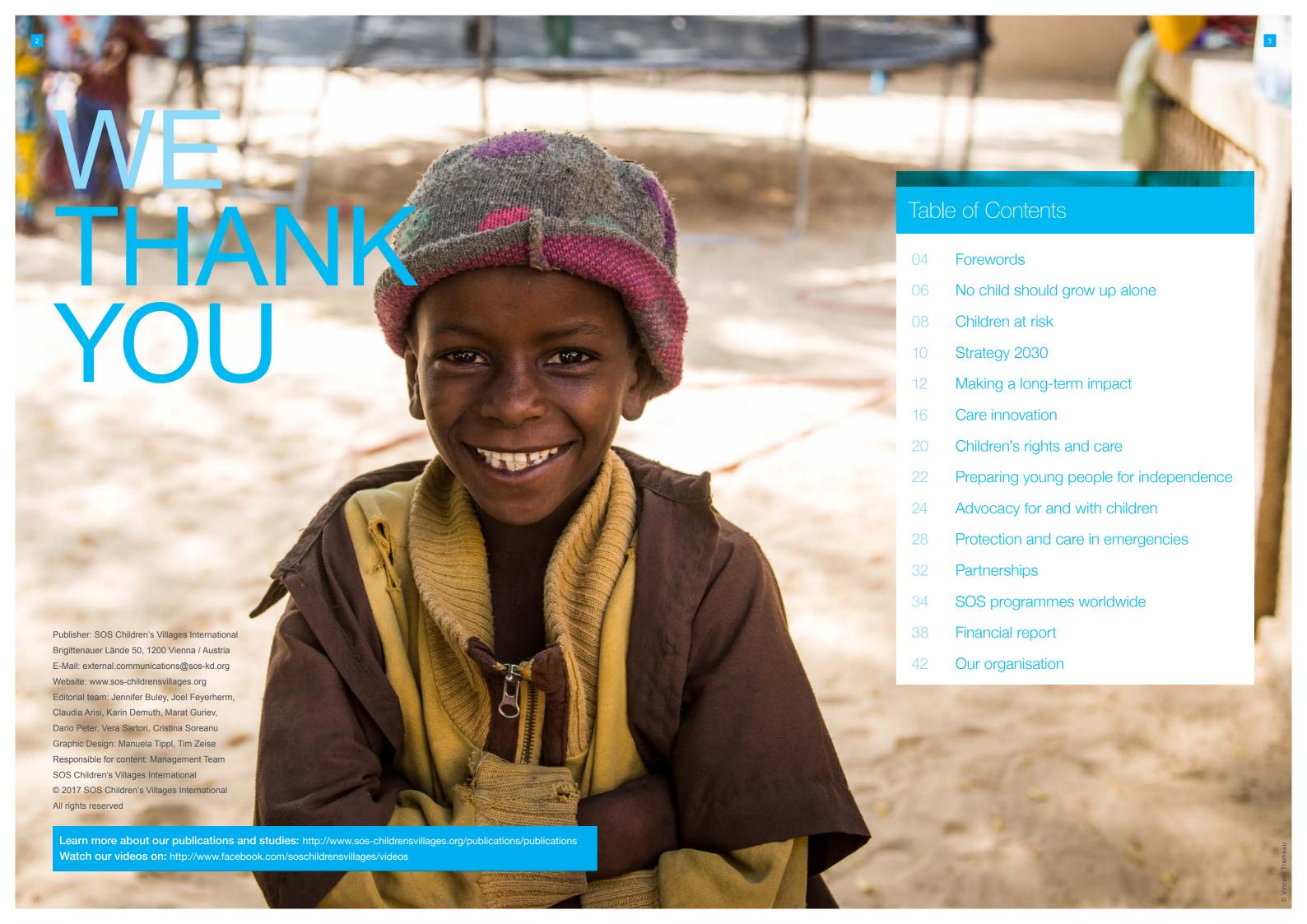
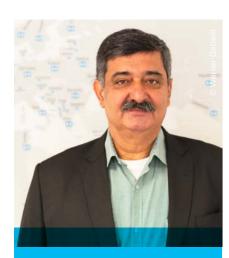
INTERNATIONAL ANNUAL REPORT 2016







FOREWORDS



Siddhartha Kaul President

OS Children's Villages is a federation of autonomous, interdependent member associations, who share a common goal and mission to provide "a loving home for every child".

Each member association responds to the specific needs, in their home country, of children who have lost, or are at risk of losing, parental care. We all agree to abide by a common set of values and high standards that bear the hallmark of SOS Children's Villages. As a federation, we work and adapt together in response to the evolving needs of children and young people.

In 2016, this dedication and culture of teamwork in pursuit of a shared mission was given new expression in a global campaign proclaiming our belief that "no child should grow up alone". This campaign spanned the world, unifying our own membership and attracting new partners to join us in our mission.

Every four years, the SOS Children's Villages federation comes together at the General Assembly, attended by representatives from all 135 countries and territories in which we work. In 2016, the General Assembly was a particularly important one, in which we agreed a new strategy to take us through to the year 2030.

We will never stray from our core values and vision that every child belongs to a family and grows with love, respect and security, as embodied in our SOS Children's Village concept. However, in a world with changing needs, we must adapt.

We will continue to welcome children into SOS Children's Villages and SOS families and provide a loving home. But exactly how we do that must continuously evolve, ensuring that we provide quality care, remain relevant and are responding to current and future needs of children and young people in their home environment.

And that is why our Strategy 2030 commits us to innovating in our core work: providing care for the child who has no one. I am particularly proud that the strategy, described later in this report, also highlights the incredibly important role that SOS Children's Villages plays in empowering young people and helping them make the transition to independence. In a world where too many young people are neglected and alienated – essentially growing up alone – SOS Children's Villages recognises our profound obligation to support them.

Indeed we have a lot of work to do. But I am convinced that the new strategy, as well as the appointment of our new Chief Executive Officer Norbert Meder, who assumed the role in October 2016 after having served for three years as our Chief Financial Officer, will place us in good stead as we take on the challenges that await us as a united federation.

I thank you for your continued support and invite you to be an active member of this exciting journey to 2030.

K-WES

here is no doubt that over the last seven decades our federation has been extremely successful in its work. By any metric, we are confident that with the support of donors, governments, and partners, we have helped many of the world's most vulnerable children to have an opportunity to thrive in a loving home.

Yet our past is no measure of our future success. This is in our hands. In our Strategy 2030, we define the sustainable difference we aspire to make so that many more children succeed in life. Our focus is on the most vulnerable children, those at risk of losing parental care, or who have already lost it. Our vision for that future is laid out in our ambitious Strategy 2030. It challenges us to reach more children so they have an equal chance to succeed in life and to ensure that "no child should grow up alone".

Strategy 2030 also closely aligns with the United Nations Sustainable Development Goals, will make a strong contribution to the implementation of the UN Guidelines for the Alternative Care of Children, and supports the UN Convention on the Rights of the Child.

I have learned over decades in business that a strategy on paper is worth little unless a dynamic plan conjures it off the page to become a living, thriving and powerful reality. We are now entering an exciting time, in which by mitigating the risks, we can seize every strategic opportunity. To be the future partner of choice for donors, governments, investors, and other organisations across 135 countries and territories, the federation must work together to proactively address current and future challenges.

Special attention has been given to the financial feasibility of Strategy 2030. Between now and 2020, we will invest in quality and build our capacity. We are currently reviewing all of our programmes to ensure impact for children and families in our target group and alignment with Strategy 2030. These reviews identify best practice, specifically in programme excellence and efficiency.

We are implementing means by which we will become more agile and proficient, enabling effective delivery to our beneficiaries and donors. Simplification is key, so that in the future more resources are available to children and families in need.

We cannot achieve our Strategy 2030 alone. We are getting into shape to be the partner of choice to help the most vulnerable in our society. Our future success is vital, as even conservative approaches estimate that at least 220 million children, or 10% of the global child population, are currently without parental care or at risk of losing it. This challenge continues to be huge and our work is – and will continue to be – as important today as it has been every day for the past 67 years.



Norbert Meder
Chief Executive Officer

Norbest Heder

NO CHILD SHOULD GROW UP ALONE

Roughly one out of every ten children is facing life's challenges without adequate care and support.

At least 220 million children are frighteningly alone – shut out from a caring family environment and sometimes even rejected by their communities and deprived of basic needs like food, clothing, shelter, education, health care, protection and love.

Children who grow up alone – without having their basic needs met, without love or security – often struggle to succeed as adults. Even if they have people around them, without the right kind of support and care, they may *feel* alone.

Except for orphanhood, the reasons why children grow up alone or without the needed support of a parent are usually preventable.

Children are at higher risk of losing parental care when they live in regions, countries or communities with contextual risk factors such as health epidemics, armed conflict and internal displacement, political instability, natural disasters, harmful cultural practices such as corporal punishment or child marriage, and gender discrimination, as well as where high levels of unemployment, economic crises or unequal economic growth, and lack of a strong social support network contribute to extreme poverty. For more information see the SOS Children's Villages report, Child at Risk (2016).

In 553 locations around the world in 2016, SOS family strengthening teams worked to prevent children

from losing the care of their families and becoming deprived or isolated.

We directly support families and community partners to prevent separation of children from their families and promote quality care within families. We also strengthen social support networks, so all children have the chance to develop, grow and learn in a positive environment.

Sadly, families sometimes break down despite the best efforts of relatives, community partners and family strengthening. In such cases a child may need to be cared for by someone other than their parent, which is known as 'alternative care'. We draw on our seven decades of experience in the field of alternative care, and



No Child Should Grow Up Alone

the UN Guidelines for the Alternative Care of Children (which we helped create), to provide the most suitable alternative care for each child who needs it.

We do all this in the firm conviction that no child should grow up alone.



CHILDREN AT RISK

Loss of parents

Worldwide, there are more than 300,000 maternal deaths every year, equivalent to 830 per day. (2015 data)



of children referred to SOS family care in 2016 had lost both parents; 17% had lost one parent

of families in SOS family strengthening in 2016 were led by a single mother (24%) or single father (2%)

Poverty

385 million children were living in households with less than US\$1.90 per day. (2013 data)

Children from the poorest households are nearly twice as likely to die before the age of five as children from the richest.

At time of enrolment in any SOS programme in 2016:



of families had no income to provide for their children

of families had very insecure living situations; 4% were homeless

Nutrition

156 million children under five (nearly one in four) were affected by stunting due to insufficient food. (2015 data)

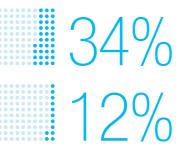


of families could not afford to feed their children enough meals per day

Violence and abuse

In 66 out of 73 countries with available data, more than half of the children aged 1–14 were subjected to some kind of violent discipline in the home.

Almost 250 million children are currently living in countries and areas affected by armed conflict.



of children in SOS family care in 2016 had experienced violence in their family of origin

of children in SOS family care in 2016 were referred because of a parent's alcohol or drug abuse



Lack of access to education

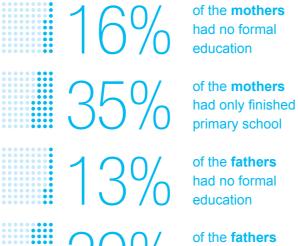
Globally 250 million children are neither literate nor numerate.



of school-aged children were behind for their age in school (40%), not enrolled or dropped out (7%)

In the world's poorest countries, nearly 1 in 4 children is engaged in child labour.

Of the parents enrolled in SOS family strengthening in 2016:



of the **fathers**had only finished
primary school

Grey: UNICEF, SDGs and Data, 2016 (https://data.unicef.org/wp-content/uploads/2016/09/SDGs-and-Data-publication.pdf)
Blue: SOS Children's Villages Programme Database, 2017



Our strategy for the next decade is to ensure the best care for children, innovate, and unite more partners so that no child grows up alone.

Our objectives:

- 1. Many more children succeed in life.
- 2. We lead the world's largest child care movement.

Our strategic initiatives:

- 1. **Innovate alternative child care**. Ensuring our own alternative care programmes are integrated into the community.
- 2. **Strengthen families**. Increasing our efforts to prevent the loss of care.
- 3. **Empower young people.** Improving their care and employability.
- 4. **Advocate for children.** Increasing our advocacy impact and giving a stronger voice to children.
- 5. **Create a movement.** Sharing our experience and knowledge with partners.
- 6. **Simplify SOS.** Continuing efforts to improve our own efficiency.
- 7. **Invest for funding growth.** Raising more money to allow us to carry out our vital mission.

Societies today are at a critical juncture

Far too many children are still growing without adequate care, without having their basic needs and rights met, without the foundation to become self-sufficient adults.

Even more children – those living outside of households, the most vulnerable children of all – are not even being counted for development statistics. This situation is morally unacceptable, and for societies, completely unsustainable.

SOS Children's Villages has almost 70 years of experience supporting children without parental care, and those at risk of losing it. We have a deep understanding of how to prevent the breakdown of parental care and how to care for children who need someone. We do this through innovative and effective

partnerships with donors, communities, governments and other organisations.

Despite our seven decades of experience, we are not complacent. We see changing needs in the communities where we work, and we are taking concrete action to respond appropriately. In May 2016 we began a proactive, rapid programme review process. The action will be rolled out to more than 80 of our member associations by the end of 2017.

Programmes are evaluated for their quality, impact, efficiency, and relevance to the children we work for – children who have lost their parents and children who are not receiving the care they need from their parents, particularly those who are most vulnerable and at-risk.

From these rapid assessments, we are deriving action plans for improvements, efficiencies, and good practices that can be shared and adapted in other locations.

A global consolidation of recommendations will be finished in autumn 2017. The programme assessments also reflect our commitment to results-based management, a global management concept that was approved by the SOS Children's Villages International Management Council in 2016. This concept and the rapid assessments, along with our progressive social impact assessments (see page 13), demonstrate our commitment to organisational learning and management based on measurable impact and relevance.

MAKING A LONG-TERM IMPACT

Measuring the long-term impact of our work

It is easy to provide statistics about SOS Children's Villages programmes. Long-term impact is harder to measure. We don't want to know only how many children and families we support, but also how we have improved their lives in the long term. Therefore, we have developed a social impact assessment methodology. Our method measures how people who were cared for or supported by SOS Children's Villages as children are doing – years later – in eight dimensions: care, physical health, social and emotional well-being, education and skills, protection, livelihood,

food security and shelter. The assessments are carried out by independent researchers. The first seven assessments – two pilots in 2015, and five further assessments in 2016 – provide evidence that SOS Children's Villages is indeed making a lasting difference in children's lives and helping to make the communities in which they live sustainable. The findings from Côte d'Ivoire (Abobo-Gare), Ethiopia (Hawassa), Nepal (Surkhet), Senegal (Dakar), Swaziland (Mbabane), and Tanzania (Zanzibar) show that approxi mately 80% of former participants in SOS programmes are doing well or very well in at least six out of the eight dimensions of well-being.

Very poorly

Very well

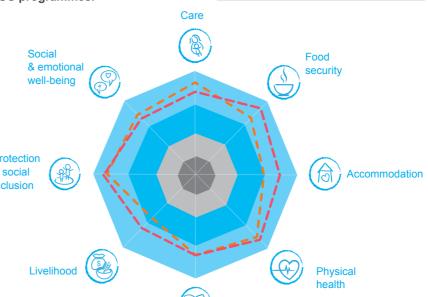
Poorly

Key findings

Our family strengthening work is shown to be successful in preventing the separation of children from their families, improving the care children receive from parents, and fostering social and emotional well-being. The majority of participants in SOS family care, who later become parents themselves, fulfil their parental obligations to their own children, creating a positive impact on future generations. Communities with active SOS programmes show improvements in awareness of children's rights, and stronger community networks to safeguard children.

The impact assessments

Before participation in the SOS programme children are doing poorly. After participation in the SOS programme around 80% of former participants are doing well or very well in at least six of the eight dimensions. This chart shows how children are doing on average after they leave SOS programmes.



SOS family care ——— SOS family strengthening

Aggregated results from impact assessments of selected SOS Children's Village programmes in Côte d'Ivoire, Senegal, Togo, Nepal and Tanzania in 2016, plus 2015 pilots in Ethiopia and Swaziland

Education & skills

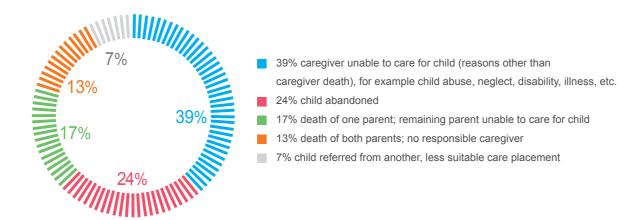
Financial impact

A publicly available report on the methodology, along with country snapshots, will be published in late 2017 on www.sos-childrensvillages.org. The impact assessments also reveal ways in which SOS Children's Villages can improve. Based on the findings, we have committed to work harder to help families become and stay self-reliant, hasten integration of SOS families in their communities, and better support young people in achieving decent jobs and independence. The impact of SOS Children's Villages programmes can also be measured financially. The social return on investment is the accrued. quantifiable benefit to the community in terms of increased lifetime income for programme participants, decreased public spending on social benefits and alternative care, and increased levels of volunteerism and giving. By conservative measures (not taking into account elements such as income multiplier effects over generations, for example) early assessments show that SOS programmes provide a social return on investment of at least €14 for every €1 invested.

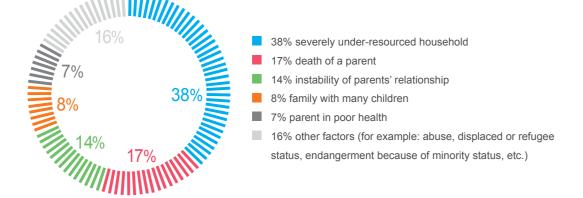
IMPROVED OUTCOMES FOR CHILDREN

Children are enrolled in SOS family strengthening or SOS family care because their well-being and development is seriously at risk in one or more ways.

Primary reasons children were admitted to SOS family care in 2016:



Children are admitted to SOS family strengthening programmes due to a number of reasons. Data from several of our regions reflects these as contributing factors:



What is an SOS family?

In SOS families, children who can no longer live with their parents grow up in a caring, stable and secure family environment. Depending on the local context, between four and ten children of different ages live in an SOS home headed by an SOS parent.

SOS parents are professional caregivers who guide the family according to professional childcare standards. They build resilient and nurturing relationships with each child, provide positive guidance and support the children in coping with everyday challenges.

Together with SOS aunts and other co-workers, SOS parents support

each child's individual long-term development, education and health so that the children in their care can grow and reach their full potential. More than 164,000 children have grown up, or are currently growing, in a loving family environment in an SOS family.



33%

of children in SOS family care were successfully reintegrated with their biological family in 2016



of families in SOS family strengthening became independent in 2016



of children and young people in SOS family strengthening and SOS family care had satisfactory educational performance in 2016



of young people (18+ years) were self-reliant when exiting SOS family care in 2016



Being part of a community is important for children's development and well-being.

We make it a priority to support our SOS families in living in the community, and being part of community life.

In doing so, we encourage children and young people to establish the relationships, necessary skills, attitudes, and networks they will need for independent life.

In strengthening the level of children's integration in their communities, the risk of stigmatisation or discrimination for growing up in alternative care is minimised.

Children feel less isolated, and happier, when they participate in community life. Further, integration helps reduce potential institutional features of alternative care.

Integration means physical as well as social integration in the community

Social integration means interacting with the community and building social networks. We encourage it by creating natural family environments, promoting family autonomy, and encouraging participation in community life.

SOS families may live in a typical home in the community or in a group of homes together in a SOS Children's Village setting. If they live together in a distinct SOS Children's Village, interaction with others is promoted through activities in which the whole community can participate.



Our SOS Children's Village in Cartagena, Colombia, is one example of how integration can successfully be achieved. There is no central SOS Children's Village.

Instead, alternative care is provided by SOS families living dispersed throughout the city, as well as by foster families who receive support from SOS Children's Villages. "We have learned that thinking in new ways, innovating, has helped us reach more and more children, and to commit to the promise that SOS Children's Villages has made to every child to grow up in a loving home."

Angela Rosales, National Director, SOS Children's Villages Colombia

93%

of children in SOS family care are actively involved in personal and family development planning, SOS programme development, or other community activities



of children in SOS family care were successfully reintegrated with their biological family in 2016



SOS Children's Village Imst: Changing with the times

We have a long history of responding flexibly to the urgent needs of children in the community. That history is exemplified by the oldest SOS Children's Village, SOS Children's Village Imst, Austria, which opened in 1949 to care for children orphaned during World War II. In 2016, the village provided refugee families from Syria and Afghanistan with a first home and help integrating in a new land, and supported parents and children escaping domestic violence and dysfunction to make a fresh start through its innovative parent-child programme.



Pre-school and day care for at risk children in Azerbaijan

To increase the number of children in Azerbaijan growing up in healthy family environments, the government started a deinstitutionalisation project in 2006. A decade later, however, there was still a lack of support services for vulnerable families, including quality day care. SOS Children's Villages Azerbaijan stepped up to this challenge and opened two new day care centres with government funding in 2016.

The day care centres in Baku and Ganja provide pre-school education and day care to children between the ages of three and six. Recreational activities, counselling, and the development of social and life skills are also high on the centres' agenda. Parents and other family members also receive training in parenting skills, counselling, and even help finding employment.

Immediately after opening in May 2016, the two SOS day care centres were filled to capacity, providing day care for 20 and 10 children, and support services for their parents.



Oldest SOS Children's Village in Africa adapts to community needs

As the oldest SOS Children's Village in Africa, SOS Children's Village Abobo-Gare, Côte D'Ivoire, has had to adapt over the years to critical community issues, including a decade-long conflict, a difficult economy, and high rates of HIV/AIDS. Recently, it expanded its alternative care options to include foster families and community-integrated families.

In 2016, more than 220 children were growing up in Abobo-Gare's SOS families, while around 250 families of origin, with some 800 children, participated in SOS family strengthening. The SOS medical centre serves some 3,000 residents.

The dedicated social workers at Abobo-Gare helped 27 young people reintegrate with their biological families by helping the families reach their development goals. Young people leaving the care of SOS Children's Village Abobo-Gare can also count on ongoing support to reach independence. Youth employability initiatives have led to secure jobs for 120 of them.



SOS Children's Village Zanzibar protects against human rights abuses

The children of Zanzibar, a semiautonomous archipelago of Tanzania, are especially vulnerable to child labour and child prostitution. SOS Children's Villages has been working to protect the children of Zanzibar from these and other human rights abuses since 1991.

While caring for more than 100 children in 11 SOS families, the fundamental part of SOS Children's Village Zanzibar's work today lies in its family strengthening activities. More than 1,150 vulnerable children are supported through two family strengthening programmes in Unguja and Pemba. Families at risk of breakdown are assisted according to their unique needs, ranging from material assistance in the form of food packages and the payment of school fees to vocational training and family counselling. Around 890 pupils attend our primary and secondary schools in Zanzibar. Further, in a community that is severely affected by HIV/AIDS, we offer voluntary testing and counselling as well as free treatment and drugs at the SOS medical centre.



As part of a landmark, two-year project co-financed by the European Commission's Fundamental Rights and Citizenship Programme, SOS Children's Villages trained more than 870 care professionals from eight European countries in how to apply child rights principles in their work with children. The project culminated with 'Children's Rights in Alternative Care – 'Walk the Talk!', an international conference organised by SOS Children's Villages International in Paris in November.

"We've experienced what being in care means. Our first-hand knowledge is important to factor in."

Gabrielle, young care leaver SOS Children's Villages France There, Laurence Rossignol, French Minister for Families, Childhood and Women's Rights said:

"This philosophy, which places the rights and needs of the child at the heart of child protection, must now be disseminated to all professionals in the sector. This is where I think your training programme is an essential tool for changing attitudes. Like you, I am convinced that training is one of the most effective ways of reforming child protection in a sustainable way in order to better take into account the needs and rights of children."

Young care leavers were key contributors throughout the project, helping to develop its methods and training material.

"When you get to make decisions about where you will live, and who you will live with, then you feel confident, and you develop the selfesteem to become an independent adult."

Anita, young care leaver SOS Children's Villages Croatia

"I encourage young people to adopt a more analytical, critical mindset and find out about their rights, because if we don't know what they are, we're limiting ourselves."

Ramón, 17, from Paraguay, spoke out for abused children at the global partnership to end violence against children event at the United Nations in July



TRAINING CARE PROFESSIONALS

PREPARING YOUNG PEOPLE FOR INDEPENDENCE

Through child rights-focused, relationship-based approaches, we work to raise awareness and support children, families and communities in safeguarding children from violence.

Equipping young people for decent work, independence... life

Every child deserves the opportunity to develop to their full potential and become a self-reliant, active member of society. Access to education is a key component for a life of dignity, respect and independence.

Our 2016 publication, *Learning and Education for Development* explores the complex social, cultural and

financial barriers that hinder learning and access to quality education for millions of children without parental care or at risk of losing it, and describes our holistic, child-centred and relationship-based approach to quality education and learning.



SOS Children's Villages International also researches the challenging employment situations for young people leaving care. In 2016, we published a study, the first of its kind, documenting the situations of young people leaving care in Austria, Croatia, Germany, Hungary and Norway. Findings were discussed with key

stakeholders from European institutions at an event held in October in Brussels, and potential EU initiatives that could support young people through holistic, tailor-made approaches, were also explored. Research is ongoing in 11 other countries on all continents. The new report will be forthcoming in 2017.



Digital skills and access for young people in Somalia, Nigeria and Mali

Among our international partnership projects started in 2016 is The Next Economy, a project to support help young people in Somalia, Nigeria and Mali escape 'working poverty' by gaining access to internet, mobile phones, and other technologies, in addition to developing digital and entrepreneurial skills. The project, a collaboration between SOS Children's Villages, 1% Club, Enviu and Afrilabs, was made possible by the Dutch Ministry of Foreign Affairs, and aims to help young people growing up in poverty, or with limited education or opportunities, start their own businesses, launch promising start-ups, or qualify for decent jobs in the private sector.



YouthCan! partnership goes global

Since June 2016 partners including Deutsche Post DHL Group, AkzoNobel, Allianz and the Youth Career Initiative cooperated on building the global YouthCan! partnership to find solutions to the lack of decent work and employment opportunities for many young people around the world. The global partnership, which was launched in Johannesburg on 1 March 2017, supports internships and hands-on experience in real working environments, access to role models and mentors, entrepreneurship training and skills sharing, so young adults build the skills and connections they need to access decent jobs, achieve selfreliance and independence.



Supporting young entrepreneurs in Uganda

Through its GoTeach programme,

Deutsche Post DHL Group teamed up with the business development organisation Enterprise Uganda to help young people develop their own business ideas. Young entrepreneurs received financial and technical assistance, plus support from volunteer DHL mentors to set up sustainable businesses. Entrepreneurship training and his GoTeach mentor helped Stephen, 28, shape a starter business idea. What Stephen had was some land and lots of clay, but he needed water and labour to start. So he sold his laptop to cover the expenses. Soon, he was able to make 1,000 bricks, using the profits to launch other business ideas. Now Stephen has a motorbike taxi business, raises pigs, and has started a garlic farm with a partner. He has earned enough money to build a house for his mother and sister and is helping others in the community too. Stephen employs four people.



SOS Children's Villages is committed to ensuring the rights of all children. The UN Convention on the Rights of the Child, the UN Guidelines for the Alternative Care of Children, and international frameworks such as the Sustainable Development Goals, are the foundations of our programme and advocacy work.

Advocating for full implementation of the guidelines

Throughout the year we continued to share knowledge and shape discussions about improvement and innovation in alternative care, as well as practical implementation of child rights through the UN Guidelines for the Alternative Care of Children.

SOS Children's Villages comprised the largest delegation at the Momentum International Alternative Care Conference in Geneva in October. Our 60 participants shared insights on progress in alternative care policy, practice, monitoring and evaluation since 2009, when the UN Guidelines were introduced. Young people with experience growing up in care were valued contributors at the conference.

"I challenge anyone to say it is not a person's right to have a say in events that will affect their lives."

Fabio Caillaud, 21, Ita

Deinstitutionalisation beyond Europe

With financial support from the European Commission, our advocacy team led a project to provide guidance on reforming alternative care systems for children in Africa, Asia and Latin America. The project report, Towards the Right Care for Children (2016) was researched in partnership with CELCIS, and launched in Brussels in January 2017. It draws on cases from Chile, Ecuador, Indonesia, Nepal, Nigeria and Uganda, and proposes ways to understand, assess, and improve alternative care systems in developing and middle-income countries. It also provides a strategic vision for building on European Union achievements in deinstitutionalisation, for children living outside Europe.



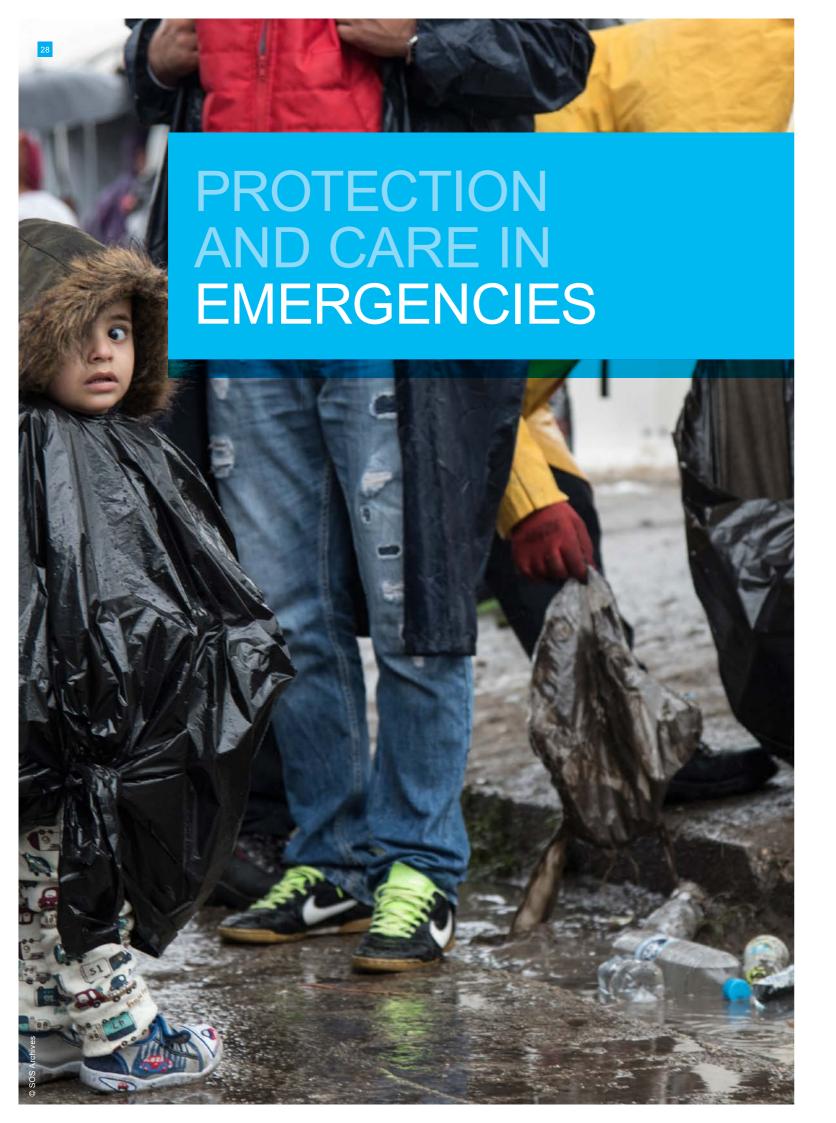
As the countdown to 2030 began, the international community began to work together globally and achieve the 17 ambitious Sustainable Development Goals (SDGs). In the publication *Care for Children is Care for Development* we set out how our programmes contribute directly to SDGs 1, 4, 8, 10 and 16, and how strong partnerships are a key success factor.



Count all children

We raised awareness in the international community that children who have lost parental care and children living outside of households, in institutions and even on the street, will be excluded from development progress unless states count and monitor them as part of the SDGs. Currently, there are large data gaps concerning these children, who are among the most vulnerable children worldwide. Nobody knows in detail how many children need protection and alternative care, nor the quality of the care they currently receive. In 2016, we partnered with more than 250 other organisations to mobilise the UN and the data community to put in place data systems to count and monitor these children, and ensure they are taken into account in planning policies, programmes and services, as part of joint efforts to achieve sustainable development for all.





When conflicts and natural disasters put children at risk, we do everything in our power to protect and support them.

We specialise in the protection and care of children caught up in emergencies. We run interim care centres where we provide full-time care for unaccompanied and separated children and work to reunite them with their family members; at our child friendly spaces, children have a safe place to play and learn. We provide psychological and social support to help children and their parents heal from trauma, and we support families in getting back on their feet, so that stable family life can resume and children can be children.

Gmeiner School in Les Cayes. A programme also began to address humanitarian needs in Iraq's northern Kurdistan region of Dohuk.

Emergency responses were also announced in Nigeria for families affected by years of conflict with Boko Haram, and in Jordan to assist Syrian refugee families. These programmes are to be implemented in 2017.

Among the emergency programmes that were expanded or extended

during 2016 were care for refugees in Armenia, Ebola recovery in Guinea, help for families traumatised and displaced families in Niger, escaping conflict in neighbouring Nigeria, support for refugee children in Serbia, and children and families affected by conflict in Syria and Ukraine.

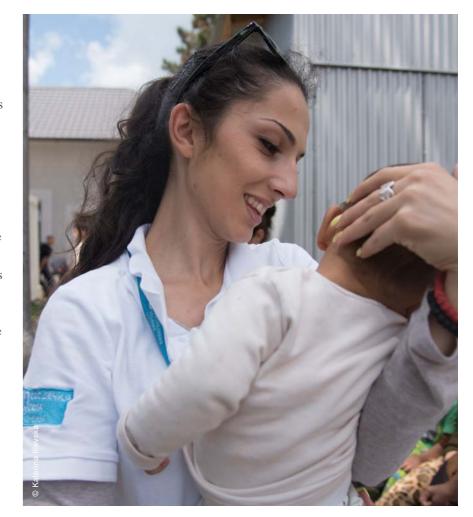
In all, there were emergency programmes planned, completed or in operation in 26 countries during the year.

2016: Growing demand for emergency assistance

National associations in six countries launched emergency programmes to help families affected by natural disasters or conflicts.

New programmes were developed in response to severe drought in Ethiopia and Malawi. Fighting in the South Sudanese capital Juba forced the evacuation of the SOS Children's Village in July, and though all the SOS families were safe, there was a need for temporary housing and time to repair the looted and vandalised village.

Emergency programmes were launched in Ecuador in response to a powerful earthquake in April, and a devastating hurricane that struck Haiti in October damaged the SOS Children's Villages and Hermann



EMERGENCY RESPONSE PROGRAMMES 2016



In 2016 SOS Children's Villages ran more than 30 separate emergency response programmes in 23 countries

Country	Emergency type	SOS response
Armenia	Refugees	Protection; Health; Rehabilitation*; Shelter
Central African Republic	Armed conflict	Protection; Education; Nutrition; Rehabilitation
Croatia	Refugees; Floods	Protection; Education; Health; Rehabilitation
Ecuador	Earthquake	Protection; Shelter
Ethiopia	Drought/Famine	Protection; Nutrition; Rehabilitation; WASH**
FYR Macedonia	Refugees	Protection; Food; Health; Nutrition; Shelter
Greece	Refugees	Protection; Education; Food
Guinea	Ebola	Protection; Health; Rehabilitation
Haiti	Hurricane	Protection; Education; Food; Health
Hungary	Refugees	Protection; Education; Food; Health; Nutrition; Shelter; WASH
Iraq	Armed conflict	Protection; Education; Health; Rehabilitation
Italy	Refugees	Protection; Education
Lebanon	Armed conflict	Protection; Education; Rehabilitation
Malawi	Floods; Drought/Famine	Protection; Food; Nutrition
Nepal	Earthquake	Protection; Food; Rehabilitation; Shelter; WASH
Niger	Armed conflict	Protection; Health; Nutrition; Rehabilitation; Shelter
Palestine	Armed conflict	Protection
Philippines	Typhoon (2013)	Protection; Education; Food; Health; Rehabilitation; Shelter; WASH
Serbia	Refugees; Floods	Protection; Education; Food; Health; Nutrition; Shelter; WASH
Sierra Leone	Ebola	Protection
South Sudan	Armed conflict	Protection; Health; Nutrition; Rehabilitation; Shelter
Syria	Armed conflict	Protection; Education; Food; Nutrition; Shelter; WASH
Ukraine	Armed conflict	Protection; Education; Food; Health

^{*} Rehabilitation covers a variety of reponses to rebuild the community following the emergency phase (e.g. livelihoods).
** WASH equals Water, Sanitation and Hygiene.

21st century tools for disaster preparedness

When disasters or crises strike, we must act quickly and decisively to ensure the safety of the children in our care, our staff and our neighbours in the community. Our strong networks and long-term relationships in the communities where we support families and care for children are one crucial aspect of our preparedness for humanitarian emergencies. Realtime data and connectivity is another. Since January 2016, our corporate partner Allianz has sponsored a pioneering project through which the SOS Children's Villages' Global Emergency Response team, the German Aerospace Center and Deutsche Post DHL Group are developing a web-based, global emergency management system (SOS-EMS). The system, which will be piloted in several humanitarian hotspots in 2017, uses satellite-based early warning services, emergency geo-mapping, and a global incident management feature, to improve preparedness and response operations. SOS-EMS runs on Resilience360, an online platform by DHL that allows users to keep track of natural and man-made disasters in near real-time.

Responsibility for refugee and migrant children

In 2016 we cared for unaccompanied refugee and migrant children, and supported many more along with their families through our local SOS Children's Villages and emergency response programmes. Our main reunification work for refugees was in Greece, Italy, FYR Macedonia, Serbia, Hungary, Syria, and the Diffa region

of Niger. As a basis for advocacy and coalition building, we developed a position paper outlining governments' responsibilities to refugee and migrant children and our own commitment to defend refugee and migrant children's rights and provide needed care and support to as many young refugees and migrants as we can reach.

SOS Children's Villages believes that under no circumstance should a child end up alone, on the street, in detention, in a squalid camp, or any other inhumane condition. All children have the right to grow up with the care and support they need to develop as children.

We actively participated in the negotiations of the UN New York

Declaration on Refugees and Migrants, ensuring that the experiences and voices for children were present in the conversation and pragmatic solutions to fulfil their rights were available and known.

In November, we joined 77 other organisations active in children's rights to urge the European Commission and EU member states to do more to protect migrant and refugee children. In a statement delivered to the European Forum on the Rights of the Child in Brussels in November, together we called for action to ensure that all children enjoy their rights and are empowered to fulfil their potential regardless of their migration status.



PARTNERSHIPS

We could not accomplish what we do for children without the ingenuity, generosity and commitment of civil society, corporate, foundation and government partners, and hundreds of thousands of passionate sponsors and volunteers all over the world.

Partners from a range of sectors underwrite some of our most innovative projects for children – from global initiatives to prepare young people for decent jobs, to ICT access and training for children and young people from underserved communities, to tools and networks that help communities prepare for and recover from emergencies. By working together towards common goals, we make a greater impact for children and build a sustainable future.

In 2016, our 300 institutional partnership contracts represented some €140 million for global projects for 250,000 children and young people in Europe, Africa and Latin America.

Corporate partnerships provided in excess of €49 million in support for SOS Children's Villages globally. Youth employability, stable livelihoods, family strengthening and gender equality were a strong focus.

Loyal sponsors from more than 60 countries provided regular support through nearly 435,000 village and child sponsorships in 2016.



List of leading partners in 2016

Intergovernmental and governmental partners

- Arab Fund for Economic and Social Development
- GOVERNMENT OF AUSTRALIA
- GOVERNMENT OF AUSTRIA

 Austrian Development Agency (ADA)

 Ministry for Defense and Sports

 (BMLVS)
- GOVERNMENT OF BELGIUM

 Ministry of Foreign Affairs, Foreign Trade

 and Development Cooperation (DGD)

 Walloon Government Agency on Air and

 Climate
- GOVERNMENT OF CANADA
 Global Affairs Canada
- GOVERNMENT OF DENMARK

 Danish International Development

 Agency (DANIDA)

 Civil Society in Development (CISU)

- EUROPEAN UNION
 European Commission
 European Economic Area (EEA)
 European Investment Bank
- GOVERNMENT OF FINLAND Ministry for Foreign Affairs
- GOVERNMENT OF FRANCE

 Ministry for Foreign Affairs

 Conseil régional d'Île-de-France
- Ministry of Foreign Affairs (AA)
 Federal Ministry for Economic
 Cooperation and Development (BMZ)
- German Society for International Cooperation (GIZ)
- The Global Fund
- GOVERNMENT OF ICELAND

 Ministry for Foreign Affairs
- GOVERNMENT OF LUXEMBOURG

 Ministry of Foreign and European Affairs
- GOVERNMENT OF THE

 NETHERLANDS

 Ministry for Foreign Affairs
- GOVERNMENT OF NORWAY
 Norwegian Agency for Development
 Cooperation (NORAD)
- Ministry of Health and Care Services
- GOVERNMENT OF SPAINMinistry of Health and Social Services
- GOVERNMENT OF THE UNITED KINGDOM
 Government of the Isle of Man
- UNITED NATIONS

 Agencies and funds

Institutional and corporate foundation partners

- Akelius Foundation
- Augustinus Foundation
- Awgaf and Minor Affairs Foundation
- Bechgaard Foundation
- Big Heart Foundation
- Big Lottery Fund UK
- Det Obelske Familiefond
- Dutch Postcode Lottery
- Elizabeth Glaser Pediatric Aids
 Foundation (EGPAF)

- ERIKS Development Partner
- Fondation Auchan pour la jeunesse
- Fondation Bel
- Foundation 4Life
- Fundacja Benefit Systems
- GE Foundation
- Grieg Foundation
- The Hellenic Initiative
- Hempel Foundation
- Hilton Foundation
- The Jaharis Family Foundation, Inc.
- Lego Foundation
- The Leona M. and Harry B. Helmsley
 Charitable Trust
- Maestro Cares Foundation
- Novo Nordisk Foundation
- Rafa Nadal Foundation
- Stavros Niarchos Foundation
- Stiftung zur Unterstützung der SOS Kinderdörfer-Liechtenstein
- Svenska PostkodLotteriet
- SWISS Children's Foundation
- Swissair Staff Foundation for Children in Need
- Trust of Harry and Carol Goodman
- Western Union Foundation

Leading long-term corporate partners

- Adidas
- Aegean Airlines
- Akelius
- Allen & Overy
- Allianz
- Beiersdorf Österreich AG/Nivea
- Bertelsmann
- Bestseller AS
- British Telecom
- CEWE
- Deutsche Bank
- Deutsche Post DHL Group
- Dr. August Oetker KG
- Dufry Group
- Ecoembes
- Fleckenstein Jeanswear GmbH
- Fromageries Bel (La vache qui rit®)
- Gazprombank
- GodEl / GoodCause

- Groupe Schmidt (Cuisnella & Schmidt)
- GroupM North America
- Hasbro, Inc.
- Hilti AG Schaan (Liechtenstein)
- HSBC
- Humble Bundle, Inc.
- Interguell
- Johnson & Johnson
- Kaufland
- KFC
- Kinetic Worldwide
- Lippincott
- MAN
- Marriott International
- Mars
- MAX Hamburgerrestauranger
- Miles & More
- OBOS
- Oriflame
- Procter & Gamble
- Social Development Foundation

 "Samruk-Kazyna Trust"
- SThree
- Swedbank Robur
- Swiss International Air Lines Ltd.
- Swisscom AG
- Tetra Laval AB
- Transat A.T. Inc
- Vodafone
- Vorwerk
- White&Case
- Wrigley

Other institutional partnerships

- Catholic Relief Service
- Forum Syd

Trocaire

- Research University of Amsterdam Uva Research
- Stiftelsen Radiohjälpen
- Terre des Hommes
- University of Maryland

SOS PROGRAMMES WORLDWIDE 2016

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Care

Through family strengthening we help parents and communities build capacities to care for their children and prevent family breakdown. Sometimes, however, a child or young person has no family, or their safety and well-being depend upon being in a more supportive family environment. Then we provide quality alternative care, for example in an SOS family. In each case, we look at the whole person: we listen to each child's needs and work to provide the best care to support

the individual child or young person

Education

in their development.

Through education and lifelong learning the cycle of exclusion, poverty, domestic violence and family breakdown can be stopped. In communities that lack educational infrastructure, we run kindergartens, schools and social centres, and we strengthen public education by working in partnership with authorities and other service providers. Through advocacy actions we work to influence education policies and practices.

Emergency response In situations of war and disaster, children need specific protection and care. With our established infrastructure, local partners, and experience, we launch effective emergency response programmes (ERP) for children and families who need urgent assistance.

The Americas

SOS Children's Villages
109 family strengthening programmes

19 schools, training and social centres



2 emergency response countries

Europe

114 SOS Children's Villages 150 family strengthening programmes



71 schools, training and social centres



7 emergency response countries

Asia and Oceania

172 SOS Children's Villages 107 family strengthening programmes



 $180\,$ schools, training and social centres



/ emergency response countries



/ medical centres

Africa





286 schools, training and social centres



/ emergency response countries



70 medical centres



Health

We support communities in improving health infrastructure and medical services so that all children have sufficient access to health care. In underdeveloped areas we run medical centres that specialise in the care of women and children to tackle preventable childhood diseases and illnesses that can compromise family stability.

PROGRAMME STATISTICS 2016

People we reached

SOS care programmes

	Africa	The Americas	Asia and Oceania	Europe	Total
SOS Children's Villages					
Children and young people in families and youth programmes	24,100	13,300	35,500	11,600	84,500
SOS families	1,800	1,300	2,200	900	6,200
Family strengthening					
Children and young people in family strengthening	153,900	103,000	89,000	146,800	492,700
Families of origin in family strengthening	39,500	24,100	21,700	5,300	90,600

SOS education and other programmes

Children attending SOS kindergartens	14,200	100	8,000	2,600	24,900
Children in SOS primary and secondary schools	51,300	5,300	47,000	0	103,600
Young people and adults at SOS vocational training centres	7,600	700	4,200	5,500	18,000
Children, young people and adults at SOS social centres	109,300	1,400	10,200	29,400	150,300

SOS health services

Single health services delivered	862,700	0	31,200	0	893,900
Health service days delivered	68,100	0	0	0	68,100

SOS emergency response services

Single emergency services delivered	265,000	29,000	12,400	11,500	317,900
Emergency service days delivered	26,900	0	381,100	71,800	479,800

2016 statistics are based on reporting by SOS Children's Villages associations as of 10 April 2017. Figures for people and services are rounded to nearest 100.

Range of programmes

SOS care programmes

	Africa	The Americas	Asia and Oceania	Europe	Total
SOS Children's Villages	147	138	172	114	571
SOS family strengthening	187	109	107	150	553

SOS education and other programmes

SOS kindergartens	124	1	71	40	236
SOS primary and secondary schools	113	8	63	0	184
SOS vocational training centres	15	2	21	20	58
SOS social centres	34	8	25	111	178

SOS medical centres

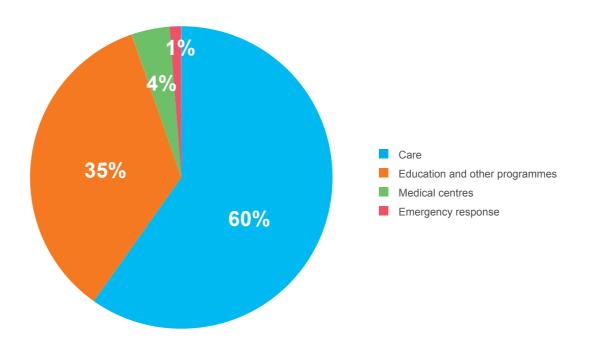
70	0	7	0	77

SOS emergency response (countries)

CCC difference (codiffication)					
	7	2	7	7	23

We ran more than 30 individual emergency response programmes in 23 countries in 2016.

SOS programmes worldwide by type of programme



In a challenging fundraising environment, we achieved modest income growth of approximately 4% in 2016. This was complemented by stable growth in expenditures of 3%, down from 8% in 2015.

Income

In 2016, highlights included significant growth in income from several key sources:

- Committed givers (including child sponsorships) up 9% (approximately €21 million more than in 2015)
- Major donors up 12% (nearly €3 million more than in 2015)
- Govermental subsidies for domestic programmes up 11% (over more than €36 million more than in 2015)

This latter category reflects increases in funding for programmes in Europe supporting refugees. The SOS Children's Villages activities in this area are detailed on page 31 of this report. Income from sources in Africa and Asia have also increased significantly over 2015, by 11% and 10% respectively.

There was a decrease in 2016 of approximately €13 million in emergency appeal funding (down 76% from 2015). This reflects an unusually high figure for emergency response income in 2015 arising from the Nepal earthquake and European refugee crisis appeals.

Expenditures

Expenditures increased modestly – approximately €32 million, or 3% more than 2015, with the majority (57%) going towards programmes in our core care programmes.

This reflects the execution of emergency response programmes initiated in previous years, as well as the increased delivery of programmes in Europe funded by governmental subsidies. This increased investment by European states – in, for example, care for unaccompanied refugee and migrant children – meant that overall expenditures in Europe

represented 52% of programme spending globally.

Significantly, direct spending on beneficiaries now constitutes 80% of all expenditures, following a concerted effort to decrease spending on information and fundraising work in the Promoting and Supporting Associations (down 4% from 2015).

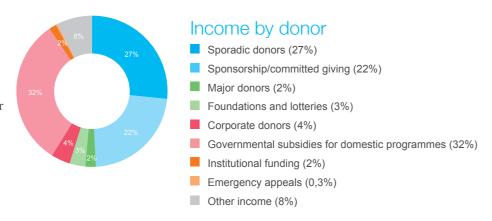
FINANCIAL AUDIT

This International Annual Report is an amalgam of the reports provided by our National Associations and the Promoting and supporting Associations (PSAs – the fundraising-oriented bodies located in Western Europe and North America) and by the offices of the General Secretariat. Our audit control is benchmarked against peer international nongovernmental organisations, and it is required that each member association of SOS Children's Villages is audited annually by independent and esteemed national auditors according to internationally accepted standards. Such rigour is applied also at SOS Children's Austria. Further information about our financial controls can be found in our Accountable Now (formerly the INGO Accountability Charter) report.

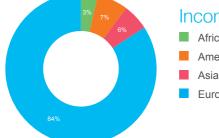
www.sos-childrensvillages.org/ transparency

FINANCIAL STATISTICS 2016

We continued to generate gradually more income from regular sources, as well as from governmental subsidies for domestic programmes, the latter being the single largest donor segment at 32% of income.



Geographic distribution remains similar to last year. Europe remains the largest income source, consisting of fundraising for international programmes plus governmental subsidies for domestic programmes.



Income by continent

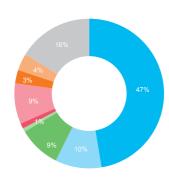
Africa (3%)

America (7%)

Asia and Oceania (6%)

Europe (84%)

The percentage of expenditures going towards information and fundraising work was trimmed to 16% of the global total. Most expenditures (a total of 57%) go towards our core areas of SOS family care and family strengthening work.



Programme expenditures by type

SOS family care (47%)

Family strengthening (10%)

Education (9%)

Health (1%)

Emergency response (1%)

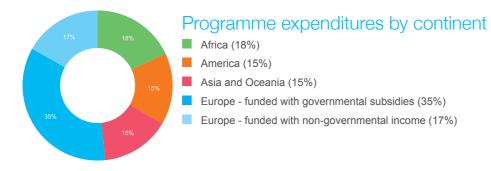
Other programmes (9%)

Construction and investments (3%)

International coordination and programme support (4%)

Information and fundraising work, costs not directly related to programmes in Promoting and Supporting Associations (16%)

An increase in expenditures funded by governmental subsidies increased the share of expenditures in Europe to 52%, slightly up from 50% in 2015.



Source of income by donor

	Actuals 2015 audited	Actuals 2016 preliminary¹	Δ 2016-2015
Sporadic donors	320,079	317,882	-1%
Sponsorship/committed giving	247,470	268,804	9%
Major donors	23,796	26,762	12%
Foundations & lotteries	37,948	40,373	6%
Corporate donors	52,641	48,663	-8%
Governmental subsidies for domestic programmes	341,207	377,758	11%
Institutional funding	17,685	19,135	8%
Emergency appeals	17,224	4,067	-76%
Other income ²	88,516	90,210	2%
Total income	1,146,566	1,193,654	4.1%

Income by continent

Total income	1,146,566	1,193,654	4%
Europe	968,194	1,004,820	4%
Asia and Oceania	60,687	66,932	10%
America	79,394	79,227	0%
Africa	38,291	42,675	11%

Expenditures by programme type

SOS family care	518,594	542,612	5%
Family strengthening	112,110	114,527	2%
Education	105,568	104,591	-1%
Health	9,027	9,325	3%
Emergency response	8,956	12,872	44%
Other programmes	92,687	100,595	9%
Construction and investments	30,762	32,997	7%
International coordination and programme support	42,408	41,884	-1%
Information and fundraising work, costs not directly related to programmes in Promoting and Supporting Associations	194,106	186,344	-4%
Total Expenditures	1,114,218	1,145,747	3%

Programme expenditures by continent

Africa	165,531	165,547	0%
America	136,197	141,738	4%
Asia and Oceania	131,433	136,731	4%
Europe (programmes funded with governmental subsidies)	284,794	318,789	12%
Europe (programmes funded with non-governmental income)	159,749	154,714	-3%
Total Expenditures	877,704	917,519	5%

Dedication to reserves ³	32.348	47.907	48%

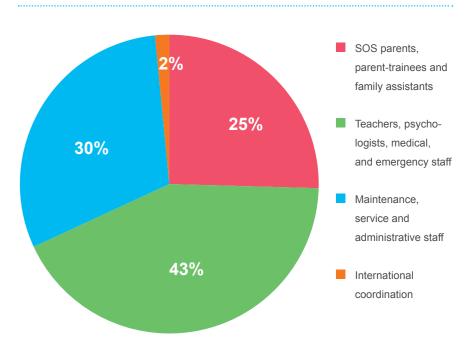
- Independent external audits have not yet been completed in all 134 countries for 2016 (as of 15 April 2017)
- 2 Other income refers to financial income such as interest (Supporting Associations), operational income from facilities, and local income from events or merchandising Reserves are held as means of proactively managing asset risks, including destruction or loss of property, exchange rate fluctuations, and legal liabilities



People make it happen

To ensure that fewer children grow up alone, SOS Children's Villages must be an accountable, trusted, reliable and professional partner. That is the standard we hold ourselves to, and it takes nothing less than knowledgeable, committed, and trusted employees in every community where we work. Our Human Resources and Organisational Development teams support the federation's mission and strategy by working to attract, retain and develop the best people for the jobs, and by creating respectful, motivating, and agile working environments where our employees are empowered to do their best work for children.

SOS co-workers around the world



SOS co-workers by region and area of work

	SOS parents, parent-trainees and family assistants	Teachers, psychologists, medical, and emergency staff	Maintenance, service and administrative staff	International coordination	Total
Africa	2,800	5,400	4,000	150	12,350
The Americas	2,100	2,300	1,700	60	6,160
Asia and Oceania	2,900	4,900	3,800	40	11,640
Europe	1,500	3,000	1,600	310	6,410
Total	9,300	15,600	11,100	560	36,560

 $Figures \ are \ average \ full-time \ equivalents \ (FTEs) \ for \ 2016, retrieved \ on \ 10 \ April \ 2017, and \ rounded \ to \ the \ nearest \ 100 \ or \ 10 \ (international \ coordination).$

Accountability and good practice

SOS Children's Villages International is a member of Accountable Now, a global platform supporting civil society organisations like ours in being transparent and responsive to stakeholders, and improving processes for better impact. Through accountability reporting we reflect systematically on our processes and integrate critical feedback from the independent review panel of non-profit sector experts into our planning.

A couple examples of improvements in the area of transparency and accountability include the establishment of an Integrity, Compliance & Legal Unit in 2015, the development of online feedback and complaints handling processes, and piloting of a process to measure and reduce our CO2 emissions. Over the last years, we have been cited for good practice in several areas, including promoting a culture and practice of meaningful workforce training and life-long learning, responsible management of impacts on society, feedback

mechanisms for internal stakeholders, ethical fundraising and communication, and a high level of senior management involvement in accountability reporting. In 2016, the independent review panel approved SOS Children's Villages International to move from a one- to two-year reporting cycle. Our accountability reports and the independent panel's feedback are publicly available on the website of Accountable Now and our international website.

Accountable Now

SOS Children's Villages worked for children in 135 countries and territories in 2016.

Africa		The Americas	Asia and Oceania	Europe
				5. 5 15 5
Algeria	Rwanda	Argentina	Armenia	Albania
Angola	Senegal	Bolivia	Australia	Austria
Benin	Sierra Leone	Brazil	Azerbaijan	Belarus
Botswana	Somalia	Canada	Bangladesh	Belgium
Burkina Faso	Somaliland	Chile	Cambodia	Bosnia and Herzegovina
Burundi	South Africa	Colombia	China	Bulgaria
Cameroon	South Sudan	Costa Rica	French Polynesia	Croatia
Cape Verde	Sudan	Dominican Republic	Georgia	Czech Republic
Central African Republic	Swaziland	Ecuador	India	Denmark
Chad	Tanzania	El Salvador	Indonesia	Estonia
Côte d'Ivoire	The Gambia	Guatemala	Iraq	Finland
Djibouti	Togo	Haiti	Israel	France
DR of the Congo	Tunisia	Honduras	Japan	FYR Macedonia
Egypt	Uganda	Jamaica	Jordan	Germany
Equatorial Guinea	Zambia	Mexico	Kazakhstan	Greece
Ethiopia	Zimbabwe	Nicaragua	Kyrgyzstan	Hungary
Ghana		Panama	Laos	Iceland
Guinea		Paraguay	Lebanon	Italy
Guinea-Bissau		Peru	Mongolia	Kosovo
Kenya		Uruguay	Nepal	Latvia
Lesotho		USA	Pakistan	Lithuania
Liberia		Venezuela	Palestine	Luxembourg
Madagascar			Philippines	Netherlands
Malawi			South Korea	Northern Cyprus
Mali			Sri Lanka	Norway
Mauritius			Syria	Poland
Morocco			Taiwan, China	Portugal
Mozambique			Thailand	Romania
Namibia			United Arab Emirates	Russia
Niger			Uzbekistan	Serbia
Nigeria			Vietnam	Spain
				Sweden
				Switzerland
				Ukraine
				United Kingdom

Countries with SOS Children's Villages Promoting and Supporting Associations, which raise funds for our international programme work, are shown in **bold.**

Sponsor. Share. Donate. Partner. Join us.