

ANNUAL REPORT 2008/2009



SOS CHILDREN'S
VILLAGES
INTERNATIONAL



CONTENT

Who we are	3
The power of change - Introductory words from President Helmut Kutin	4
A loving home for every child - Secretary-General Richard Pichler	6
Leaving care	9
Education for a better life	10
The right to health	12
Together for children	14
Income and expenditures 2007	16
What SOS Children's Villages stands for	20
Brief history	21
Facilities, programmes and beneficiaries	22
How you can help	23

IMPRINT

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WHO WE ARE

We take action for children as an independent non-governmental social development organisation. We respect varying religions and cultures, and we work in countries and communities where our mission can contribute to development. We work in the spirit of the United Nations Convention on the Rights of the Child and we promote these rights around the world.

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.

From the Mission Statement of SOS Children's Villages



THE POWER OF CHANGE

SOS Children's Villages is 60 years young. At a time when "the crisis" is all around us, an anniversary of this kind prompts mixed feelings. This is because the effects of this crisis are felt first and foremost by those people who are already disadvantaged and require all our support.

A look back at the development of SOS Children's Villages can offer us encouragement and spur us on to bring further change. In 1949, the year our organisation was founded, the need was no less pressing than it is now. Through SOS Children's Villages, Hermann Gmeiner attempted to provide an optimistic response to what appeared then to be hopeless circumstances. What followed was astonishing: people who often had very little themselves took a personal interest in the fate of children, making small donations that had a large impact.

SOS Children's Villages grew year by year - from one village in 1949 to 500 in 2009; from a handful of children who found a home in the Austrian town of Imst to the hundreds of thousands of children and families that benefit in various ways from our support programmes; from a few hundred donations and sponsorships to the financial and moral support of six million people.

This quantitative growth has been accompanied by comprehensive social activities. Today, providing care for children away from their families and support for families in crisis go hand in hand. Our wish is to see a decline in the number of children who need our help. Unfortunately, this number remains high. We must therefore continue to do everything humanly possible to ensure the welfare of children.

We cannot allow children to be abandoned, ill-treated or abused, to be denied



the chance of developing healthily and attending school, or to go unheard or unseen by society.

This has been the mission of SOS Children's Villages for the last 60 years and we will remain committed in

future to ensuring that all children are able to enjoy the protection of a home.

Helmut Kutin
Helmut Kutin
President



A LOVING HOME FOR EVERY CHILD

The motto we have adopted for our work for the coming years says it all: "A loving home for every child"!

Dedicated staff in 132 countries are joining hands to help children who cannot live with their parents or who are in danger of losing their families' support. Six million friends, donors and employees of partner companies around the world are supporting our organisation both financially and ideologically. This sense of unity is a rare example of a humanitarian kind of globalisation that we can all be proud of.

We work to help children in need, whether they are children who are separated from their families and now live in an SOS Children's Village, or children who remain with their families of origin, but need support nevertheless. For 60 years our work has been caring for children's wellbeing and giving them a fair chance

for the future. This report shows that we have once more achieved a great deal, thanks to the full use of the available resources (see financial review, p. 16-18)

For the coming years (2009-2016) we have undertaken to support up to a million children, directly by welcoming them in our SOS Children's Villages facilities or indirectly through measures to strengthen families in difficult circumstances. We want to know that they have the security of a family, we want to allow them to have a childhood and to prepare them for independent adulthood. Our support will be thus targeted and our staff will receive ongoing training so that we can provide professional care for the young people entrusted to our care.

We are aware that we still have some hurdles to overcome; but even though most people think that an economic cri-



sis makes people become more selfish and less thoughtful of those in need, our results say otherwise. In fact, the very idea of SOS Children's Villages grew out of the disastrous crisis that was the post-war period, when Hermann Gmeiner, against all odds, managed to build something concrete and enduring.

It is our mission to ensure that the ideal of SOS Children's Villages, that has endured for more than six decades, lives on. The official opening of the 500th SOS Children's Village in this an-

niversary year is symbolic. It should motivate us to do more and inspire greater creativity, so that we can help even more children, in their families of origin and in SOS Children's Villages families.

My heartfelt thanks go to all staff, friends and partners for everything they have done so far, and for their unwavering commitment to do much more.


Richard Pichler
 Secretary-General



LEAVING CARE

For decades SOS Children’s Villages has been preparing young people to lead independent lives when they leave their SOS families. The organisation has spent much time and resources on building expertise in guiding young people through the process of leaving care and preparing for challenges to come.

Leaving home and starting life as a young adult can be one of the most challenging steps in any young person’s life; but becoming independent after leaving a care setting can be especially daunting.

In many cases, young people are expected to leave care and become self-sufficient at an age that is considerably younger than that of peers growing up with their families, who are usually expected to reach this stage by age 18.

2009-2011 INTERNATIONAL CAMPAIGN IN EUROPE AND ASIA

Based on this experience, SOS Children’s Villages will tackle the issues of leaving care in a three year international “Leaving Care” campaign aimed at providing young people in alternative care¹ in Europe and

Central Asia with better conditions and standards.

So far the campaign has started in fifteen countries, including Azerbaijan, Bulgaria, Croatia, France, Germany or Kyrgyzstan. Its objectives are knowledge-sharing on leaving care, youth empowerment, and advocating for better legislation as well as sharing practice. A series of briefing papers on different aspects of leaving care will be collected and a “good practice handbook” documenting outstanding examples of good practice in this field will be published. National networks of young people with care experience will also be established and strengthened, to name but a few of the expected results of this committed project.

A good leaving care process is a sign of quality in alternative care; therefore advocating for better conditions goes hand in hand with promoting quality standards in alternative care, an issue SOS Children’s Villages has consistently pushed for.

In 500 SOS Children’s Villages and 396 SOS Youth Facilities 73.400 children and youths are experiencing family-based care.

¹ alternative care: see “Together for children” on page 14.

EDUCATION FOR A BETTER LIFE

In today's world, a good education is just as important for the development of a child as food and water. SOS Children's Villages ensures that children are given the chance to a better future.

THE FACTS

In the year 2007, an estimated 101 million children did not receive any primary education, many of them in sub-Saharan Africa and in South Asia. On a global level, the percentage of children of primary school age who do not attend school is still almost 15%. The good news is that the percentage of girls attending primary school is now approximately equal to that of boys.

Only 60% of children of secondary school age currently attend a secondary or higher school. The remaining 40% are either still in primary school because circumstances have delayed their education or do not go to school at all.

OUR SOLUTION

SOS Children's Villages supports children in getting a good education - not just those growing up in its villages, but also those from the local communities who have fallen on hard times. Special attention is paid to disadvantaged children. The support might involve giving such children access to education by providing financial assistance for them and their families to pay for school fees, classroom materials, and school uniforms.

Elsewhere, in places offering no educational facilities of their own, we build kindergartens, primary and secondary schools, as well as vocational training centres. Many of the SOS Hermann Gmeiner Schools are seen as models in their respective countries; all are state-recognized and observe the national curriculum.

Furthermore, SOS Children's Villages has started education projects with pu-

"I got the good job I have now only because SOS Children's Villages gave me the chance to get an education and graduate. What I learned laid the ground for where I am now." Biniam Hailu was raised in the SOS Children's Village Addis Abeba/Ethiopia



public kindergartens and schools. This includes providing additional training for teachers and heads of schools, support in making schools and kindergartens safe learning spaces suitable for children. This cooperation between SOS Children's Villages and public educa-

tional facilities is essential to enhancing the quality of education.

At present 174,700 children and young people are receiving an education in SOS Kindergartens, SOS Hermann Gmeiner Schools and SOS Vocational Training Centres, a total of 477 facilities.

THE RIGHT TO HEALTH

We are responsible for ensuring that every child in our various programmes and every family supported through our social services receive good medical care. To address these needs, we offer preventive and curative health care and psycho-social support.

Some 26,000 children under five die every single day. More than a third of them die at birth or immediately afterwards. Small children are most at risk due to unhygienic living conditions, inadequate access to clean drinking water or poor sanitation. Some two million children are living with HIV, most of them in sub-Saharan Africa. The vast majority of them contracted the infection from their HIV-positive mother during pregnancy or at birth. The stigma attached to HIV/AIDS and the associated discrimination are depriving children of basic social services or resulting in children being abandoned.



ADDRESSING MEDICAL NEEDS

SOS Children's Villages ensures that all the children in its various programmes receive good medical care. SOS Medical Centres specialise in the care of women and children. They provide basic care services such as vaccinations, maternity beds, advice on hygiene, nutrition, first aid, information and advice on HIV/AIDS and its prevention, as well as psycho-social services.

In the programmes run by SOS Children's Villages in Sub-Saharan Africa, the fight

“After two months on a rehabilitation diet I have almost recovered. Now I am once again in a state to be able to run my home and care for my children.” Mildred, patient at the SOS Medical Centre Lilongwe, Malawi.



against HIV/AIDS plays a central role. In addition to information and education, SOS Children's Villages also provides free testing as well as antiretroviral therapy. Around 60 SOS Social and Medical Centres in Africa support about 40,000 children and families that are directly or indirectly affected by HIV/AIDS.

In its work with families, SOS Children's Villages makes special efforts to help both orphaned children - often left with the responsibility of caring for their

siblings - and mothers. This is because women are at a disadvantage with regard to HIV/AIDS. Another aspect is mental health, i.e. psychotherapy for children and young people who live in SOS Children's Villages facilities. Campaigns to improve medical care for children in general are also part of our work.

Up to 490,000 inpatient and outpatient treatments are performed in 65 SOS Medical Centres worldwide per year.

TOGETHER FOR CHILDREN

In 2008, SOS Children's Villages continued to promote children's rights, partnering with other organisations and networks in the international community.

Taking action for children who are at risk of losing parental care and those who have lost parental care, SOS Children's Villages works with other organisations to bring about changes that ultimately benefit children.

In a joint project on youth participation, SOS Children's Villages and the Council of Europe welcomed 18 young people who either had care experience or were involved in youth work at the European Youth Centre in Strasbourg, France. In this seminar, the basis for cooperation between youth representatives and the Council of Europe was set to promote and ensure the rights of children and young people in alternative care in Europe with a strong focus on youth participation.

In the Middle East, SOS Children's

Villages Lebanon cooperated with the Emirates Foundation to reform an institution providing alternative care for about 400 children in Abu Dhabi. The institution was transformed into a family-based care unit, ensuring quality care for children.

In Europe and Central Asia, SOS Children's Villages launched a campaign aimed at providing young people in alternative care with better conditions when leaving care.

SOS Children's Villages operates in the spirit of the UN Convention on the Rights of the Child and holds consultative status with the United Nations Economic and Social Council.

Since 1949 some 51,181 children have grown up in SOS Children's Villages and SOS Youth Facilities.

Alternative care means care provided by professionals and not by biological parents of the children and young people. It ranges from institutional care to foster care.

INCOME AND EXPENDITURES 2007



INCOME 2007

In 2007 the SOS Promoting and Supporting Associations (PSA's) *, which support the global work of SOS Children's Villages in developing and emerging countries both in terms of values and on a financial level, raised proceeds for international projects amounting to a total of € 297.8 million. This means an increase by € 13 million compared to 2006. However, taking that year's exceptional proceeds for tsunami projects (€ 3.6 million) out of the equation, the regular income has actually risen by € 16.6 million.

There was a remarkable increase in proceeds from sponsorships (€ + 9.5 million), in general individual donations from donors and friends, and in donations from major donors and long-term donors (€ + 11.3 million). In the sector of bequests and legacies, however, there was a decrease (€ - 3.7 million) and proceeds from corporate donors also decreased (€ - 0.8 million).

After deducting the costs of fundraising and information work (a total of 15.6%, compared to 15.9% the previous year) as well as administrative costs (7.2%,

compared to 7.6% the previous year), a net amount of € 230 million, i.e. \$ 315.2 million remains, which will be given to SOS Children's Villages International to spend on international projects (average exchange rate for 2007 according to the German Bundesbank: 1 € = 1.3705 \$).

Consequently, the funds available for our ongoing international projects increased by 7.3% in € compared to the previous year. In addition, the supported national associations and the general secretariat reported proceeds amounting to a total of € 76.4 million (an increase of 17.2% compared with the previous year).

The total income for SOS Children's Villages' work in developing and emerging countries therefore amounted to € 374.2 million. Most of the total income (82.4%) is contributed by friends, donors and sponsors as well as by foundations and derived from legacies. The remainder (17.6%) comes from public subsidies, project proceeds, and operational and other income.

EXPENDITURES 2007

A total of 67.4% of the net income was spent on the implementation of new SOS projects and on subsidies for running costs of existing SOS Children's Villages and the affiliated SOS Youth Facilities. A total of 16.8% was used for the operational costs and the construction of educational facilities such as SOS Kindergartens, SOS Hermann Gmeiner Schools and SOS Vocational Training Centres, while another 11.0% was spent on the construction and operation of SOS Social Centres. The remaining 4.8% was shared out between SOS Medical Centres and SOS Emergency Relief Programmes. As a result of the efficient use of funds by the national associations, it was possible to increase the number of bene-

ficiaries in 2007 once again. Joint internal control by SOS Children's Villages International and the PSAs ensures the transparency of the entire financial process and of income and expenditures.

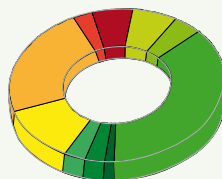
All the PSAs of SOS Children's Villages International as well as all national associations were audited by local independent and recognised auditors. The respective annual accounts were certified.

In accordance with the statutes of SOS Children's Villages International the finances of the umbrella organisation were subject to a separate audit. As in the previous years, the renowned auditors Ernst & Young gave SOS Children's Villages International their unqualified auditor certificate for 2007.

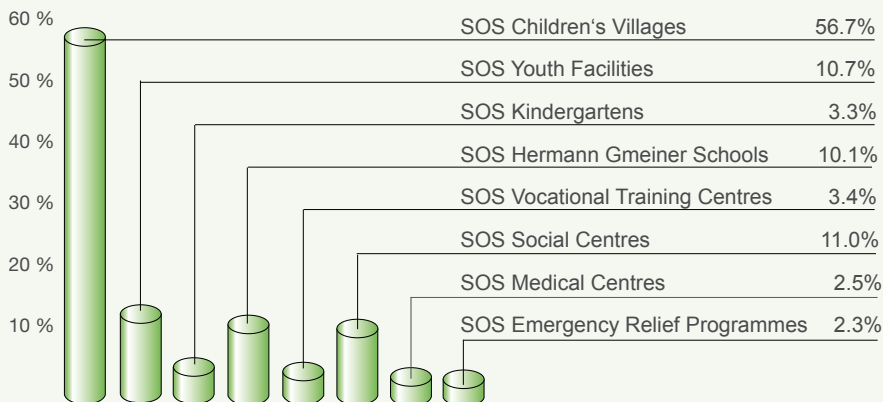


GROSS INCOME 2007 in 1000 €

	TOTAL	%	
TOTAL	374,219	100.0%	
Income from donors and friends	129,275	34.5%	
Proceeds from major and mid-level donors	8,219	2.2%	
Proceeds from corporate donors	12,378	3.3%	
Proceeds from foundations and lotteries	13,230	3.5%	
Bequests and legacies	40,286	10.8%	
Proceeds from sponsorships	96,478	25.8%	
Proceeds from committed giving	8,454	2.3%	
Governmental support, public subsidies	24,047	6.4%	
Capital gains/others	24,605	6.6%	
Operational income	17,247	4.6%	



EXPENDITURES 2007



*The Promoting Associations:

SOS-Børnebyerne Danmark, SOS-Kinderdorf e.V., Hermann-Gmeiner-Fonds Deutschland e.V., SOS Villages d'Enfants France, SOS-Interfonds A.S.B.L., SOS-Kinderdorpen, Stiftelsen SOS-barnebyer Norge, SOS-Kinderdorf Österreich, Schweizer Freunde der SOS-Kinderdörfer, SOS-Barnbyar Sverige, SOS Children's Villages UK

The Supporting Associations:

SOS Village d'Enfants Belgique aide le monde asbl, SOS Children's Villages Canada, Asociación Aldeas Infantiles SOS de España, SOS-Lapsikyläsäätiö/lapsikylä ry, SOS barnaporpin, Associazione SOS Italia Villaggi dei Bambini ONLUS, SOS Children's Villages USA Inc.

BRIEF HISTORY

- 1949** SOS Children's Villages founded in Austria by Hermann Gmeiner; first SOS Children's Village built in Imst, Austria
- 1950s** SOS Children's Villages associations established in France, Germany and Italy
- 1960s** SOS Children's Villages International established as the umbrella organisation for all SOS Children's Villages associations. Start of the work in Latin America (Uruguay) and Asia (South Korea).
- 1970s** First African SOS Children's Villages built in Côte d'Ivoire, Ghana, Kenya and Sierra Leone
- 1986** Hermann Gmeiner dies on 26 April, having established 233 SOS Children's Villages all over the world. Both SOS Children's Villages and Hermann Gmeiner himself had been nominated for the Nobel Peace Prize several times
- 1990s** SOS Children's Villages expands its work to countries of the former Soviet Union and builds two SOS Children's Villages in the USA
- 1995** SOS Children's Villages classified as an "NGO with consultative status with the Economic and Social Council of the United Nations".
- 2002** SOS Children's Villages International receives the Conrad N. Hilton Humanitarian Prize, the world-renowned humanitarian award, for extraordinary contributions towards alleviating human suffering
- 2005** Following the tsunami disaster in Asia, SOS Children's Villages starts an emergency relief and reconstruction programme, the largest one in the history of SOS Children's Villages, in India, Sri Lanka, Indonesia and Thailand
- 2009** The 500th SOS Children's Village is opened the same year as the 60th anniversary of the organisation. Some 73,000 children and young people have a stable home in SOS Children's Villages and youth facilities in 132 countries and territories; a total of 1.2 million children and adults benefit from various social services.

WHAT SOS CHILDREN'S VILLAGES STANDS FOR

SOS Children's Villages is an independent, non-governmental social development organisation, active in 132 countries and territories for children and families in need. Children without parental care and children at risk of losing parental care are in the centre of our commitment. This includes making sure that the emotional, material, educational and medical needs of every child supported by SOS Children's Villages are met, so that every child is given the best possible chances in life.

GROWING UP IN AN SOS FAMILY

The main focus of our social programmes is to ensure that children can develop to their full potential within a caring family environment. Children who cannot live with their biological families can find a new home and family within an SOS Children's Village if it is the best solution for their future development. Growing up in an SOS family means

having a caring parent and living with siblings in their own house as part of the village.

In 1949, the year SOS Children's Villages was founded, the organisation's concept of offering orphaned and abandoned children an alternative form of long-term care was pioneering in its nature and opposed to traditional institutional care facilities. Since then, SOS Children's Villages' way of providing care in a family environment until the children reach adulthood has become an established and acknowledged model of child care in many countries.

KEEPING FAMILIES TOGETHER

There are more and more children who can not grow up with their parents. An estimated 150 million children are affected worldwide. But with the right support, many families are able to regain control of their lives and care for their children properly. This is why SOS



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Children's Villages works for and with families in difficult circumstances and crisis situations to prevent the separation of children from their biological families.

Through social programmes developed with various partners, we want to ensure that families can support themselves in the long term, regain control of their lives and bring children up in a healthy and safe environment. Using and strengthening resources and mutual responsibilities within the communities

the families are living in is an essential aspect of these family programmes.

IN THE NAME OF THE CHILDREN

SOS Children's Villages is guided in its efforts by the UN Convention on the Rights of the Child and works at local, national, regional and international level, alongside governmental and non-governmental organisations, social and welfare authorities and other partners to enforce and preserve these rights, focusing on the protection and wellbeing of children without parental care.

FACILITIES, PROGRAMMES AND BENEFICIARIES

Family-based care SOS Children's Villages SOS Youth Facilities Total beneficiaries	500 396 73,400
Family Strengthening Facilities Children in Family Strengthening Programmes Beneficiaries in SOS Social Centres Total beneficiaries	575 161,000 288,800 449,800
Education at SOS Kindergartens, SOS Hermann Gmeiner Schools and SOS Vocational Training Centres Facilities Total beneficiaries	477 174,700
SOS Medical Centres Facilities Total beneficiaries	65 488,500
Emergency relief Programmes Total beneficiaries	9 86,000
Facilities and Programmes	2,022
Beneficiaries	1,272,400

MAKE A CONTRIBUTION

ALL DONATIONS MAKE A DIFFERENCE!

We rely on regular donations and support from our friends and donors, corporate partners, governmental organisations and foundations. Their support enables us to run our facilities and programmes, to reach out to more and more children in need and to be able to react quickly in crisis situations all over the world.

SPONSORSHIPS AND DONATIONS

By sponsoring a child it is possible to connect with a child and a community. Regular support of a child who can't live with his or her parents can make a big difference in his or her life. Every contribution provides the financial basis to give children in our care a good start in life.

LEGACIES AND BEQUESTS

A gift in a will can help us to continue providing support to children in the future.



CORPORATE PARTNERSHIPS

A number of companies support the work of SOS Children's Villages through sponsorships, cash donations or gifts in kind. Many of them also help SOS Children's Villages raise funds by involving their employees and customers.

For more information on SOS Children's Villages, please visit www.sos-childrensvillages.org or contact any of the representatives of SOS Children's Villages in 132 countries and territories.

A LOVING HOME FOR EVERY CHILD

www.sos-childrevillages.org

