

# Annual Report 2005





Brigitta M. Gadiant, President of the Pestalozzi Children's Foundation Council



## Youth and development

Until recently, Swiss development cooperation did not prioritise children and young people. However, this year the Swiss Agency for Development and Cooperation SDC has made youth and development its theme for 2006. At its annual media conference, the SDC stated that development is sustained and implemented by people, and that the young generation plays an important role in this process. The SDC plans to increase the involvement of young people in development cooperation.

The National Council embraces the same approach. Supported by the Federal Council, it has recently approved a parliamentary initiative requesting the Federal Council to ensure that all areas and levels of Swiss development cooperation adequately respect the rights and needs of young people.

The demographic data speak for themselves: half of today's global population is under the age of 24. However, it is not only their demographic weight that makes young people a key factor in development. Their creativity, impartiality, curiosity, and innovative power represent a significant, albeit so far largely unrecognised, resource for social and political change. Sustainable development worldwide can only be achieved if young people are provided with access to education and work. Bringing this about is a global responsibility, one addressed by four of the eight UN Millennium Goals.

The concerns and needs of children and young people have always been at the heart of the Pestalozzi Children's Foundation and were the reason for laying the foundation stone of the Children's

Village sixty years ago. In the meantime, our scope of activity has expanded. We continue to prepare children and young people in the Children's Village for the challenges of the future, and we do the same in numerous projects abroad. One of the guiding principles in our entire work is empowerment. Empowerment seeks to enable young people to take their lives into their own hands and to assert their rights in all areas of life.

Your support helps us strengthen the personal and social ability of children and young people to rise to the challenges of life.

### Table of contents

<b>Editorial</b>	<b>2</b>
<b>On the road in Romania</b>	<b>4</b>
<b>Programme priorities in 2005</b>	<b>10</b>
<b>Programmes in Central America</b>	<b>12</b>
<b>Programmes in Switzerland</b>	<b>14</b>
<b>Programmes in South Eastern Europe</b>	<b>16</b>
<b>Programmes in East Africa</b>	<b>18</b>
<b>Programmes in Asia</b>	<b>20</b>
<b>The Annual Accounts 2005</b>	<b>22</b>
<b>The bodies of the Foundation</b>	<b>30</b>
<b>Play for Peace – Lili and Jackson</b>	<b>33</b>

### Imprint

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## Poverty on Europe's doorstep

The level of democratic development of a society can be measured by how the majority treats minorities. This is the opinion of Roland Brunner who has been responsible for projects of the Pestalozzi Children's Foundation in South Eastern Europe for the last five years. He set up new projects in Romania that intend to strengthen the country's minorities. In Romania, the Romanian majority and numerous minorities live side by side, but rarely live together.

Some 15 years after the fall of Ceaușescu, whose communist regime held the country in grip for 24 years, the gap between the rich and the poor is bigger than ever. Today, the country is ruled by Ceaușescu's second guard who had already enjoyed privileges during the communist era. A new class has emerged: the nouveau riches. Their mentality being now it is our turn! They do business with Italians,

French, and Germans and, as a result, business palaces are mushrooming on the outskirts of Bucharest.

### The middle class helps

However, the poor have gained nothing from the free market economy. Deprived of their secure salaries during the communist economy, they have become poorer and poorer. It is rarely the rich who help the poor, but rather members of the thin middle class who have experienced poverty first hand. The average monthly income of the middle class is less than 300 Euro. With this amount one can just about live in Romania, but a visit to the dentist tears a hole in the family budget, and the purchase of a pair of shoes needs careful thinking. School teachers, for example, belong to the middle class. Among all civil servants they have the lowest social status and are at the bottom of the income pyramid. They

earn less than a metro driver. If they defend their rights, as they did in November 2005, they usually achieve meagre results. A one-day strike of the metro staff, however, leads to an immediate increase in train drivers' salaries.

November 14, 2005: One week ago, the personnel in the education sector went on indefinite strike. Schools all over the country closed and today the class-rooms remain empty.

### Traditional life in the village

Not so on this dull autumn morning in Margineanu, a small picturesque Roma settlement belonging to the village Mihaelesti in the Buzau district. Margineanu lies next to a small lake. Many of its people make a living out of fishing or agriculture using traditional tools for their work. The village roads are covered with thick mud, and the

## Roma

Roma is the official name of the generally sedentary «travelling people» who are frequently described as «gypsies». The Roma are the largest stateless minority in Europe. Originally emigrated from India, today around 2.5 million Roma live in Eastern Europe alone, most of them economically, politically and socially marginalised. According to unofficial estimates, some ten percent of Romania's population is Roma. To attend school is not a given for Roma children. Schoolbooks, school uniforms, and a snack at mid-morning break cost money. Furthermore, many Roma mistrust school, because in the past the state often misused schools to alienate Roma children from their culture, and forced them to adopt the majority culture and official values.

Schools lack teaching materials and teachers are not qualified to adapt their teaching to the specific needs of Roma children. The South Eastern European projects of the Pestalozzi Children's Foundation counteract this marginalisation. In collaboration with local partners, the Foundation develops innovative teaching methods and learning materials. Having been accepted by the Ministry of Education in the meantime, they will be introduced in numerous schools in other Romanian towns.



horse-drawn vehicles move with difficulty. More than half the population is Roma, and their percentage is rising because Roma tend to have more children than other ethnic groups of society. The people construct their houses themselves, and, if they have means, decorate them with different colours, pretty rendering, or plaster ornaments.

### Unequal opportunities

The village school is buzzing. Theoder, 13 years of age, has built a model of his village with paper, cardboard, wood and string. Alexandra, 12, has helped him. Theoder has two older brothers. He lives with his mother and grandmother. His father is a musician who plays in European cities such as Paris, Rome, and Madrid. Theoder is deeply engrossed in his work, and can hardly be disturbed. He is drawing flowers, which he will use to decorate his village

model. His pencil moves quickly and confidently. He wants to become an architect. There is no doubt that he has talent! His teacher mumbles in English «he does not have the slightest chance.» Theoder is Roma, and his family cannot afford to pay for studies. So, Theoder's wish will remain a dream. He is more likely to become a farmer, or a musician like his father but at least he is getting an education.

Alexandra will have a different future. Her mother is a teacher in Mihaelesti, and she comes to Margineanu to teach intercultural education to local children. Alexandra attends school in Buzau because education in Buzau gives her better chances in life. With the teachers being on strike and her school being closed, she has time to help her mother. In Buzau, Alexandra is learning English. She wants to become a lawyer, and she has the opportunity to do so.

### Child-friendly learning

The intercultural centres run by the partner organisation Fundatia Pestalozzi aim to strengthen the children's self-confidence as many of them hesitate to admit their Roma origin. They are encouraged to realise that their being different is an opportunity, not a hindrance. In the centres they receive help with their homework, learn about children's rights, engage in role plays, do handicrafts, paint and play. A pair of scissors and a sheet of coloured paper are a luxury to them, a little wonder that they may have never seen before.

The teachers are learning new, more child-friendly methods of teaching. Child-oriented teaching is particularly important for Roma children because they are often not used to absorbing knowledge through frontal teaching or reading. At home, they learn manual skills by watching and help-

ing their mother and father. New interactive teaching methods help alleviate their fear of teachers, learning, exams, and ignorance, strengthen their self-confidence, and encourage them to attend school joyfully.

### New life in the rainbow

The Curcubeu centre in Arad is the core of one of the projects in Romania. Curcubeu means rainbow. The centre accommodates children and adolescents of different backgrounds who have difficulties in government schools. Every afternoon they can come here to learn, play, and work, but also to receive help with their homework and social support. During the present strike weeks, teachers and carers work twice as long to take care of the children who now came during morning hours as well.

Despite the fact that Arad is a large city with some 200000 inhabitants, it has kept



### Children and their world: Stefan, 11

**Stefan has gorgeous green eyes with long eye lashes. His cheek is marked by a scar, a reminder of an accident he had a long time ago whilst playing. Stefan comes from Trgu Mures. He has two younger siblings, a nine-year-old brother who now lives with his grandmother in another town, and a one-year-old sister. The flat is far too small for the entire family, with just one room and a kitchen. His mother looks after the household, and his father, Stefan says, is a «business man». He is a street vendor, the carers of the Curcubeu centre explain.**

**Stefan dropped out of school after second grade. At his present age of eleven he should be in fifth grade. Why did he leave school? His parents were moving all over town he says, and he never had a chance to attend school on a regular basis. Arad social services objected and sent Stefan to the Curcubeu centre where he now attends classes for children who dropped out of school prematurely. He catches up the school years he missed. What does he like best at the centre? Playing, he says, and maths. He likes to play hide and seek.**

**Like many other Roma youngsters, Stefan wants to become a singer. Many other mainstream professions are still well beyond their dreams.**

the charm of a small town. Arad lies approximately 30 km away from the Hungarian border, and is one of Romania's oldest settlements. Being a typical border town, it is home to people of different cultural backgrounds who have learnt to tolerate each other and live together peacefully. The partner of the Pestalozzi Children's Foundation is the Directorate for Development and Social Security which, together with the neo-liberal mayor, fights for better assistance for the elderly and socially weak. The Directorate supports marginalised members of society by running a soup kitchen and providing work opportunities and assists children in day-care centres, transitory homes, and government schools.

#### Food, knowledge, and love

The ambiance in the Curcubeu Centre is relaxed and happy. Fourth graders gather

in small groups and join puzzle pieces to form a picture. Working in teams helps. Next door, psychologist Dora works with third graders on the subject of children's rights. Most of the children mention the right to have a family. Many of them grow up in single-parent families, either because one parent works abroad or because, for some reason, all contact between a parent and the family was severed. Dora is assisted by volunteers attending higher grades. One volunteer was asked what motivated her to help Dora; «the smile on the children's faces» was her answer.

The centre also provides medicine for body and soul, as well as affection and encouragement.

It is almost midday. Children are laying the table for lunch which is delivered by Arad's soup kitchen. Volunteers are cutting the

bread. The third graders' classroom in the centre's basement is rearranged to serve as a dining room. The children are eating in groups, first the young ones from nursery and class one, then the older children. The first course is soup, followed by chicken and mashed potatoes. For many children, this is the only meal of the day. Today, they even have waffles for dessert. The children love to help and proudly carry the dishes to the dining room. One of the girls politely but firmly makes sure that everyone gets their share of the waffles, and that no one helps himself more than the others.

November 28, 2005: The teachers' strike lasted three weeks and some 300000 teachers joined in. It was the biggest strike in Romania's history and it was not in vain. As of 2006, the teachers receive a slightly higher salary.

Carmelina Castellino



## Key factor education

Education alone neither feeds a man nor makes him rich, and it does not solve social conflict. However, education is a crucial prerequisite to solving some problems in the developing world, whether in the areas of health, nutrition and the environment, or in the handling of questions relating to peace, security, human rights, and democracy. Education is a key factor in the battle against poverty and the promotion of peace. Hence, investments in education are the most efficient investments a developing country can make. Education enables people to understand why they are poor and to do something about it, and in doing so, gives them the self-confidence to use their own initiative to ameliorate their conditions and change.

The Pestalozzi Children's Foundation helps improve educational opportunities for deprived children and young people in ten

countries worldwide. The Foundation's support involves numerous measures. Decentralised school centres are built to help shorten the distance to school. Multilingual teaching materials are developed so primary school children can follow classes in a language they are familiar with and standard curricula are complemented by practical day-to-day subjects, thus providing young people with tools to organise their personal daily life in a meaningful way.

Teachers are trained in order to give children in rural and deprived areas the chance to benefit from high-quality teaching. Existing schools are renovated and extended with the aim to reduce class sizes of sometimes 60 children and more. Clean drinking water and functioning sanitary facilities are provided in order that children can stay healthy. Girls especially are supported

because women in developing countries carry the largest share of responsibility for work and education. Flexible timetables are offered for children and young people who have to work. This gives them the opportunity to rejoin the public education system at a later stage. Last but not least, intercultural education is introduced into class-room teaching because intercultural education strengthens people's self-confidence and enables them to shape society and promote peaceful intercultural coexistence.

Swiss society also knows how necessary it is to teach young people early on how to handle familiarity, foreignness, and diversity in day-to-day life. Due to globalisation, technological development, migration, and increased mobility, our society is forever changing, and school is a place where these challenges are experienced every

day. In this context, intercultural education that helps pupils understand changes and develop appropriate action is required.

The programmes of the Pestalozzi Children's Foundation in developing countries and in Switzerland address the reality of cultural diversity and the need for peaceful intercultural coexistence. Children and young people from different cultures live together in the Children's Village in Trogen for various periods of time. Most of the children are of foreign origin and are torn between familiarity and foreignness. The Pestalozzi Children's Village provides these children and young people with a protected environment in which they can gradually acclimatise themselves to Swiss culture whilst living in family-like structures. Others stay for short-term intercultural exchange projects in which they learn about their own culture and that of others.



## Programmes in Central America

### Guatemala

- School education for working children
- Bilingual and intercultural education

### Honduras

- Alternative school education

### El Salvador

- Alternative school education and vocational training

In the autumn of 2005, the tropical storm Stan left widespread devastation: Flooding and mudslides in El Salvador, and particularly in Guatemala. The storm and its aftermath claimed a sad toll of more than 2000 lives and affected well over 100 000 families.

Numerous schools run by partner organisations are located in the most severely affected areas. Luckily, no children or family members lost their lives. Nevertheless, many families depend primarily on agriculture and their economic foundation is now destroyed. As in so many cases elsewhere,

it is the indigenous people who suffer most from natural disasters.

Despite the fact that the Pestalozzi Children's Foundation does not specialise in emergency relief, it has used resources from its own emergency fund, DEZA, and Swiss Solidarity to support the emergency projects of its partner organisations. A total of 260 000 Swiss francs were dedicated to this purpose. Children and young people have been provided with school materials and damaged schools and houses of affected pupils are being renovated. Their families are receiving help to develop alternative sources of income. Furthermore, fearing that ongoing climatic changes may lead to further devastating hurricanes in the region, the schools intend to offer courses on how the damage caused by natural disasters can be minimised. At the same time, the nine existing educational projects

in Honduras, El Salvador, and Guatemala are being continued. They provide education for disadvantaged children and adolescents, promote a culture of peace, and raise awareness of children's rights. The main focus in Honduras is on the support for innovative primary school projects. Efforts in El Salvador are concentrated on teaching practical skills which help disadvantaged children manage the transition from school to work. Projects in Guatemala focus their attention on bilingual and intercultural education programmes. In doing so, the regional programme in Central America follows the guiding principle of integrated education as formulated by Pestalozzi: Learning with head, heart and hands!

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**Programme Director: Sandro Giuliani,**  
**number of children benefiting: 26 316,**  
**total costs: 1 043 000 Swiss francs.**

### Children and their world:

#### Maria Isabel, 12

Maria Isabel joins practical skills classes three times a week. She threads beads on a wire and sews colourful cushions. Working with the foot-powered machine is not easy, she says, but she likes her work and is able to gain a little money.

The remaining mornings of the week Maria Isabel works in the house. In the afternoons she joins the alternative education classes offered by our partner organisation PAMI. These classes take place in Panajachel in Guatemala where many people make their living in tourism. Maria Isabel's father works as a gardener in one of the hotels, her brother is a waiter, and her mother works in the laundrette.

Maria Isabel's older brother went to the US to try his luck. She has no contact with him, and so far he has not sent any money back to his family. This makes her very sad. She very much wants to continue her education and learn foreign languages which she could use in her contact with tourists. However, Maria Isabel has not yet made any concrete plans for the future.



## Programmes in Switzerland

People who had to leave their country for political or economic reasons have contributed to the great and ever-changing cultural diversity of Switzerland and Europe. While some embrace this diversity, others find it disturbing and fear that it may lead to the loss of Swiss cultural identity. In 2004, the «young speed maniacs from the Balkans» were perceived as a threat to the nation, whilst last year, young unemployed foreigners, fuelling fear that they might get out of control as they did in the outskirts of Paris, were considered a menace. Fears were fanned and apprehensions voiced: «Will violence among immigrants who cannot find work escalate in Switzerland as well, or will they be successfully integrated

**Intercultural Living, number of stays: 9156 days. Exchange, children: 2623. Further Education, participants 1604. Cost Children's Village: 6 188 000 Swiss francs.**

### Switzerland

- Intercultural Living
- Intercultural Exchange
- Intercultural Further Education
- emPower – Intercultural Leadership Programme for Young Adults

into society?» The public was relieved to learn from the media that numerous Swiss integration programmes help to prevent marginalisation and such riots as were witnessed in France where the State in its capacity as a regulatory power ceased to exist. It became evident that integration programmes help prevent the worst, and even lead to successful integration. However, it also became obvious that more integration programmes are urgently required. The programmes of the Pestalozzi Children's Foundation address the reality of cultural diversity and the need for peaceful intercultural coexistence. As part of its programme component «Intercultural Living», the Pestalozzi Children's Village in Trogen accommodates children and adolescents

who are mainly of foreign origin and experience difficulties integrating. During their extended stay in the Children's Village, they learn more about the culture of their home country, and are helped to settle into Swiss society. The programme component «Intercultural Exchange» invites children and young people from eastern European countries to join school camps in the Children's Village. At these camps, which last several weeks, they meet Swiss peers and work jointly on subjects such as cultural diversity and xenophobia. The programme aims to encourage young people to recognise racist prejudice and nationalistic undertones for what they are and assist them in overcoming such attitudes. The programme component «Intercultural Further Education» is aimed at teachers and vocational instructors. For young people of foreign origin, mainly for those from South Eastern Europe, it is five times harder to find an apprenticeship than it is for Swiss

youths, and even for the latter it is by no means easy. In line with the overall objective of intercultural education, complex conscious and unconscious prejudices against migrants need to be identified, reflected upon, and overcome. The training course «emPower – Intercultural Leadership Programme for Young Adults» completes the range of educational projects of the Pestalozzi Children's Foundation in Switzerland. During the nine month course in the Children's Village in Trogen, young people from different countries receive training in intercultural education. Emerging as experts in intercultural communication, they will transfer their experience and knowledge whilst working with children and young people in their countries of origin.

**Directors: Programmes Switzerland/Further Education: Dr. Elisabeth Stern, Living: Heinz Wöhnlich, Exchange: Dr. Martina Schäfer.**



## Programmes in South Eastern Europe

Education helps overcome discrimination and promotes equal opportunities, particularly for disadvantaged groups in society such as minorities, people in rural areas, people without income, and, last but not least, for children and young people. In February 2005, eight countries in South Eastern and Central Europe decided to support ten-year projects which help integrate Europe's largest stateless minority, the Roma. The «decade of Roma-integration» is the first coordinated programme to fight the marginalisation of the Roma people and education is one of its four main focal points (please also see the special report in this annual report).

The Pestalozzi Children's Foundation supports comprehensive initiatives in Romania, Macedonia, and Serbia and Montenegro that are aimed at integrating Roma children and adolescents into schools. In

joint collaboration with local organisations and Roma organisations in selected cities and schools, the Foundation endeavours to develop a method for enrolling and supporting Roma children in schools.

Such efforts include sensitising and training teachers on how to relate to Roma children as well as negotiations with educational authorities. Further training courses address subjects such as conflict management, didactics, gender issues, and the history and culture of the Roma people. Understanding is a key factor for accepting and integrating cultural differences and as such is the basis for the development of peaceful coexistence.

### Serbia and Montenegro

- Intercultural courses
- Intercultural Education

### Romania

- Intercultural Education

### Macedonia

- Intercultural Education

Poverty, instable governments, and the lack of common values and objectives hinder the modernisation of society at all levels. Wide-spread unemployment, social inequality, and an antiquated education system foster a level of resignation that is particularly dangerous among young people. Xenophobic aggression is a common phenomenon, and schools are not immune to this. The aim of all projects in South Eastern Europe is to overcome prejudice and marginalisation and to build a modern democratic society.

**Programme Director: Roland Brunner, number of children benefiting: 12 976, total costs: 1082000 Swiss francs.**

### Children and their world: Kirill, 13

Kirill comes from Molodetschno in Belarus. He lives with his mother, brother, and sister in a small flat with three rooms. His mother is presently unemployed and the only steady family income is his sister's invalid pension. Kirill is a gifted trumpet player who studies at the secondary school's music department. He proudly says that he has already participated in several music competitions where he sometimes achieves a good ranking and wins a little prize money to take home. It is no wonder that he wants to study music at the conservatory in Minsk.

Smiling mischievously he reports that every morning he gives his friends in his living group a rocket – by playing a few notes on his trumpet. He finds this kind of wake up call very efficient and certainly more practical than running from door to door to wake everyone up. Kirill and other children and young people from Belarus enjoy their time in the Children's Village where they stay for four weeks participating in some short-term projects. This afternoon cross-country skiing is on the agenda. Like most other members of his group Kirill has never tried cross-country skiing before, but he is convinced that practice makes perfect. He is the one who knows best.



## Programmes in East Africa

Ethiopian and Eritrean society attribute high importance to education. In areas where there are no schools at all, or where they are too far apart, many parents do not just rely on the government to remedy the situation, but take the matter into their own hands. In collaboration with teachers they form associations, obtain know-how from local organisations, and negotiate with education authorities. The Pestalozzi Children's Foundation supports partner organisations as well as the Ministry of Education, which develop good school education and vocational training facilities.

These rural communities set up decentralised school centres and train local young adults to become teachers. In collaboration with educational authorities, parents, teachers, and members of the community strive to ensure that the children learn in a child-friendly environment. Teaching ma-

terials in Ethiopia are adapted to suit local circumstances, including local knowledge. Curricula are designed that reflect the living conditions of their children and as such provide them with their own identity. Such close cooperation guarantees an improvement in the quality of education.

Overall enrolment rates are gradually rising. The number of girls attending school is progressively being brought in line with those of boys, and less children drop out of school prematurely. Access to teaching in the vicinity of their homes is particularly important for girls as it protects them from abuse and early marriage. In view of the fact that many children have to work, timetables are kept flexible. Special emphasis is given to children's rights such as the right of equal access to education for boys and girls. The Horn of Africa, often described as the «poorhouse of Africa», is subject-



### Eritrea

- Basic education
- Support in the state education system

### Ethiopia

- Alternative basic education and vocational training
- Support in the state education system
- Clean water
- Working sanitary facilities

ed to crisis and wars. In autumn 2005, the conflict between Ethiopia and Eritrea worsened. Local agricultural outputs are hardly sufficient to feed the population. Families who so far might have been spared from separation caused by expulsion are now threatened by HIV/AIDS. Food security and the fight against poverty are the most important objectives of development cooperation. Efforts are underway to evaluate Tanzania as a third project country in Africa.

**Programme Director:** Carmen Meyer,  
**Country Director Ethiopia:** Amsale Mulugeta,  
**number of children benefiting:** 74 572,  
**total costs:** 1 608 000 Swiss francs.

## Children and their world: Nigel, 9

Is it possible to sweat in the middle of winter sitting in a self-built hut? Yes, if it is a sweat hut! Nigel (on the left side) talks enthusiastically about the three days in the forest when he and his class-mates built a simple sauna. He admits that it was quite exhausting carrying branches for the hut, wood for the fire, and stones to retain the heat, but he thinks it was great fun to roll in the snow after sweating in the hot room. The word «snow» leads this lively nine-year-old straight to the next subject, which is skiing. As soon as the snow has settled in the Children's Village, he goes out to improve his skiing, relentlessly. He has set himself one goal: to be able to keep up with the other children in his group when they go on sporting holidays.

Nigel came from Zimbabwe to Switzerland some three years ago. For the past year, he has lived in an intercultural living group in the Children's Village and still does. He attends a small class in the school in Trogen where he has found numerous friends. He wrinkles his forehead and uses his fingers when tries to name them all: Andrin, Lukas, Arti, Anand, Mike, Linus, Ramona, Alexandra, and Matthias. But his very best friend is Tschösang, a boy from Tibet who, like Nigel, is growing up in the Children's Village. No question, Nigel's best friend needs to be there when his photo is taken.



## Programmes in Asia

«Primary education for all by 2015». This goal of the international community was equally embraced by the governments of Lao and Myanmar (Burma). In their attempt to ensure its implementation, they built schools even in rural and deprived areas. However, poor training and further training schemes have resulted in a lack of well qualified teachers. Rural areas have no teacher training facilities, and qualified teachers are reluctant to move from the city to the countryside.

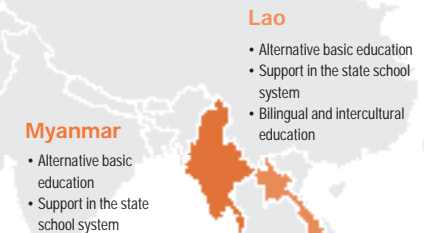
The partner organisations of the Pestalozzi Children's Foundation are trying to remedy this situation by promoting the practical and theoretical training and further training of local students who are interested in becoming teachers. They do not leave the elaboration of curricula and teaching materials to government officials or foreign experts but refer to the experience of par-

ents, grandparents, monks, and farmers and include their local knowledge in course content and materials. In doing so, they enable children to understand their social, cultural, and economic situation, which in turn helps children to build an identity. Adults take responsibility for the maintenance of «their» school and are prepared to send their children to classes. This is not at all a matter of course as, due to the constant struggle to survive, parents have a tendency not to prioritise education.

In multilingual societies, effective implementation of «education for all» depends on the language of instruction. Primary school children can only learn efficiently if classes are taught in a language they are familiar with. Lao's relatively small population (6 million) is ethnically highly diverse, and there are between 70 and 120 different languages in the country. Nursery chil-

dren are being prepared to follow classes in the official language and, at the primary school level, indigenous language teaching is integrated into curricula and multilingual teachings aids are used.

Despite abundant natural resources such as fertile soils, sufficient ground water, and primary stocks of precious stones, minerals, crude oil, and gas, Lao and Myanmar are among the poorest countries in the world. Extended international sanctions have isolated Myanmar over a long period of time. In view of its low population



density, Lao could become a food stuff exporter. However, the current concentration on subsistence farming, deficient or poor infrastructure, low educational levels of the rural population, and the absence of credit institutions prevent the country from realising its potential. Efforts are underway to evaluate Northern Thailand as a third project country in Asia.

**Programme Director: Brigit Burkard,**  
**number of children benefiting: 5561,**  
**total costs: 340 000 Swiss francs.**



## Balance sheet 2005

*in thousands of Swiss francs*

Assets	2005	2004	Liabilities	2005	2004
Liquid assets	1 185	2 572	Accounts payable to third parties and projects	810	531
Fixed-term deposits	6 256	2 000	Other short-term liabilities	39	199
Accounts receivable			Passive closing entries	756	471
by third parties and projects	248	25	<b>Current liabilities</b>	<b>1 605</b>	<b>1 201</b>
Other receivables	1 200	1 377	Long-term financial liabilities	400	400
Inventories	91	78	Provisions	19	19
Active closing entries	741	426	<b>Non-current liabilities</b>	<b>419</b>	<b>419</b>
<b>Current assets</b>	<b>9 721</b>	<b>6 478</b>	<b>Total liabilities</b>	<b>2 024</b>	<b>1 620</b>
Equipment	369	181	<b>Fund capital (appropriated)</b>	<b>5 062</b>	<b>2 125</b>
Real estate	7 763	7 194	Foundation capital	50	50
Financial assets	11 710	9 351	Valuation reserve	2 300	1 977
<b>Non-current assets</b>	<b>19 842</b>	<b>16 726</b>	Free reserves	18 819	19 454
<b>Fund assets (appropriated)</b>	<b>1 496</b>	<b>1 387</b>	<b>Annual profit</b>	<b>2 804</b>	<b>- 635</b>
<b>Total assets</b>	<b>31 059</b>	<b>24 591</b>	<b>Organisation capital</b>	<b>23 973</b>	<b>20 846</b>
			<b>Total liabilities and organisation equity</b>	<b>31 059</b>	<b>24 591</b>

Since 2005, valuation reserves are reported under organisation capital. For the purpose of comparison, year 2004 figures were adjusted accordingly.

### Children and their world: Ramona, 9

The third graders in the Curcubeu centre are dressed in traditional Roma costumes. They are practising for tonight's show. With cheeky eyes and generous movements they first sing a traditional Roma song and then present sketches in Romanian and German. Afterwards there is break time and they go out and play. Ramona wears a green flower-printed headscarf with golden threads woven through, and a wide colourful skirt. Her huge dark-brown eyes glow softly. Ramona has four siblings, she is the middle one, she laughs. Ramona's mother is a housewife. Ramona does not know what her father does. He makes gravestones, a carer explains.

Maths and Romanian are Ramona's favourite subjects. She has many friends at the Curcubeu centre and many relatives as well. Ramona belongs to a large family, she has two aunts, and each of them has many children. Ramona is not lonely, she has many cousins. The members of the dancing group prepare for tonight's show. Dorina, head of projects at the Curcubeu centre, puts their make-up on. The children proudly show what lipstick can do to their lips and cheeks. Ramona is cheerful. In the largest class of the centre, they rehearse their show whilst outside the window their colleagues and friends are cheering.



## Profit and loss statement

in thousands of Swiss francs

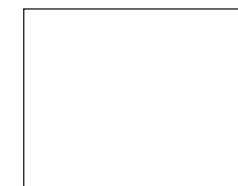
	2005	2004		2005	2004
Legacies	3 158	3 207	Marketing	-2 471	-2 203
Donations	12 346	6 019	Depreciation	-398	-350
Contributions	5 008	4 967	Other expenses	-126	-159
<i>from the SDC</i>	2 289	2 360	<b>Operating expenses</b>	<b>-16 437</b>	<b>-15 924</b>
<i>from Swiss Solidarity</i>	248	75	<b>Operating result before</b>		
Income from product sales	146	135	<b>funds adjustment</b>	<b>4 820</b>	<b>-845</b>
Income from Children's			Financial income	1 816	861
Village services	390	520	Financial expenses	-466	-278
Other income	200	231	<b>Financial result</b>	<b>1 350</b>	<b>583</b>
Profit from sale of real estates	9	-	Tax on property sales	-60	-
<b>Operating income</b>	<b>21 257</b>	<b>15 079</b>	<b>Total financial</b>		
Children's Village expenses	-1 081	-879	<b>result after tax</b>	<b>1 290</b>	<b>583</b>
Project contributions	-3 049	-3 620	<b>Total result before</b>		
Staff expenses	-7 416	-6 971	<b>funds result</b>	<b>6 110</b>	<b>-262</b>
Rent	-20	-45	Fund income	50	741
Maintenance of buildings			Fund allocation	-2 987	-1 043
and movables	-271	-317	<b>Total funds result</b>	<b>-2 937</b>	<b>-302</b>
Maintenance of vehicles	-15	-13	<b>Total result after</b>		
Insurance	-42	-38	<b>funds result</b>	<b>3 173</b>	<b>-564</b>
Electricity and waste disposal	-189	-221	Allocation to valuation reserve	-369	-176
Administrative and IT expenses	-372	-323	Transfer from valuation reserve	-	105
Travel expenses and			<b>Net change to valuation</b>		
representation expenses	-151	-185	<b>reserve</b>	<b>-369</b>	<b>-71</b>
Public relations	-836	-600	<b>Annual profit</b>	<b>2 804</b>	<b>-635</b>

Since 2005, the change to valuation reserves is reported separately. For the purpose of comparison, last year's figures were adjusted accordingly.

### Children and their world: Catalina, 6

Catalina sings, flirts, and plays up, obviously enjoying being the centre of attention. Her two pig-tails stick out from either side of her head. Her carers love her. They love her so much that they sometimes take her home over the weekend. Soon she will go to school. Catalina's family lives in the Roma quarter in town. When Catalina was one and a half years old, she was found on the streets where her mother had sent her

begging. Arad's social services decided that this was unacceptable and brought Catalina to the Casa Felice, the Happy House. Is it not possible to find adoptive parents for children of such young an age? According to the carers it is possible, but difficult. Poor Romanians lack the financial means to look after an additional child, and the rich do not want her because she is Roma.



Pestalozzi Children's Foundation  
Marketing and Communications  
Kinderdorfstrasse 20  
9043 Trogen



Children and their world: Thu Nandi, 11

«Kyay-zu-tin-bar-de Pe-sta-loz-zi...». Nandi is smiling although she finds it hard to pronounce the name. «Thank you Pestalozzi» she says although she does not really know where Switzerland is. Nandi attends a primary school run by a Buddhist monastery in Myanmar. She is in grade four and does not have to pay a single kyat for school fees because monastery schools educate children free of charge.

Nandi is orphaned. When her mother Nilar May was still alive, Nandi attended a government school. Nilar May had to work 14 hours a day to feed her small family and pay for Nandi's school fees. Her health began to fail, and when she was no longer strong enough to work, Nandi had to leave school. Nilar May died, so Nandi was taken in by the family of her uncle.

Please send me the detailed annual accounts (only in German)

Surname: \_\_\_\_\_

First name: \_\_\_\_\_

Address: \_\_\_\_\_

Postcode/Town: \_\_\_\_\_

PricewaterhouseCoopers AG
Birchstrasse 160
8050 Zürich
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Bericht der Revisionsstelle
an den Stiftungsrat der
Stiftung Kinderdorf Pestalozzi
Trogen

Als Revisionsstelle haben wir die Buchführung und die Jahresrechnung (Bilanz, Betriebsrechnung, Mittelflussrechnung, Rechnung über die Veränderung des Kapitals und Anhang) sowie die Geschäftsführung der Stiftung Kinderdorf Pestalozzi für das am 31. Dezember 2005 abgeschlossene Geschäftsjahr geprüft. In Übereinstimmung mit den Swiss GAAP FER 21 unterliegen die Angaben im Leistungsbericht nicht der ordentlichen Prüfpflicht der Revisionsstelle.

Für die Jahresrechnung ist der Stiftungsrat verantwortlich, während unsere Aufgabe darin besteht, diese, mit Ausnahme des Leistungsberichts, zu prüfen und zu beurteilen. Wir bestätigen, dass wir die Anforderungen hinsichtlich Befähigung und Unabhängigkeit erfüllen.

Unsere Prüfung erfolgte nach den Grundsätzen des schweizerischen Berufsstandes, wonach eine Prüfung so zu planen und durchzuführen ist, dass wesentliche Fehlaussagen in der Jahresrechnung mit angemessener Sicherheit erkannt werden. Wir prüften die Posten und Angaben der Jahresrechnung mittels Analysen und Erhebungen auf der Basis von Stichproben. Ferner beurteilten wir die Anwendung der massgebenden Rechnungslegungsgrundsätze, die wesentlichen Bewertungsentscheide sowie die Darstellung der Jahresrechnung als Ganzes. Bei der Prüfung der Geschäftsführung wird beurteilt, ob die Voraussetzungen für eine gesetzes- und statutenkonforme Geschäftsführung gegeben sind; dabei handelt es sich nicht um eine Zweckmässigkeitsprüfung. Wir sind der Auffassung, dass unsere Prüfung eine ausreichende Grundlage für unser Urteil bildet.

Gemäss unserer Beurteilung vermittelt die Jahresrechnung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage in Übereinstimmung mit den Swiss GAAP FER 21. Ferner entsprechen die Buchführung und die Jahresrechnung sowie der Antrag über die Verwendung des Bilanzgewinnes dem schweizerischen Gesetz und den Statuten.

Wir empfehlen, die vorliegende Jahresrechnung zu genehmigen.

Ferner bestätigen wir, dass die einschlägigen Bestimmungen der Zentralstelle für Wohlfahrtsunternehmen (ZEWO) eingehalten sind.

Signatures of Peter Brand and Primus J.G. Fellmann, dated Zürich, 21. April 2006.

Beilage:
Jahresrechnung (Bilanz, Betriebsrechnung, Mittelflussrechnung, Rechnung über die Veränderung des Kapitals und Anhang)

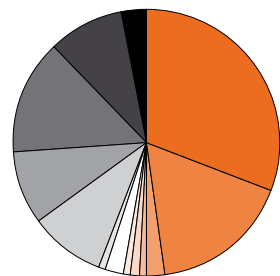


## Programme and Administration Costs

### Programme costs *in thousands of Swiss francs*

Intercultural living	3 710
Intercultural exchange	2 067
Intercultural education	253
Children's Village	158
Village renovation	79
Partner projects Switzerland	169
Child rights	223
emPower	76
Play for Peace	1 068
South Eastern Europe	1 082
East Africa	1 608
Central America	1 043
Asia	340
<b>Total programme costs</b>	<b>11 876</b>

### Distribution of programme costs

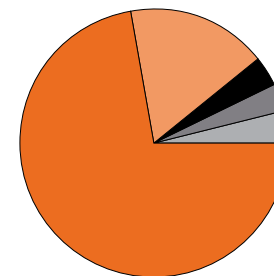


- Intercultural living (31%)
- Intercultural exchange (17%)
- Intercultural education (2%)
- Children's Village (1%)
- Village renovation (1%)
- Partner projects Switzerland (1%)
- Child rights (2%)
- emPower (1%)
- Play for Peace (9%)
- South Eastern Europe (9%)
- East Africa (14%)
- Central America (9%)
- Asia (3%)

### Administration costs

Marketing	2 809
Public relations	574
Administration	555
Foundation secretariat	623
<b>Administration costs</b>	<b>4 561</b>
<b>Operating expenditure</b>	<b>16 437</b>

### Programme and structural costs



- Total programme costs (73%)
- Marketing (17%)
- Public relations (3%)
- Administration (3%)
- Foundation secretariat (4%)

The annual accounts have been audited by Price-waterhouseCoopers AG and approved by the Foundation Council. The Auditor's report and the detailed annual accounts are available from us on request. Download is possible on [www.pestalozzi.ch](http://www.pestalozzi.ch).

### Children and their world: Nöldi, 17

Nöldi lives together with six other young people in the house Esperanza in the Children's Village in Trogen. Esperanza accommodates young people who take part in an intercultural pre-vocational project that serves as a bridge between school and vocational training.

Communication between adults and young people in the house is not always that easy, Nöldi says shrugging his shoulders, probably just the same as everywhere else. However, Nöldi highly praises the teacher who comes two days a week and helps them identify professional opportunities. After a week of looking into various possibilities, Nöldi is certain that he wants to become a nursery teacher, and he is very happy that he was accepted to take a six-month practical training course in a crèche.

Living in the Children's Village, Nöldi has learned to organise day-to-day life, and to persevere when things sometimes don't work out. He quietly says that he will try his hand at living independently only when he is certain that he will master it. His gentle manner is impressive and will certainly help him in his work with young children.



Children are our future. They are the adults of tomorrow who will carry responsibility for themselves, society, and future generations. In order to be able to support disadvantaged children and adolescents in Switzerland and

abroad, we depend on many people's help. Every contribution helps to assist young people in difficulties to find a way to an independent future. Your donation enables children in developing countries to go to school and

learn a profession. In Switzerland and in South Eastern Europe, your donation promotes peaceful coexistence of different cultures, focusing on the integration of children and young people into society.

**Thank you very much for your solidarity!**



## Games and sport as practice for life

They are waiting eagerly until it is their turn to go. Nervous? Not at all! Lili likes being in the centre of attention and she does not hide it. And Jackson finds it «real easy» to talk in front of a crowd, even in English. For a music fan like him, this is not a problem. «It helps me improve my pronunciation». Lili and Jackson live in the Pestalozzi Children's Village. In August 2005 they opened the youth camp «Play for Peace», which was joined by 232 children and young people from all over the world.

Lili is from Kenya, Jackson from Burundi. Unlike their 230 guests, they are at home in two worlds: they are at ease in their native African and their adopted Swiss culture. Most children and adolescents take this in their stride, but not all of them manage to

do so. As a result of these cultural «splits» some encounter personal problems or fail in school. At some point, someone might notice their problems and decide to do something about it. One option is the Pestalozzi Children's Village, where children torn between two cultures can find comfort and support. Here, people listen to what they have to say; here they learn the basics for a better future.

In the youth camp too, different worlds come together. Participants come from all over the globe; their cultural background is highly diverse. Among them are dynamic adolescents from Serbia, girls from Ethiopia with countless micro-braids, and young Indonesian women wearing a veil. Palestinian girls meet Israelis, school girls



### Play for Peace in the Children's Village

One of the highlights in 2005 was the youth camp «Play for Peace», held in the Children's Village as a contribution to the United Nations Year of Sport and Physical Education. Some 200 children and adolescents from 20 different nations and 32 peers from the Children's Village and Switzerland, representing a further ten nations, practised the social values of games and sport.

As part of the closing session of the two-week camp, the children and adolescents handed SDC Director-General Walter Fust a charter they had drawn up and adopted during the camp. Among other topics, the charter requires governments and institutions to ensure peace and security and to implement the right to education, play and sport. The charter was handed to UN Secretary-General Kofi Annan in April 2006.

some initial apprehension, Lili and Jackson enjoy the camp. They realise that the workshops are not boring at all and that they can benefit from such an experience. But how about the young participants who return to a life full of want, to days without school, to a country where they have to walk hours to collect drinking water? They take joie de vivre back home with them. They benefit from the chance to live their dream for a while. Two happy weeks are weeks well spent.

«Real easy» – Lili and Jackson share the same opinion about Play for Peace. All of a sudden the Children's Village, which sometimes is too quiet, too rural, too far off the beaten track for them, becomes interesting and exciting. The boredom in the Village has vanished; Lili and Jackson wish Play for Peace would happen more often.

**Dagmar Wurzbacher**

from Trogen talk with South Africans. One house accommodates adolescents from El Salvador, Honduras, Brazil, and Guatemala, the one next door youngsters from the US, the Netherlands, and Germany. The objective of the camp? To teach children and young people social values through games and sports, to promote tolerance, fairness, and respect for others. Strengthening responsibility through team sports? Team sports teach educational and behavioural values more directly than school. Participants feel that they play an important role and that they are part of the team. They experience that the team as a group determines the game and that playing, in the end, means life. They learn to take responsibility without being burdened by theoretical explications, without being lectured by an adult. Lili and Jackson are passionate basketball players. No wonder that sport brings everyone closer. Contacts

are made and personal news exchanged. And at times what you learn is surprising. «Israeli youths have to join the army for three years when they are 18. Then they have to go back to school before they can learn a trade.» Lili is impressed. She, for her part, will be happy when she finishes her nine years of schooling because she wants to work in a travel agency and discover the world. Meeting Silvano Beltrametti makes a big impression on Jackson. He, the sportsman about to start playing football, asks the former world ski cup racer what went through his mind when he learned that he will be confined to the wheelchair for the rest of his life. Upon leaving Silvano Beltrametti, Jackson compliments him: «It's great, that you can live like that.»

Numerous encounters show how people deal with personal defeat and manage to concentrate on personal strengths. After



Pestalozzi



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The Pestalozzi Children's Foundation has been certified as a non-profit organisation by the ZEWO Foundation.

On the basis of stringent criteria, ZEWO grants the seal of approval to organisations that use donations for the causes indicated, without looking to their own interests.