

Aflatoun

2010 ANNUAL REPORT



AFLATOUN

CHILD SOCIAL AND FINANCIAL EDUCATION (CSFE)

Stichting Child Savings International, Amsterdam, The Netherlands

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STICHTING CHILD SAVINGS INTERNATIONAL, AMSTERDAM, THE NETHERLANDS

1. Acknowledgements

Aflatoun would like to acknowledge and thank all of our sponsors, including individual private donors, for their support. We are unable to present the names or logos of all our supporters in this Annual Report. So while we are only able to name some of our supporters, our appreciation goes, of course, to all supporters equally. Separately, we also would

like to thank both our pro-bono supporters and funders that have collaborated with the Aflatoun Secretariat in ensuring sufficient direct funding for our implementing partners.

1.1. SECRETARIAT FUNDERS

We would like to thank those funders that make the work of the Aflatoun Secretariat possible. The ones listed below have provided us with €20,000 or more in 2010 and have agreed to be mentioned publicly:



1.2. PRO-BONO SUPPORTERS

We would like to thank all our official pro-bono supporters that have helped in different ways to make our work more efficient and effective:



1.3. PARTNER FUNDERS

We would like to thank those funders who worked with us to fund our partner network:

Banco Columbia	GSRD Foundation	Scotiabank
Barclays Capital	Netherlands Embassy	Turing Foundation
Citi Foundation	Afghanistan	World Learning
Eureko Achmea Foundation	Proninos Foundation	
Financial Education Fund	Rabobank Foundation	

1.4. OTHER SUPPORTERS

We would like to thank all other supporters who have taken the time and effort to support our activities during 2010, including countless volunteers and interns - people that have helped us and our partners to grow Aflatoun.

Ashoka	De Nederlandsche Bank	The Schwab Foundation
Better Place	Edelman	Social Lab Köln
Clifford Chance	Global Giving	Volans
Clinton Global Initiative	Krauthammer	YESS
Context International Corporation	McKinsey & Company	

2 Letter from Aflatoun



DEAR READER,

Greetings from the Aflatoun Secretariat! We would like to welcome you to our 2010 Annual Report. This document is both a view into our exciting work and a snapshot of the organisation behind it. We therefore aim to cover all important aspects of our organisational life, its achievements and challenges.

Although the global economic crisis continued to impact the overall business climate and is partly to blame for the delay of some planned activities, 2010 has seen our organisation make great progress towards our campaign goals for the years 2008-2010. Other achievements include the start of our Aflateen curriculum development, five regional meetings with our partner network and the pre-launch of our social network for partners, teachers and children around the world, AflatounWorld.

In addition to all of this, we started our networks first random control test and, last, but not least, grew to reach into 61 countries by the end of the year. We have also strengthened some internal processes by restructuring our organisation hierarchy, further strengthening our accounting and Management

Information Systems (MIS) and finishing an external assessment of the Secretariat. In addition, we have further improved our monitoring and evaluation processes by moving a large part of our network collaboration to a specifically designed online monitoring tool.

2010 has also provided Aflatoun with an occasion to raise awareness of the importance of social and financial education for children and especially of appropriate financial services delivery and regulation. In June 2010 we organised the world's first conference focused on child friendly banking, bringing together a variety of stakeholders from around the world, where we publicly launched our ChildFinance activities.

We would like to once again thank our valuable partners for their hard work and dedication and our donors for their faith and trust. Since the end of 2010, we have worked relentlessly towards meeting our campaign of reaching one million children in 75 countries, despite the challenges along the way. We look forward to accelerating the momentum that we have gained and towards continued great successes in the coming years.

Regards,
The Aflatoun Team

3 Introduction

Aflatoun is a global network of organisations dedicated to providing high quality Child Social and Financial Education (CSFE). It is fully operated by Stichting Child Savings International (hereafter referenced as Aflatoun with the exception of chapter 9). Aflatoun offers children aged between 6-18 years help in developing understanding and respect for the world through activities and games.

Aflatoun provides a balanced educational curriculum of social and financial aspects, including rights and saving skills, planning and budgeting. Our experience shows that empowered children have greater

incorporated and have remained a defining feature of the programme since 2001.

In 2005 Aflatoun was incorporated in Amsterdam. With the balancing components of social and financial education already in place, the next step involved testing the programme's relevance and applicability in diverse settings. In 2006 partner organisations were found in ten countries and pilot-programmes launched. This export of the programme gave birth to another key feature of Aflatoun - the process of contextualisation whereby the original materials are adapted to reflect local cultural realities. With the initial Formal Primary Curriculum adapted for five geographic regions in four languages, Aflatoun's Campaign for Social and Financial Education was launched in 2008 in Amsterdam by HRH Princess Maxima of The Netherlands. The campaign's ambitious goals were to reach one million children in 75 countries within three years.

Aflatoun understands that the best way to achieve end results is to work within a spirit of collaboration and to tap into the large pool of knowledge and experience from within a network.

influence to make a positive change within their own lives and in their communities.

Although our Aflatoun programme began in Amsterdam in 2005, its core features had already been evolving for some time. It has deep roots in India, where in 1991 an action research project by academics from the Tata School of Social Studies in Mumbai began working with schools to bring rich and poor children together to learn about each others' lives. Such bridge-building has remained a core characteristic of the programme ever since and is now evident on a global scale as children in countries as far apart economically and geographically as The Netherlands and Mali are linked.

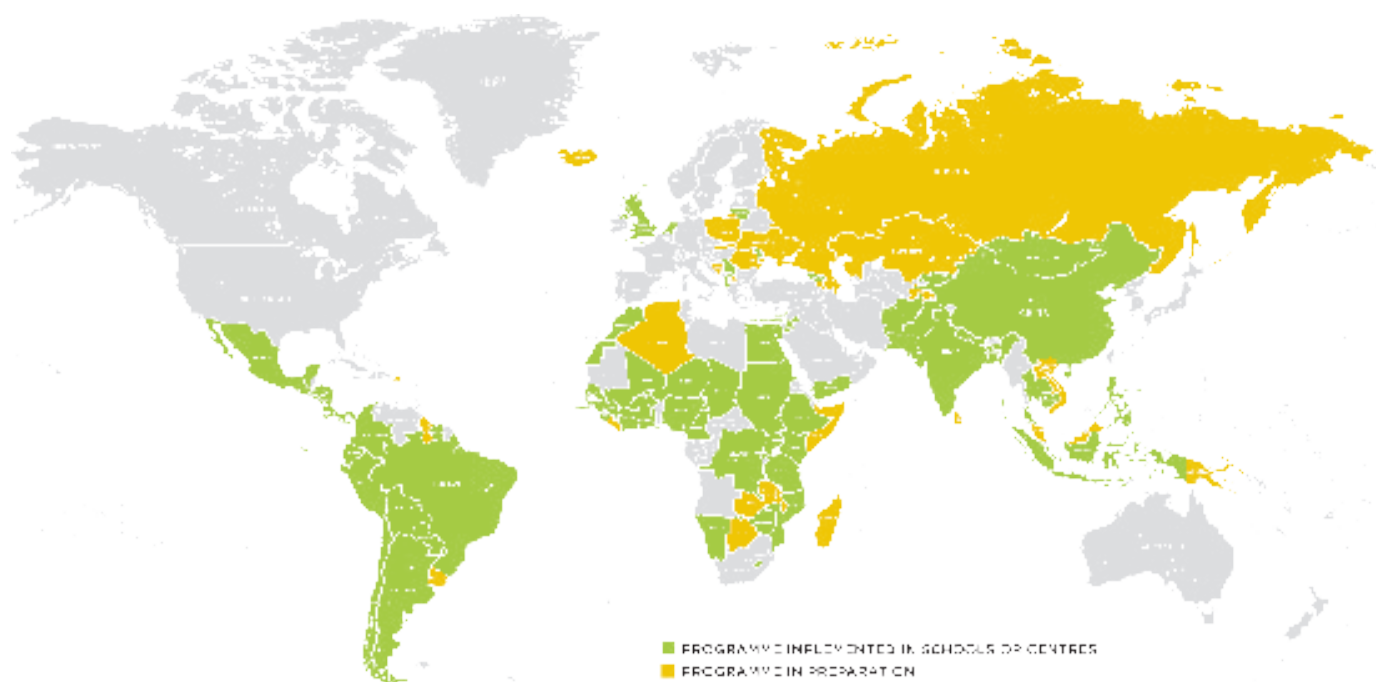
In 1993 the programme was given new urgency and a broader moral imperative when bombings and inter-ethnic riots shook Mumbai. The programme responded by combating prejudice and discrimination through rights education. Expansion out of the city and into rural areas then led to another key stage of its development. With many children, often the most entrepreneurial, leaving the country, the programme sought to reverse urban drift by harnessing their energy and creativity at home. Savings groups were

Aflatoun firmly believes that every Network member feels fully integrated and understands the role they play in the growth of the movement. Aflatoun understands that the best way to achieve end results is to work within a spirit of collaboration and to tap into the large pool of knowledge and experience from within a network. In all its activities, Aflatoun seeks to engage network members through a network participation process.

Aflatoun increases its membership proactively through recommendations from existing partners and desk research at Secretariat level. The membership process includes three major screening and validation steps, which take on average one year or more to complete, until acceptance as an implementing partner within the Aflatoun network is achieved. While we are pro-actively seeking growth not only in numbers of partner organisations, but also in scale and outreach of individual partner programmes, we always base our partner development process on quality and sustainability.

Where We Were at The End of 2010

Aflatoun almost doubled the numbers of countries that it worked in during 2010. The growth was the result of growth in Latin America and Francophone Africa and Aflatoun's regional master trainers' ability to fulfil the demand for training from new organisations.



AFLATOUN PROGRAMMES

AFGHANISTAN	ETHIOPIA	MEXICO	RWANDA
ALBANIA	GAMBIA	MOLDOVA	SENEGAL
ARGENTINA	GEORGIA	MONGOLIA	SERBIA
BANGLADESH	GHANA	MOROCCO	SIERRA LEONE
BOLIVIA	GUATEMALA	MOZAMBIQUE	SUDAN
BRAZIL	GUINEA	NAMIBIA	SURINAME
BURKINA FASO	GUINEA-BISSAU	NEPAL	TANZANIA
CAMBODIA	HONDURAS	NETHERLANDS	THAILAND
CAMEROON	INDIA	NICARAGUA	TOGO
CHAD	INDONESIA	NIGER	UGANDA
CHILE	JORDAN	NIGERIA	UNITED KINGDOM
CHINA	KENYA	OCCUPIED PALESTINIAN TERRITORIES	YEMEN
COLOMBIA	KOSOVO	PAKISTAN	ZIMBABWE
CONGO	KYRGYZSTAN	PANAMA	
COSTA RICA	LEBANON	PARAGUAY	
CÔTE D'IVOIRE	LESOTHO	PERU	
ECUADOR	LITHUANIA	PHILIPPINES	
EGYPT	MALI		
EL SALVADOR	MAURITIUS		

AFLATOUN PROGRAMMES IN PREPARATION

ALGERIA	POLAND
ARMENIA	PUERTO RICO
AZERBAIJAN	ROMANIA
BOSNIA AND HERZEGOVINA	RUSSIAN FEDERATION
BOTSWANA	SLOVAKIA
GUYANA	SOMALIA
ICELAND	SRI LANKA
KAZAKHSTAN	TAJKISTAN
LAO, PEOPLE'S DEMOCRATIC REPUBLIC	UKRAINE
LIBERIA	URUGUAY
MACEDONIA	VIETNAM
MADAGASCAR	ZAMBIA
MALAWI	
MALAYSIA	

4 Subject and Scope

Over the past year, based on our strategic plan for 2008–2010, we have set ourselves specific goals and deliverables to ensure that our mission and vision are realised. These have been published openly and are available on our website at www.aflatoun.org. Our goals are based on deliverables as agreed to by the Secretariat and our partners in the Aflatoun network. Our partners believe in the added value of Aflatoun and work hard to help us reach our collective deliverables. This remains of course an open process and we are most grateful to all our partners for supporting our vision and working hard to reach our overall goals.

In this annual report, we will take a look back through our journey in 2010 and reflect on our work, our achievements, challenges and the valuable lessons we learned. We begin by providing an overview of our future plans, organisational structure, and our financial report. We then report on the achievements of our network and all partners as a whole in order to measure and show our success against our strategic plan for 2008–2010; the primary aim of which was to increase the breadth and reach of our partner network. In this report we focus on the results we have achieved in the calendar year 2010. We will not report on the overall achievements of the campaign, as it will take some time to collect and analyse the relevant information. These will be published and celebrated later in 2011 at our end of campaign celebrations during our *2011 Aflatoun International Meeting* on June 6–8.



Inspiring children to socially and economically empower themselves and become agents of change in their own lives and for a more equitable world.



5

Problem Statement and Solution

Poverty remains a global challenge that is apparent even within the richest of countries. We believe that educating children reduces poverty. Aflatoun's educational philosophy involves teaching children about money, enhancing their self-esteem, and helping them perceive that prosperity and social justice ought to be complementary.

Aflatoun focuses on holistic social, rights and financial education for child and youth across the world. We

to make a positive change in their own lives and communities – and to eventually break the cycle of poverty through their own efforts. Nonetheless, children are the builders and shapers of our future world. And, more important even, children have the right to lead a fulfilling and meaningful life characterised by development and possibilities.

5.1.1. Scope of the Problem

An estimated one billion children today live in poverty around the world. A leading child-focused study¹ estimates that 65% of children in Sub-Saharan Africa, 59% of children in South Asia, 40% of children in the Middle East and North Africa (MENA) and 17% of

We believe that neither social, rights or financial aspects should be taught apart from each other...

believe that neither social, rights or financial aspects should be taught apart from each other, as they are inherently linked in today's societies around the world. Since the children of today are the adults of tomorrow, we believe that we have a duty to equip children with an understanding of societies' core value systems early on. To this end we ensure that all our educational curricula are based on five core elements:

- Personal understanding and exploration;
- Exploring rights and responsibilities;
- Understanding the concept of saving and spending;
- Planning and budgeting resources;
- Child social and financial enterprise.

5.1. PROBLEM STATEMENT

Children all over the world find themselves caught in a cycle of poverty without the knowledge or tools to make a difference. Many of them lack basic needs like food, clean water, shelter, security and education. They rely on the adults around them and wider society – that has placed them in poverty in the first place – to take care of them. Children are basically denied the possibility

children in Latin America live in absolute poverty. In addition, we found that the disparities in income levels and the persistence of relative poverty in economically developed countries could also be addressed by the programme.

5.1.2. Existing Approaches

Many organisations and institutions have mounted efforts to improve financial capability and literacy through financial education and savings programmes (also known as “financial empowerment”). For example, the World Bank, OECD, and IMF have identified the need to define and design appropriate financial education strategies, as the importance of both cognitive and non-cognitive skills in medium-term economic success is well documented.

Today, many approaches exist throughout the world to introduce children aged 14 years plus to basic financial education. There are also many educational programmes focusing on children rights or social values for this age group. Increasingly, efforts are also being focused on younger children in the hope that young people will learn financial habits and skills more readily than adults and that this will enable them to

¹ “Child poverty in the developing world”, David Gordon, et. al. The Policy Press, Townsend Centre for International Poverty Research, 2003



grow up more capable of avoiding marketplace abuses and more poised to hold good jobs or manage successful businesses.

Although children constitute a particularly large and vulnerable part of the population in many economically developing countries, financial capability and literacy programs have focused primarily on instilling knowledge in youth and young adults – for which various studies have reported limited efficacy – more than children. Other government and corporate sponsored programs introduce (matched) youth savings accounts, but do not necessarily pair this with education². With children’s financial education almost entirely dependent on the parents ability and willingness to educate them, an entire generation may miss concepts and habits of responsible and meaningful financial decision making, a value framework of rights and responsibilities, and the use of money for social enterprises or community investments.

5.2. SOLUTION

Aflatoun shares and addresses many of the values represented in the Millennium Development Goals and the UN Convention on the Rights of the Child. Most importantly though, Aflatoun has the ambitions to change the world for the better and is executing its strategy to this extent.

Aflatoun’s approach is unique in as much as it is aimed at children in a much younger age range, 6-18 years of age, than most other financial literacy programmes. Moreover, it was the world’s first educational programme to balance financial with social and rights-based education in an attempt to form socially responsible and self-confident members of communities and societies who are also able to make an economic contribution to their families and beyond.

The Aflatoun programme provides children and youth, aged 6-18 years, with the building blocks of life and empowers them to make a positive change in their lives and communities and eventually break the cycle of poverty in which many find themselves. Our CSFE programme balances personal and social awareness with children’s rights as well as practical planning, saving and entrepreneurial skills. The programme is built on simplicity and replicability, it is paper based, requires few resources and can be taught even within remote areas without access to electricity. Therefore the programme has very few barriers to entry, which is a key reason for its fast expansion. It is not a replacement for existing programmes, but a holistic addition that can complement existing curricula.

The Aflatoun concept encourages “learning by doing”; through fun games, activities, songs and workbooks, children are encouraged to take an active role in the learning process. This includes school wide savings clubs, financial and social enterprises and group activities within the community. The results of Aflatoun are positive habits along its five core elements with pupils, teachers and local communities, which help individuals and groups making sense of, and influencing, the world around them in a sustainable and responsible manner.

5.2.1. Vision

Aflatoun’s dream is the reduction of poverty with the help of socially and financially empowered children. We believe that children should be taught to understand their rights and responsibilities and strive to ensure that CSFE is viewed as a right for every child across the globe.

We have put this dream into our short mission statement, which stands behind all our actions:

² For an overview: Individual Development Accounts (IDAs), <http://www.cfed.org/think.m?id=169&clusterid=1> and the SEED program: <http://www.cfed.org/think.m?id=169&clusterid=5>





...children are important change-makers in their homes and communities and can break the inter-generational cycle of poverty

“Inspiring children to socially and economically empower themselves and become agents of change in their own lives and for a more equitable world.”

At the heart of the Aflatoun concept is the belief that children are important change-makers in their homes and communities and can break the inter-generational cycle of poverty. Children are individuals capable of making sense of, and influencing, the world around them.

5.2.2. Strategy

The organisations strategy was developed with the assistance of McKinsey & Company, Aflatoun staff, partner programmes and key stakeholders for the period covering 2008 through 2010. The strategic plan divides the work of the Aflatoun Secretariat into three pillars. Each pillar has a specific vision that defines the objectives in that area. These objectives represent strategic initiatives that have clear and precise targets.

The three pillars of our 2008–2010 strategic plan are:

- **Concept** – Become a thought leader in Child Social & Financial Education (CSFE) for children aged between 6–14 years;
- **Programme** – Implement quality Aflatoun programmes;
- **Network** – Build a global movement of Aflatoun children and partners who advocate for policy change supporting CSFE.

5.2.3. Target Groups

The beneficiaries and participants of Aflatoun’s CSFE are young children aged between 6–18 years. The Aflatoun teaching methodology is provided through a professional training structure and teaching materials to its partner network, the key target group of the Secretariats programme activities. These in turn pass on and maintain the methodology and materials at teacher and educator level in the field.

We deliver our programme in formal and non-formal settings. Children aged between 6–14 years are targeted by our renowned Aflatoun curricula which come in two versions, one for use in formal primary schools and the other adapted for non-formal settings. Youth aged between 15–18 years are served by a newly developed curriculum called Aflateen. Both involve two key trajectories of learning: 1) an understanding of rights and responsibilities and 2) financial knowledge and skills that enable children to make the best use of available resources. This includes school-based savings clubs, financial and social micro-enterprises, and group activities within the community.

In order to gain acceptance beyond educational organisations that roll out our curricula, Aflatoun also targets international Non-Government Organisations (NGO), bilateral and multilateral organisations, academics, microfinance institutions, central banks, government savings banks and private banks, education ministries and others.

5.2.4. Activities and Expected Results

To ensure accountability to partners, stakeholders and funders as well as ultimately, the children that make up the Aflatoun network, Aflatoun has published its 2008–2010 strategic plan in which goals and activities are outlined. The work has been done to achieve these goals, the challenges faced and some of the lessons learned in the process have been captured. According to strategic pillars, these can be broken down as follows.



NUMBER OF CHILDREN

In 2010, 983,555 children participated in an Aflatoun programme. In the past year, the greatest increase in terms of the number of children and in the rate of growth was in Asia.



Source: *Children and Change 2011. Children and Enterprise. Aflatoun. Amsterdam (2011).*

5.2.4.1. Pillar 1: Aflatoun Concept

The Aflatoun concept helps children to understand their rights and responsibilities and offers them the skills to save, plan and budget. Aflatoun believes that this is a concept that should be integrated into school

sole focus is children's rights or economic empowerment. Each programme is adapted to the local and regional context and to the specific goals of the organisation delivering it.

By the end of 2010, Aflatoun was being implemented in 61 countries in collaboration with 72 different partners.

curriculums in both developed and developing countries. In order to do this, Aflatoun needs to provide the best possible products and ensure that the programme works effectively.

Within the concept pillar, the vision is to become a thought leader in CSFE for children aged between 6–14 years. This has since been increased to include teenagers and young adults up to 18 years of age.

There are five strategic objectives for the concept pillar to achieve this vision. Aflatoun attempts to:

- Refine core elements of the Aflatoun concept;
- Build a research network to support programme development;
- Create an impact assessment approach;
- Redefine the Aflatoun identity;
- Investigate new areas of programme extensions based on children's feedback.

5.2.4.2. Pillar 2: The Aflatoun Programme

By the end of 2010, Aflatoun was being implemented in 61 countries in collaboration with 72 different partners. Partners delivering the programme range from large microfinance institutions and child sponsorship programmes to small organisations whose

The vision for the programme pillar is to implement quality Aflatoun programmes in 75 countries, reaching one million children by 2010. Aflatoun provides children with skills and knowledge in two key areas:

- **Social** – Full understanding of their rights, responsibilities and roles in society;
- **Financial** – Theory and practice of managing finances and savings.

There are four strategic objectives under the programme pillar to achieve this vision. Aflatoun attempts to:

- Select and guide partners through quality implementation;
- Facilitate co-operation and sharing between partners and other stakeholders;
- Implement an ongoing process of self-reflection and evaluation;
- Refine the training methodology and materials for quality implementation.

5.2.4.3. Pillar 3: Aflatoun Network

The Secretariat's role is to facilitate the dialogue between partners and stakeholders and provide the necessary support to ongoing Aflatoun initiatives.

NUMBER OF CHILDREN SAVING

The number of children who were reported saving in 2010 was 426,504. They saved approximately 1.3 million euros over the course of the year.



Source: *Children and Change 2011. Children and Enterprise. Aflatoun. Amsterdam (2011).*

Because Aflatoun is a network, the direction and priority setting for Aflatoun is set by the organisations that compose the various Boards and Task Forces. Additional responsibilities include mobilising appropriate resources in order to ensure the viability of the movement and developing partnerships to advocate for policy change.

The vision of the network pillar is to build a global movement of Aflatoun children and 400 partners who commit over €15 million in resources and advocate for policy change supporting CSFE.

There are six strategic objectives for the network pillar to achieve this vision. Aflatoun attempts to:

- Raise a total of €15 million in cash and kind by the end of 2010 to implement Aflatoun programmes
- Engage at least 50 institutions to include CSFE in their policies, programmes, network, and activities
- Engage at least 50 financial institutions to ensure access for children under 14 to banking facilities and products or to provide resources to the programme
- Develop and maintain Aflatoun communications with stakeholders
- Develop an Aflatoun network that allows Aflatoun children to communicate
- Optimise Secretariat effectiveness and efficiency against Key Performance Indicators (KPI's)

5.3. ACTIVITIES AND MILESTONES 2010

The year 2010 has largely been a triumph in the face of adversity. When the initial, highly ambitious targets were set, few could have foreseen the negative impact the economic crisis would have on the willingness of donors to provide Aflatoun and its partners with growth funding. The year fell short of some initial goals by a small margin, admittedly, but the overall expansion

of the Aflatoun network during 2010 has been nothing less than thrilling.

Another 32 countries were added as new partners to the existing network of 31, while only two country partners dropped out. Furthermore, by the end of 2010, partner organisations in a further 30 countries were preparing to launch the programme, some in advanced stages of preparation. As a result, Aflatoun is confident to reach its original target of 75 countries with a short delay.

5.3.1. Pillar 1: Concept

Our innovative curriculum development looks set to take Aflatoun into new territories and increase the organisations ability to reach the most vulnerable children. The Non Formal Education (NFE) manual has proven to enrich and diversify the network by leading to new partnerships with organisations that work with street children, orphans, vulnerable children and child-headed households. On top, we developed Aflateen, a resource for 15-18 year olds that will enable us to provide a broad continuum of education consistent with the UN Convention on the Rights of the Child's definition of childhood, with the finalisation of this curriculum scheduled for early 2011.

Currently, the curriculum for formal settings is available from the Secretariat in six regionally contextualised versions: Latin America (Spanish), Asia (English), Europe (English), Africa (English), Africa (French), MENA (Arabic). The non-formal curriculum is available six languages. The Aflatoun curricula have also been contextualised through its partner organisations 60 times into 30 different languages over the past five years. In 2010 alone, the Aflatoun Secretariat and network have produced the Portuguese formal set, the Non-Formal Education (NFE) manual in five additional languages and country-level contextualisation in six countries which include four new languages.

NUMBER OF SCHOOL AND NON-FORMAL CENTRES

Aflatoun now works in 8,434 schools and non formal education centres. The greatest growth has been in the number of non formal education centres. In 2010, the number of non formal education programmes increased 250%.



Source: Children and Change 2011. Children and Enterprise. Aflatoun. Amsterdam (2011).

In addition, our new curriculum for young people aged 15 years and older (working title “Aflateen”) has been developed in partnership with The MasterCard Foundation. It maintains focus on social and financial education, but additionally encourages youth to reflect more critically on their lives and societal issues and problems as well as engage more in enterprises. “Aflateen” also guides youth in acquiring more highly developed life skills that help them become engaged citizens. The curriculum is already being used as a pilot in some Aflatoun countries and is available in seven languages (English, Spanish, French, Arabic, Portuguese, Russian and Mandarin).

Aflatoun also developed online learning capabilities and a ‘Children’s Participation’ manual, though the official launch will be only realised in early 2011. The website will be directed to both children, in order to enable them to globally discuss their views and experiences with Aflatoun in a child-friendly and protected online environment, and to teachers, giving them a platform for collaboration and knowledge exchange.

MILESTONES:

Aflatoun curriculum (ages 6-14 years, formal setting):	4 languages
Aflatoun contextualisation (ages 6-14 years, formal setting):	60 editions and 30 languages
Non-formal Education (NFE) curriculum (ages 6-18 years, non-formal setting):	7 languages
Aflateen curriculum (ages 15-18 years, formal setting):	6 languages

5.3.2. Pillar 2: Programme

The year 2010 saw us reach ‘tipping point’ with an unstoppable momentum being attained. Aflatoun added partners in 32 countries to its network – of which five

are located in Europe, nine in the Americas, three in Asia, four in Sub-Saharan Africa and three in MENA and eight in Francophone Africa – reaching 61 countries at the end of the year compared to 31 at the end of 2009. During the year, programmes in South Africa and the Dominican Republic dropped out temporarily due to lack of funding. Reaching such a high number of partners throughout the world is a tremendous achievement that naturally has also been a key focus of our activities.

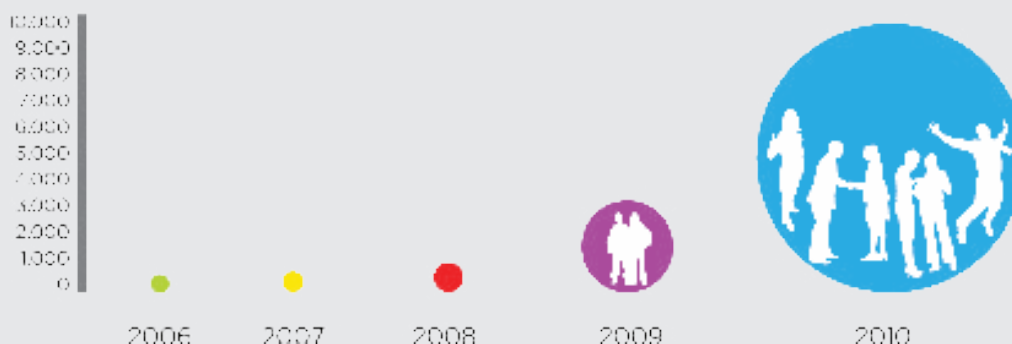
Our bi-annual round of regional meetings brought together current Aflatoun partners and those preparing to launch a programme, members of the Secretariat and stakeholders from within each of the five regions we focus on. These meetings are essential to the functioning of Aflatoun. It is within these meetings that our partners are able to share their stories, their experiences and strategies. Themes such as child participation, curriculum development, resource mobilisation, impact assessment and momentum building are discussed, and they subsequently foster new and improved ideas and strategies. Each regional meeting results in more productive sharing, collaborative regional strategies and stronger regional networks that add momentum to the CSFE movement.

Another key factor behind our explosive growth is the creation of the global cadre of Regional Master Trainers (RMT) under our Pillar 3: Network.

Aflatoun also added additional partners in countries already served by our network. At the time of writing, the full set of key performance indicators – including number of children – are not yet finalised for publication. We will publish all campaign targets and results separately during our campaign end celebration at our 3rd International Stakeholder Meeting in June 2011. For our activities related to impact measurement please refer to Section 6 Social Impact on page 16.

NUMBER OF INDIVIDUALS TRAINED

Aflatoun follows a training tree model. In 2010, our 96 regional master trainers trained approximately 1,500 programme trainers and teachers. Partner organisations subsequently trained 9,507 teachers and facilitators.



Source: Children and Change 2011. Children and Enterprise. Aflatoun. Amsterdam (2011).

MILESTONES:

No. of children:	983,555
No. of countries:	61
No. of schools:	8,434
% of children saving:	44%
Total no. of youth enterprises:	5,952

5.3.3. Pillar 3: Network

In 2010, the ambitious Regional Master Trainers (RMT) strategy, through which the Secretariat devolves training responsibility and capacity to the network, was expended into MENA and Francophone Africa. In addition, Aflatoun also saw the second phase of this strategy take off. Aflatoun's cadre of Master Trainers went out on their own to facilitate sub-regional and national training events.

Since being trained by Secretariat staff in November 2009, these Regional Master Trainers have subsequently gone on to conduct 118 Training of Trainers and Teachers events around the world. To have such a dedicated and talented group of people, prepared to conduct multiple ten day trainings per year on behalf of the network for no fee, reflects the quality and integrity that we aim to maintain in the CSFE movement and network. The Aflakit, our partner toolbox, will be extended with the Resource Mobilisation manual after its publication in early 2011, which was compiled in 2010 to support our network partners in their fundraising activities.

Some of our thematic Taskforces were also active during 2010. Both Aflatoun's Child Participation Task Force and the Impact Assessment Task Force conducted meetings at the Secretariat's office in Amsterdam. Regional representatives from our partner organisations attended. Discussions during the Child Participation Task Force focused on how to ensure child participation in Aflatoun activities looked at the Aflatoun Child Participation Manual and debated the possibility of

future Aflatoun children's meetings. The Impact Assessment Task Force tested and refined Aflatoun's monitoring and evaluation tools. We expect to release both the Child Participation Manual and the revised Evaluation Manual in 2011.

Our core objective of facilitating a review of banking policies and procedures to ensure child-friendliness and global access to banking services for older children was made a core priority in 2010. Organised by Aflatoun and sponsored by the Citi Foundation and the Skoll Foundation, the International ChildFinance Expert's meeting was held on the 7–9 June 2010 in Zandvoort, The Netherlands. Welcoming 126 participants from over 40 countries, the meeting allowed for the gathering of experts representing governments, regulators, central and private banks, savings banks and microfinance institutions, academia, children's rights organisations and many more. The conference generated highly positive feedback and stimulated the interest of the participating organisations to follow up on the conference with focused working groups. This has led to the decision to keep the ChildFinance related activities separate from Aflatoun for the foreseeable future. We are currently preparing to spin-out these activities in 2011 into a separate organisation in order to maintain long-term independence between our educational and public policy activities.

Other than expected Aflatoun's CSFE module was not yet formally integrated into UNICEF's Child Friendly Schools initiative and our efforts to reach this goal will continue into 2011.

MILESTONES:

No. of trainers:	1,515
No. of master trainers:	96
No. of teachers:	9,507
Network meetings:	6

6 Social Impact



Children save more money, are more aware of child rights and feel confident about their ability to improve their lives and their communities.

Aflatoun takes the measurement of its impact very seriously. We operate on two levels, from within the Secretariat we survey our partner network in order to capture output and outcomes on a yearly basis. However, we also commission third party research or support partners in commissioning or executing relevant studies in the field.

Social impact is monitored by the Secretariat in collaboration with its network members. The Secretariat also commissions external evaluations of its network activities on behalf of the network. At Secretariat level one full time staff member is dedicated to measuring of impact and monitoring of effectiveness; the budget for 2010 was a total of around €92,000, including salary cost, covered through a donation of the Jacobs Foundation.

Aflatoun collects data from all Aflatoun programmes globally on an annual basis. It also conducts independent evaluation or facilitates partner evaluation. All evaluation work is published in Aflatoun's annual advocacy and research publication, *Children & Change 2011*.

The year 2010 also saw the launch of our first independent random control evaluation, which will deliver its results in mid to late 2011 and, we strongly believe, will provide our first external proof of concept

and further input on how to improve our programme. In late 2010, the baseline for our Random Control Trial was completed in Ghana, in partnership with Innovations for Poverty Action, WADEP Ghana and SNV Ghana. Surveys were collected from 5400 children in 135 schools. The end-line survey will be completed in 2011.

6.1. MONITORING AND EVALUATION

Aflatoun believes in monitoring and evaluation and the importance of sharing results and learning. As a young organisation, the state of our evidence is currently at a preliminary stage. We will develop more robust metrics and publish more substantive impact evaluations as we move on. This will include both the output and outcome results collected and analysed by the Aflatoun Secretariat as well as impact results done in collaboration with external researchers. Below we summarise the evaluation projects that have been carried out to date by partners and independent organisations.

6.1.1. Secretariat Assessment

To assist the ongoing assessment of the work of the Aflatoun Secretariat and the organisation itself we frequently engage with external parties. Aflatoun is proving the value of its concept and programme in a rapidly increasing number of countries. "Aflatoun's constituents rate the value they get from Aflatoun generally as high. Compared to other networks Aflatoun is rated at a mid- or average level in four out of five major areas of satisfaction. This suggests that Aflatoun is meeting its constituents'





expectations in general, although there is scope for improving the value that members gain from their involvement in the network” (Aflatoun Secretariat Assessment 2009 – Keystone Accountability Network Survey).

To date, Aflatoun partner organisations are generally satisfied with Aflatoun’s assistance, and value its mission, network, materials and brand. More assistance could be given on programme implementation, training, and planning and linking partners to fundraising. Stakeholders stated that the communication of the

who is about to start a programme. The resulting SROI ratio, using the Secretariat expenses from the previous fiscal year, is 1.04. The financial value attributed to the Aflatoun programme has a median value of €7,500 with the average being €22,772. The resulting SROI ratio is 0.99 (Social Return on Investment Pilot Study, 2009-2010).

6.1.2. Programme Assessment

Monitoring and evaluation activities are carried out by the Aflatoun Secretariat and its network partners. While not all findings can be generalised, some key

...some key findings give an overview of the impact the Aflatoun programme might have on participating children. Children adopt more equitable views on access to education and household division of labour. Younger children are more tolerant of other cultures, religions, and ethnic groups and declared themselves happier.

concept required more clarity and that it should be done in a simple manner, while stakeholders from a financial background felt the social message diluted the programme and vice versa for stakeholders with a rights-based perspective (Aflatoun Secretariat Assessment 2008 – McKinsey and Company). However, there is room for improvement and Aflatoun’s planning – giving the growth of the network – should move towards outcome based indicators and learning opportunities for partners needs to be increased as does the work towards building the capacity of partners in advocacy and fundraising (External Evaluation by Reinhard Skinner, on the request of the Dutch Government).

With regard to social return on investment (SROI) the highest valued component of the Aflatoun programme, by partners, is the brand. The value attributed to the Aflatoun Secretariat’s contribution is about €13,587 for an implementing partner and €8,000 for a partner

findings give an overview of the impact the Aflatoun programme might have on participating children. Children adopt more equitable views on access to education and household division of labour. Younger children are more tolerant of other cultures, religions, and ethnic groups and declared themselves happier. And younger children’s willingness to save and their knowledge of non-financial resources that could be saved is increased.

Furthermore, children start believing they could be entrepreneurs. They save more money, are more aware of child rights and feel confident about their ability to improve their lives and their communities. Their motivation does not only come from a desire to generate wealth but also to create a better world through socially focused enterprises. Children are generally aware of the value of money and understand the importance of investing. They also develop creative ideas for earning money and demonstrate a



high level of social commitment, including a sense of responsibility towards protecting the environment. Aflatoun children also start believing that they can make a difference in the community.

In 2010 we started the planning and sourcing of 14 partner-level research studies addressing topics relevant to the professional operation of the Aflatoun programme. Our partners identified the relevant research topics among their own programmes. The studies will cover topics such as teacher training, participation as well as enterprise and saving. Using mixed methods, the research will be undertaken by Aflatoun partners in collaboration with external researchers or consultants. The research projects will start in 2011, though in some cases these have already started in 2010. The studies will be concluded and the findings analysed in 2011.

6.1.3. SROI with Children

In order to gain a better understanding of our social return on investment (SROI) with children, Aflatoun has undertaken participatory SROI exercises with children in Kenya and Thailand with International Child Support. Children were better at determining relative value than they were at assessing inputs or costs. As such, children were able to provide illustrative examples of how much different outcomes meant to them by developing their own rankings and by determining the value of different potential outcomes. In Kenya, comparing the cost and outcome value ratios provided by the children resulted in a ratio of 7.84. Developing full SROI calculations proved difficult without key assumptions being made or inferred by the researcher. In another study, using the results of a retrospective longitudinal study of MeJol in India, Aflatoun was able to compare the self-reported secondary education participation rates against the averages in the district. Therefore it was possible to estimate the impact

of the programme. Using the returns on education for India as a whole, Aflatoun was able to determine the net benefits for those children who may have increased the amount of education they received because of Aflatoun. The SROI ratio was 1.34 when compared to the programme cost.

6.2. QUALITY ASSURANCE

Quality assurance is of key concern to the organisation. We strive to continuously improve our ways of working with regard to impact and efficiency, while ensuring the highest possible quality of service to our programme partners and stakeholders. We are grateful for the many professional support we have received from organisations such as McKinsey & Company, Ernst & Young, Houthoff Buruma, Clifford Chance, Microsoft and others.

6.2.1. Management Information System

Much of the organisation's workflow is currently managed through professional Management Information and Customer Relationship Management Systems, including Salesforce.com, which are continuously used to further align internal processes important to the smooth day-to-day running of the organisation by senior management. The systems integrate the network and membership management, advocacy





efforts, the collection and analysis of important operational data, human resources issues such as leave and holiday days and hourly staff time tracking against strategic objectives, as well as IT and stock management. The data is the basis of a balanced analysis of Secretariat productivity and efficiency.

6.2.2. Accounts

Accounts are kept and monitored internally on a monthly basis by dedicated financial staff using Exact accounting software, with an external controller reviewing the closing of each month and the full-year results. Internal controls and processes have been reviewed twice in 2010 by the organisations auditor,

6.2.3. Data Management

In 2010 Aflatoun restructured its internal filing system with the help of Allianz and in collaboration with Volans. Allianz provided Six Sigma consultants reviewing the organisations e-filing and data storage systems and processes. The consultants helped to review the internal filing systems and to streamline the data storage structure and methods in order to decrease the amount of staff time spent on data searching and filing processes whilst also reducing server space requirements.

We have also created a shared workspace for our partners to collect data from implementing educational

Aflatoun children also start believing that they can make a difference in the community.

Grant Thornton, with recommendations implemented by Aflatoun shortly after each of these reviews (as far as possible taking into consideration our risk assessment and related implementation expenses).

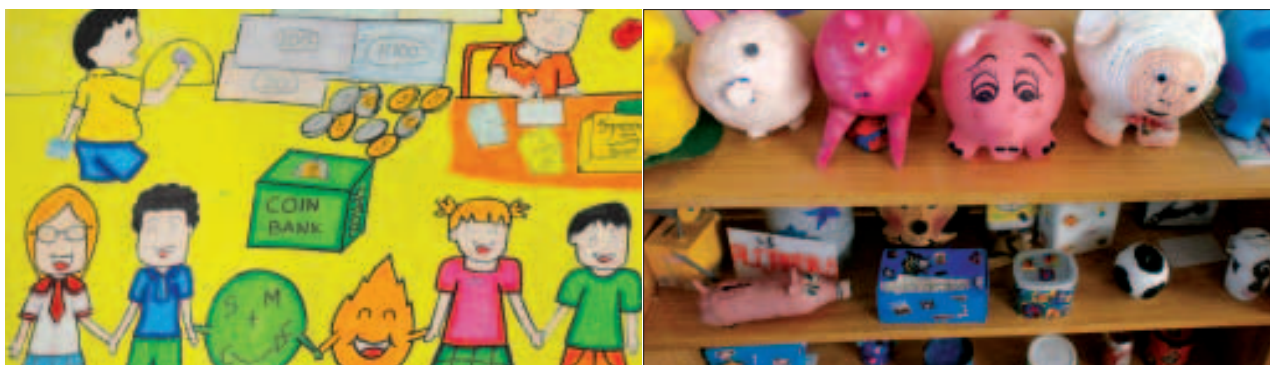
For 2011, the organisation will move its accounting towards cost centres in order to better control overheads and to improve our internal cost effectiveness reporting. This is also seen as a first step in the direction of building profit centres within the organisation, in preparation for revenue generation through commercial or semi-commercial activities, which we envision in our strategy outline for 2011–2015.

organisations in the field. This will make data collection for our key performance indicators quicker and give immediate access to relevant data. The system, also built on Salesforce.com, will be officially launched with our partner network in early 2011. We are aware that internet access is not always available in the field, and we have planned and prepared for a slowly developing uptake for the first year in parallel to our existing data collection activities.

6.2.4. Overall Effectiveness

In 2010, Aflatoun underwent an external evaluation of the Secretariat that provided key insights into our

...children start believing they could be entrepreneurs. They save more money, are more aware of child rights and feel confident about their ability to improve their lives and their communities. Their motivation does not only come from a desire to generate wealth but also to create a better world through socially focused enterprises.



strengths and weaknesses. The evaluation has been carried out as part of a series of annual external evaluations which assess Aflatoun's accountability to its donors and the achievement of its intended actions as stated in its strategic plan. It also addresses Aflatoun's concern to make it accountable and to seek to improve the way it works.

The evaluation was done through a comparison of actual performance with goals and outcomes that are presented in the Aflatoun Strategic Plan and was triangulated with key information, staff, stakeholder and partner interviews and documentary analysis by an independent and external consultant. The evaluation was in turn evaluated by the Dutch Ministry of Foreign Affairs, which criticised aspects of the methodologies used and the management of the evaluation by Aflatoun itself, but was overall content with the results and quality.

The findings have been openly distributed and are taken as a basis for our strategic planning for the period 2011-2015 with regard to internal improvements. The key findings of this report can be summarised as follows:

- Adopting an outcomes focus in the next strategic plan period: Aflatoun has matured quickly since its official foundation in The Netherlands in 2005. It is no longer 'under construction' and is at a stage when it should be trying to prove the positive changes it has brought about.
- The need to make more of the many learning opportunities in Aflatoun: The organisation needs to learn from its pioneering experiences and develop a unique body of knowledge.
- Providing additional support to partners to ensure the sustainability of programmes: This would involve developing partner advocacy skills and capacity (through training and advice or services offered through online or physical networks), their ability to identify funding sources (in the same way) and the active promotion of the forthcoming resource mobilisation manual and partner website.
- Strengthening the network: The network can be a powerful tool to improve partner capacity, enhance sustainability and support learning. At present it is not being fully exploited.

7 Planning and Forecasts

The goals of helping children realise their potential and improve their world are what brought Aflatoun into existence. Those goals are what have defined our past and they will guide us in the future. As a network of partner organisations with a shared mission, we are ambitious and now aim to expand our programme to improve the lives of as many children as possible. This will be done in partnership. We hope that Aflatoun partner organisations continue to work together and with the Secretariat to develop solutions for the complex challenges that we will face.

To ensure that the programme remains coherent we have sought to define the positioning of the Aflatoun programme to govern our actions and activities:

- Balanced CSFE curricula;
- High quality programme with a recognisable brand;
- Global network with a mixed group of partners;
- Scalable for greater reach in countries wherever the programme is delivered;
- Cost effective using economies of scale, both locally and at the Secretariat level;
- Easily implementable with low technical barriers to entry;
- UN Convention on the Rights of the Child based and in support of the Millennium Development Goals.





7.1. GOALS

Our goal is to become an internationally recognised educational organisation and the market leader in social and financial education. To do so, we have developed a vision, objectives, and goals for all of our work until 2015.

	7.1.1. Concept	7.1.2. Programme	7.1.3. Network
VISION	Become a thought leader	Reach 10 million children in 120 countries	Strengthen brand and widen network
OBJECTIVE 1	Ensure curriculum is designed to achieve learning outcomes, is adaptable and supportive of child-centred methodologies	Increase the number of countries and children reached by the Aflatoun programme	Strengthen the global Aflatoun network of partners by diversifying partner base
OBJECTIVE 2	Facilitate sharing of curriculum materials and learning between programme partners, children and youth	Ensure the quality of the programme through the cascade training methodology	Build a communications platform for CSFE to reach key target groups
OBJECTIVE 3	Design materials for new audiences using different types of media	Build the capacity of programme partners in the areas of monitoring and evaluation, resource mobilisation, planning and partnerships	Build an inclusive partner network and community of practice around the Aflatoun programme
OBJECTIVE 4			Produce research and evidence to support and improve the Aflatoun programme





7.1.1. Concept

Vision: To become the thought leader in CSFE by developing and improving curricula materials and experimenting with new delivery methodologies

- **Objective 1:** Ensure that curriculum is designed to achieve commonly accepted learning outcomes, adaptable to different contexts and supportive of child-centred methodologies
- **Objective 2:** To facilitate sharing of curriculum materials and learning between programme partners, children and youth
- **Objective 3:** To design materials for new audiences through the use of different media

7.1.3. Network

Vision: To strengthen our global brand and broaden our partner network with the goal of becoming a recognised leader in the educational field

- **Objective 1:** To strengthen the global Aflatoun network of partners by diversifying partner base
- **Objective 2:** To build a communications platform for CSFE to reach key target groups
- **Objective 3:** To build an inclusive partner network and community of practice around the Aflatoun programme, reflecting the proactive role and quest for ownership desired of partners
- **Objective 4:** To produce research and evidence to support and improve the Aflatoun programme

Overall, we see a real opportunity to become the world's leading CSFE education programme, the programme of choice, for grassroots and government educational institutions worldwide.

7.1.2. Programme

Vision: To reach 10 million children in 120 countries with a high-quality Aflatoun programme

- **Objective 1:** To increase the number of countries and the number of children reached by the Aflatoun programme
- **Objective 2:** To ensure the quality of the programme through the cascade training methodology
- **Objective 3:** To build the capacity of programme partners in the areas of monitoring and evaluation, resource mobilisation, planning and partnerships

7.2. OPPORTUNITIES

The stellar growth of the Aflatoun network demonstrates the clear need for a holistic CSFE curriculum targeted at children worldwide. Indeed, our innovations with regard to non-formal and teenager focused curricula were partner driven. We see further growth in the pre-school areas and are working towards a relevant curriculum for this age group. Overall, we see a real opportunity to become the world's leading CSFE education programme, the programme of choice, for grassroots and government educational institutions worldwide.

Moreover, the response from the field indicates that we have a first mover advantage over other curriculum providers, which in many cases have adapted ours alongside their own. Aflatoun therefore sees the next

LEDGER BOOK



Aflatoun



five years as critical in further pushing CSFE into the education systems worldwide, gaining acceptance within educational ministries and central banks, among policy makers and political influencers.

Due to the financial crisis, which has focused public scrutiny towards the financial systems, regulators and service providers, Aflatoun's efforts in pushing CSFE into national curricula have received increasing attention. Our objective focused on child friendly banking, currently running under our project ChildFinance, has clearly shown that there is a need for more positive public positioning and activities. While we will exploit this current situation, we, however, remain careful in our approach to commercial financial service companies and are aware of the pitfalls that remain at hand when involving children and profit-maximising service providers.

maintaining a streamlined and financially sound organisation.

With regard to internal risks, we have taken due precaution in our strategy and our organisational structures in ensuing a safe operation with ongoing growth, but are aware of a number of issues at large. Aflatoun is undergoing a serious change in leadership and, despite all the planning and precautions we must be prepared for the one problem or another. With the support from the team, the management, the board and our stakeholders and partners though, we do not believe that these issues would have any lasting negative impact on the overall operations.

As an organisation Aflatoun is very much focused on delivering services to partners, quality curricula, and ensuring that programme implementation is executed

“Children associate the Aflatoun flame with hope and happiness.”

— JOANNA CLOETE, JA NAMIBIA

With the success at grassroots level and lately with the financial services industry and central bankers through our ChildFinance activities, we believe that we will be able to attract more mainstream support and hope that we can develop this into revenue generating license or franchise models which will help Aflatoun to reach sustainability at Secretariat and partner level. To achieve this level of collaboration Aflatoun needs to further decentralise its activities and enable its regional representations to become more active in driving and developing the Aflatoun brand and expansion. The structures are in place, but relevant financing still needs to be secured in order to support the operations at a regional level.

7.3. RISKS

Aflatoun faces several risks for the next five years, of which some are outside our own scope of influence. To the latter belong, of course, the fear of a double dip world recession as well as financial and political instabilities within our partners countries. For Aflatoun as a programme, our wide geographical spread gives us some protection from regional problems. However, with the world economy remaining weak, with a number of key indicators pointing to ongoing economic struggles, we can only but put all our effort in

to the highest standards. Our quality assurance, monitoring and evaluation methods are being further refined and improved, but we cannot but acknowledge that a fast growing network spanning 61 countries worldwide and aiming at 120 by 2015 needs additional budget and staffing in order to maintain the requirements we have set ourselves. With the first independent and random control tests of individual programmes, we will also receive our first proof of concept. There is an inherent risk that the results will pin point to problems that will delay our expansion to some degree and therefore slow our growth with regards to partners and children served.

Lastly, an ongoing financial crisis could also impact our own fundraising success in a market with potentially declining grant money; in such an event, the sustainability of Aflatoun on its current activity level would not be possible. While we do not believe that Aflatoun will cease to exist, reductions in income would also filter down to our levels of support and activity we will be able to give our many programme partners. We are therefore extremely cautious of our fundraising needs, both for the Secretariat and our partner network, and have made these deliverables linked to nearly every role in the organisation.



Secretariat and Team

The Aflatoun network is a global partnership network consisting of organisations that deliver the Aflatoun programme. This includes local, regional, national and international NGOs, government ministries, academic institutions, as well as microfinance and socially oriented banks. This work is supported by stakeholders in the academic, banking, corporate and social sectors.

To maintain a cohesive and effective network the Aflatoun Secretariat provides technical assistance to the programme partners and ensures transparency, sharing and assistance to all stakeholders in the Aflatoun network. Another important role of the Secretariat is to advocate for the inclusion of CSFE in regional and national curricula.

We have five regional representatives from our partner network, which are nominated bi-annually during our General Assembly, representing each of the major regions we are active in (Africa, Americas, Asia, Europe and MENA) on our General Board. The regional representatives provide input into the Secretariat's activities on behalf of our members and they represent the opinion of our members in their specific geographic region.

Our network of partners work together to implement and to support the Aflatoun programme, in both schools and non-formal educational settings at local level. Our partners ensure that the materials are contextualised and adapted to meet local requirements.

Thematic issues that need broader discussion and agreement across the network of partners are addressed through specific task forces, which are comprised of partners from all regions, stakeholders and third party experts that are able to add significant value.

8.1. THE BOARD

The General Board governs the Secretariat team and oversees the direction of Aflatoun. It is made up of two segments: the Daily Board and the Regional

Representatives. The directors of the General Board do not receive a salary or any other compensation for their work.

During 2010 the General Board met twice, in June and in November, to review the overall progress and achievements of the organisation, while the Daily board met seven times during the year to provide input to the ongoing operations. The Board was made up of the following members in 2010:

8.1.1. Daily Board Members

- **Prof. Jaap Doek**, *Chair of the Board, Emeritus Professor of Law of the Vrije Universiteit Amsterdam*
- **Herman Hulst**, *Secretary, Global Vice Chair at Ernst & Young*
- **Robert Becker**, *Treasurer, Chairman of the Occupational Health Division at Achmea*

8.1.2. Regional Representatives

- **Sir Fazle Abed**, *Regional Representative Asia, Founder & Chairman BRAC*
- **Jose Martin de la Riva**, *Regional Representative Americas, Executive Director Vision Solidaria*
- **Minister Moushira Khattab**, *Vice Chair, Regional Representative Middle East and North Africa, Minister of State for Family and Population Affairs Egypt (until February 2011)*
- **Irene Mutumba**, *Regional Representative Africa, Director Private Education Development Network*
- **Ljiljana Vasic**, *Regional Representative Europe, Director Pomoc Deci*

8.2. PERSONNEL

The Aflatoun Secretariat is staffed by a mix of international experts in education, human and child rights, finance, research, communications and other areas. The listing in this annual report only includes staff working with Aflatoun at the end of 2010. We would like to thank all those staff that have left during the year and all volunteers and interns that have helped Aflatoun on its way to success throughout 2010.

8.2.1. Management

- **Jeroo Billimoria**, *Executive Director and Founder of Aflatoun*

Jeroo is the founder and inspirational leader behind Aflatoun. She is a serial social entrepreneur who was named an Ashoka Innovator in 1999 and received the Schwab Fellowship for Social Entrepreneurs in 2001 among many other awards for her work. She was featured in David Bornstein's book 'How to Change the World'. She consults with the Indian Government on issues related to child protection and has written several educational books for children and published academic literature on the management of non-profit organisations.

The Executive Director does not receive a salary for her work and provides her time pro-bono to the organisation. In 2010 she held the following

and implementation of strategies contributing to Aflatoun's partners in order to sustainably alleviate poverty in the world. His background in teaching, theatre for development and children's rights enables him to skilfully guide the culturally diverse Aflatoun programme staff in their work with our many different partners. He is originally from Northern Ireland, but has lived and worked across the world in Asia, Africa and the Middle East.

8.2.2. The Team

The team operates all our day-to-day activities in maintaining our network, deploying new programmes and maintaining existing ones, ensuring quality of service, stakeholder relations and fundraising activities as well as all operational support. Aflatoun could not have achieved its growth without the above the board dedication and commitment by its staff.

“Aflatoun is an aspirational organization that has a dynamic and multicultural team. It is committed to changing the world starting with its children.”

— ROB BECKER, AFLATOUN BOARD MEMBER

positions with other organisations: Chair of the Supervisory Board: Stichting Child Helpline International, The Netherlands; President of the Board of Directors: MeJol, India; Founder Trustee: Childline India Foundation, India.

- **Oliver Gajda**, *Director of Services*

Oliver supports a dedicated and professional team in running efficient operations and stakeholder relations. Through his previous work with entrepreneurs, venture capital, private equity and microfinance in Europe and the USA he is fully aware of the importance of sound values in social and financial education. In 2010, he was a member of the Wall Street Journal Europe Future Leadership Institute Eagle Group and has some 15 years editorial and management experience in the business information and services industries.

- **Paul Moclair**, *Director of Programmes*

Paul's main responsibility as Director of Programmes is to coordinate the Aflatoun activities in the five geographical regions. He also contributes to the design, development

8.2.2.1. Technical Assistance and Capacity Building

Alodia Santos, *Senior Programme Manager*
Hassan Mahtat, *Programme Manager, MENA*
Rediet Abiy, *Programme Manager, Africa*
Ana Luis Correia Rodrigues,
Programme Manager, Europe
Valerie Meza de Leon, *Programme Manager, Americas*
Bernice Roldan, *Programme Manager, Asia*
Simon Bailey, *Research Manager*

8.2.2.2. Advocacy for Child Friendly Banking (ChildFinance)

Abram van Eijk, *Programme Coordinator*
Lubna Shaban, *Programme Coordinator*
Jared Penner, *Programme Coordinator*
Leonard Wein, *ChildFinance Support*

8.2.2.3. Services and Operations

Hayley Rose, *Advocacy Manager*
Maartje Tijhuis, *Operations Manager*
Sandra Pan, *Communications Officer*
Menno de Vries, *Office Manager*
Marlies Rademakers, *Financial Assistant*
Elizabeth McFayden, *Personal Assistant*

8.3. TASK FORCES

Aflatoun systematically draws on the expertise of its network through a number of task forces which provide insight and professional knowledge to key areas of Aflatoun's activities. The task forces are:

8.3.1. Quality Assurance (QA) Task Force

The Quality Assurance (QA) Task Force enhances and ensures the quality and sustainability of the Aflatoun programme through a QA system that addresses organisational selection criteria, training and monitoring of the programme.

Representatives

- **Nanre Nafziger-Mayagun** – *LYNX, Nigeria*
- **Wilfredo Dimamay** – *NATCCO, Philippines*
- **Romy Escamilla** – *Plan International, El Salvador*
- **Rasha Hikal** – *Ministry of State for Family and Population Affairs, Egypt*
- **Ashot Kocharyan** – *SOS-Kinderdorf, Armenia*

- **Gilberto Mendez** – *ChildFund International, USA*
- **Basem Tamimi** – *Community Development Society for Thought and Culture, Occupied Palestinian Territories*

8.3.4. Child Participation Task Force

The Child Participation Task Force ensures that children take an active role in Aflatoun's decision-making processes.

Representatives

- **Wallace Amayo** – *ChildFund, Kenya*
- **Siham Bolad** – *Plan International Sudan, Sudan*
- **Alexandra Brodovskaya** – *Child Well Being Fund, Ukraine*
- **Christhian Rudy & Adriana Lugo** – *VinculArte, Paraguay*
- **Madhav Pradhan** – *Child Workers in Nepal Concerned Centre, Nepal*

“Ernst & Young supports Aflatoun because we believe in it. I have encouraged other corporations to join and support this exciting initiative”

— HERMAN HULST, AFLATOUN BOARD MEMBER

8.3.2. Curriculum Development Task Force

The Curriculum Development Task Force is responsible for establishing activities and systems that will ensure the sharing of materials among the partners and the continuous development of the Aflatoun curriculum.

Representatives

- **Waleed AlNehmi** – *Yemeni Assembly for Development of Youth Talents & Innovations, Yemen*
- **Manizeh Bano** – *Sahil, Pakistan*
- **Lucas Barberis** – *Trazos de Ciudadania, Argentina*
- **Gertrudes Noronha** – *Wona Sanana, Mozambique*
- **Anna Stasselova** – *Children of Slovakia Foundation, Slovakia*

8.3.5. Innovations Task Force

Set up during the Mid-Campaign Meeting, the Innovations Task Force will deal with innovations by Aflatoun partners. This includes the use of new mediums or instruments for delivering the programme as well as variations on the delivery model. Technical innovations, games, toys, interactive material and films were identified.

Representatives

- **Violet Diallo** – *GAP/CAMIDE, Mali*
- **Ivan Zamora** – *Paicabi, Chile*
- **Nahid Marghini** – *Plan Sudan, North Sudan*
- **Alan Wang** – *Shanghai Better Education Development Centre, China*
- **Hana Zylfui** – *Kosovo Education Centre, Kosovo*

8.3.3. Impact Assessment Task Force

The Impact Assessment Task Force identifies ways to support the Aflatoun network in the selection and development of methodologies and indicators for assessing the outcomes and impact of Aflatoun.

Representatives

- **Rammani Acharya** – *Junior Achievement, Nepal*
- **Patricia Formadi** – *WADEP, Ghana*
- **Ingrid Jones** – *Partnerè për Fëmijët, Albania*

8.3.6. Finance Task Force

The Finance Task Force looks at the possibility of developing material and products that might improve the access and quality of financial products for children. This includes developing national, regional and global partnerships, further developing the idea of child socio-finance and potentially developing products in partnership with experts in savings, insurance and mobile banking.

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BRAC Education Programme





Representatives

- **Johanna Cloete** – *Junior Achievement, Namibia*
- **Ranjith Hettiarachchi** – *Association of Asian Confederation of Credit Unions, Thailand*
- **Andrei Levchenko** – *New Perspectives Foundation, Russia*
- **Nagi Mansour** – *Sudan Network Education For All, Sudan*
- **Viviana Salinas** – *FINCA International, Peru*

8.3.7. Impact Assessment Committee

In addition to the Impact Assessment Task Force, which is comprised of partner representatives, the Impact Assessment Committee is composed of external experts in their fields who assist the Aflatoun network on evaluation.

Representatives

- **Ray Boshara** – *New America Foundation, USA*
- **Judith Bruce** – *Population Council, USA*
- **Lisa Dacanay** – *Asian Center for Entrepreneurship, Philippines*
- **Gregory Dees** – *Duke University, USA*
- **John Elkington** – *SustainAbility, UK*
- **Dean Karlan** – *Innovations for Poverty Action, USA*
- **Lewis Mandell** – *University of Buffalo, USA*
- **Peter Scholten** – *Scholten & Franssen, Netherlands*
- **Michael Sherraden** – *Washington University in St. Louis, USA*
- **Fred Ssewamala** – *Columbia University, USA*

8.3.8. ChildFinance Education Working Group

The objectives of the Education Working Group are:

- To define and set benchmarks for curricula in Social and Financial Education;
- To create a core content framework that can be used to assess the strength of various social and financial education curricula around the world;
- To come to consensus on key terms and definitions used within the curricula.

Co-Chairs: OECD and UNICEF

8.3.9. ChildFinance Inclusion Working Group

The objectives of the Inclusion Working Group are:

- To examine existing government policies which promote children's access to financial products and services (or lack thereof);
- To determine minimum standards and process for Child Friendly Banking Certification. An outline of these ideal conditions can be found below;
- To outline a Code of Conduct for financial institutions whose products and services are used by children;
- Mapping the current field of Child Friendly Banking around the world.

Chair: Arnoud Vossen, acting Secretary General, European Banking Authority

8.3.10. ChildFinance Research Working Group

The objectives of the Research Working Group are:

- To discuss and set working definitions that are commonly used in the ChildFinance-relevant literature;
- To map a potential theory of change that academic research can be centred around and that will fit in well with the existing literature;
- To discuss the literature review and come to agreement on which indicators and outcomes would be useful for measurement in the future for the various layers of the ChildFinance movement.

Chair: Prof Lewis Mandell, Washington University at St Louis



8.4. PARTNERSHIPS, CO-OPERATIONS AND MEMBERSHIPS

Aflatoun is accredited as a fundraising organisation by the Dutch Central Bureau for Fondswerken (CBF) and a member of the national platform for Dutch civil society organisations, Partos. Aflatoun has a strategic partnership with UNICEF to support children’s social and financial empowerment worldwide and both are jointly working to incorporate the Aflatoun curriculum and approach into UNICEF’s “Child-Friendly Schools”, a programme for quality rights-based education. UNICEF also supports Aflatoun’s mission by sharing its network and influence through introductions to local education and other government institutions, as well as to UNICEF partners in civil society and the private sector.

Aflatoun is a member of the Small Enterprise Education and Promotion (SEEP) network, a community of practitioners from around the world working in the areas of micro-finance and micro-enterprise development. Aflatoun is cooperating with a variety of SEEP working groups, such as the Savings Led Working Group and the HIV/AIDS and Micro-Enterprise Development Working Group.

8.5. STATE OF DEVELOPMENT

Founded in 2005, the first two years saw the organisation launch a start-up phase in which its concept was developed and the first stakeholder relations initiated. During this time partnerships were formed with early adopters that were willing to test the Aflatoun concept in the field and participate in the development of the final education programme. From 2008, the organisation went on a highly ambitious growth path aiming to reach 1 million children in 75 countries worldwide. The organisation adopted more systems and procedures and by the end of 2010 had a 17 person strong team.

The organisational development from start-up to maturity has been a successful journey. Stellar growth always creates pressures within the organisation, but the support of professional organisations, such as McKinsey & Company and Ernst & Young, have helped to significantly smooth potential pitfalls. At the end of this journey, with Aflatoun reaching maturity, the founder and long-term Executive Director has decided to hand over the operational execution. Management and board have been careful to address these issues and initiated the succession planning for a new Executive Director already in 2009, with clear measures taken in 2010 and a new leader to be appointed in early 2011. The new candidate will bring the managerial and leadership skills necessary to help Aflatoun reach the next level of success and achievement. The whole process was carefully managed over a long period, with the staff being deeply involved in the process. The founder and long-term Executive Director was also closely involved and will remain so in the future.

In 2010, core functions of Aflatoun were merged and re-staffed as the organisation was mapped out and a mid-management layer was identified to take effect in 2011. For 2011 therefore the organisation feels well prepared for the challenges of further growth and increased quality management. With strong backers, both financially and in kind, the organisation is set to continue its successful operations to start to implement its strategic plan for the 2011-2015 period.



9 Organisation

Aflatoun is operated through a non-profit foundation based in Amsterdam, Stichting Child Savings International. No other organisations have a stake in the management or activities of Aflatoun, with the exception of our social franchise partners who operate on our behalf based on contractual agreements. Stichting Child Savings International is an Amsterdam-registered not-for-profit foundation that owns and operates the Aflatoun brand and curriculum, its affiliate brands and curricula such as the Non-Formal Education (NFE) and Aflateen curricula. Founded in 2005, it is the legal entity behind all Aflatoun related activities since inception, including ChildFinance.

9.1. ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

In 2010, the organisation replaced its entire IT stock with Energy Star certified computers and peripherals in order to reduce the energy consumption during working hours. The decision to invest in new energy efficient IT rather than to rely on pro-bono donations of used computers was a combination of both environmental goals and improved operational efficiency.

The organisation is also concerned with the carbon footprint it generates through international travel. The increasingly growing network of trainers and the General Board's Regional Representatives duties in facilitating regional network activities have both allowed the organisation to reduce international travel from the Amsterdam-based Secretariat significantly.

A further reaching environmental policy for the Secretariat has been put up for discussion during 2010 but does require further refinement before implementation. This will be taken forward in 2011 when the leadership transition has been concluded.

9.2. OWNERSHIP STRUCTURE

As a Dutch foundation, Stichting Child Savings International has legal personality and no owners or shareholders.

9.3. ACCOUNTABILITY STATEMENT

With regard to the Dutch Centraal Bureau Fondsenwerving (CBF), Stichting Child Savings International continuously follows up with recommendations from the CBF in order to comply with all relevant regulations. We strive to achieve the best possible use of funds and works towards the realisation of its objective in an effective and efficient manner. The objectives are to create awareness about the social and economic rights of children as stated in Article 4 of the UN Convention on the Rights of the Child, to facilitate the inclusion of CSFE into formal and informal education systems as a recognition of children's rights, to create a culture of savings and financial management amongst children globally, to facilitate children's entrepreneurial development through the formation of Aflatoun clubs, and, last but not least, to facilitate the review of banking policies and procedures to ensure child-friendliness and global access to banking services for older children.

9.3.1. Separation of Management, Implementation and Monitoring

Stichting Child Savings International has separate bodies for administration, implementation and monitoring. This is governed by our statutes and the organisations internal governance structure. Stichting Child Savings International operates a General Board that supervises the management, represented by the organisations Executive Director. The Daily Board members of the General Board are in frequent contact with the management and advise on the execution of the Board policies and strategy.

9.3.2. The General Board Manages the Foundation

The General Board aligns the strategic development and advises management. The Daily Board members supervise the execution of policies as well as the ongoing substantive and financial performance of the organisation. The General Board is responsible for the proper functioning of the Board.



The Board can delegate certain powers to the Executive Director. She/he advises the Board and ensures that the adopted policies are carried out professionally. Such delegation is recorded with the Amsterdam Chamber of Commerce (Kamer van Koophandel). Stichting Child Savings International has one office with two main departments, which are Programmes and Services. Our organisation structure follows a function-based approach.

The General Board generally meets twice a year. The Daily Board members meet at least six times a year. The deed regulates the composition and appointment of members of Board members. The General Board annually assesses its own performance and that of the Executive Director. The staff members are evaluated by the Executive Director under consultation with management.

9.3.3. Effectiveness and Efficiency

The organisation uses stringent annual and ad-hoc internal and external evaluations of effectiveness, reach and impact. Our operations follow a systematic planning, execution, monitoring, evaluation and re-action process, as efficiency and effectiveness are the central idea of the quality management components at Stichting Child Savings International. The strategic plan sets goals for a specific period after extensive discussions amongst staff, management, board and stakeholders as well as targeted partner consultations; the latest strategic plan covers the years 2011-2015.

Each year an annual plan is developed outlining the necessary actions in order to achieve the strategic goals for the following year. This is based on assessments of achievements against the strategic plan and forecasts. For the purposes of the annual plan, verifiable indicators are used if and where possible.

Progress on indicators and goals are continuously monitored. Quarterly and monthly reports on financial and substantive programme indicators are provided to the Board for review and guidance. Stichting Child Savings International has its work regularly evaluated by independent outside experts.

9.3.4. Partner Selection

The processes and due diligences by which partner organisations are selected are based on opportunities and risks for achieving the objectives. The process is detailed in the Aflatkit, especially within the thereof contained Partner and Evaluation Manuals. The implementation of all other guidelines that are part of the Aflatkit, namely the Governance, Training, Contextualisation, Child-Participation, Resource Mobilisation and Communications Manuals are also being assessed and monitored.

Stichting Child Savings International is committed to the independence of partner organisations. Using the Aflatkit as the basis for the mutual critical dialogue between us and a partner organisation ensures a guided and fair assessment of opportunities. To weigh opportunities and risks, partner organisations are tested for their administrative structure and financial capacity during the due diligence process.

All proposed partnerships are discussed and signed off by the Board twice during the partnership process. There are two definite levels which are sealed through written agreements between the partner and Stichting Child Savings International; the first comes in the form of a Memorandum of Associate Partnership and the second, following on from the first, is the Implementing Partnership Agreement.

Monitoring and evaluation is also part of the Aflakit. While much of the reporting is self reported according to guidelines, external evaluation by independent experts is encouraged. The evaluations are reviewed by Stichting Child Savings International staff.

9.3.5. Stakeholder management

Stichting Child Savings International works with various stakeholders across the world. These include, but are not limited to:

- Beneficiaries such as children, their families and friends, teachers and educational staff in the field;
- Partner organisations such as NGOs, local offices of INGOs, Teacher Unions, education organisations and ministries, microfinance institutions and local savings cooperatives;
- Public affairs and awareness raising, such as donor organisations, impact investors, INGOs, NGOs, bi- and multi-laterals, ministries and governments, media, financial services industry and corporations;
- Service providers and vendors such as professional service providers, technical support and all other forms of business relations;
- Active constituencies, such as donors, investors, volunteers and INGOs;
- Audiences such the Dutch public and the public in all countries in which a partner organisation

is active at local, regional and national levels, especially with a focus on child rights, social and financial education;

- Own staff in Amsterdam and staff at partner offices.

To maintain good relations with these stakeholders, the organisation must know their interests well and in-depth. Yearly research into satisfaction by its partner organisations, stakeholders and staff are also complimented by frequent external evaluations by independent experts.

Stichting Child Savings International holds an International Stakeholder Meeting to consult its external stakeholders every two years. In addition, meetings with partner organisations are organised also every other year by geographic region.

With the annual report, which is written in English, we take accountability to all stakeholders and interested parties. The report is published on the internet and on paper. We also publish network evaluations and other assessments of our activities in our yearly and bi-yearly publications 'Children for Change' and 'Partners for Change'. Our monthly newsletter to all stakeholders is called Aflatoun Talk. Partners receive monthly updates on a regional basis written by the Programme Managers. The Director of Programmes also issues a monthly network update to all partners. This appears in English, French, Spanish and Arabic. Our network of Trainers





and Master Trainers receives a bi-monthly updated called Express Train.

The autonomy of our partner organisation is very important to us. Our partner relationships are based on inter-dependency, trust, open communication, transparency and accountability. Our employees liaise with a number of companies from the private sector in the context of corporate social responsibility.

provision of services, except in cases where a staff member is the subject of the complaint.

The complainant can appeal against decisions made by the Executive Director to the Board or to an established complaint committee, in which case the Board or complaint committee may know the identity of the complainant and the person subject to the complaint.

“We became one of Aflatoun’s partners for the international campaign and beyond – one of the smartest investment decisions we have ever made. Aflatoun’s global success story is breathtaking and inspiring, and we are grateful to be a part of it.”

Sometimes this is done together with other civil society organisations. Our goal is the sustainable management of our activities and that of our partners, but we are also concerned to achieve both socially and environmental efficiency beyond our own activities. We seek acceptance and support from commercial entities in order to establish a wide support base that will help ensuring the professional sustainability of our activities.

9.3.6. Complaints Procedure

Aflatoun takes complaints against its staff, partners or services seriously. We endeavour to satisfy in all we do, but we cannot guarantee to be without fault. Therefore, all complaints are welcomed in order to further improve our operations and services. All complaints should be addressed to:

Stichting Child Savings International

attn. Executive Director
P.O. Box 15991
1001 NL Amsterdam
The Netherlands

The Executive Director may inform the concerned Board member about the action taken or authorise a manager to communicate the information directly to the Board member.

The identity of partners or stakeholders involved in the complaint is confidential to the staff involved in the

Where a partner or stakeholder makes direct contact with a Board member for assistance in the resolution of specific service issues, the Board member should refer the partner to the Executive Director. A Board member may not interfere in the handling of a specific case by approaching individual staff members.

Service providers and supervisory staff shall initially respond to complaints about the nature or quality of services provided by partners. The partner shall be provided with an opportunity to appeal against decisions of the Executive Director to the Board or complaint committee. After consideration of an appeal the Board complaint committee may make recommendations, including suggestions for policy amendments.

Complaints are handled with care and the privacy of all involved is very important to us and we ensure fair treatment of all complaints. Stichting Child Savings International is a whistleblower; we will make public or inform the relevant authority about alleged dishonest or illegal activities (misconduct) occurring in our network of partners and stakeholders, including but not limited to a violation of a law, rule, regulation or a direct threat to public interest, such as fraud, health and safety violations, and corruption.

10 Financial Report

10.1. DISCLOSURE ON FINANCIAL POSITION AS PER END 2010

For the year 2010 Aflatoun recorded a positive result of €477,137 compared to budgeted negative result of €13,283. This was due to unexpected income and the delay of a number of planned activities into 2011. A total of €74,287 has been allocated as an addition to the freely disposable reserve, which is being build up to ensure financial sustainability for ongoing operations of least three months.

The remaining amount is tied up in expenses occurring in 2011. The latter is concerned with activities around child friendly banking, the development of the Aflateen curriculum, the financing of 14 country-level research studies and the 2011 *Aflatoun International Meeting in June 2011*, learning and facilitation visits to programme partners as part of our partner due diligence and other expenses. The carry forward is part of the conservatively calculated 2011 expense budget of €1,663,620, which is kept just below the expected income of €1,750,474 for 2011.

“Aflatoun builds upon two basic things, giving children a sense of self and giving them a sense of community, to build themselves and build their communities. These are the very small but very fundamental things that children learn.”

— NANRE NAFZIGER-MAYAGUN, PILOT AFLATOUN PARTNER, LYNX NIGERIA



Stichting Child Savings International,
Amsterdam

Annual Report 2010

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Balance sheet

December 31, 2010

(before proposed appropriation of the result)

Assets

	2010	2009
	EUR	EUR
Fixed assets		
Tangible fixed assets (1)	9,289	6,673
Current assets		
Receivables and prepayments (2)	72,160	110,701
Cash at banks and in hand (3)	679,058	232,780
Total assets	<u>760,507</u>	<u>350,154</u>

Capital and liabilities

Capital (4)		
Free disposable reserve	102,492	86,966
Tied-up capital	4,274	19,700
Result for the period	477,137	100
Total capital	<u>583,903</u>	<u>106,766</u>
Current liabilities (5)	176,604	243,388
Total capital and liabilities	<u>760,507</u>	<u>350,154</u>

Statement of revenue and expenditure for the period ended December 31, 2010

	Actuals 2010	Budget 2010 (unaudited)	Actuals 2009
	EUR	EUR	EUR
Source of income			
Income from own organisational fundraising (6)	1,439,139	784,306	824,573
Income from third party fundraising (7)	-	-	14,184
Income from government (8)	504,000	504,000	604,000
Interest income (9)	9,587	5,000	4,167
Total income sources	1,952,726	1,293,306	1,446,924
Expenses			
Expenses made for Strategic Objectives			
Objective 1: Concept: Become a thought leader in Child Social & Financial Education (CSFE) for children aged 6-14	132,805	75,900	315,948
Objective 2: Programme: Implement quality Aflatoun programmes in 75 countries, reaching 1 million children by 2010	474,972	482,339	356,917
Objective 3: Network: Build a global movement of Aflatoun children and 400 partners who commit over EUR 15 million in resources and advocate for policy change supporting Child Social & Financial Education (CSFE)	465,061	387,350	303,192
Sub total Objectives 1, 2 & 3	1,072,838	945,589	976,057
Expenses for fundraising			
Expenses from own organizational fundraising	58,120	60,000	115,724
Operational and administrative expenses			
	344,631	301,000	355,043
Total expenses	1,475,589	1,306,589	1,446,824
Result	477,137	(13,283)	100

It is proposed to appropriate the result 2010 as follows:

	EUR	EUR
Addition to tied-up capital [A]:		
- Auridis		262,295
- Skoll foundation		97,637
- Mastercard Foundation		10,346
- Jacobs Foundation		10,887
- Other [B]		25,959
Deduction from tied up capital:		
- Citi	4,274	(4,274)
Addition to freely disposable reserve [C]		74,287
		<u>477,137</u>

Footnote A: The amounts as proposed to add to tied up capital of EUR 407,124 are concerned with the differences between income recognized in 2010 and expenses recognized in 2010. These amounts need to be spend according to what has been agreed in the contracts of these donors.

Footnote B: The amount of EUR 25,959 recorded as "other" in the result appropriation is not governed by donor contracts but taken from general income and proposed to be earmarked for the planned spin-out of the activities around child friendly banking in 2011.

Footnote C: The amount of EUR 74,287 is concerned with the difference between income recognized in 2010 and expenses recognized in 2010 relating to various donors for which no agreement is in place where specific spending requirements are agreed.

Index numbers	2010	2009
-Operational and administrative expenses in % of Total expenses [D]	23.4%	24.5%
-Expenses made for strategic objectives in % of Total expenses	72.7%	67.5%
-Expenses for fundraising in % of income of fundraising	3.9%	13.8%
-Expenses made for strategic objectives in % of Total income	54.9%	67.5%

Footnote D: The operational and administrative cost reached 23.4% of the total expenditure in the financial year 2010, including pro-bono, compared to the organisational goal of 6%. The overhead costs allocated to administrative and operational cost less pro-bono contributions represent 20.0% of total cost or EUR 295,253. However, the figure includes direct and indirect costs as well as pro-bono contribution relating to work at Secretarial level in support of the strategic objectives and work supporting activities directly related to the strategic objectives. Aflatoun intends to adjust its time tracking system of all staff to better reflect goal related activities in this calculation and to increase efficiency and effectiveness of administrative tasks.

Commentary on actuals versus budget 2010

The year 2010 led to higher spending than budget as unexpected income provided the opportunity to increase activities related to achieving strategic priorities. However, a large part of the unexpected funding could not be spend in 2010 and has been allocated for 2011 expenses, this has led to a rather unusually high result. A detailed split has been made in staffing costs against the three objectives as defined by the strategic plan. The cost have also been split to reflect the time spent on administration by staff.

The spending on conceptualizing materials was scaled back compared to the previous year, but with unforeseen funding the development of educational curricular for teenagers could be driven forward faster than budgeted. The activities to the development of the teenage curriculum account for the overspent in actuals compared to budget under *Strategic Objective 1: Concept*.

The main focus on the 2010 activities has been on growing the number of programme partners and implementation across regions in order to ensure that core strategic goals are reached. Spending on *Strategic Objective 2: Programme* was only slightly above budget as Regional Meetings were held for our partners representing all of our five geographic regions.

With regard to *Strategic Objective: Network* a reduction in cost related to advocacy and fundraising by the Secretariat had been budgeted while, at the same time, increased activity with regards to our goals concerning child friendly banking was forecasted. With regard to the latter, a key activity was the Child Finance Conference event in mid 2010 as well as a number of workshops throughout the second half of 2010. The activities around child friendly banking were significantly increased throughout 2010 which led to actual expenditure above budget.

Cash flow statement

Period ended December 31, 2010

	2010		2009	
	EUR	EUR	EUR	EUR
Cash flow from operating activities				
Net result	477,137		100	
Depreciation	6,570		11,035	
		483,707		11,135
<i>Changes in working capital</i>				
Receivables and prepayments	38,541		(33,988)	
Current liabilities	(66,784)		57,050	
		(28,243)		23,062
Cash flow from operating activities		455,464		34,197
Cash flow from investing activities				
Additions tangible fixed assets	9,186		3,940	
		(9,186)		(3,940)
Net cash flow		446,278		30,257
Increase/(decrease) cash and cash equivalents		446,278		30,257
Movements in cash and cash equivalents				
Opening balance cash and cash equivalents		232,780		202,523
Increase cash and cash equivalents		446,278		30,257
Closing balance cash and cash equivalents		679,058		232,780

Notes to financial statements

December 31, 2010

General

Activities

Throughout the world, many children daily face hardships that are often connected to poverty. Stichting Child Savings International provides children with social and financial skills and insights that not only will support them to deal with these adversities but also prepare them for better planning the (economic) life ahead of them.

Stichting Child Savings International is a foundation located in Amsterdam.

Stichting Child Savings International was founded in 2005, its mission is *"Inspiring children to socially and economically empower themselves and become agents of change in their own lives and for a more equitable world"*

To achieve our mission, strategic objectives are structured along the three pillars of the organisation:

- 1 Concept: Become a thought leader in Child Social & Financial Education (CSFE) for children aged 6-14.
- 2 Programme: Implement quality Aflatoun programmes in 75 countries, reaching 1 million children by 2011.
- 3 Network: Build a global movement of Aflatoun children and 400 partners who commit over EUR 15 million in resources and advocate for policy change supporting Child Social & Financial Education (CSFE).

Accounting principles

The financial statements are prepared under the historical cost convention in accordance with accounting principles generally accepted in the Netherlands pursuing RJ 650 (Fund Raising Organizations). Assets and liabilities are stated at face value, unless indicated otherwise.

Comparative figures

As per December 31, 2010 the expenses for fundraising are separately presented compared to the total expenses and the income is separated in more categories of income. Therefore the comparatives for the financial year 2009 have been adjusted to make them comparable to the 2010 presentation. The adjustments had no impact on result or capital.

Allocation of expenses

The expenses recognized in the reporting year are allocated to the objectives or to operational and administrative costs. The allocation has been prepared in the schedule allocation of expenses to objectives.

Index numbers

The index number operational and administrative expenses provides the percentage from total expenses used for operative and administrative tasks.

The index number expenses made for strategic objectives provides the percentages from total expenses used for expenses made for strategic objectives.

The index number expenses from fundraising provides the percentages from total income from fundraising or expenses made for fundraising.

The index number expenses made for strategic objectives provides the percentages from total income used for expenses made for strategic objectives.

Summary of significant accounting policies

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into EUR at year-end exchange rates; exchange gains and losses are charged to the Statement of revenue and expenditures. Transactions in foreign currencies during the financial year are translated into EUR at the rate of exchange ruling on transaction date.

Tangible fixed assets

Tangible fixed assets are valued at historical purchase price less depreciation, determined on a straight-line basis over the estimated useful economic lives of the assets concerned, taking into account any residual values.

Receivables

Receivables are valued at face value less a provision for possible uncollectible accounts.

Principles of determination of result

General

The result is determined as the difference between income generated by contributions, membership fees and others, and the costs and other charges for the year. Income is recognised in the year in which it is realised.

Income relating to services in kind and expenses of pro bono services received are valued at their respective fair value amounts.

Income and expenses

Income is recognised in the period it has been received or by contract agreed. All income from own organizational and third party fundraising relates to donations and grants.

Expenses are recognised at the historical cost convention and are allocated to the reporting year in which they occurred. As the result of the aforementioned, in instance, income might not match with expenses and are in these cases processed via tied-up capital.

Depreciation

Depreciation is provided by the straight-line method over the estimated useful economic life.

Cash flow statement

The cash flow statement has been prepared applying the indirect method.

Notes to the balance sheet

December 31, 2010

	Office equipment
	EUR
Fixed assets (1)	
<i>Tangible fixed assets</i>	
Net book value at January 1, 2010	6,673
Additions	9,186
Depreciation charge for the year	(6,570)
Net book value at December 31, 2010	<u>9,289</u>
Cost	47,990
Accumulated depreciation	(38,701)
Net book value at December 31, 2010	<u>9,289</u>

Office equipment is depreciated over a life term of 3 years.

	2010	2009
	EUR	EUR
Receivables and prepayments (2)		
Donor income receivable [E]	35,200	74,384
Debtors	16,980	18,164
Other receivables and prepayments	19,980	18,153
	<u>72,160</u>	<u>110,701</u>

Footnote E: Donor income receivable is comprised of:

	EUR
ICS	25,200
Philppson Foundation	10,000
Total	<u>35,200</u>

	2010	2009
	EUR	EUR
Cash at banks and in hand (3)		
Current account ABN AMRO Bank	28,357	41,357
Saving account ABN AMRO Bank	650,641	189,295
Cash in hand	60	2,128
	<u>679,058</u>	<u>232,780</u>

Cash at banks and in hand are available on demand.

Capital (4)

	Free disposable reserve	Tied-up capital	Net result
	EUR	EUR	EUR
Capital	86,966	19,700	100
Appropriation of net result 2009	15,526	(15,426)	(100)
Net result 2010	–	–	477,137
Balance at December 31, 2010	<u>102,492</u>	<u>4,274</u>	<u>477,137</u>

In accordance with the provisions of Article 11 of the articles of association, the Board decides on the appropriation of net result.

Freely disposable capital (continuity reserve)

The Stichting wants to ensure sustainability of the organization so that its international network is not affected. Therefore the Stichting wants to create a continuity reserve to cover operational and program costs for a period of 6 months. This time frame is based on a prudent assessment of the time required to source additional funding. According to 'The Wijffels code' this reserve should not exceed 1,5 times the operational costs. A higher reserve will need clarification. On December 31, 2010, the reserve was well below this limit. The continuity reserve is built up by income primarily from private donors or membership fees that are not specified for a particular activity.

Within the freely disposable reserve a balance of EUR 9,289 is included as tied-up reserve capital operations.

Tied-up capital

Assuming the proposed result appropriation will be accepted, movements in tied-up capital are as follows:

	EUR
Balance as per January 1, 2010 after the result appropriation of 2009	4,274
Usage 2010	(4,274)
Additions following proposed result appropriation 2010	407,124
Balance as per January 1, 2011 after proposed result appropriation 2010	<u>407,124</u>

This balance comprises of:

- Auridis	262,295
- Skoll foundation	97,637
- Mastercard Foundation	10,346
- Jacobs Foundation	10,887
- Other	25,959
	<u>407,124</u>

	2010	2009
	EUR	EUR
Current liabilities (5)		
Received in advance – Skoll Foundation	51,750	46,322
Received in advance – Jacobs Foundation	-	92,305
Received in advance – Mastercard Foundation	44,554	-
Accounts payable	27,774	67,440
Loan payable	-	1,465
Wage tax	19,487	15,011
Accrued holidays	4,760	3,319
Other liabilities	28,279	17,526
	<u>176,604</u>	<u>243,388</u>

Employee information

In 2010, the Foundation employed on average 17 employees (2009: 14),

	EUR
Gross salary	530,309
Social contributions	75,474
Other personnel cost	7,860
Total personnel cost	613,643

No members of the Board of Directors received any remuneration for the year ended December 31, 2010.

Contingencies and commitments

The foundation has an off-balance sheet commitment which is approved by the Board and relates to a commitment to Mel Jol. Mel Jol is the Indian child rights organisation which developed and piloted the Aflatoun programme in prior years. The annual commitment amounts to EUR 20,000 and is to be paid upon request of Mel Jol. Due to economics the commitment for 2007, 2008, 2009 and 2010 is carried forward until payment is requested by Mel Jol.

For the period ended December 31, 2010

Notes to the statement of revenue and expenditure

	2010	2009
	EUR	EUR
Income from own organisational fundraising (6)		
Auridis	480,000	100,000
Skoll Foundation	201,860	185,212
Citi Foundation	189,738	15,000
Mastercard Foundation	133,677	-
Stichting Triodos	-	13,500
Jacobs Foundation	92,307	87,931
Foundation Philippson	-	35,000
Pro bono services	225,724	364,260
Undisclosed donor	45,000	-
Global Speakers Bureau LTD	14,490	-
Clifford Chance	7,500	-
Houthoff Buruma	5,604	-
GSRD Foundation	5,000	5,000
Children International Kansas	-	2,676
ING	1,285	1,285
Others	36,954	14,709
	<u>1,439,139</u>	<u>824,573</u>

Multiple year donor commitments are as follows:

- 1 Auridis – two year contract from 2009-2010, totaling EUR 230,000 of which EUR 130,000 is the second year of income in 2010.
Auridis – five year contract from 2010-2015, totaling EUR 2,850,000 of which EUR 350,000 is the first year of income in 2010.
- 2 Skoll Foundation – three year contract from 2010 – 2012, totaling USD 750,000 of which EUR 201,860 is the income for 2010.
- 3 Mastercard foundation – four months contract from October 2010 until January 2011, totaling EUR 178,232 of which EUR 133,677 is income in 2010.
- 4 Jacobs Foundation – four year contract from 2008 until 2011, totaling EUR 293,445 of which EUR 92,307 is the third year of income in 2010.

For the period ended December 31, 2010

	2010	2009
	EUR	EUR
Income from third party fundraising (7)		
Unicef	-	14,184
	<u>-</u>	<u>14,184</u>

	2010	2009
	EUR	EUR
Income from government (8)		
ICS [F]	504,000	604,000
	<u>504,000</u>	<u>604,000</u>

Footnote F: The income of ICS via the co-financing system (MFS) of the Ministry of Foreign Affairs of the Netherlands in support of Dutch non-government organisations' interventions in developing countries is recorded separately as income from government (7). Therefore the comparatives for the financial year 2009 have been adjusted to make them comparable to the 2010 presentation.

Multiple year donor commitment is as follows:

- 1 ICS – four year contract from 2007 – 2010, totaling EUR 2,058,000 of which EUR 504,000 is the fourth year of income in 2010.

Interest income (9)

	2010	2009
	EUR	EUR
Interest saving account ABN AMRO Bank	9,587	4,167
	<u>9,587</u>	<u>4,167</u>

Allocation of expenses to objectives

	Strategic objectives		
	1	2	3
	EUR	EUR	EUR
Concept: Become a thought leader in Child Social and Financial Education (CSFE) for children aged 6-14	78,988	—	—
Programme: Implement quality Aflatoun programmes in 75 countries, reaching 1 million children in 2010	—	252,896	—
Network: Build a global movement of Aflatoun children and 400 partners who commit over 15 million in resources and advocate for policy change supporting Child Social & Financial Education (CSFE)	—	—	170,905
Wages	39,132	161,420	141,854
Social securities and taxes	5,234	21,589	18,972
Other personnel costs	629	2,594	2,279
Rent and accommodation	—	—	—
Other costs	—	—	—
Depreciation and interest expenses	—	—	—
Subtotal	123,983	438,499	334,010
Pro bono services [G]	8,822	36,473	131,051
Total expenses	132,805	474,972	465,061

Donor allocations have been made in accordance to the specifications of the donors. Allocation of costs to objectives have been made based on actual costs and person days spent on meeting the said objective.

Expenses for Fundraising	Operational and administrative [H]	Total 2010	Budget 2010	Total 2009	Budget 2011
EUR	EUR	EUR	EUR	EUR	EUR
–	–	78,988	22,700	133,314	134,120
–	–	252,896	262,889	141,706	432,500
6,908	–	177,813	194,500	127,634	317,000
41,158	146,746	530,310	725,000	419,578	650,000
10,054	19,626	75,475	–	71,946	–
–	2,358	7,860	–	84,224	–
–	4,200	4,200	–	4,250	–
–	115,753	115,753	101,500	88,877	130,000
–	6,570	6,570	–	11,035	–
58,120	295,253	1,249,865	1,306,589	1,082,564	1,663,620
–	49,378	225,724	–	364,260	–
58,120	344,631	1,475,589	1,306,589	1,446,824	1,663,620

Footnote G: Pro bono goods and services for 2010 are valued at EUR 225,724 and have been added to the expenses total's for 2010.

Footnote H: The operational and administrative cost reached 23.7% of the total expenditure in the financial year 2010, including pro-bono, compared to the organisational goal of 6%. The overhead costs allocated to administrative and operational cost less pro-bono contributions represent 19.2% of total cost or EUR 295,253. However, the figure includes direct and indirect costs as well as pro-bono contribution relating to work at Secretarial level in support of the strategic objectives and work supporting activities directly related to the strategic objectives. Aflatoun intends to adjust its time tracking system of all staff to better reflect goal related activities in this calculation and to increase efficiency and effectiveness of administrative tasks.

Budget 2011

	2011
	EUR
Source of income	
Income from own organisational fundraising	1,300,474
Income from government	450,000
Interest income	-
Total income sources	1,750,474
 Expenses	
Expenses made for Strategic Objectives	
Objective 1: Concept: Become a thought leader in Child Social & Financial Education (CSFE) for children aged 6-14	212,188
Objective 2: Programme: Implement quality Aflatoun programmes in 75 countries, reaching 1 million children by 2010	684,246
Objective 3: Network: Build a global movement of Aflatoun children and 400 partners who commit over EUR 15 million in resources and advocate for policy change supporting Child Social & Financial Education (CSFE)	501,517
Sub total Objectives 1, 2 & 3	1,397,951
 Expenses for fundraising	
Expenses from own organizational fundraising	60,000
 Operational and administrative expenses	
	205,669
Total expenses	1,663,620

Other information

Proposed result appropriation

In accordance with article 11 of the articles of association, the annual proceeds from the capital as well as the gains whatsoever named and received in any year, not destined to be regarded as capital, can be used for the realisation of the objectives of the company.

The managing director proposes to appropriate the net result as follows:

- Addition: EUR 262,295 Auridis, EUR 97,637 Skoll Foundation, EUR 10,346 Mastercard Foundation, EUR 10,887 Jacobs Foundation and EUR 25,959 'other' to tied-up capital.
- Addition: EUR 74,287 to freely disposable reserve.
- Deduction: EUR 4,274 Citi from tied-up capital.

For a detailed explanation of the result appropriation, reference is made to page 3.

Awaiting a decision from the Board, the balance sheet is prepared before appropriation of net result.

To the Executive Board of
Stichting Child Savings International
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INDEPENDENT AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements for the year ended December 31, 2010 of Stichting Child Savings International, Amsterdam, which comprise the balance sheet as at December 31, 2010, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with the Guideline for annual reporting 650 "Fundraising Organisations". Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Child Savings International as at December 31, 2010 and of its result for the year then ended in accordance with the Guideline for annual reporting 650 "Fundraising Organisations".

Report on other legal and regulatory requirements

Pursuant to the requirements under the Guideline for annual reporting 650 "Fundraising Organisations", we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with the Guideline for annual reporting 650 "Fundraising Organisations". Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by the Guideline for annual reporting 650 "Fundraising Organisations".

Amsterdam, June 1, 2011

Grant Thornton Accountants en Adviseurs B.V.

N.H.B. Jonker
Registeraccountant



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