

Annual Report of the Kantha Bopha Children's Hospitals Foundation,

Dr. med. Beat Richner

**Annual Report 2009**

**1. Medical Results of the Children's Hospitals Kantha Bopha in Cambodia and Key Aspects of the Reporting Year**

The Annual Report 2009 continues in a similar vein to the annual reports of the last few years. The corresponding earlier reports and a great deal of further current information can be found on the [www.beatrichner.ch](http://www.beatrichner.ch) website. Dr. Beat Richner reports there regularly, also in newspaper articles, on his specific work and the huge challenges in providing medical help in the developing country of Cambodia. Our foundation pays particular attention to avoid any of the donated moneys finding its way into corrupt canals. Corruption is rife, not only in the developing countries but in the whole global economic system, a phenomenon of injustice that is a cause of great vexation and yet which may not simply be accepted. For this reason, the foundation does not contribute to any Cambodian agencies or institutions. However, the Cambodian government is prepared to provide USD 2 million annually for the running of the Kantha Bopha hospitals, although this is a relatively small sum compared to the total financial support provided to Cambodia by the UN.

In 2009, the following services were provided in the Kantha Bopha Hospitals I-V (figures for 2008 in brackets):

|  |   |         |           |
|--|---|---------|-----------|
| Treatment of sick children in polyclinics  | : | 740'000 | (671'000) |
| Hospitalisation of seriously ill children: |   | 84'000  | (82'000)  |
| Surgical operations:                       |   | 16'100  | (14'700)  |
| Vaccinations:                              |   | 580'000 | (564'000) |
| Births in the maternity clinic:            |   | 15'000  | (15'000)  |
| Antenatal checks:                          |   | 98'600  | (105'000) |

Increases in figures are influenced by the improved condition of road connections in northern Cambodia, where the Siem Reap/Angkor hospitals have become more easily reachable for the population. On the other hand, the consistently high figures show that the development of public health systems by the government is inefficient despite international financial aid, since the money is inclined to disappear into corrupt channels and only a limited amount is actually improving the lot of the sick.

The five new wards in the Kantha Bopha III hospital in Siem Reap/Angkor were opened by King Sihamoni at the end of 2008 and put into use in the first half of 2009. In addition, a new operations wing was built, which was opened in November 2009, again in the presence of the King. More staff have been employed and trained for this reason. The total number of Cambodian employees has therefore increased from around 2000 to 2200.

In November 2009, an “International Postgraduate Course” was offered. The aim was to show, on the basis of immunology and infectiology, how a hospital can be built, equipped and run in the third world. There was a great deal of interest in the course. Cambodia allowed the health directors of all provinces to take part. Five ASEAN countries sent representatives for their Health Ministries. Further participants included those from India, USA, Holland, Sweden, Germany and Switzerland. The emphasis on immunology and infectiology were the responsibility of the main lecturers, Professors David Nadal and Reinhard Seger from the Children’s Hospital Zurich as well as Prof. Kurt Schöpfer from Berne. The intention is to carry out a similar course again in 2010.

The arrival of cases of cholera were new in November 2009, for the first time since 1998, when approximately 500 children affected by cholera were hospitalised. In the meantime, cholera has spread into an epidemic. This is an additional challenge for the hospitals. Until now, all the cases of cholera admitted have fortunately been treated successfully, including those involving circulatory shock and kidney failure. Despite the insistent information to the Health Ministry on this subject, for obscure reasons, appropriate measures by the government and the WHO for the benefit of the population have unfortunately been delayed.

## **2. The Running and Importance of the Kantha Bopha I-V Hospitals**

In summary, it can be said that much as in 2008 (see detailed reports in the Annual Report for 2008, [www.beatrichner.ch](http://www.beatrichner.ch)), 2009 showed that the now approx. 2200 staff, under the supervision of Dr. Beat Richner, are well able to run the hospitals Kantha Bopha I-V most efficiently. The importance of the Kantha Bopha hospitals for the Cambodian health system and the recognition thereof in the Cambodian population have continued to increase, since poor patients are not able to be treated in the few private hospitals, and in the provincial hospitals, there is little humane service available.

Again in 2009, the instructors from the University Children’s Clinic in Zurich under the guidance of Prof. Felix Sennhauser were able to provide excellent service for the training of Cambodian doctors. The Foundation emphasises to

the Federal agencies repeatedly how such a transfer of knowhow is an optimum level of development aid.

Tourism to Cambodia, particularly to Siem Reap/Angkor, has increased a great deal in the last few years. Understandably and of course fortunately, more and more tourists to Asia wish to see the Kantha Bopha hospitals. It is however also understandable that Dr. Beat Richner cannot simply provide guided tours of the hospital departments and wards of very sick children, for medical and ethical reasons. For this reason, there are specially equipped documentation centres to inform tourists, and they are also able to attend the Saturday evening information events in the lecture theatre of the Jayavarman VII hospital in Siem Reap, where Dr. Beat Richner reports personally on the hospitals' activities.

### **3. Foundation Board and Management**

At the two meetings of January 29, 2009 and May 12<sup>th</sup>, 2009, the Foundation Board dealt with statutory business. Dr. Beat Richner and Dr. Peter Studer provided information on the work in Cambodia, where some of the board members had personally been able to take a look at the activities privately, at their own expense. It should be mentioned here that the Foundation Board is almost completely voluntary and works without pay, which also applies to the Compensatory and Audit Committee.

The Compensatory and Audit Committee met on March 17<sup>th</sup>, 2009. It considered the expenditure for bookkeeping, donations and publicity. It once again determined the reimbursement of the managing staff and the partly operative Foundation Board members and dealt with the necessary concerns on pension questions.

Intercontrol AG once again presented a clear and transparent set of accounts. Their excellent monthly financial controlling is an excellent management basis for us.

Auditors PricewaterhouseCoopers AG were once more chosen, who will audit the annual financial statement and periodically check on-site in Cambodia.

The Federal Foundation Inspectors once more confirmed the Foundation's impeccable activity.

According to the contract, the President and Vice-President informed the SDC in Berne about the current work the Foundation is carrying out and the hospitals in Cambodia on April 29<sup>th</sup>, 2009. The procedure and the necessary clarification for a new contract between the SDC and the Foundation for the years 2010-2012

were discussed. The Foundation is glad of the open business atmosphere and the basic support provided. Admittedly, the Foundation still feels that the SDC Swiss aid project in Asia and the Foundation works hard to avoid corruption and with great effect on site for the benefit of sick children in Cambodia. The annual contribution from the SDC remains CHF 3 million.

As mentioned above, the Foundation receives USD 2 million annually from the Cambodian government.

The Foundation Board once more thanks the management in Cambodia for their always excellent work in 2009, Dr. Beat Richner (overall director), Dr. Denis Laurent (administration, logistics) and Dr. Peter Studer (deputy to Dr. Richner).

## 4. **Financial Concerns – Donations – Public Relations**

### 4.1 Annual Financial Statement

The Annual Financial Statement 2009 was approved by the Foundation Board on May 11<sup>th</sup>, 2010 with a resulting surplus of CHF 3,757, 007.75 (previous year CHF 2,525,275.96)

As in previous years, the annual financial statement was carried out according to the recommendations standard of SWISS GAAP FER 21 and approved in the existing form by PricewaterhouseCoopers AG according to their audit report of May 11<sup>th</sup>, 2010.

The improved result of around CHF 6 million relative to the previous year is predominantly a consequence of reduced investments.

In the previous year, investments were made of CHF 9.2 million. In 2009, only CHF 2.2 million was invested. Since the investments were debited directly to the expenditure because of the unstable political situation, the lack of legal security and for reasons of general administrative care, the reduction in investments is immediately apparent in the result.

Fortunately, the Foundation's net assets have risen by approx. CHF 3.7 million to CHF 16.7 million. Without additional donations, our own resources would only last for 6-7 months.

Since the Cambodian laws forbid the purchase of land by a Swiss foundation, the three plots of land are held in trust for the Foundation by Dr. Denis Laurent, member of hospital management and French-Cambodian dual national. There are corresponding written contracts to this effect.

The expenditure for infrastructure in Switzerland has been reduced from around CHF 3 million in the previous year to CHF 2.6 million in 2009. This is predominantly because of reduced costs for adverts in the printed media.

The position “Infrastructure expenditures Switzerland” included administrative expenditure such as adverts, IT, donation administration, thank you letters, accounting and auditing costs and over the last three years has averaged only 7.83%.

This important benchmark is audited annually by PricewaterhouseCoopers AG and confirmed in a special report.

## 4.2 Public Relations

The greatest and most punishing worry in receiving the necessary funds is even more of concern because of the financial crisis in 2009.

In March 2009, therefore, a new “Zwänzgerötli” campaign was launched. In addition, a mailing was carried out in June, September, and November.

In December 2009 we had banner ads on NZZonline and the homepage of Bluewin for the first time. This is intended to be a new way of acquiring donations.

On December 2<sup>nd</sup>, 2009, Dr. Beat Richner’s new book, “Ambassador – Between Life and Survival” was presented at the Hotel Ambassador in Zurich at a public vernissage. The book has been well received so that the first edition of 5000 was sold out by the end of the year. The book has now also been published in English.

Due to the insecure and precarious financial situation, Beat Richner intensified his information events in Switzerland with his cello concerts. In 2009 he appeared in Switzerland and once on German television as follows:

|                               |            |                       |
|-------------------------------|------------|-----------------------|
| March 19 <sup>th</sup> , 2009 | Basle      | Elisabeth Church      |
| March 20 <sup>th</sup> , 2009 | Berne      | Berne Cathedral       |
| March 22 <sup>nd</sup> , 2009 | Zurich     | Grossmünster          |
| May 3 <sup>rd</sup> , 2009    | Einsiedeln | Klosterkirche (Abbey) |
| May 7 <sup>th</sup> , 2009    | Munich     | Haus des AG-Verbandes |
| May 9 <sup>th</sup> , 2009    | Lausanne   | Cathedral             |
| May 11 <sup>th</sup> , 2009   | Hamburg    | Beckmann ARD (TV)     |
| July 31 <sup>st</sup> , 2009  | Pontresina | Culture Centre        |
| August 1 <sup>st</sup> , 2009 | Samedan    | Samedan church        |
| August 2 <sup>nd</sup> , 2009 | Zurich     | Grossmünster          |

|                                 |            |   |
|---------------------------------|------------|---|
| December 3 <sup>rd</sup> , 2009 | Basle      | Elisabeth Church                              |
| December 6 <sup>th</sup> , 2009 | Zurich     | Grossmünster                                  |
| December 8 <sup>th</sup> , 2009 | St. Gallen | Völkerkundemuseum<br>(Museum of Anthropology) |

In Cambodia, Beat Richner continues with his weekly (Saturday) information events in the lecture theatre of Kantha Bopha III in Siem Reap, and during the tourist season additionally on Thursdays. His personal reports are enhanced by his cello concerts. The Georg Gachot film on “15 years of Kantha Bopha” is then shown to the international audience.

Thanks to the Siem Reap hospital’s geographical proximity to the world-famous Angkor cemetery, Dr. Beat Richner’s work is happily becoming more and more well known internationally.

Because of the measures described and thanks to the untiring commitment of Beat Richner on the acquisition front (in addition to his task of running 5 hospitals with 2200 staff!) and also thanks to the loyalty of our donators, we have generated over CHF 33 million in 2009 (previous year CHF 34.5 million) in donations and support money. Specifically, in 2008 we received an individual donation of USD 5.6 million, which enabled us to extend the Kantha Bopha III hospital.

## 5. Thanks and Forecast

Despite the continuing unsettling commotion and questionable incidents in the financial world, the Foundation continues to be deeply grateful for the many donations received. The smallest sum from a child’s piggy bank, a notable legacy from a will, regular contributions from many private companies on the occasion of anniversary as well as donations from church congregations and political councils are always a hopeful sign for us that there is still a feeling of solidarity towards people in this world who are worse off than ourselves. At the time of the revolutions of the 19<sup>th</sup> century in Europe, Heinrich Heine said: “Life is neither the purpose nor the instrument; life is a right.” In this sense, the philosophy of our Foundation can be said to be revolutionary.

Beat Richner’s message is not that poverty is the problem, but that discrimination against the poor due to corruption is the worst evil and this determines our Foundation’s strategy, with the aim of preventing corruption with clear measures. We make sure that every donated franc serves the sick children free of corruption.

Both the Federation and the Cambodian government deserve the thanks of the Foundation for their annual contributions. The Foundation, however, continues

to campaign for higher, justified and absolutely realistic contributions from both the Federation, and especially the SDC, and the Cambodian government.

Once more, we would like to thank the media for the occasional reports on Dr. Beat Richner's work in Cambodia. As always, we are glad of the long-term loyalty shown by the Schweizer Illustrierte magazine and thank the editor and the publishers.

The Foundation will continue to attempt to help the sick children in Cambodia in a sustainable manner, by running the Kantha Bopha hospitals for as many decades as possible. It is clear that Dr. Beat Richner will not be able to guarantee this personally in the future. If this successful Swiss project and hallmark in Asia is to continue to exist, the support of the Federation, Swiss economy and the Cambodian government will be indispensable.

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