

## **Annual Report 2012**

### **1. Overview and Project Description**

The Foundation of Children's Hospitals Kantha Bopha, Dr. Med. Beat Richner, in Zurich (hereinafter "foundation") has opened five children's hospitals named as Kantha Bopha in Phnom Penh and Siem Reap Angkor (hereinafter the "Kantha Bopha hospitals") in Cambodia under the direction of Dr. Beat Richner since 1992.

The Kantha Bopha hospitals look after about 85% of all the sick children in Cambodia. 80% of the seriously ill and hospitalized children would not have a chance of survival without the Kantha Bopha hospitals.

The treatment is free of charge for all the children. 80% of the Cambodians are without means and 80% of our patients come from families with a daily income of 1 USD or less. It is simply impossible for them to pay!

The Kantha Bopha hospitals have the highest correlation worldwide between costs and healing rate.

Kantha Bopha is an unparalleled success story around the world in the health care sector; since 1992 over a million seriously ill children have been hospitalized and fully cured by the Kantha Bopha hospitals, and the number of out-patient treatments have amounted to more than 10 million.

The Kantha Bopha hospitals are an exemplary model for a functioning health care system in one of the poorest countries in the world. Kantha Bopha is free of corruption, an island of justice and social freedom in Cambodia.

#### **1.1. 20 years Kantha Bopha**

The importance of the Kantha Bopha hospitals can only be explained and understood in the historical background of Cambodia.

King Norodom Sihanouk, who died in October 2012, had the Children's hospital Kantha Bopha in Phnom Penh built in 1962, when he was Head of the State. The hospital was named in honour of his daughter Kantha Bopha, who died of leukaemia as an infant.

Until the Vietnam War (1965-1971) and the Khmer Rouge's reign of terror (1975-1979) Cambodia had a well-developed health care system. The entire

infrastructure in Cambodia was completely destroyed by the war and the subsequent civil war and about 1.7 million Cambodians – about a quarter of the country's population – were murdered.

During the final negotiations on the Paris Peace Agreement in Paris in September 1991 the well-known Zurich paediatrician Dr. Beat Richner was asked to redevelop Kantha Bopha, a place where he had worked in 1974/75 until the invasion of the Khmer Rouge in Phnom Penh. The newly restored Kantha Bopha was inaugurated early on 22 September 1992 with the participation of King Norodom Sihanouk and Ysushi Akashi (Japan), Chairman of the United Nations Transitional Authority in Cambodia (UNTAC).

The hospital has become a successful project. The hospital was soon overburdened. On a daily basis the hospital faced more than 20 gravely ill children who could only be treated in intensive care unit, due to limited capacity many were rejected care. At that time, all our employees were staff of the Ministry of Health. Due to the masses of patients, more doctors had to be requested. The Ministry was limited to supplying inadequately trained personnel for our needs. As a consequence, Dr. Beat Richner began hiring young Cambodian doctors, who completed their traineeship at Kantha Bopha and who demonstrated great intelligence and motivation. Today these Cambodian doctors all hold senior management positions.

In September 1995 King Norodom Sihanouk confirmed that all medical personnel should be selected by the foundation and had to adhere to a set of capabilities. Furthermore, he personally allotted a plot of land at the royal palace. That is where the foundation built Kantha Bopha II, which was inaugurated on 12 October 1996 by King Norodom Sihanouk and the president of the Confederation at the time, J.P. Delamuraz.

In May 1999 King Norodom Sihanouk inaugurated the third hospital Jayavarman VII (Kantha Bopha III) in Siem Reap Angkor in the presence of the Prime Minister Hun Sen. Since then the hospital has been expanded five times and now has an X-ray department, a laboratory, a hospital pharmacy, operating theatres and four wards. The maternity hospital was opened on 9 October 2001.

Kantha Bopha IV (Phnom Penh) was inaugurated in December 2005 and started to operate in January 2006.

In December 2007 Kantha Bopha V in Phnom Penh was inaugurated, after a construction period of only 12 months. It has a ward (300 beds), a vaccination clinic, a laboratory and an X-ray department.

The hospitals in Siem Reap and Phnom Penh have state-of-the-art equipment and MRI and CT scanners.

## 1.2. Health Care Services

The main task of the Kantha Bopha hospitals is to treat thousands of severely ill children suffering from infectious diseases (tuberculosis, dengue fever, encephalitis, meningitis, etc.)

In 2012 alone, the number of severely ill children who had to be hospitalized amounted to 150,136 (25% more than in 2011) and the number of outpatient treatments to 776,625 (2011: approximately 800,000). More than 100,000 pregnancy consultations and over 40,000 tuberculosis controls are not included in these numbers. Out of the 150,136 hospitalised children 21,043 suffered from evident tuberculosis (spread endemically in Cambodia) and 28,151 suffered from serious haemorrhagic dengue fever (worst epidemic ever in 2012; worst epidemic worldwide in proportion to Cambodia's population). The children, who would have no chance of survival without hospitalisation, are fully cured after their release from the hospital. So, for example, we have never seen a recurrence of the infection of tuberculosis or dengue fever in the last 20 years.

In the year 2012 15,764 (2011: 14,683) surgical operations were performed. Furthermore, 16,974 (2011: 16,512) children were born in the maternity hospital in Siem Reap Angkor, whereby 8.2% were Caesarean sections. Please find further details in the enclosed table "Global Admission" (enclosure 1).

In the months of July and August 2012 the situation in the Kantha Bopha hospitals resembled a war hospital. Often more than 20 children were brought to the hospital per day in a state of shock. What is more, for the first time, an epidemic of the Enterovirus 71(EV71) was also treated, an infection which occurs only occasionally in Cambodia. Daily, 150 children had to be hospitalised in the intensive care unit or else they would not have survived the day on which they were hospitalised. At least 80% of the hospitalised children would not have survived altogether without hospitalisation. In figures: 120,000 children would have died in 2012!

The mortality rate in 2012 was only 0.35%. 20% of the children which die in the intensive care units are heart cases. This is why interventional cardiac catheter and open-heart surgery were introduced in the Kantha Bopha hospitals. In 2012 ten missions were carried out by the French cardiac response team of Prof. Dr. Gérard Babatasi (Chaîne de l'Espoir) and Prof. Dr. Oliver Kretschmar, Head of Cardiology at the Children's Hospital Zurich, who successfully carried out three missions of interventional cardiac catheter. Since then, a Cambodian team has been performing PDA (patent ductus arteriosus) interventions with a large degree of independence. In this context an article was published in the renowned journal "The Lancet" dated 31 March 2012 entitled "Interventional and cardiac surgery in Cambodia" by Beat Richner, Chour Sok, Oliver Kretschmar, René Prêtre, Gérard Babatasi and Antoine Lafont (enclosure 2). There is also a close co-operation with the "Institut Pasteur" in Cambodia (enclosure 3).

The Cambodian teams are now able to successfully carry out heart surgery independently and without any external supervision and help (including diagnosis, anaesthesia, and operation of the heart-lung machine). For more complex cases and on-going training specialists from Zurich and France and as of this report and for the next five years additional training and support is available from Baltimore Maryland USA with John Hopkins University.

### **1.3. Health care professionals**

At the end of 2012, the foundation employed a total of about 2,500 local employees in the five hospitals in Phnom Penh and Siem Reap Angkor. In addition to Dr. Beat Richner, Head of the Kantha Bopha hospitals, the only other foreign employee working for the foundation in Cambodia is Dr. Denis Laurent (Head of Laboratory and dual citizen of France and Cambodia).

The Kantha Bopha hospitals work sustainably and with the very high quality collaboration of about 2,500 Cambodians. The medical education and training of the younger colleagues work in a sustainable way. All the head doctors are aged between 40 and 46 and train their younger colleagues in a most professional way.

### **1.4. The Kantha Bopha hospitals have the status of a Cambodian University hospital**

The Kantha Bopha hospitals are public hospitals and have the status of a Cambodian University hospital. 80 physicians (so called interns) constantly work and learn for six months at a time in the fields of paediatrics, surgery and obstetrics in the framework required by medical specialists training. Twelve doctors in Kantha Bopha are regular professors and 21 are lecturers at the Medical Faculty Phnom Penh.

### **1.5. Further training and know-how transfer**

The Kantha Bopha hospitals play a prominent role in the training of healthcare professionals in Cambodia. The Kantha Bopha hospitals supervise 80 trainees (medical studies) of the faculty and further 80 trainees (nurse studies) of the nursing care education. The foundation bears the costs of the training.

To augment the training and the further education of the Cambodian personnel there is a constant know-how transfer with specialists from the Children's Hospital Zurich and the Chaîne de l'Espoir.

Since 2007 about 14 professors and lecturers of the Children's Hospital Zurich have trained Cambodian doctors to specialise in paediatrics in two courses of continuing education.

At the end of May 2012 the final evaluation of the second course took place, which has lasted three years enjoying the support of 20 lecturers of the Children's Hospital Zurich under Professor Sennhauser, director of the University Paediatric Clinic Zurich and member of the foundation board, the medical faculty in Phnom Penh, and Dr. Peter Studer, Vice-president of the foundation. 30 doctors of the Jayavarman VII (Kantha Bopha III) hospital successfully passed the exams. At the end of 2012 the third course for 2013/15 was undertaken and programmed together with the Health Ministry and the medical faculty in Phnom Penh. The first mission by Professor Seger, Zurich, immunology, already took place in February 2013.

A long-term cooperation between the John Hopkins Institute in Baltimore (USA) with the Kantha Bopha hospitals in the fields of cardiology and cardiosurgery from April 2013 has been confirmed.

## **2. Foundation board and Management**

During the two meetings of 23 January 2012 and 10 May 2012 the foundation board focussed on the statutory business. With regard to rejuvenating the foundation board, Dr. iur. René Schwarzenbach, lawyer in Zurich, and Prof. Dr. Med Felix Sennhauser, director of the University Paediatric Clinic Zurich, were newly elected to the foundation board. The former president, Dr. Med. Alfred Löhner, retired as president of the foundation board in May 2013 (he will though remain member of the foundation board) and was appointed Honorary President in appreciation for his esteemed service over decades. Dr. iur. René Schwarzenbach has been the new president since 7 May 2013.

The Compensatory and Audit Committee met on 12 March 2012, presided over by Dr. iur. Florian von Meiss. He reviewed the compensation of the managing staff as well as the expenditures relating to bookkeeping, donations and public relations work.

The Foundation Board wishes to thank Intercontrol AG for its transparent and precise bookkeeping and the excellent monthly reports on current financial status. We are also very grateful for the competent care of the business in connection with legacies, bequests and all the correspondence with donors.

PricewaterhouseCoopers AG (PwC) was once more used for auditing and controlling in 2012. Their tips and suggestions for the internal controlling system are of great value to us.

In December 2012 a delegation of the foundation (president, vice-president and Dr. iur. René Schwarzenbach) went to Bern to inform the SDC.

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

#### **3.1. Annual Financial Statement**

The Annual Financial Statement for 2012, approved by the Foundation Board on 7 May 2013, closed with assets of CHF 28,669,404.84 and a surplus of CHF 1,844,763.69.

The organisation capital (equity) therefore reduced by CHF 1.8 million to CHF 26.5 million. These resources are very limited and only provide for a finance period of an estimated 8 months period of hospital operation.

As in previous years, the Annual Financial Statement was administered according to the SWISS GAAP FER 21 standards. The audit by PwC of 7 May 2013, respectively of 18 June 2013 contains no limitations or restrictions that the foundation board recommend the approval of the Annual Financial Statement.

Our accounting contains two matters of particular concern:

- Due to the unstable political situation, the lack of legal security and for general administrative caution, the investments are debited directly from the expenditures.
- Under Cambodian law, the purchase of real estate by a Swiss Foundation is not permitted, three plots of land are held in trust by Dr. Denis Laurent, member of hospital management and French-Cambodian dual national. There is written evidence of the corresponding trust relationship.

After the record year 2011 (best results in 20 years) with a surplus of around CHF 9.6 million, there is a surplus in expenditure of CHF 1.8 million in 2012. The striking decrease in earnings of CHF 11.4 million is due to the following factors:

- The donations decreased from CHF 44.6 million in 2011 to CHF 37.3 million in 2012 (CHF 35.2 million in 2010).

The analysis shows that the bequests (less CHF 3 million), which are impossible to influence, and major donations (minus of CHF 6 million) are responsible for that difference. Major donations account for over CHF 100,000.000 in contributions.

We are pleased to report that regular donations again rose by around CHF 1 million in 2012.

- In the expenditures, the CHF 5 million in escalated costs for the operation of the hospital in Cambodia ("project expenditure Cambodia") have been a direct result of the regular donation increases. These costs were incurred as a result of purchase of new medical equipment (MRI, medical ultrasonics, generators) of a total amount of CHF 3.2 million and additional personnel costs.

As is well-known, investments are not activated, but debited directly as additional expenses in the income statement. The increased personnel costs have to be ascribed to a slightly higher number of personnel as well as to market-related wage adjustments.

- We are pleased that "Infrastructure expenses Switzerland" have decreased by about CHF 600,000.00 (16%), especially due to the fact that fewer advertisements were published.

The part of our administrative costs (referred to as "infrastructure expenses Switzerland" in the income statement) confirmed by PwC is in keeping with the average of the past three years at 8.18% of the total revenues, which is an efficiently low quote and representatively reflects a lean organisational process.

This efficiency in administrative costs can be attributed to efficient handling of public relations, including advertisements, IT, administration of donations, thank-you letters, bookkeeping and auditing costs.

The anticipated income through donations until the end of May 2013 shows an encouraging picture. An additional CHF 1.5 million in surplus income has been derived over the same period as compared to last year.

### 3.2. Public Relations

The year 2012 was marked by the 20-year anniversary!

King Norodom Sihamoni, together with a delegation (including Deputy Prime Minister Kong Som Ol), travelled to Switzerland in May 2012 and participated at the following well-attended events:

- Concert in the Grossmunster ("great minster") Zurich;
- Concert in the Klosterkirche ("Fahr abbey") Einsiedeln;
- Film première of the latest film by Georges Gachot "L'Ombrello di Beatocello";
- Anniversary exhibition at the airport Kloten.

The King spoke at all of these events and thanked the Swiss population for the longstanding financial support of the Kantha Bopha hospitals.

The new film by Georges Gachot was shown as the opening film at the documentary film festival "Vision du reel" in Nyon. The film shows in an impressive pictorial, the history and the culmination of the humanitarian work undertaken by Dr. Beat Richner. The film is very well received by both, the audience and critics alike.

On 22 September 2012, the actual day of the anniversary, the new MRI machine was inaugurated in Kantha Bopha IV, Phnom Penh, in the presence of King Norodom Sihamoni and numerous guests, in particular the Swiss ambassador Christoph Burgener, as well as representatives of the SDC and the foundation. On the eve of this event, the new film by Georges Gachot was shown in presence of the King and high government officials. In addition, the Cambodian television network broadcast a large extract of the film for public viewing.

In October 2012 King Norodom Sihanouk regretfully passed away. He had the Children's hospital Kantha Bopha built in 1962, then Head of State. King Norodom Sihanouk was a great admirer and promoter of the expansion of the Kantha Bopha hospital network.

In 2012 we carried out a total of four mailings, in March 2012, June 2012, September 2012 and November 2012. Based on the more than 90,000 personalised addresses, we generated responses from over CHF 8 million resulting in an estimated 50,000 donations.

Dr. Beat Richner continued his weekly cello concerts (also on Thursdays in tourist season), together with continuing his information sessions. Every Saturday and Thursday evening Dr. Beat Richner informs an international audience in the auditorium of the Siem Reap hospital about current medical, political and financial aspects of his activities.

Dr. Beat Richner gave his 700<sup>th</sup> concert on 17 November 2012.

In order to generate donations, Dr. Beat Richner travels to Switzerland twice or three times a year. In 2012, he gave concerts in the Grossmunster in Zurich, in Nyon and in the Klosterkirche Einsiedeln.

In addition to his position as the Head of the five hospitals, which employ around 2,500 employees, Dr. Beat Richner also attends to the careful daily attention to donations.

Thanks to his indefatigable involvement and thanks to the loyalty of our donors we have generated over CHF 480 million in donations, whereby CHF 420 million is generated from private donors.

#### **4. Thanks**

The foundation has reason to thank the nearly 100,000 donors and the many companies and foundations for the financial and ideological support of the Kantha Bopha hospitals in the year 2012. Your help in 2012 has enabled us to provide medical help for 150,000 seriously ill children in Cambodia.

The governments of Cambodia and the Swiss Federation deserve our thanks for their increased regular support and hope for a further increase in their participation.

The contributions of the Cambodian governments were increased from USD 2 million to USD 3 million by the Prime Minister Hun Sen in 2012. These proceeds were paid directly to our foundation, to ensure direct foundation access to the proceeds and averting payments to the Cambodian Ministry of Health. The Cambodian Red Cross, presided by Hun Rany, Prime Minister's the wife, donated USD 1 million. The foundation Bayon, presided by the Prime Minister's daughter Hun Mana donated an estimated USD 0.5 million.

The yearly contributions of the Swiss federation will be increased from CHF 3 million to CHF 4 million for the years 2013 through to 2015.

We thank Circus Knie for the 20-year friendship and hospitality with the traditional Knie Gala in Zurich, where friends of the foundation meet in a pleasant and family-orientated atmosphere.

Furthermore, we thank the media for their interest and their continued coverage of Dr. Beat Richner and his aid agency. Special thanks go to the Schweizer Illustrierten magazine, for their many years of loyalty and favourable editorial.

And finally, we thank our many donors. You know:

Every franc helps to heal, save and prevent.

Zurich, 30 May 2013

For the foundation:



Dr. med. Alfred Löhrer  
Honorary President and President  
(until 7 May 2013)

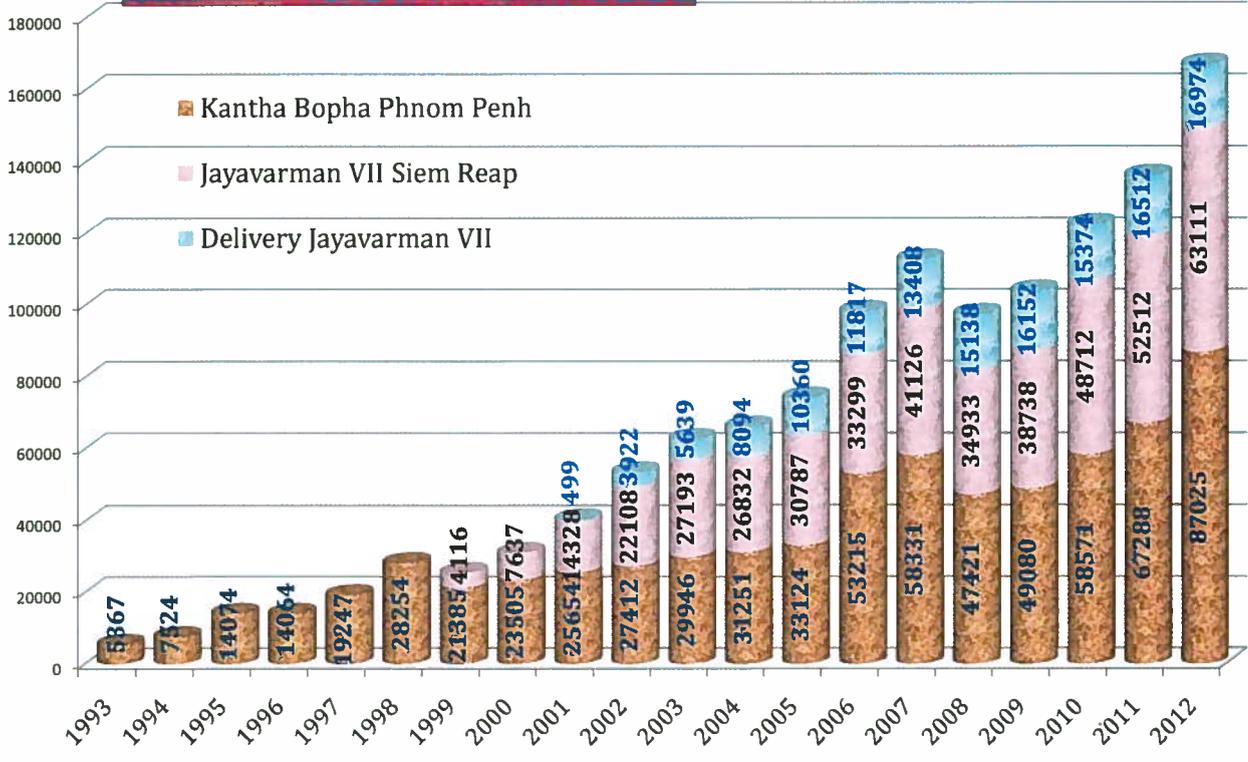


Dr. iur. René Schwarzenbach  
President (as of 7 May 2013)

Enclosures:

- Table "Global Admission"
- Extract from "The Lancet" of 31 March 2012
- Letter "Institut Pasteur", Paris, of 18 March 2013

# Global Admission



## Interventional cardiology and cardiac surgery in Cambodia



WHO and other international organisations decree that facilities and treatments provided by donors to developing countries should correspond to the economic realities of those countries. We would like to highlight and defend a sophisticated yet sustainable technology transfer programme that we have operated, against these principles, in paediatric cardiac surgery and interventional cardiology in Cambodia.

The five Kantha Bopha Children's Hospitals in Cambodia have admitted more than 1 million severely sick children over the past 20 years and treated more than 10 million sick children in their outpatient clinics. The Kantha Bopha Hospitals care for 85% of all sick Cambodian children. All treatment is free of charge.

109 100 severely sick children were admitted to hospital in 2010: 58 267 in Phnom Penh and 50 833 in Siem Reap Angkor. In the Kantha Bopha Hospitals in Phnom Penh, 376 children died (0.64%), of whom 53 (14%) had an untreatable pulmonary complication caused by a congenital heart defect. In other words, the disease with the highest mortality rate in the Kantha Bopha Hospitals is now congenital heart malformation.

But many more have died as a consequence of a heart malformation. In 2010, 272 children with severe pulmonary problems as a consequence of heart malformation had to be admitted to the intensive-care unit. 53 died (20%). The other 219 children were discharged still in a critical state, and their parents were told that they could not be saved. They died later at home.

This is the reason why we have installed in Siem Reap Angkor, as a logical step to reduce the mortality rate, interventional cardiology for closure of patent ductus arteriosus and atrial and ventricular septal defects, dilation of pulmonary and aortic stenoses, and cardiac surgery for more complex congenital malformations via a partnership involving the teams of the University Children's Hospital Zurich, Switzerland; Chaîne de l'Espoir, Paris, France; and Fondation le Petit Coeur, Zurich. This strategy is based on epidemiological data and translates the will to decrease mortality in severely sick children in a sustainable way.



Institut Pasteur

La Directrice Générale

Paris, le 18 mars 2013

Monsieur le Docteur Beat Richner  
Directeur  
Hôpital Kantha Bopha  
Oknha Hing Penn  
Phnom Penh  
Cambodge

Monsieur le Directeur.

A l'occasion de ma visite à Phnom Penh pour participer aux événements du 60<sup>ème</sup> anniversaire de l'Institut Pasteur au Cambodge, j'ai eu l'occasion d'apprécier la collaboration exemplaire entre l'hôpital Kantha Bopha et l'Institut Pasteur du Cambodge qui a abouti très rapidement à l'identification de l'agent responsable de la maladie pied-main-bouche.

Je remercie le Docteur Denis Laurent d'avoir eu la gentillesse de me faire découvrir votre hôpital dont la notoriété pour son efficacité à soigner la majorité des enfants cambodgiens résonne au-delà du Cambodge. Même si ma visite a été courte, j'ai été frappée par plusieurs points : la motivation des personnes que nous avons rencontrées, la qualité des équipements, la formation des étudiants, l'organisation des salles, la qualité des locaux et les mesures d'hygiène. C'est admirable et je tiens à vous féliciter pour cette œuvre et le soulagement que vous apportez aux très nombreux enfants cambodgiens et à leurs familles.

La Fondation que vous avez créée partage incontestablement les valeurs qui sont les nôtres à l'Institut Pasteur. Les missions altruistes que vous menez en faveur de la santé publique et de la formation, avec vigueur et qualité, sont celles de l'Institut Pasteur. C'est pourquoi je forme le vœu que nos deux établissements poursuivent longtemps leur fructueuse collaboration, au bénéfice de la santé des enfants du Cambodge.

Je vous prie d'agréer, Monsieur le Directeur, l'expression de ma considération distinguée.

Pr Alice Dautry  
Directrice générale

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