

CASE STUDY – IMPACT FOUNDATION NGO CHALLENGE IN SWITZERLAND

(draft 13d)

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1. INTRODUCTION

In Switzerland some NGO's raise millions of dollars and others fail. They need to create a strong foundation, and personal relationships. to enable the NGO to fulfil its mission while expanding its scope and achievement. In 2019, capitalism is changing, and Swiss companies are contributing more to social health care projects.

In August 2019, IMPACT Switzerland (ISW) www.impactswitzerland.ch was in difficulty, as a small member of the International Federation of Impact Organizations (IFIO), which from about 1985, had a broad mandate: prevention of avoidable disability, especially to children, in developing countries.

ISW was initially used in 1985 by IFIO, as a Geneva based UN profile symbol, since the major funding member was in the UK. But since 2000 ISW has also become a legal Swiss tax free NGO, and has helped to raise about \$732,000 of Swiss based funding for IUK and for other IFIO projects, for about 20 developing countries (Bangladesh, Cambodia, India, Philippines, Sri Lanka, Zanzibar etc.).

However in August 2019 the regular Swiss annual donor to ISW, was unable to provide the usual \$50,000 of annual funding. By August 2019, this was a serious challenge to the management of ISW, to consider some new strategy, new actions or even liquidation.

2. THE INTERNATIONAL FEDERATION OF IMPACT ORGANIZATIONS (IFIO)

a.Foundation

IFIO was founded in about 1985 by [Sir John Wilson](#), (blind from the age of twelve) and was formed as a part of [UN Decade of disabled people.](#) First known as Impact Foundation and then as IFIO. The program was formally set up by the United Nations General Assembly and supported by the British government- It was jointly promoted by the WHO, UNICEF and UNDP with offices and staff in continual contact with these organizations.

Since 1985, IFIO has developed members in about 15 countries, with the key mandate of preventing avoidable disability. Each member is independent and with its own President and Executive Committee (10 to 20 members).

IFIO was based on strong trust and continual interaction of each member, with funding support from IUK, Impact Norway, Impact India and ISW. Over 34 years IFIO members have raised and used over 30 million dollars of project funding. Listing of the activities of the 15 IFIO members:

https://www.crelearning.com/index_files/Impact%20Contacts.pdf

IFIO provides some capacity-building functions (networking every two years at the IFIO biennial meeting). The broad mandate connects its independent members.

All members are equal within the IFIO, which has no formal secretariat or defined leadership structure, but. Impact IUK the major fund raiser, takes on some IFIO functions, such as co-sponsoring IFIO meetings and agenda-setting etc.

b.Funding

All IFIO members raise some small local funds, but rely on IUK, Norway, India and ISW for major project funding.

Impact IUK, <https://www.impact.org.uk> the major funder with about \$2 million annually. See: <https://impact.org.uk/our-team/> It is a legally registered UK tax free NGO charity. It employs about 10 staff with volunteers, and coordinates so well for IFIO.

Impact INDIA (www.impactindia.org) is another major IFIO member, which runs the Lifeline Express hospital train and other major Indian projects. It employs about 100 staff and volunteers, and raises about \$200,000 annually, for projects in India.

Impact NORWAY (www.impactnorway.org) raises about \$100,000 annually, and employs about 2 volunteer staff and other volunteers, to fund selected IFIO projects.

Impact ISW (www.impactswitzerland.ch) raises about \$50,000 annually, with three volunteer staff and other volunteers, to fund selected IFIO projects.

c. Problems

With the trusting IFIO members, the risks of corruption or failure are very low.

The only publicly reported IFIO project failure in 34 years of funding projects, was in 2018 in Impact Bangladesh. After 10 years of successful surgery, by volunteer experienced eye surgeons, for cataracts, on one specific day, using an Indian antiseptic, 20 people suffered severe eye infection and lost an eye. Surgery was discontinued and a court case is pending for a claim of \$200,000 of patient compensation, against Impact Bangladesh, not IFIO.

There may have been other minor failures, which were not publicized.

d. Cooperation

IFIO members are all 100% independent, and each has a website. Financial cooperation takes place through formal memorandums of understanding. Other types of cooperation are informal with no hierarchy or accountability to each other except cooperating in projects.

There are no organized regular lines of communication between all the funding members and the implementation members. A suggestion of quarterly sharing of funding data between ISW, India, Norway and IUK was not accepted.

IUK tries hard to relate with every member. It requires some progress reporting and makes rigorous site visits, to evaluate achievement and trust in each project funded.

e. Research

Much published data has been researched by IFIO members, on NGO fund raising, including:

<https://www.thebalancesmb.com/eight-easy-steps-to-marketing-your-nonprofit-organization-2294906>

<https://nonprofitmegaphone.com/nonprofit-marketing-campaign/>

Such health care research promotes awareness and intervention, to prevent avoidable child disability with the slogan: "Take action today to prevent disability tomorrow". This supports the IFIO key mandate!

3. IMPACT SWITZERLAND (ISW) **(www.impactswitzerland.ch)**

a. Foundation

ISW is a small part of IFIO that raises \$50,000 a year of from one key Swiss donor, for selected IFIO projects. In 2018 it decided to limit funding to just Cambodia and Zanzibar as the significant funding targets, rather than smaller funding to many other IFIO members.

ISW tries hard to be a feeder organization to tap into local Swiss donors and Swiss volunteers, with limited results. Hence a maze of network relationships has been attempted. ISW management and other volunteers, are essentially international and not yet Swiss.

It communicates and cooperates with all the independent IFIO members. A suggestion for funding member to share funding data, and possibly share projects, was not found to be very helpful.

Does ISW need exist to just to fund projects in Cambodia and Zanzibar, which could be run by IUK? Answer: Yes, because has provided specific Swiss funding ! Alternative funding would have to be found for these projects.

In history, ISW was the key IFIO Geneva contact for collaboration, because the key fund raiser IUK, was based far away in Haywards Heath in the UK. Thus WHO kindly provided two free Geneva offices and UNDP provided a

professional manager and a secretary. It was hoped that Swiss volunteers could be recruited, for Impact Switzerland, but this was not achieved.

The staff resources from UNDP ended in about 2005 and the two WHO offices ended in 2013. So ISW reacted rapidly, with another small office facility, but no paid staff, because funds not enough and international (not Swiss) volunteers were available, as ISW was just a small IFIO fund raiser.

b.Funding

Funding Success for ISW from 2005 was limited, until 2011, when ISW helped IUK. It was able receive about \$180,000 from a specific Swiss funder, and transfer the funding to IUK. This was supported by new funding from a Key Foundation donor (through a family connection) of about \$30,000 for funding The Tonle Sap Project for Impact Cambodia.

This help was repeated in 2012 with about \$202,000 transfer to IUK and the continued support of the Key Foundation donor of \$50,000, used for a various IFIO projects which included many members and IMPACT Phillipines.

Then in 2013 Kevin McGrath (retired ex UN) became the volunteer president for ISW and a new volunteer became Site Coordinator . Great funding efforts were made with help from many (mainly non-Swiss) volunteers, to submit possible funding projects to many Swiss donors. But resources were not enough to hire a professional fund raiser (\$80,000 a year)

However from 2014 to 2018, Impact Switzerland continued to raise some other funds, but mainly \$50,000 p.a. from the Key Foundation. The relationship was very carefully fully supported by the president and Site Monitor, with very close personal relations. Thus the total ISW funding to date 1985-2018 (including the IUK transfers) is about \$732,000. A great achievement.

c.Problems

In May 2019, despite close relations with the president and Site monitor, the Swiss KEY Foundation which had donated for six years, suddenly felt unable to donate in 2019, due to some possible confidential changes in it's executive board members .

This was indeed a challenge. The Financial Report for 2018 (EXHIBIT 1 showed financial results and remaining funds for 2019 of only about \$17,119. And so expenses were controlled: office rent \$1200, insurance \$200, costs \$200, but no staff costs.

Over four years great efforts had been made by the Site Coordinator and volunteers to submit IMPACT projects to so many Swiss and other possible donors, for support. Despite long discussions alternative funding had only limited success.

Then in September 2019, the Site Coordinator, who had worked so hard as volunteer, decided to resign at the end of 2019, to do other more important work. And the President, who had worked so well to relate to the Key Foundation, suddenly had to spend many months away from Geneva, to deal with critical family health problems in USA and Canada. And some volunteers lost interest or moved away from Geneva, but others were still enthusiastic. The Swiss Impact Executive Board had some members who were inactive or moved away. So it was changed to include only more active members.

With all of these problems, there was a serious challenge to the continuity of ISW.

d.Cooperation

The ISW team reacted to the problems. The personal perceptions included:

1.The international organizations that were involved in the inception of our IMPACT, may have no longer any meaningful relationship with IFIO. Our only role with them is the same as other NGOs. We participate in UN ‘stakeholder’ meetings, but not get offered no support.

2. The relationship of ISW and IUK may be a bit tenuous , because IFIO has no common strategy, and is as a loose federation.

3. Do we not get ISW funding, because IFIO does not have rigorous procedures for ensuring the quality services? Could the Bangladesh failure be the only one? Are there others unreported? Does IFIO have a weak adverse incident reporting structure? Suggestions for public exposure, are not welcomed. Are we all too different?

5. Could we could formally remain in the IFIO and yet distance ourselves from it a more rigorous funder? But we need the IFIO status symbol to raise funds? Would it ethical and even practical to choose to abandon IFIO and the implementing members, after so many years?

6. Should limit funding, like in 2018, to mainly The Lake Clinic in Cambodia, and possibly something for Zanzibar?

7. Should we refine strategy and become Swiss, with younger managers and volunteers?

8. Should hand over USW, with its legal tax free Swiss identity to IUK? Or just liquidate?

d.Action

With all of these perceptions presented, the President (who were also a volunteer) and the Treasurer, cooperate with Site Coordinator and the Executive Board for reactions and decisions.

He felt very strongly that ISW was a Swiss legal tax free NGO that had raised £732,000 since 1985. It had been active over 30 years in Geneva, and it had achieved some status in Swiss funding and had supported IFIO!! It still had many UN Geneva contacts, no corruption, but it needed a younger team. A Swiss team, if it was going to get Swiss donors.

The critical issue is shortage of funds. Could this small member of IFIO, try to hire a full time professional fund raiser, who would make personal contacts with major donors and require a high salary of CHF 80,000 p.a.? No! Such funding not available. Efforts to find a senior well qualified ex UN volunteer, were so far not successful.

Should he hand it all over to IUK? <https://impact.org.uk/our-team/> But surely ISW a legal Swiss tax free NGO, has a value, with an office, continuing presence in Geneva still a bit close to WHO and the UN, still to be managed, as a continuing UN symbol for IFIO.

Should he give up? Liquidate? So many alternatives possibly available. Change the strategy for funding just one great project? The Jibon Tari Floating Hospital in The Lake Clinic in Cambodia? <http://www.impactswitzerland.ch/portfolio-item/the-lake-clinic/>

So with Site Coordinator the President agreed to arrange a special new meeting of the Executive Board and all the volunteers, in October 2019, to decide what should happen?

4. ALTERNATIVES AVAILABLE FROM THE CASE EXPERIENCE AND INTERNET DATA:

- a. Continue passively in IFIO until the usual annual donor responds with \$50,000 for 2019.
- b. Join together with another Swiss NGO with the same health care values.
- c. Become just an inactive legal Swiss tax exempt resource for IFIO and IUK.
- d. Develop a new strategy for funding, management and continuity.
- e. Find and relate to the partner of just one Swiss Multi-millionaire with a family, who very strongly believe in the need for prevention of handicap in children.
- f. Liquidate now.
- g. A new alternative ...?

5. CASE QUESTIONS FOR DISCUSSION:

- a. What is the story of the case?
- b. What are the key problems?
- c. What has caused these problems?
- d. What resources are available?
- e. What evaluation of alternatives?
- f. What decision in August 2019 for the President and Executive Committee?

NOTE: A CASE GUIDE IS AVAILABLE ON REQUEST

EXHIBIT 1 - IMPACT SWITZERLAND

ANNUAL FINANCIAL REPORT - YEAR TO DECEMBER 31, 2018 CHF/\$

Total Bank Balances 1.1.2018	CHF	14,837	
Funding from:			
Key Foundation		50,000	
Other funding		200	
Liability – 2017 settled			128
Funding to:			
Impact - Cambodia 1000 days			15,000
Impact - Cambodia – Lake Clinic			20,000
Impact – Zanzibar			3,000
Bangladesh – Jibon Tari			2,000
Expenses:			
Insurance			209
Rent			4,500
Bank/exchange charges (net)			694
Web, conference & other expenses			2,396
Total Bank Balances 31,12.2018			17,119
TOTAL	CHF	65,037	65,037

BALANCE SHEET AT DECEMBER 31, 2018

Assets		Liabilities & Equity	
Cash in banks	17,119	Liabilities	0
		Equity	17,119
Totals	CHF 17,119		17,119

The Equity opening balance was CHF 14,709. New funding contributions Key Foundation et alia CHF 50,000 and CHF200. Funding used CHF 40,000. Expenses for the year were CHF 7,790, leaving an equity final balance of CHF 17,119.

Treasurer:
Dr. Robert Boland FCA (UK)
ITP (Harvard)

AUDITED BY:
Internal Auditor
Dr. John Heptonstall
DBA (Harvard)

