

Supporting Communities, Changing Lives



FONDATION
Digicel
— HAITI —

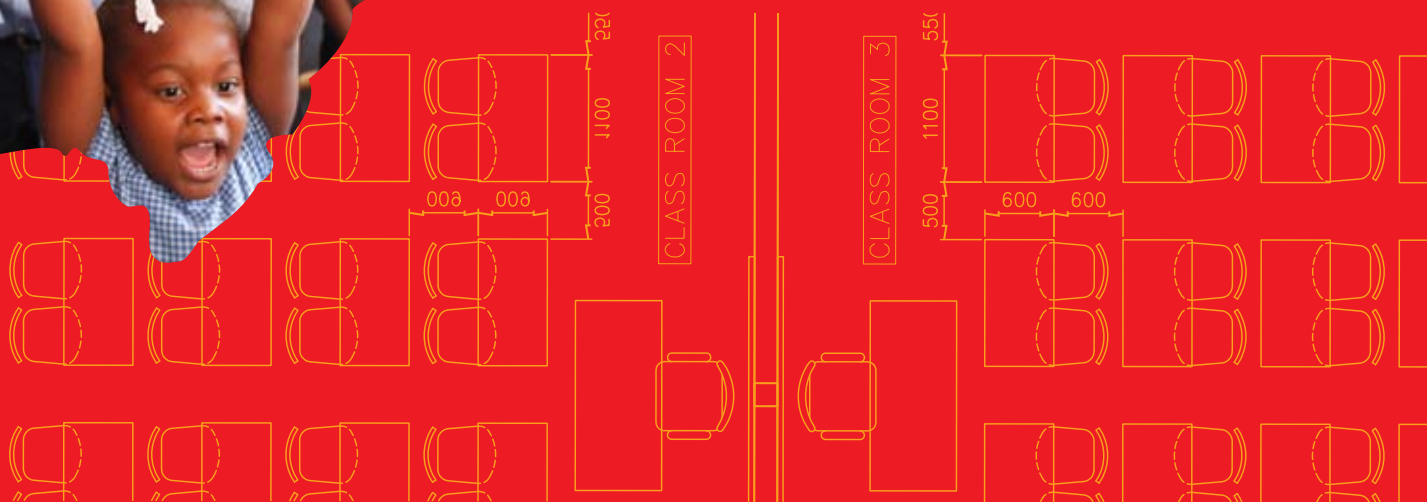
Annual Report
2010/2011



Supporting Communities Changing Lives

Fondation Digicel Haiti
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Turgeau
Port au Prince
Haiti HT6142
www.fondationdigicelhaiti.org

Modular Classrooms, Port au Prince



In 2010/2011...

Number of Direct Beneficiaries: c 44,000

Number of Schools Completed: 13

Invested in Education: \$5.4m

Total Grants Given: \$2.1m

Number of People Working on School
Construction: 2,000

Patron's Letter

When we established the Digicel Foundation Haiti four years ago, we could never have imagined that the educational and community challenges it was designed to address could become so much greater, so rapidly. Indeed, virtually all of the Foundation's work in 2010/11 was determined by what happened in and around Port au Prince in just 35 seconds on 12 January 2010.

The earthquake shattered lives. It took everything from those who had least. The education sector, in which the Foundation focuses, was amongst the very hardest-hit. We immediately committed to replacing lost infrastructure with a \$6 million fund to build 50 schools. We also increased the scope and extent of grant-giving to partners.

As a Haitian organization, whose board is made up of Digicel staff members, the Foundation is well-placed to respond effectively and efficiently to the country's needs, to provide support to communities who are working to improve their lives and futures. The Foundation has continued to pursue this mission resolutely, even amidst the challenges and obstacles made greater by the earthquake.

Access to education remains a critical challenge for many communities in Haiti. Many children walk long distances to attend school in very poor conditions, little better than shacks. I am pleased to announce that the Foundation's new target is to construct a further 80 schools, all over the country. This will bring the number of Digicel Foundation schools built to 150 by 2013, providing a good educational environment for approximately 40,000 children each year.

The Foundation's programme is not an add-on to Digicel in Haiti – it is at the core of what the company is about. The Digicel Foundation focuses on the positives already in Haiti – the strength of its communities, the resourcefulness of its people, the potential of its children.



By supporting teachers and schools to deliver better education, we hope to improve the future for the country as a whole, resulting in a safer, more prosperous, more equal society. Haiti deserves nothing less.

I want to pay tribute to Josefa Gauthier and the Board Members and staff of the Foundation, many of whom suffered personal losses in the earthquake, but who fully committed themselves to helping Haiti to build back better. I particularly want to congratulate Josefa on her new role as Chairman of the Haiti Foundation, in recognition of her pivotal role in the establishment and development of the Foundation since its inception in 2007.

Denis O'Brien
Founder

A handwritten signature in black ink that reads "Denis O'Brien". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.



Where We Work

Each of the three countries the Foundation works in are in the bottom half of the United Nations Human Development Index. This index names 169 countries and combines the three dimensions of human development – living a long healthy life, being educated and having a decent standard of living.

While the cultural, historic and socioeconomic conditions of each country are varied, they have in common significant challenges for their education systems; a need for building stronger communities to offset potential conflicts; and vulnerability to natural disasters. The Foundation seeks to find relevant and effective responses to these challenges and to support and strengthen communities to withstand them.

	Population	UN HDI ranking	Life expectancy	GDP per capita	Adult literacy	Gross enrollment ratio
Jamaica	2.7 m	80	72.3	\$7,547	87.3%	78.1%
Haiti	10.2 m	145	61.7	\$1,040	65.3%	n/a (est c 52.0%)
Papua New Guinea	6.8 m	137	61.6	\$2,395	59.1%	40.7%

UN Human Development Index 2010

Chairman's Statement

The Digicel Foundation believes that education is the answer to so many of Haiti's problems – an educated population is more able to be economically active and productive, to protect their health and that of their children, to assert their rights. The statistics in Haiti are lamentable: almost one in two children do not have the opportunity to attend school, when they do it is for an average of about five years, and often they are taught by untrained – and unpaid – teachers.

Since the earthquake, we are pleased that so many organizations are now focusing on ways to improve education in Haiti and to implement the government's strategy. The Foundation has shown that by investing in schools and teachers, even in the most disadvantaged areas, change for the better will happen. In just two years, 42% more children are passing the primary certificate in the Foundation schools.

We believe in the power of partnerships, and one positive to have emerged from the disaster of 12 January 2010 is the new connections we have made and relationships we have built with organizations and individuals who share our mission and vision for a better Haiti. We hope that these new linkages will grow and strengthen in years to come. I want to thank all those who supported us in our time of greatest need, too many to name, but particularly Kentz Engineering who provided two highly-experienced construction project managers to the Foundation free of charge for the year and United Way Trinidad & Tobago who have funded the construction of one of the schools.



We and all who benefit from our work are enormously grateful to Denis O'Brien and to Digicel for their unstinting and generous support to Haiti which goes far beyond the professional.

I also wish to thank those board members who completed their service to the Foundation during the year – Yolande Chavenet, Monique Decrumpe-Antoine, Nathalie Etienne, Murielle Gardere, Bryan Gonzales, Jimps Jerome, Ian Jones, Fiona McGloin, Luigi Roy and Isabelle Valme and to welcome our new members Maarten Boute, Vanessa Legros, Mark McGrath, Loidjy Nazaire and Sandra Pierre.

We look forward to working together as we expand our construction programme to build a further 80 schools in the next two years.

A handwritten signature in black ink, appearing to read 'Josefa Gauthier', written over a light blue background.

Josefa Gauthier
Chairman

Year in Review

The education system in Haiti was hard-hit by the earthquake of 12 January 2010. Ministry of Education figures show that 85% of schools in the Ouest region were damaged or destroyed, and as many as 38,000 people lost their lives in educational establishments that afternoon. Schools all over Haiti remained shut until 5 April 2010, and many in rural areas were affected by an influx of new students whose families had moved out of Port au Prince. In many of the Foundation schools, enrollment increased by 10% or more.

The pressure on and disruption to family incomes after the earthquake meant that schools struggled to stay open. Many reopened under tarpaulins and in tents. At the same time, many children were desperate to return to school, craving the routine, time with their friends, a return to normality where they could distract themselves for a few hours from the chaos and hardship the earthquake inflicted on their lives.

The Foundation sought to help address these issues through a mix of direct and indirect supports: a new school construction programme, by making school furniture and materials available to 47 other schools and an expanded grant-giving programme.

School Construction

The Foundation was tasked by founder Denis O'Brien with building 50 schools, to replace infrastructure lost in the earthquake, but also to continue to address the needs in rural areas.

The Foundation's approach is to provide a complete school solution, comprising six classrooms, an office for administration and sanitation in line with the Ministry's new standards, and all paraseismically designed and engineered. The schools are also fully furnished by the

Foundation and one-third of classrooms are wheelchair accessible. This allows staff and students to concentrate on teaching and learning from the day that the new school opens.



Andre Jean, Principal of College Classique, Port du Prince, by his destroyed school

Each school site is visited to assess the appropriate construction method and school layout, but critically also to evaluate the school's organization and management. During the year approximately 65 schools were assessed and evaluated. The Foundation is open to public, private, religious or community schools, of various sizes, mostly in the primary sector, but it does require that the school returned to operations after the earthquake and that it is in a position to operate successfully into the future. The school must have clear land ownership as well as evidence of its interaction with the Ministry of Education.

The construction programme started more slowly than desired for two main reasons: the need to identify sites which had already been cleared of rubble and the need to wait for the new school construction standards to be developed by the Ministry of Education, which became available in November 2010.



Picture: JERRY KENNELLY
Soul of Haiti

The Foundation developed a transitional school solution, modifying 20 foot long steel shipping containers to provide paraseismic classrooms which have a lifespan of up to 10 years. A partnership was formed with USAID and Idejen, the Haitian youth training organization. USAID donated 182 containers which had been used to bring humanitarian relief to Haiti as part of the US military's post-earthquake efforts, and Idejen provided land as well as workers to set up a fabrication site. Irish engineering firm Kentz donated two full-time, highly experienced construction managers to the project.

The first complete modular school was launched at Léogâne, which was the epicentre of the earthquake, in August 2010. These schools have been very popular with students and teachers because they feel so secure inside them. Some children were too afraid to return to masonry buildings after the earthquake, and refused to return to school, but have happily rejoined class in the modular schools. At every school launch, parents talked about how relieved they were to know their children were at class in a safe structure. The classrooms were deliberately painted in bright, primary, child-friendly colours, again chosen to encourage students to return.

The permanent schools were designed by a structural engineer and fully seismically tested. The Foundation provides support and supervision to contractors to ensure that the plans are being correctly followed. The schools include one in association with Special Olympics to deliver education to children with special needs, two on an island off the south coast, and one in a camp of displaced persons. Most schools are completed within four months of construction starting.

Within seven months, by the end of March, the Foundation had completed 11 modular and two permanent schools, providing accommodation for more than 3,000 students. Progress at some sites was complicated by adverse weather in the wake of Hurricane Thomas in November

2010 as well as the impact of the protests after the election results in December 2010. The remaining 37 will be completed in October 2011. Seven of these schools are being constructed in the Central Plateau by Partners in Health, a long-standing partner of the Digicel Foundation, and another is being built in Saut d'Eau by Concern.

Educational Quality Improvement Programme

The three-year programme to support the first 20 schools constructed by the Foundation in 2007/8 continued with only minor delays. The School Directors underwent further management training, enhancing their skills in human resources, finance and budgeting. 124 teachers attended the summer residential training programme. The schools were provided with school books, as well as a stipend to support teachers' incomes.



Classroom interior for the modular classes

Each school was visited and formally evaluated as part of the School of the Year Award programme, which was won by College Moderne of Marbiale. Most schools are progressing extremely well, even in face of the challenges brought about by the earthquake. In two years, there has been a 42% increase in the number of children passing the primary certificate.

focusing on ways to improve education in Haiti



Student in Modular Classroom



Teachers at the School of the Year Award



Book Distribution

Thanks to a generous donation from the family and friends of Jean-Marc Le Hir, a Digicel colleague who died on 12 January 2010, the Foundation with partners Inveneo installed a solar-powered IT lab in Ecole St Claire at Saut d'Eau, with broadband internet access. This has proven successful to date, with teachers and students benefitting greatly from the new resources, and the facility is also available to the community outside of school hours.

As in previous years, Christmas parties were organized at three schools – at Béraud, Déron and Jérémie – where a special visit from Santa Claus was the highlight for the hundreds of children, each of whom received a personal gift.



Scouts rescue and recovery training

Grant Giving

The Digicel Foundation Haiti runs and manages its own programmes directly, but also provides financial support to third-parties. Thanks to the greatly increased resources of the Foundation, the activities funded by the Foundation during the year were varied and wide-ranging.

Education remains a focus of our grant programme. Haiti has 45,000 unqualified teachers working in primary schools. The Foundation provided seed funding for the establishment of the National Institute for Teacher Education, which is designing programmes for in-service training using a combination of tutor groups and online components and which has worked very successfully in other countries. Through the Haitian Education & Leadership Programme we also provided a university scholarship for a student of education at Quisqueya University. The Foundation gave furniture and materials to assist 9,120 students.

Shelter and housing became hugely critical issues in Haiti with one million people left homeless after the earthquake. The Foundation made large donations to the Haven Partnership for its new permanent community at Gonaïves, including a community centre which can be used for educational purposes. A further large grant was provided to Un Techo para mi Pais to provide 50 medium-term transitional shelters to families living in tents on the outskirts of Port au Prince. Finally, funding to build three permanent homes for families affected by disability who lost their houses was donated to Nos Petits Frères et Soeurs.



Transitional house



Picture: JERRY KENNELLY

The unimaginable trauma and loss suffered by the whole population of Port au Prince has been too great for many to bear. There is a huge need for mental health services and psychosocial support over the long-term. The Foundation has funded Partners in Health with New York University to prepare a programme to train community health workers to identify and assist those in distress and suffering mental illness, including work on the cultural context and understanding of mental health in Haiti. The programme has also engaged with traditional healers. Since the earthquake, Partners in Health services have received over 20,000 mental health visits. The Foundation also assisted Partners in Health in bringing patients in need of sophisticated surgical and medical treatment to the United States through its 'Right to Healthcare' programme.

Strengthening communities and supporting the youth is a core value of the Foundation and a new two-year programme of support was entered into with the National Association of Scouts of Haiti. This grant will train 138 trainers in first aid and emergency responses. Over time all 45,000 Scouts will have received this training, and be able to help their communities in the event of disasters such as hurricanes, flooding or earthquake. This is of enormous benefit in Haiti where many communities are remote and isolated from the very limited emergency services which exist.

Digicel is a major supporter of the Special Olympics movement all over the Caribbean and a two-year grant was agreed with Special Olympics Haiti to provide equipment and training for up to 300 athletes.

One of the major challenges Haiti faces is the overwhelmingly negative perception of the country internationally. This impedes economic development through discouraging foreign direct investment and tourism. The Foundation provided establishment funding to Soul of Haiti for the Brand Haiti initiative, designed to rebuild national pride and to correct the perception of the country internationally. Brand Haiti includes representatives of the key Haitian private sector organizations, and works closely with government. During the year it carried out focus groups with 300 stakeholders to develop the brand proposition. Additionally, an image bank of 2,000 photographs with positive portrayals of Haiti was created. The Foundation was also able to provide small but important grants to the Ministry of Culture to enable 14 artisans whose studios were destroyed in the earthquake to get back to production, and to EarthSpark International for their first clean energy store in Les Anglais which is employing eight people and provides access to clean cooking stoves and solar lights to the community.



Looking Forward

Building safe, quality educational environments remains the Foundation's focus into 2011/12, with the school construction programme continuing apace. The programme will be expanded to a further 80 schools by September 2013. The organization continues to grow and develop,

working closely with the state and other partners to deliver cost-effective school infrastructure so that teachers and students can get on with what matters – the sharing and love of knowledge and education. We also look forward to continuing to support our partners in fulfilling their missions and to finding new community projects that will make a difference for years ahead.

Board Members



Marckens Armony



Maarten Boute



*Josefa Gauthier
Executive Chairman*



*Elizabeth Headon
Chief Executive*



Vanessa Legros



Mark McGrath



Louidjy Nazaire



Sandra Pierre



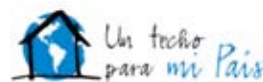
Evelyn Théard

Donors

- Digicel
- Andrew Grene Foundation
- Kentz Engineering
- Neal & Massy Foundation
- United Way Trinidad & Tobago
- Family of Jean Marc Le Hir

Partners

- BRAC
- Concern
- Hands Together
- Haven Partnership
- HP/Urgence
- Idejen
- Inveneo
- Jesuits
- Mayor of Port au Prince
- National Institute for Teacher Education
- Outreach International
- Partners in Health
- ProDev
- Rescue One Child
- Sisters of Chung
- Soul of Haiti
- Sovelavi
- Special Olympics
- Un techo para mi país
- USAID



Digicel Haïti Foundation

Financial Statements

March 31, 2011 and 2010

(With Independent Auditors' Report Thereon)





Mérové-Pierre - Cabinet d'Experts-Comptables

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Independent Auditors' Report

The Board of Directors
Digicel Haiti Foundation:

We have audited the financial statements of Digicel Haiti Foundation which comprise the balance sheet as of March 31, 2011 and the statements of income and expenses, changes in fund balance, and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and consistently applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require 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 auditors' 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 auditors consider internal controls 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 controls. 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.





The Board of Directors
Page 2

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Digicel Haiti Foundation as of March 31, 2011, and the results of its operations and its cash flows for the year then ended, in conformity with International Financial Reporting Standards.

Miróvi - Péro - Cabinet d'Experts-Comptables
Port-au-Prince, June 24, 2011



Digicel Haïti Foundation

Balance Sheets

March 31, 2011 and 2010

(Expressed in US dollars)

	<i>2011</i>	<i>2010</i>
<hr/>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,692,844	611,285
Advances to employees	23,685	7,033
Accounts receivable	5,240	-
	<hr/> 4,721,769	<hr/> 618,318
<hr/>		
CURRENT LIABILITIES AND NET ASSETS		
Creditors	790,603	253,020
Intercompany payable	17,888	9,701
	<hr/> 808,491	<hr/> 262,721
<hr/>		
NET ASSETS		
Fund balance	3,964,586	347,836
Translation adjustment	(51,308)	7,761
	<hr/> 3,913,278	<hr/> 355,597
	<hr/> \$ 4,721,769	<hr/> 618,318
<hr/>		

Digicel Haïti Foundation

Statements of Income and Expenses

Years ended March 31, 2011 and 2010

(Expressed in US dollars)

	<i>2011</i>	<i>2010</i>
INCOME		
CONTRIBUTIONS:		
Cash contributions - Unigestion Holding S.A.	\$ 5,986,172	2,513,943
Cash contributions - Digicel Group	5,822,345	-
Cash contributions - others	187,230	355,689
Non cash contributions - rent	54,744	54,744
	12,050,491	2,924,376
OTHER INCOME:		
Foreign exchange gain (loss)	50,506	(18,317)
TOTAL INCOME	12,100,997	2,906,059
EXPENSES		
FUNDING OF PROJECTS	8,160,501	2,387,227
ADMINISTRATIVE EXPENSES:		
Salaries and employees benefits	186,812	134,587
Rent	54,744	54,744
Travel	36,558	53,255
Marketing expenses	15,020	-
Professional fees	14,037	10,396
Other expenses	16,575	4,375
	323,746	257,357
TOTAL EXPENSES	8,484,247	2,644,584
Surplus of income over expenses	\$ 3,616,750	261,475

Digicel Haïti Foundation

Statements of Cash Flows

Years ended March 31, 2011 and 2010

(Expressed in US dollars)

	<i>2011</i>	<i>2010</i>
OPERATING ACTIVITIES		
Surplus of income over expenses	\$ 3,616,750	261,475
Adjustments to determine net cash flows provided by operating activities:		
Translation adjustment	(59,069)	9,462
Net changes in current assets And current liabilities:		
Increase in advances to employees	(16,652)	(2,803)
Increase in accounts receivable	(5,240)	-
Increase in creditors	537,583	49,151
Increase in intercompany payable	8,187	9,701
Net cash flows provided by operating activities	4,081,559	326,986
Cash and cash equivalents at beginning of year	606,430	285,144
Effect of foreign exchange in cash and cash equivalents at beginning of year	4,855	(845)
Cash and cash equivalents at end of year	\$ 4,692,844	611,285