From the
Cisco Foundation

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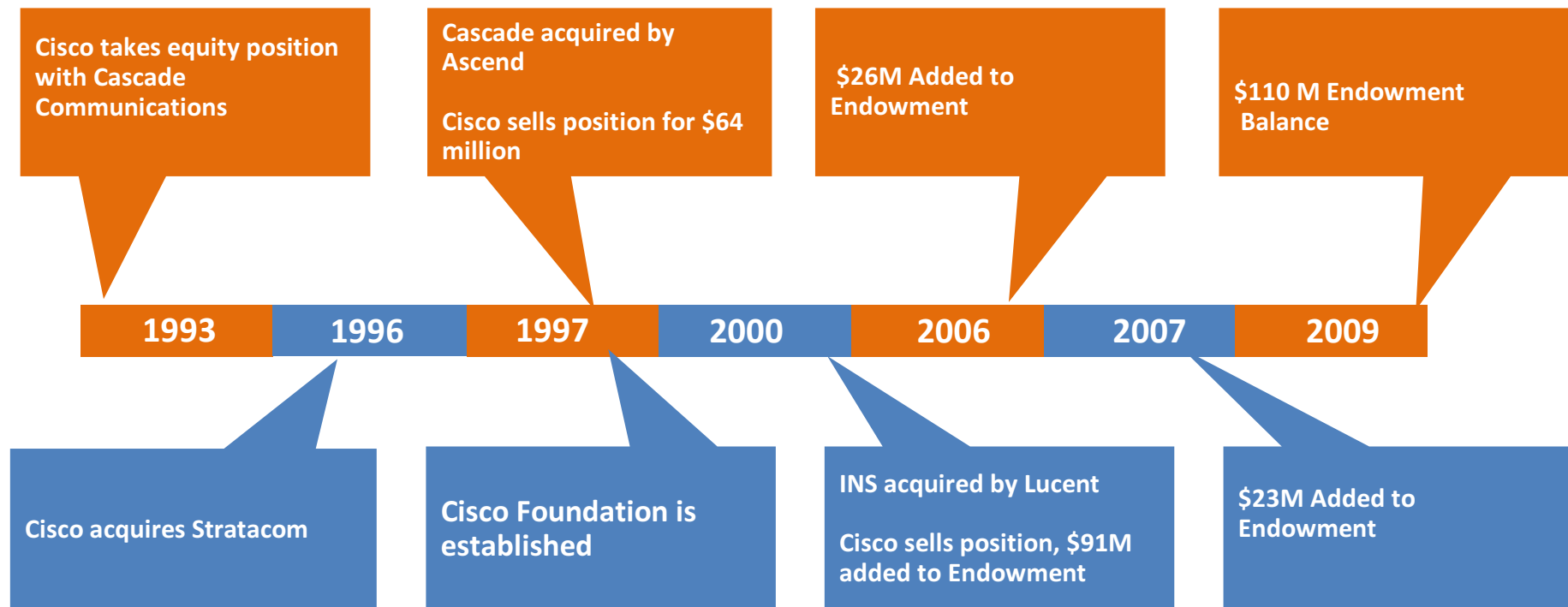April 28, 2010

Agenda

- Snapshots: History & Evolution
- Establishing grantee criteria
  - Current Criteria
  - General process
  - Challenges / Learnings
- Finding suitable grantees
- Developing application
- Assessing grantees

Cisco has contributed US$45 million (about RMB 300 million) over three years to aid the rebuilding effort, with a focus on improving healthcare and education in earthquake-damaged areas.

Origins and History

Cisco takes equity position with Cascade Communications

Cascade acquired by Ascend

Cisco sells position for $64 million

$26M Added to Endowment

$110 M Endowment Balance

1993	1996	1997	2000	2006	2007	2009

Cisco acquires Stratacom

Cisco Foundation is established

INS acquired by Lucent

Cisco sells position, $91M added to Endowment

$23M Added to Endowment

Snapshot: Early Activities and Focus

1992 Transactional: Community Relations

- United Way
- "Adopted" a local School
  - Volunteering
- President's Special Discretionary Fund
  - Sponsorships, events, responsive / reactive
- Managed by one person in Human Resources
- Informal application process

The MIND Research Institute enables elementary and secondary students to reach their full academic and career potential.

Snapshot: Early Activities and Focus

1993-96: Community Development

- Second Harvest Food Bank partnership
  - Funding, volunteers, donated food, food sorts
- City Year – "Peace Corps for the US"
- Continued support for schools
  - Costano School
  - Wilcox High School

Second Harvest Food Bank is the primary source of donated, surplus, and purchased food for nonprofit agencies.

Snapshot: Early Activities and Focus

1997 -2003

Corporate Development → Community Investment

- Foundation created
  - Employee matching, direct grants
- Staffing team
- Competitive analysis, benchmarking
- Strategic direction set
  - Product, People, Dollars
- Aligning to Cisco's Core Competency / Value-add
- Objective: Making a difference
- Formal, paper-based, application process

TechSoup.org offers nonprofits a one-stop resource for technology needs by providing free information, resources, and support.

Alignment

1997 -2003

- Analysis of Employee Matching gifts
  - Led to first issue area definitions
    - Responsible Citizenship
    - Basic Human Needs
    - Access to Education
- Technology and Innovation in Nonprofits
  - NetAid, Network for Good, SPLC, Nobel
- No more sponsorships, etc.
- 2002 e-enabled applications
- By invitation only

Responsible Citizenship

Basic Needs

Innovation And Technology In Non-Profits

Education
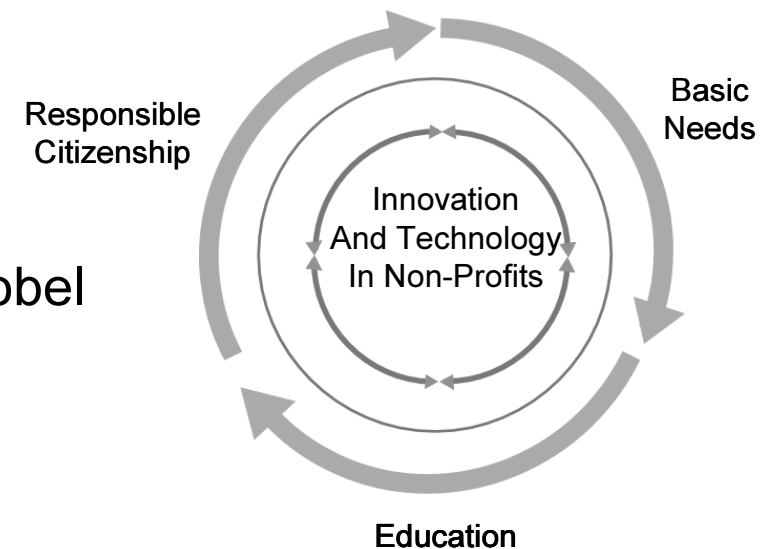
Criteria

1997 -2003

- Corporate funding vs. Foundation funding
  - Potential business benefit to Cisco
  - Executive requests / commitments
  - Universities/schools (potential business conflict)
- Criteria
  - Significant social problem with unmet need
  - Innovative approach with potential for broad impact
  - Path to sustainability
  - Outstanding leadership
  - Fit with Cisco approach and values

In 2001, the Cisco Foundation launched the global hunger relief campaign. Every year since then, Cisco has united to provide donations to the world's best hunger relief organizations.

Current Criteria

2004+ Public Benefit Investment

- Three focus areas only, with technology at core
- Social venture
- Incubate
- Cycle of innovation
- Replicable, Sustainable, Scalable
- Serving underserved
- 2008 "Open" online application

NetHope's mission has a clear focus: to be a catalyst for collaboration among international humanitarian organizations.

Current Cisco Foundation Focus Areas

- **Critical Human Needs**
  - Investments in organizations that address basic needs of underserved communities

- **Economic Empowerment**
  - Encouraging individual entrepreneurship and innovation among underserved populations through technology solutions impacting economic empowerment

- **Education**
  - Support the creation and deployment of Internet solutions which enable primary school-age children to master a baseline of educational knowledge in mathematics, literacy, science, engineering, and technology
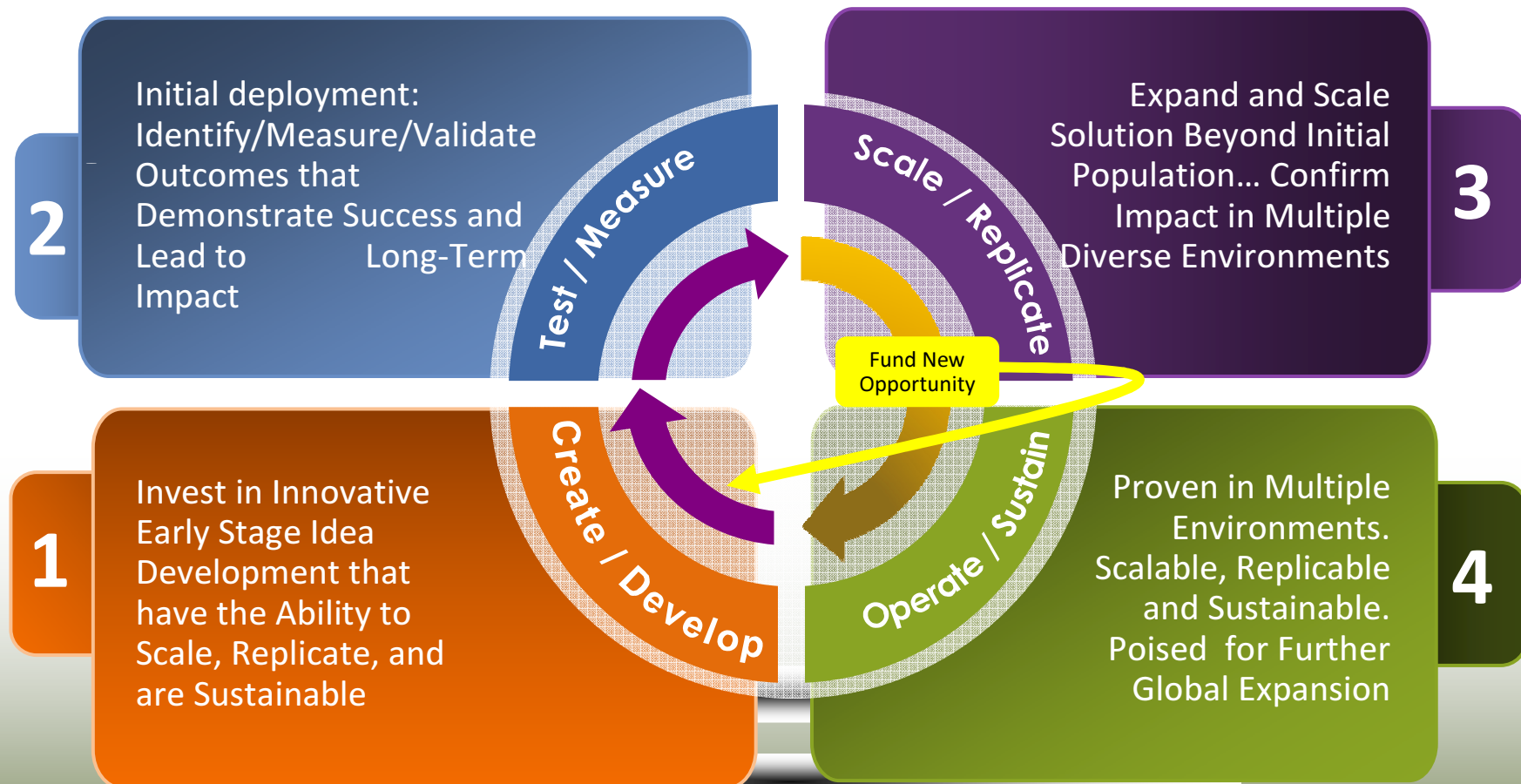
Typically Ineligible

- **Politics**
- **Religion**
- **Athletics**
- **Lobbying**
- **Advocacy**
- **Governments**
- **Events (tables)**

- **Cause marketing / advertising**
- **Sponsorships / scholarships**
- **Pass-through / re-granting**
- **Schools / education institutions**
- **Hospitals / medical institutions**
- **Purchase hardware or software**
- **Fulfilling obligations**

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Program/Solution Development Strategy

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2 Initial deployment: Identify/Measure/Validate Outcomes that Demonstrate Success and Lead to Long-Term Impact

3 Expand and Scale Solution Beyond Initial Population... Confirm Impact in Multiple Diverse Environments

1 Invest in Innovative Early Stage Idea Development that have the Ability to Scale, Replicate, and are Sustainable

4 Proven in Multiple Environments. Scalable, Replicable and Sustainable. Poised for Further Global Expansion

Test / Measure

Scale / Replicate

Create / Develop

Operate / Sustain

Fund New Opportunity

Identify, develop and incubate "innovative" solutions that align with our goals and objectives

Foundation Evolves with Cisco

Direct sales	Channel distribution
Transaction	Interaction
Command / Control	Collaboration
Ind. Accountability	Established Metrics

General Process

- All paper process → online
- Invitation only → "Open"/Self-qualifying
- Disparate due diligence → Single vendor
- Where needed, donor advised fund partners
- Approval paths coded by
  - Issue area
  - Geography
  - Dollar amount of request
  - Program type

Grameen Foundation helps the world's poorest, especially women, improve their lives and escape poverty through access to microfinance and technology.

Challenges / Learnings

- Giving directly to schools
- Global vs. local priorities
- Resources to cover Global

Teachers Wthout Borders aims to close the global education divide

Finding suitable grantees

Depends on funder:

- Stage of development: responsive vs. strategic

- Defined program goals / institutional goals

- Issue areas

- Geographic emphasis

- "Invitation only" or "open"

- Funding level

- Duration of commitment

- Field vs. HQ inputs

Developing applications

- Ask questions related to:
  - Criteria / qualifications
  - Program applicability
    - Overview & detailed description
  - Strategic alignment (mission, vision, goals)
  - Timeline
  - Partnerships / other funders
  - Financials (project & organization)
  - Theory of change
  - Metrics for impact
  - Policy certifications
- Assign appropriate approval path(s)

Assessing Grantees

- Evaluate based on the same factors:
  - Initial due diligence against criteria
  - Program applicability
  - Strategic alignment
  - Financials
  - Deliverables
  - Metrics for impact