



Connecting Sichuan Year One

Partnering to Rebuild Communities and Expand Opportunities



About This Report

July 1, 2009, marks the first anniversary of Connecting Sichuan, a three-year public-private partnership between the Sichuan Provincial People's Government and Cisco that was launched soon after last year's devastating earthquake. This year-end report provides an overview of the program's innovative healthcare and education solutions.

The report assesses progress to date and provides a forward view into the remaining two years of the program. In addition, we have tried to demonstrate the human impact of what has happened in Sichuan, as well as the benefits that are possible when government, business, other organizations, and citizens come together to improve lives and promote prosperity.

This Year One report covers the activities of Cisco's Connecting Sichuan program from July 1, 2008, through June 30, 2009. It will be followed by a Year Two report in July 2010 and a Year Three report in July 2011.



“A year ago the world witnessed the terrible destruction from the Sichuan earthquake. Having visited China several times over the past year, both physically and virtually, I have been truly amazed to see the resiliency of the Chinese people. Cisco is involved in public-private partnerships around the globe and I would like to congratulate the people of Sichuan, the local and national governments, and the many who have joined together to help people in need. We hope that our small involvement in the areas of healthcare and education will be a model for other countries in dealing with challenging issues.”

—John Chambers, Cisco Chairman and CEO

The Sichuan Earthquake: Disaster and Opportunity

The seismic shock that struck southwestern China on the afternoon of May 12, 2008, resulted in a heavy loss of life, massive destruction, and widespread social disruption across Sichuan and parts of adjacent provinces. Measuring 8.0 in magnitude, the worst earthquake since the founding of the People's Republic of China left more than 87,000 people dead or missing, more than 374,000 injured, and millions without shelter, according to “The Reconstruction Plan for the Wenchuan Earthquake” (September 2008).

Cisco, the Cisco Foundation, and Cisco employees responded to the crisis by providing more than US\$2.6 million in grants and donations for immediate

relief aid, including Cisco® technologies used to deliver medical care to remote regions. However, the rebuilding of lives and communities will take years and require more sustained efforts than the initial relief aid.

We recognized early that the situation offered us a chance not only to assist Sichuan Province in rebuilding, but also to give the people of the province a hand in realizing their aspiration of reaching parity with the more prosperous urban areas of the country. This formed the basis for Connecting Sichuan, a way in which the disaster might be turned into an opportunity for transformation and progress.

“Corporate social responsibility isn't just about writing checks, it's about looking at opportunities to develop solutions that address social needs in a responsible and transparent manner. Connecting Sichuan shows how public and private organizations can find innovative ways to make significant contributions to communities, even in the most dire of circumstances.”

—Tae Yoo, Cisco Senior Vice President of Corporate Affairs

Connecting Sichuan: Recovery and Beyond

On July 1, 2008, a memorandum of understanding was signed forging a partnership between Cisco and the Sichuan Provincial Government that came to be called Connecting Sichuan. Cisco agreed to contribute 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.

The vision: We seek to cultivate scalable, sustainable economic growth in Sichuan by using healthcare and education improvements to drive workforce development and fuel job creation, while also helping to attract investment. And just as important, we want to help engender hope for the future in a population that has been devastated both physically and psychologically by the disaster.

Strategy Based on Collaboration

By bringing together the right people, partners, processes, and technologies, Connecting Sichuan demonstrates the power of The Human Network, coupling public-private partnerships with the associative power of collaborative technologies. The Cisco team is working closely with government officials, community leaders, and global industry advisors to build a program that addresses local community needs, but can also serve as a template for similar endeavors in the rest of China and around the world. Together we are more powerful than we could ever be apart.

Execution and Governance

The program is supported by a small Cisco team that uses information and communications technology (ICT) to tap the resources of the global Cisco community and to link partners providing additional equipment and services. Structured pilot projects demonstrate proof of concept for successful activities that can be replicated and scaled.

Cisco Chairman and CEO John Chambers is the executive sponsor for the Connecting Sichuan program. The program is governed on an ongoing basis by a board made up of 10 Cisco executives, including Tae Yoo, Senior Vice President of Corporate Affairs; Jim Sherriff, Chairman and CEO of Cisco China; and Thomas Lam, Vice Chairman and President of Cisco China.

The Connecting Sichuan program would not be possible without the ongoing support, guidance, collaboration, vision, and dedication of the Sichuan Provincial Government. Cisco is particularly grateful to the following provincial leaders:

- JIANG Jufeng, Governor
- HUANG Xiaoxiang, Vice Governor

- LI Jianguo, Vice Secretary-General
- XIE Kaihua, Deputy Director-General, Department of Commerce
- SHEN Ji, Director-General, Department of Health
- YAN Bingyue, Deputy Director-General, Department of Health
- WANG Kang, Deputy Director-General, Department of Education
- XU Yang, Deputy Director-General, Department of Information Industry
- LIN Hai, Deputy Director-General, Bureau of Communication
- XIAO Li, Deputy Commissioner, Chengdu Customs
- LIU Cong, Director of Management Information Center, Department of Education
- GAN Huaping, Director, Sichuan Health Information Center

Special thanks also go to MOFCOM and USAID for their support.

Selection Criteria

Because the Connecting Sichuan program must limit its activities to a small number of representative communities, healthcare facilities, and educational institutions, the selection process is particularly important. The following selection criteria are paramount:

- **Strategically significant:** The locality and organization must have an urgent need for aid and offer a significant opportunity to have an impact.
- **Satisfactory ICT conditions:** The area must have sufficient electricity to power the equipment, and residents should be computer-literate or eager to learn.
- **Local ownership and commitment to sustainability:** Users and leaders must have a willingness to support the technology-enabled solutions, and demonstrate this commitment by investing some level of human and financial capital.
- **Showcase benefits:** Solutions must have visibility and be measurable and transferable, so the benefits can be replicated in other areas and circumstances.

Design Principles

The healthcare and education projects now underway, and those being considered for deployment in the next two years, are designed to adhere to certain basic principles, including:

- Align with key national and provincial government priorities
- Meet local or micro-community needs, while also allowing for scaling
- Benefit the greatest number of people possible
- Foster local ownership and responsibility, ensuring that the solution can sustain itself over time
- Employ industry standards and open systems, requiring little to no customization
- Be relatively easy to implement and operate, with minimal user training and cost-efficient support and maintenance
- Capable of being tested in a proof-of-concept pilot, facilitating ongoing innovation and execution
- Leverage Cisco's and Cisco partners' expertise in ICT
- Take environmental sustainability into account, with reasonable energy requirements and potential for using renewable energy sources

Figure 1. Excerpts from a Young Student's Letter

敬爱的思科集团总裁:

Dear CEO of Cisco Systems:



我是一名来自四川灾区的女学生，特地来向您道谢的。也许您并不记得我，但我永远记得您。

I am a female student from the earthquake-stricken Sichuan. I am writing to express my thanks to you. Perhaps you don't remember me, but I will always remember you.

“七月奠基，十二月搬进新学校”这对我们来说是一个神话。是遥不可及的。

“Laying the school foundation in July, and moving-in in December” this was a fairy tale to us. It was beyond our dream.

您公司的人又为我们“锦上添花”在每间教室了都安装了最先进的数字化教育设备。我们又可以在书海里遨游了。我们开心，我们高兴。我们激动得说不出话来。

As “icing on the cake,” your company put in the most advanced electronic teaching technology in each and every classroom. Again, we can roam through the sea of knowledge. We are happy, and we are moved beyond words.

有句古话说的好“滴水之恩，当涌泉相报”是啊，您们的恩如此之大，我们又该怎样去报答您们哪？

As an ancient saying goes, “A drop of water given in need shall be returned with a burst of spring.” But how can we ever repay you for what you did?

地震距今快一年了。我们的生活也在翻天覆地变化着。这些变化有一半都受于您们这些好心人。是您们的大爱感染了我们。让我们知道人与人的秘诀—那就是—爱。

It has been almost a year since the earthquake. It is partially because of people like you that it has been possible for us to experience earth-shaking changes in our lives. Your love has touched us. We have learned the secret of humanity: love.

First-Year Activities and Accomplishments

In keeping with the Chinese government's approach to rebuilding in the earthquake-affected region, the first year of the Connecting Sichuan program concentrated on:

- Building the strategy and execution team
- Developing high-level and detailed plans
- Conducting discovery and feasibility testing
- Vetting and engaging other partners
- Designing and testing potential solutions
- Implementing initial pilots and testing their effectiveness

Highlights for Year One

Connecting Sichuan has been successful in planning and developing initial pilots for collaborative care, an approach to improving access to medical treatment that involves connecting patients with medical experts located outside the immediate community. The pilots were designed and

Recognition from China's Government

During the past year, Cisco's contribution to the Sichuan rebuilding effort was recognized by two of China's national ministries:

- 2008 China Philanthropy Award from the Ministry of Civil Affairs
- 2009 Ministry of Commerce Award for Contribution to Relief and Reconstruction after 5/12 Wenchuan Earthquake

delivered by several partners, including the Sichuan Department of Health, the Provincial People's Hospital, West China (Huaxi) Hospital, StandTALL, and the Youth Foundation.

2008 Events

May

- May 12: Earthquake strikes Sichuan Province
- Cisco, Cisco employees, and Cisco Foundation provide immediate aid



June

- Cisco Chairman and CEO John Chambers, Cisco China Chairman and CEO Jim Sherriff and Cisco China Vice Chairman and President Thomas Lam visit earthquake-affected areas

July

- Cisco and Sichuan Provincial Government sign Memorandum of Understanding launching Connecting Sichuan program



August

- Connecting Sichuan team conducts initial needs assessments

2009 Events

January

- ZunDao School, the first completely rebuilt school, opens with model 21st century classrooms
- Ministry of Commerce and USAID sign agreement allowing tax exempt donations into Sichuan

March

- Key Pal pilot launches, connecting students in Dujiangyan with children of Cisco employees in California of similar ages
- Red Cross Society of China Delegation visit Cisco to thank Cisco for their donation and commitment to Sichuan



April

- First shipments of Cisco technology arrive in Chengdu
- John Chambers meets with Sichuan government and healthcare leaders



May

- Cisco HealthPresence and Mobile HealthPresence facilitate Sichuan-Hong Kong Rehabilitation Forum
- Ministry of Commerce honors Cisco for Sichuan rebuilding efforts

By collaborating with healthcare leaders across the country, we made significant progress in designing a replicable model for a multipurpose mobile clinic to serve rural communities, a Regional Health Network in Deyang that will serve as a pilot for important work conducted by the China Center for Disease Control & Prevention (CDC), and a new Sichuan Provincial Health Network.

We also designed and tested solutions to help address key national education priorities that include improving the quality of education in rural areas, enhancing teacher training, addressing the shortage of teachers, and strengthening vocational education. Working closely with the Sichuan Department of Education and local bureaus of education, we developed a model for 21st century

classrooms that was operational by September 1, 2008, when schools reopened.

In addition, we developed educational models appropriate for specific community types: urban schools, town schools, rural village schools, and vocational colleges. These models were enhanced by a metropolitan area network that will be used during the 2009–2010 school year to deliver streaming video and distance learning to schools and communities in rural areas. The video connections not only help students learn, but also enable educators and administrators to confer and collaborate. Furthermore, the expansion of Cisco Networking Academy® within Sichuan's higher-education system is underway. Networking Academy may be the world's largest e-learning organization, with more than 9000 academies in over 165 countries.

September

- Dujiangyan High School and Aba Teacher's College open with models of 21st century classrooms
- Telehealth network links Dujiangyan People's Hospital and Qingchuan People's Hospital with West China Hospital



November

- John Chambers and Vice Governor Huang meet via Cisco TelePresence™
- Internet kiosk installed at Dujiangyan High School for students to access the Internet and use email to communicate with others

December

- Cisco receives 2008 China Philanthropy Award from the Ministry of Civil Affairs
- Cisco employees donate winter clothes, quilts, and shoes to schools in earthquake-affected areas



- Cisco connected Sichuan mothers with their children in Guangdong for Mother's Day via Cisco TelePresence



- Sichuan Health IT 2020 Planning current status report completed

June

- Sichuan Province New Rural Cooperative Medical Insurance System data center optimization project completed
- Key Pal Pilot Project – students at Dujiangyan High School meet via TelePresence for the first time with children of Cisco employees



- Organized two-day, mental healing workshops for over 100 teachers from Dujiangyan and Wenchuan sponsored by Vanke, Tencent, and Pignan Insurance



- Cisco held an art exhibition fundraiser that featured art work created by children who became orphans during the earthquake

Although the Connecting Sichuan program was in a start-up stage during much of the first year, the achievements described in this report promise greater benefits in subsequent years, now that the plans, the team, and the supporting processes and partners are in place.

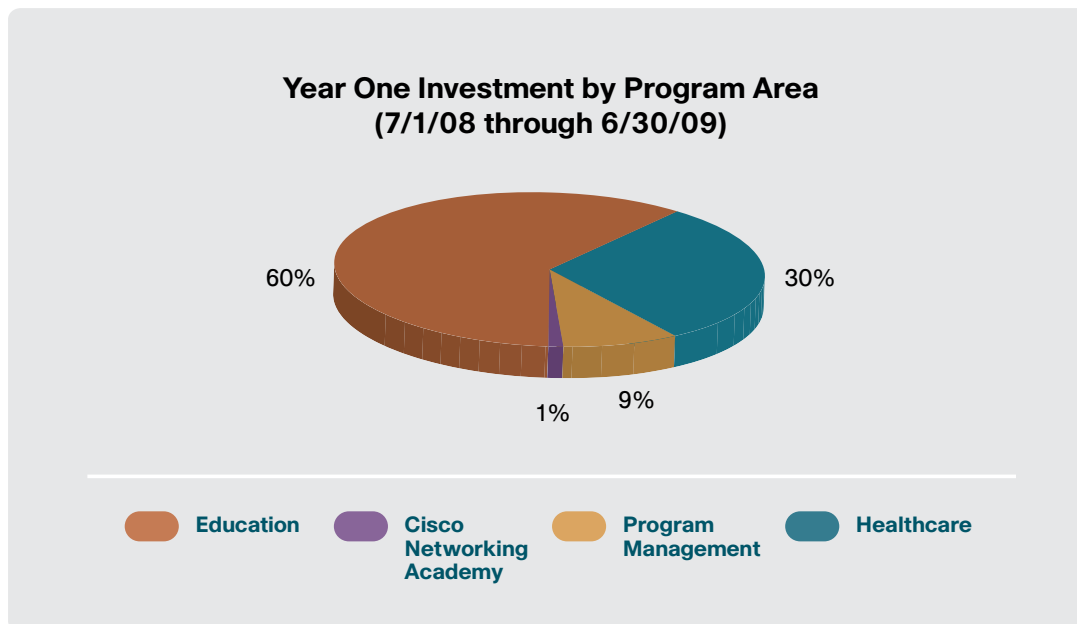
Social Impact in Brief

The Performance Indicators in the table below quantify at a high level the key contributions and progress made over the past year.

Indicator	Description	Engagement
Economic Investment	Corporate, Cisco Foundation, and employee cash donations to date*	US\$10,464,606
Social and Economic Investment	Counties within Sichuan Province benefiting from the program	7 of the 10 hardest-hit areas (Wenchuan, Beichuan, Mianzhu, Shifang, Qingchuan, Dujiangyan, and Pengzhou)
Skill Development	Students enrolled in Cisco Networking Academy courses in Sichuan Province	1144 as of June 2009, an 18 percent increase over the previous year
Building Capacity Through Partners	Partners contributing to the program	75
Employee Volunteerism	Cisco China employees volunteering time and resources	Over 75 percent, with every Cisco China office participating consistently throughout the year
Technical & Industry Expertise	Cisco experts/employees "loaned" to the program	10

*excludes in-kind donations (e.g., winter coats, PCs, etc.)

Figure 2. Year One Investments: July 1, 2008 to June 30, 2009. This chart reflects the high level breakdown of Cisco's year one financial investment by program area.



“The Connecting Sichuan program demonstrates to the world how ICT can help build a much more effective and a much more improved environment, and it brings back much confidence to the community for a brighter future.”

—Ms. Yolanda Chan, Vice President, AsiaPac Region, Promethean

Bringing Collaborative Healthcare to Millions

Objective: Deploy advanced technologies to improve patient care and build healthcare capacity in the earthquake-damaged region.

In the wake of the earthquake, the challenges to healthcare delivery in Sichuan have been immense. Sichuan's per capita healthcare resources were below China's national average even before the disaster, and the situation was greatly exacerbated by the large number of casualties and the destruction of medical facilities.

Connecting Sichuan has committed to helping restore services, and also to laying the foundation for a 21st century healthcare system. Our program's initiatives are compatible with the government's Healthy China 2020 reforms aimed at delivering universal health services throughout the country.

Building a first-rate healthcare infrastructure in such a large and populous area — an estimated 29.8 million people have been affected — will require a massive effort over a considerable period of time. The relatively short timeframe of the Connecting Sichuan program calls for developing

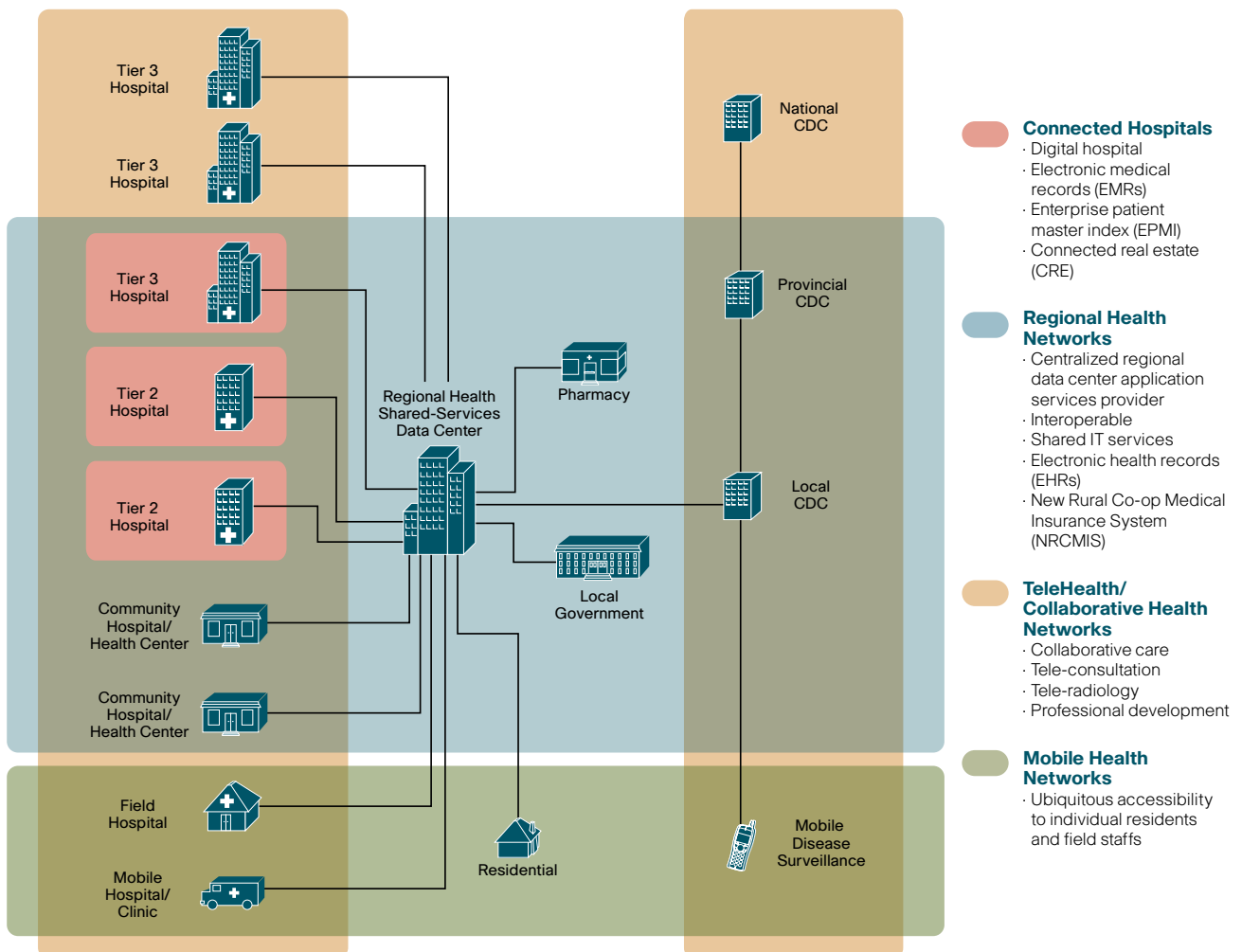
scalable pilot projects and balancing tangible short-term results with sustainable longer-term benefits.

Focused Solutions

In parallel with China's healthcare infrastructure rebuilding schedule, much of the first year was devoted to planning and feasibility testing focused on four interrelated initiatives: connected hospitals, regional health networks, telehealth and collaborative health networks, and mobile health networks.

- **Connected hospitals:** The initiative brings medical-grade networks to select hospitals and rural community health-care centers to support integrated hospital applications, including information systems for clinics and laboratories to improve efficiency and effectiveness.
- **Regional health networks:** We are building a broadband wide area network to connect healthcare institutions in

Figure 3. Overview of Healthcare Initiatives



urban and rural areas and provide reliable connections to external organizations, such as the Provincial Department of Health and general hospitals in major cities. This shared resource model will deliver improved services at lower costs.

- **Telehealth and collaborative health networks:** We are applying Cisco TelePresence collaboration technology in a network of hospitals, giving physicians the ability to conduct diagnoses, provide care, and deliver remote training through a Cisco HealthPresence implementation. (Cisco HealthPresence combines state-of-the-art video, audio, and medical information to create a virtual environment similar to what most people experience when they visit a doctor or clinic in person.)

- Health services will be provided to injured victims in rural areas by a Mobile HealthPresence Clinic, a custom-made Isuzu vehicle equipped with state-of-the-art technology. A field test was successfully conducted in Wenchuan County.
- Connecting Sichuan supported a comprehensive architecture review and developed a data center performance improvement plan for the Sichuan New Rural Co-op Medical Insurance System (NRCMIS), which was experiencing overload conditions due to the large number of earthquake victims.
- In partnership with the Sichuan Health Information Center and SinoSoft, we launched the Sichuan Province Health Network Planning project in March 2009. The Phase I report provided a detailed analysis of the province's current health ICT requirements.



Delivering Patient Care—From a Distance

Ma Yuanjiang is a Sichuan resident who lost his left hand and suffered other trauma while trapped in earthquake wreckage

for 179 hours. He is now in the process of learning to use an artificial hand. During the first trial run of a Cisco HealthPresence environment in the Sichuan Provincial People's Hospital in Chengdu, Mr. Ma conferred with health experts in Hong Kong using a high-resolution video and audio connection.

The government is employing Cisco HealthPresence technology in the Sichuan-Hong Kong Rehabilitation Center in Chengdu. In addition, Connecting Sichuan has outfitted a special emergency vehicle. It will travel to rural communities, where medical generalists on board will be able to treat patients while consulting with other physicians and specialists at the hospital.

- **Mobile health networks:** We are developing replicable models for multipurpose mobile clinics to serve rural communities, and we will be introducing mobile handheld devices to support nationwide disease surveillance and health management initiatives.

Major Accomplishments in Year One

- Starting in September 2008, a Cisco Unified Communications solution successfully supported remote diagnoses between West China (Huaxi) Hospital in the provincial capital of Chengdu and temporary field hospitals in Qingchuan and Dujiangyan.
- Cisco HealthPresence was installed in the Sichuan-Hong Kong Rehabilitation Center at Sichuan Provincial People's Hospital in May 2009. The technology is used to help in bringing physical and psychological rehabilitative care to earthquake victims.

- We designed a high-level regional health information consolidation and network plan for Deyang City. Core components of the plan include a regional health network, collaborative care, and electronic health records.
- The Healthy Wenchuan project was launched in concert with ECCOM Network System Co. Ltd., a network infrastructure services and solutions provider, CNA China Co. Ltd. and Huaxi Hospital. The project includes a countywide network with shared applications and IT services, a health emergency and operation center; a connected hospital solution for the rebuilt Wenchuan County People's Hospital, and a mobile health clinic providing a shared diagnostic imaging capability for rural clinics.

21st Century Education

Objective: Use the rebuilding effort to equip schools with network-based tools and enhance them with collaborative learning and teaching methods.

For millennia, China has valued education as a social and moral good as well as a stepping stone to economic success and social advancement. Families consider the education of their children a top priority, as does the government.

Educational progress in Sichuan suffered a devastating setback as a result of the earthquake. Some communities lost all their schools, and thousands of students and teachers lost their homes. About 3340 schools had to be rebuilt, and the basic infrastructure needed to run them had to be replaced.

Planning and Priorities

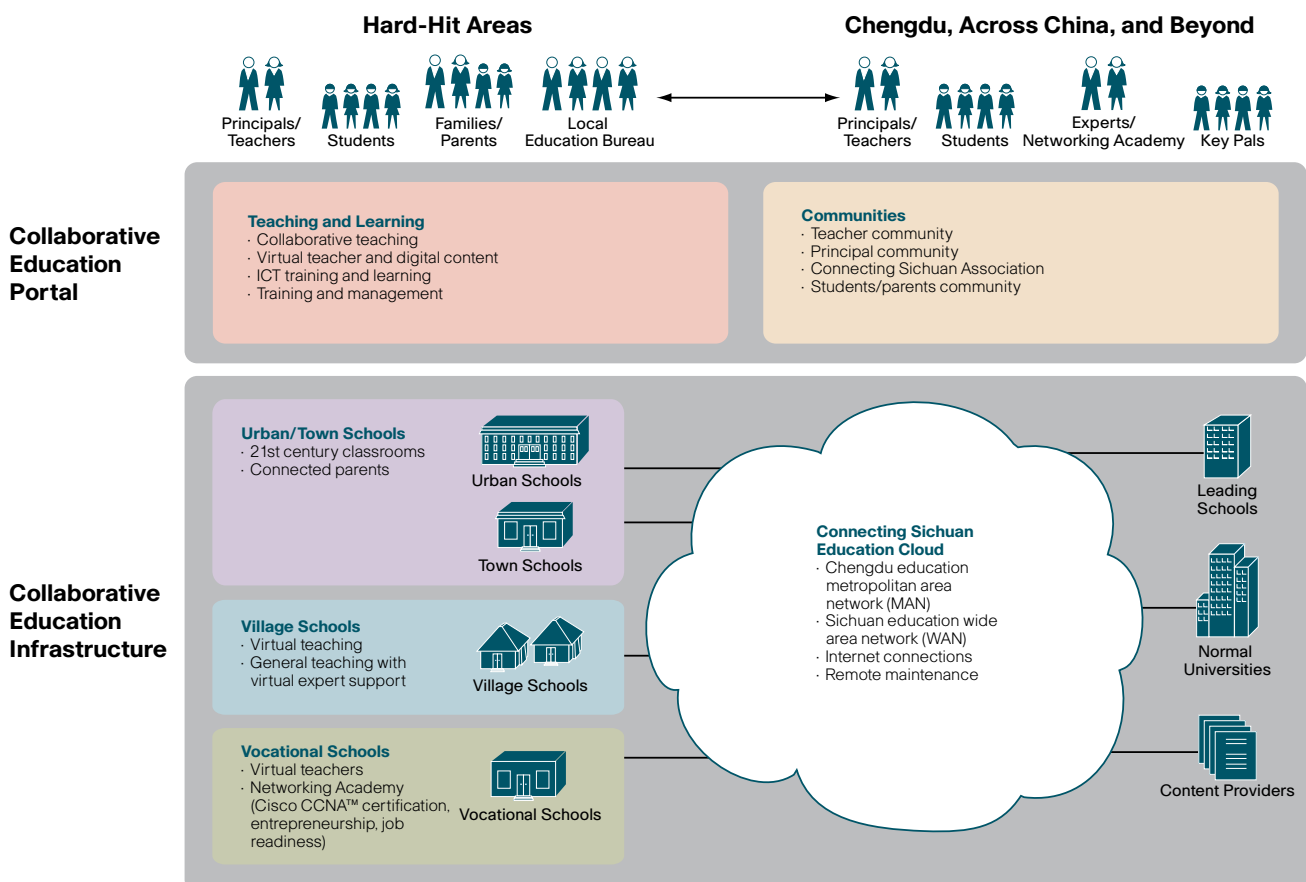
The Connecting Sichuan education initiatives are aligned with the Ministry of Education's national priorities and the

priorities of the Sichuan Department of Education. These include:

- Improve the quality of education
- Provide nine years of basic education universally
- Increase the number of teachers and improve teaching quality, especially in rural communities
- Develop and strengthen vocational education

Connecting Sichuan is working to advance these priorities by providing network-based services and collaboration technologies to institutions ranging from elementary schools to colleges. Because the area and the number of schools are so large, we are prototyping solutions in representative education environments that can be scaled to a greater number of sites and communities.

Figure 4. Overview of Education Initiatives



“We are engaged in providing citizens with the very best education and healthcare facilities available. As part of our long-term commitment to China, we are collaborating to ensure a future in which Cisco and China will grow together.”

—Thomas Lam, Vice Chairman and President, Cisco China



Key Pals: Cultural Exchange over the Network

At the request of students and teachers at Dujiangyan High School, a pilot program of email-enabled pen pals, or “key pals,” was launched in March 2009. Twenty children from

upper-level English classes were selected from the high school and matched with the children of Cisco employees in San Jose, California. While the original purpose was to help the Chinese students practice and improve their written English with a few messages per month, students on both sides of the Pacific Rim have been so enthusiastic that most are writing weekly.

In June 2009, the students had an opportunity to meet virtually using Cisco TelePresence collaboration technology. Gathering in San Jose and in the Cisco Chengdu office, their delight in the encounter was echoed by the teachers and parents supervising the event, who were unanimous in wanting to see the program continued past the three-month pilot.

To accomplish our goals, we implemented models of 21st century interactive classrooms, provided PCs and training to teachers, designed and built secure wired and wireless campus networks, and are creating an “education cloud” in which high-quality, scalable, virtualized services and resources can be delivered over the network at minimal cost. We are also helping to educate China’s future ICT workers

by opening Cisco Networking Academy training programs at colleges and universities throughout the province.

The overall plan for Connecting Sichuan educational initiatives is summarized in the diagram on the previous page. Some of the initiatives shown will be undertaken in Year Two of the program.

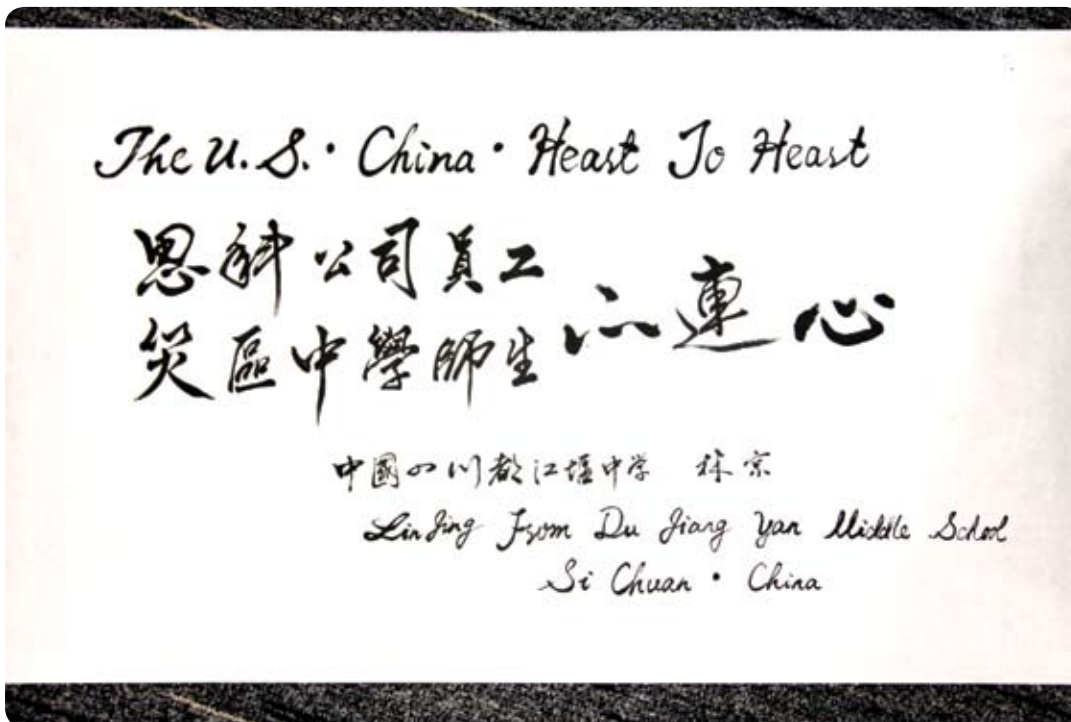
“Connecting Sichuan’s education model fundamentally challenges the traditional teaching and learning. It will transform how we teach and will put the school on a fast track of improving students’ quality, especially in the area of creativity. It also gives the rural kids the access of the world-class education.”

—Mr. YANG Xingquan, Principal of ZunDao School

Major Accomplishments in Year One

- We launched two model schools by September 1, 2008, when schools reopened.
- We completed four 21st century education prototypes: a city school, a town school, and two vocational colleges. The city school model is at Dujiangyan High School, the town school prototype is at ZunDao School (the first school to be completely rebuilt after the earthquake), and the vocational college implementations are at Aba Teacher's College and Pengzhou Vocational School.
- We equipped five schools in some of the hardest hit areas with state-of-the-art education technology, providing a 21st century classroom environment to over 10,350 students.
- We have donated and installed to date 210 interactive classroom environments to date (including computers, projectors, interactive whiteboards, responders/voting devices, digital content, and secure Internet access).
- We provided 490 computers to teachers and trained 575 teachers on how to use PCs, the Internet, and interactive whiteboards, as well as how to create and teach with digital content.
- We designed innovative solutions and services for rural schools, including using renewable energy sources in the Songpan village school solution.
- Twenty-five new Cisco Networking Academy sites were established, and 103 new instructors were trained. Student enrollment has increased more than 18 percent over the previous year.

Figure 5. Calligraphy presented to Cisco by student from Dujiangyan High School



"Connecting Sichuan's ICT model is bringing changes to teaching, learning, and school administration. It promotes the improvement of education quality as well as the development of a balanced education system. This is in complete alignment with our goal, which is to modernize education systems through information technologies."

—Mr. LIU Cong, Director of Educational Management Information Center, Department of Education of Sichuan Provincial Government

We are already seeing encouraging signs of progress resulting from the new 21st century education technology and the enhanced teaching and learning methods recently introduced. For example, ZunDao School set a historic record this spring when it achieved number-1 ranking in

English and science and number-2 ranking in Chinese literature on the year 6 exam. Additionally, the school is seeing more of its graduates from year 9 accepted into provincial and national key schools than ever before.

“The model of connectivity that Cisco is demonstrating both in healthcare and education is a really brilliant way of connecting up the remote and rural parts of the province. The huge investment made by Cisco in this effort is an impressive commitment to corporate social responsibility.”

—Ms. Roberta Lipson, CEO of Chindex International and Chairman of the Board of United Family Hospitals

Mother’s Day TelePresence

On May 9, 2009, a day before the first Mother’s Day after the Sichuan earthquake, 23 children in Guangzhou got the chance to visit with their mothers in Chengdu via Cisco TelePresence. The children were formerly students at Sangping Middle School, one of the schools destroyed in hard-hit Wenchuan County. They are currently attending school in another distant province. This moving occasion was the first time the mothers and children had seen each other in many months.



“Besides direct financial support to healthcare IT in the earthquake-affected areas in Sichuan, Cisco is also dedicated to exploring sustainable business models to bring long-term health benefits to people in the province.”

—Mr. GAN Huaping, Director of Information Center of the Sichuan Province Department of Health and Director of Medical Information Research Institute

The Road Ahead



“The Connecting Sichuan program provides a role model of how to provide quality basic medical and public health services supported by relevant technology, operational procedure, and good governance. The model may show how to achieve the objectives in Healthy China 2020 and the New Health Care Reform Plan.”

—Dr. YANG Gonghuan, Deputy Director-General of China CDC

Cisco is honored to be able to contribute, even on a modest scale, to the rebuilding and renewal taking place in Sichuan Province. We have learned a great deal in the first year of the Connecting Sichuan program, and we will continue to apply those lessons to the program’s objectives, design, approach, and solutions.

Much of the first year was devoted to planning and design, feasibility testing, engaging partners, and implementing pilots. In the second year, we look to move into an intense execution and implementation phase. Although we will continue to focus on innovation, we also plan to speed the pace of implementation and increase the number of people and communities benefiting from our joint efforts in healthcare and education.

In the third and final year, we will largely expect to concentrate on ensuring the sustainability and scalability of the deployed solutions. Much of the initial infrastructure should be established by the 18-month mark, and many of the network-enabled services should be implemented by the end of the second year, allowing us to shift from designing and testing to implementing and scaling.

Challenges and Lessons Learned

Due to earthquake damage and winter weather, the road conditions in some of the northernmost areas of the province made it difficult to reach some rural communities affected by the earthquake until spring 2009. These travel and logistic challenges meant that initiatives intended to benefit those communities cannot be pilot tested until later than we had hoped.

Moreover, unanticipated delays associated with finalizing the process for donating technology affected our ability to deploy the first wave of healthcare and education solutions. We are grateful to Vice Governor Huang, the Department of Commerce, and all the government officials in Sichuan and Beijing who helped resolve the matter earlier this year. As a result of the unexpected delay, we are working diligently with our partners to expedite shipments and accelerate implementation activities.

We have also learned that by starting with a detailed knowledge of both citizen needs and government priorities, we can jointly design innovative solutions for healthcare and education, and at the same time build models that can be scaled to provide social benefits to other communities. Good intentions and bold ambitions alone do not create value. Significant progress comes about only when good ideas are combined with close collaboration and a pragmatic, relentless focus on execution.

We are enthusiastic about expanding the network of individuals and organizations involved in the Connecting Sichuan program in the years ahead. The provincial and central governments, private organizations, and private citizens

have done a great deal over the past months, but many important tasks remain before us. We have come a long way in Year One, and we look forward to the many great things we can — and we will — accomplish together in the years ahead.

About Cisco and Corporate Social Responsibility

As the world's largest networking company, Cisco is helping to build a global collaboration infrastructure—what we call the human network—that touches many areas of our lives. Our corporate social responsibility focus includes the environment, society, corporate governance, and our employees. Cisco aspires to be one of the best companies in the world, and part of that goal is to become one of the best companies for the world. Responsible business practices and social investments together enable us to create long-term value for our business and for society as a whole.

For more about Cisco and Corporate Social Responsibility, go to:

www.cisco.com/web/about/ac227/csr2008/index.html

Please send questions about this report and its contents to ktoch@cisco.com

“Those of us who are associated with Connecting Sichuan are proud of the progress we and our partners have made in implementing world-class networked schools and advanced healthcare infrastructure.”

—Jim Sherriff, Chairman and CEO, Cisco China



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