

## PARTNERSHIP FOR LEBANON AND CISCO SYSTEMS: PROMOTING DEVELOPMENT IN A POST-WAR CONTEXT

*Dima Jamali wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.*

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Following the war in Lebanon in July 2006, the Partnership for Lebanon (PFL) was formed in September of that year, appointing Salam Yamout as project manager. Yamout sat at her laptop late February 2009, reflecting on the progress of the PFL experience. Filled with pride and a great sense of achievement, Yamout was also troubled by the prospects of dwindling funding, and was in active thinking mode concerning how to make the PFL sustainable into the future.

The PFL was a partnering initiative joining the efforts of five U.S. companies, namely Cisco Systems, Intel Corporation, Ghafari Inc., Occidental Petroleum and Microsoft. After the war in 2006, U.S. President George W. Bush called on the leaders of the aforementioned companies — respectively John Chambers, Craig Barrett, Yousif Ghafari, Dr. Ray Irani and Steve Ballmer — to help in the relief and reconstruction efforts in Lebanon. In January 2007, following the Paris III donor conference uniting the PFL leaders, Barrett along with the vice-presidents of both Microsoft and Cisco met with the Lebanese Prime Minister, Fuad Seniora, to discuss the key objectives of this pioneering initiative. The PFL came to include five work streams, namely emergency relief/response, job creation/private sector revival, developing information and communication technology (ICT) infrastructure, workforce training and education, and developing connected communities, and considerable progress had been achieved on all five fronts in a time span of three years.

In September 2009, three years after the PFL was initiated and launched, Yamout decided to articulate her concern in writing to her manager, George Akiki:

Dear George,

While I am very enthusiastic about the long-lasting impact that Cisco and our partners have brought to the development of Lebanon post the 2006 war, I am concerned about how we can make the PFL sustainable into the future. The PFL has been undoubtedly successful across the five work streams, and has infused much-needed resources, support and hope in a context of post-war devastation, but the key question haunting me now is

how to sustain this impact into the future. I hope we can find the time to meet at your convenience to discuss this important concern.

Kind Regards,

Salam Yamout

Barely one hour had passed after Yamout had pressed the send button that she heard the sound of an email notification on her laptop; she rushed to check, and indeed it was from Akiki.

Dear Salam,

I agree with you and share your concern. I believe that the PFL to date has scored tremendous achievements on all fronts and that we have been brilliant in leveraging the core competence of the PFL partners in a strategic way to assist and support relief, reconstruction and development efforts in Lebanon. While the results have been impressive and uncontested, the challenge of sustainability is real. The only way around this is to build local capacity and empower local communities to take development forward, and I believe this should be at the core of each and every initiative going forward. While we have not neglected local capacity-building in the past, I believe that at this point it should be a requirement for any project we agree to take on board.

Cisco again has to set the tone and invite the partners for a discussion around this. But before we do so, I suggest that we meet tomorrow around 3:00p.m. in my office to discuss how to steer this precisely and the basic suggestions to put forward in relation to each of the work streams.

Best Regards,

George Akiki

## **CISCO: VISION, MISSION AND CULTURE**

Since its foundation in 1984 in San Francisco, Cisco Systems had continuously proven itself to be the leader in the provision of consumer electronics, networking and communications technology and services globally. Its founders, husband and wife Len Bosack and Sandy Lerner, at Stanford University, wanted to email each other from their offices located in different buildings but were unable to do so; as a result, they invented a technology to deal with disparate local area protocols — the multi-protocol router. Since then, Cisco had become the worldwide leader in networking and had shaped the utility and future of the Internet.<sup>1</sup> In 2000, Cisco had a market capitalization of US\$550 billion that marked it in a short period of time as “the most valuable company in the world.”<sup>2</sup>

Throughout its various stages of evolution and growth, Cisco managed to stay ahead of its competitors with its speed and talent in adjusting to changing conditions taking place in the global market. Cisco's mission was to “shape the future of global networking by creating unprecedented opportunities and value

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<sup>1</sup> Jennifer Chatman, Charles O'Reilly and Victoria Chang, “Cisco Systems: Developing A Human Capital Strategy,” *California Management Review*, 47 (2), 2005, [www.cba.com.hr/docs/e-learner/materials/Cisco.pdf](http://www.cba.com.hr/docs/e-learner/materials/Cisco.pdf), accessed March 1, 2011.

<sup>2</sup> *Ibid*, p.137.

for our customers, employees, partners, and investors,”<sup>3</sup> and in the process “changing the way we work, live, play, and learn.” Cisco’s success could be attributed to two main compelling orientations or principles that were driving the business; namely, the strong focus on customer needs and the belief in having no technology religion, meaning that the company was not wedded to any specific technology and embraced continuous innovation.<sup>4</sup> In fact, customer success and having no technology religion were cornerstone values of the Cisco culture (see Exhibit 1). The company was open and willing to change its whole technology whenever customers demanded change.

More broadly, the Cisco corporate culture had played a key role in its successful differentiation from its competitors. Cisco had been keen throughout its history on fostering a shared vision among all employees, and creating/diffusing a core set of values.<sup>5</sup> Cisco culture revolved around a set of core values and principles including “open communication, frugality, innovation, giving back to the community, collaboration, trust, integrity and inclusion,” all of which were deeply entrenched and widely diffused across all offices and subsidiaries, while “customer success” tied the whole together. Giving back was a core underpinning value of the Cisco culture since its inception; frugality at Cisco was also an interesting value, centred on knowing how the money was being allocated or spent.<sup>6</sup>

The Cisco Beirut office, established in 2000, ascribed to the overall Cisco aspirational goal, “best in the world, best for the world.” Employees at the Cisco Beirut office were always reminded of the Cisco core values as each carried a badge that stated the company mission, vision, aspirational goal and goals for the upcoming three to five years. The Beirut office also focused its efforts on getting the top 10 to 15 per cent of people in the technology industry. It adhered closely to the Cisco recruitment philosophy, entailing maximizing people fit with the Cisco culture and motivating and empowering employees to help maintain Cisco’s leading position in the industry.<sup>7</sup> It was hardly surprising that Cisco had been on Fortune’s “Best Companies to Work For” for 12 straight years, and had been in the top 10 for four of those years.

## A STRATEGIC APPROACH TO GIVING BACK

“I’ve always believed those who are most successful owe an obligation to give back [to the community].” - Cisco Chairman and CEO<sup>8</sup>

Giving back was a core value that permeated the entire Cisco culture, as well as collaboration and communication. Cisco’s corporate citizenship culture incorporated values of openness, integrity, trust and fairness, which had a close affinity to corporate social responsibility (CSR). According to Akiki, “Giving back to the community is a core differentiating principle of Cisco’s culture; hence, CSR was and still is accorded close attention by the CEO and the whole corporation.”<sup>9</sup> This in turn helped account for the

<sup>3</sup> *Ibid*, p. 143.

<sup>4</sup> Jeffrey Pfeffer, “Cisco Systems: Acquiring and Retaining Talent in Hypercompetitive Markets,” *Human Resource Planning*, September 1, 2000, [www.allbusiness.com/human-resources/702856-1.html](http://www.allbusiness.com/human-resources/702856-1.html), accessed November 3, 2010.

<sup>5</sup> Jennifer Chatman, Charles O’Reilly and Victoria Chang, “Cisco Systems: Developing A Human Capital Strategy,” *California Management Review*, 47 (2), 2005, [www.cba.com/hr/docs/e-learner/materials/Cisco.pdf](http://www.cba.com/hr/docs/e-learner/materials/Cisco.pdf), accessed March 1, 2011.

<sup>6</sup> *Ibid*.

<sup>7</sup> Patricia Nakache, “Cisco’s Recruiting Edge Find’ em, Lure’ em, Keep’ em Happy: Devising New Ways to Steal Top Talent from Competitors has given this Silicon Valley Standout an Important Advantage,” *Fortune*, September 29, 1997, [http://money.cnn.com/magazines/fortune/fortune\\_archive/1997/09/29/232063/index.htm](http://money.cnn.com/magazines/fortune/fortune_archive/1997/09/29/232063/index.htm), accessed November 3, 2010.

<sup>8</sup> “McKinsey conversations with global leaders: John Chambers of Cisco,” *McKinsey Quarterly*, July 2009, [www.mckinseyquarterly.com/High\\_Tech/Hardware/McKinsey\\_conversations\\_with\\_global\\_leaders\\_John\\_Chambers\\_of\\_Cisco\\_2400](http://www.mckinseyquarterly.com/High_Tech/Hardware/McKinsey_conversations_with_global_leaders_John_Chambers_of_Cisco_2400), accessed March 16, 2011.

<sup>9</sup> Interview conducted by authors with Salam Yamout, George Akiki and Elie Geachan, July 13, 2009, Beirut, Lebanon.

unwavering commitment of Cisco employees to giving back and volunteering. Cisco housed a strong volunteer employment program, encouraging its employees to log their volunteering hours.<sup>10</sup>

CSR programs at Cisco were designed to provide long-term value to its employees, customers, shareholders, partners and communities around the world. According to Yamout, “Cisco works towards improving the communities where it operates to yield trust in the company, and promote engagement with stakeholders, customers and partners, while nurturing greater employee empowerment.”<sup>11</sup> Tae Yoo, senior vice-president of Corporate Affairs at Cisco Systems, noted that regardless of the challenges in the economy, Cisco continued to support CSR initiatives that had positive and measurable impacts in four key areas; namely, employee matters, corporate governance, the environment and society.<sup>12</sup> CSR at Cisco was therefore mostly directed at attracting and retaining the best employees, having good corporate and CSR governance, building better, healthier and productive communities and society and minimizing Cisco’s environmental footprint.<sup>13</sup>

Cisco’s corporate citizenship programs had traditionally revolved around two main strands; namely, ‘responsible business practices’ and ‘social investment’<sup>14</sup> (see Exhibit 2). Responsible business practices entailed corporate accountability and social sustainability: accountability incorporated good governance, an employee code of conduct and financial reporting; as for sustainability, it entailed inclusion (diversity and accessibility), talent development, gender initiative, quality assurance (ISO and environment), facilities management, product stewardship and a supplier code of conduct. The social investment programs in turn provided support for educational, technological or economic development initiatives in local communities through strong public-private partnerships.<sup>15</sup> These initiatives consisted of the Cisco foundation, product donation, community investment, civic councils, employee giving, employee volunteerism and educational development (e.g. Jordan Ed Initiative, Health Academy and Cisco Networking Academy).

As explained by Akiki, “Citizenship at Cisco is generally about the integrity with which a company governs itself, how it embodies its culture and values, how it fulfills its mission, how it engages with its employees, customers, partners and shareholders, and how it measures its impact and publicly reports its activities.”<sup>16</sup> An important element of its corporate citizenship policy or CSR strategy was to leverage core competence and to measure impact and report. Akiki attributed this effort to Chambers’ ardent belief that being a good corporate citizen was not only the right thing to do, but was also good for business. Cisco’s CSR initiatives were generally designed to leverage core competence (e.g. networks, collaborative technologies, people and information technology-related expertise) with focused interventions that were in turn intended to produce the maximum added value and positive concrete and measurable outputs.<sup>17</sup>

<sup>10</sup> “CSR Report 2010: Employee Engagement,” Cisco, [www.cisco.com/web/about/ac227/csr2010/society/employee-engagement.html](http://www.cisco.com/web/about/ac227/csr2010/society/employee-engagement.html), accessed February 28, 2011.

<sup>11</sup> Interview conducted by authors with Salam Yamout, January 8, 2010, Beirut, Lebanon.

<sup>12</sup> George Akiki, “Best in the World, Best for the World: A Look at the CSR Journey of CISCO,” Mikati Corporate Social Responsibility Initiative Speaker Series, presentation on February 18, 2010, Beirut, Lebanon, American University of Beirut, Olayan School of Business.

<sup>13</sup> *Ibid.*

<sup>14</sup> “Public Private Partnership (PPP) Model of the Partnership for Lebanon,” Cisco, [http://css.escwa.org.lb/ictd/850/Track1/Paulette\\_Assaf\\_PPP\\_Partnership\\_for\\_Lebanon.pdf](http://css.escwa.org.lb/ictd/850/Track1/Paulette_Assaf_PPP_Partnership_for_Lebanon.pdf), accessed November 3, 2010.

<sup>15</sup> *Ibid.*

<sup>16</sup> Interview conducted by authors with Salam Yamout, George Akiki and Elie Geachan, July 13, 2009, Beirut, Lebanon.

<sup>17</sup> George Akiki, “Best in the World, Best for the World: A Look at the CSR Journey of CISCO,” Mikati Corporate Social Responsibility Initiative Speaker Series, presentation on February 18, 2010, Beirut, Lebanon, American University of Beirut, Olayan School of Business.

According to Chambers, the culture of giving back was embedded in the DNA of the company and driven through its vision, strategic planning and execution.<sup>18</sup> In the 2007 Cisco Citizenship report, Yoo described the strategic thrust of the Cisco social investment strategy globally. In her words, “corporate social responsibility is a core Cisco value. We believe our social investments contribute to our long-term sustainability as a business while also helping to build a stronger, healthier global community.”<sup>19</sup> More specifically, the focus on networking permeated Cisco’s social initiatives worldwide, because it allowed for the effective leveraging and mobilization of Cisco’s market strength, industry experience and business acumen.<sup>20</sup> The same strategic spin that had been a hallmark of the Cisco global social strategy had in turn permeated and molded the overall orientation and activities of the PFL.

## THE PARTNERSHIP FOR LEBANON: EVOLUTION AND PRIORITIES

When U.S. President George W. Bush asked a group of U.S. business leaders to aid Lebanon after the war in 2006, it was usual for the President to ask for the help of the private sector in times of crisis and natural catastrophes, as was the case for the Tsunami in Indonesia and the hurricane Katrina disaster in the United States. The PFL was accordingly initiated in September 2006 and led by five U.S. companies represented by their respective leaders: John Chambers, chairman and chief executive officer (CEO) of Cisco Systems; Craig Barrett, chairman of Intel Corporation; Yousif Ghafari, chairman of Ghafari Inc.; Dr. Ray Irani, president and CEO of Occidental Petroleum; Steve Ballmer, CEO of Microsoft.<sup>21</sup> Ghafari and Occidental Petroleum were headed by Lebanese-Americans who were born and raised in Lebanon. Cisco, Intel and Microsoft had worked together on different CSR projects worldwide — especially related to education and technology — which translated into prospects of good synergy in the context of the PFL.

Chambers was inspired by the Lebanese youth that he met in September 2006 during his visit to Lebanon and the American University of Beirut (AUB); he was mostly touched by the number of well-educated and ambitious students who were inclined to leave their country upon graduation seeking jobs and employment abroad. Yamout described how Chambers was saddened during his visit to Beirut in 2006, not so much by the ruins and devastated infrastructure but mostly because of “the multi-lingual and highly educated Lebanese youth he met during his visit who were just looking for a way out of the country.”<sup>22</sup> A top priority was therefore the creation of more job opportunities for the Lebanese youth to remain in their homeland. Chambers was convinced that this was an important and worthwhile area for the PFL to consider and address. Recent World Bank statistics suggested very high literacy rates among the Lebanese youth (98.7 per cent of Lebanese youth aged 15-24 were literate in comparison to 89.6 per cent in the region),<sup>23</sup> yet unemployment rates across the Arab world — including Lebanon — continued to rise, with unemployment among youth aged 15-25 reaching 20.9 per cent in 2004.<sup>24</sup>

The fact that unemployment also wore a female face in a largely conservative region was hardly surprising, but the disappointment and stagnation from a youth perspective were certainly heartfelt, with the

<sup>18</sup> “Progress Report,” *Partnership for Lebanon*, 2009, [www.lebanonpartnership.org/Media/ProgressReport\\_v4r7.pdf](http://www.lebanonpartnership.org/Media/ProgressReport_v4r7.pdf), accessed November 3, 2010.

<sup>19</sup> “Cisco’s Corporate Citizenship Report 2007,” *Cisco*, [www.cisco.com/web/about/ac227/ac333/index.html](http://www.cisco.com/web/about/ac227/ac333/index.html), accessed November 3, 2010.

<sup>20</sup> *Ibid.*

<sup>21</sup> “Progress Report,” *Partnership for Lebanon*, 2009, [www.lebanonpartnership.org/Media/ProgressReport\\_v4r7.pdf](http://www.lebanonpartnership.org/Media/ProgressReport_v4r7.pdf), accessed November 3, 2010.

<sup>22</sup> Interview conducted by authors with Salam Yamout, January 8, 2010, Beirut, Lebanon.

<sup>23</sup> “Literary Rate,” *Trading Economics*, [www.tradingeconomics.com/lebanon/literacy-rate-youth-total-percent-of-people-ages-15-24-wb-data.html](http://www.tradingeconomics.com/lebanon/literacy-rate-youth-total-percent-of-people-ages-15-24-wb-data.html), accessed March 16, 2011.

<sup>24</sup> “Unemployment,” *Trading Economics*, [www.tradingeconomics.com/lebanon/unemployment-youth-total-percent-of-total-labor-force-ages-15-24-wb-data.html](http://www.tradingeconomics.com/lebanon/unemployment-youth-total-percent-of-total-labor-force-ages-15-24-wb-data.html), accessed March 17, 2011.

unemployment rate among the youth segment across Arab countries estimated at double of what is commonly reported in the rest of the world.<sup>25</sup> Chambers appreciated the gravity of this predicament through his meetings and conversations with the youth and representatives of different population segments during his visit to Lebanon.

In January 2007, the PFL leaders convened once more at the Paris III donor conference, and in April 2007, Barrett travelled to Lebanon with the vice-presidents of both Microsoft and Cisco and met with the Lebanese Prime Minister, Fuad Seniora; they jointly decided on the immediate priorities to tackle through the PFL, namely emergency relief and response, job creation and private sector revival. The PFL was therefore initially intended to assist Lebanon in the relief and reconstruction efforts by bringing global attention and critically needed resources to the war-damaged areas. Systematic attention to private sector revival and job creation also emerged as salient priorities. Shortly following this delineation of key priorities for the PFL, Cisco established a PFL program management office in Beirut — staffed by five senior full-time Cisco employees — and committed an investment of \$10 million in the Lebanese private sector over a three-year period.

In early 2008, as the pressures of immediate reconstruction and relief gradually subsided, the partnership realized the need to move away from philanthropy to more focused social investments that leveraged the capabilities of the corporations involved in the PFL. Cisco championed this transition, building on its firm belief that access to information and technology could translate into immense opportunities for the Lebanese community at large. Consistent with its global strategic CSR thrust, Cisco realized that connecting people and communities through ICT was a worthwhile complement to the PFL's efforts. The PFL's joint initiative faced the challenge of leveraging ICT more systematically through the careful selection of funding and projects. In the words of Akiki, "we saw an important role for us in leveraging our core competence and synergizing our interventions in steering the PFL activities forward."<sup>26</sup>

Connecting communities and providing relevant training and development relating to ICT therefore emerged as important complementary priorities for the PFL going forward: this entailed an upgrade of the country's communication and ICT infrastructure combined with an educational component along the lines of the Cisco Networking Academy, which were intended to energize the local economy and bring the underserved communities across the digital divide. The focus on ICT harnessed the core competence of most partners steering the PFL, while also aligning with latent aspirations for Lebanon to regain its edge as a commercial and IT hub for the region. In light of the above, the PFL came to include five work-stream priorities: emergency relief/response, job creation/private sector revival, ICT infrastructure, workforce training and education, and connecting communities (see Exhibit 3).

## MAIN WORK STREAMS AND ACHIEVEMENTS

As the main work-stream priorities of the PFL were being delineated, a parallel effort was underway to identify local and global partners to expand scope and impact and leverage a wider spectrum of assets and expertise. According to Akiki, "we immediately realized that we need[ed] to engage effective non-profit partners who have access to rural areas and can do monitoring and evaluation to maximize the efficiency of the PFL interventions."<sup>27</sup> Accordingly, the PFL engaged Digital Opportunity Trust (DOT), a non-profit funded by the Canadian International Development Agency (CIDA), the United States Agency for

<sup>25</sup> *Arab Human Development Report 2009- Challenges to Human Security in the Arab Countries: The Report in Brief*, UNDP-Regional Bureau for Arab States (2009), [www.arab-hdr.org/publications/contents/2009/execsummary-e.pdf](http://www.arab-hdr.org/publications/contents/2009/execsummary-e.pdf), accessed April 17, 2011.

<sup>26</sup> Interview conducted by authors with Salam Yamout, George Akiki, and Elie Geachan, July 13, 2009, Beirut, Lebanon.

<sup>27</sup> *Ibid.*

International Development (USAID) and the Cisco foundation to analyze the immediate and emerging needs of Lebanon. It also gradually engaged a number of local and international non-governmental organizations (NGOs) including American Near East Refugee Aid (ANERA), the Professional Computer Association, Relief International, Al Majmouaa, Mercy Corps, the Hariri Foundation, Amideast and Habitat for Humanity to mobilize work on the five work priorities identified (see Exhibit 4). Highlights of the main interventions and achievements in each of these domains are summarized below (see Exhibit 5).

## **EMERGENCY RELIEF AND RESPONSE**

The emergency relief and response work stream was established to help generate critically needed resources to support reconstruction efforts in Lebanon following the 2006 war. Important interventions in this respect included the Technical Shelter Assistance Program (TSAP), launched by the PFL in collaboration with Habitat for Humanity in early 2007, to connect displaced Lebanese communities qualified to receive government aid with the tools, information and technical consultation needed to successfully manage and document their home-reconstruction process. The TSAP helped more than 1,000 families rebuild their homes and resettle in their communities, mainly in the south. In parallel, the PFL partnered with the American NGO, ANERA, to fund the rehabilitation of 10 youth and ICT centres: this program benefited 1,400 young people through training in ICT, the provision of computer labs and Internet access.<sup>28</sup> In March 2007, the PFL also began working with Mercy Corps to establish the Leveraging Education through Access, Rehabilitation and Networking (LEARN) program. This one-year program provided students in 12 underserved public schools in war-ravaged communities (e.g. Akkar, Nabatiye, Saida, Bourj El Barajneh, Baalbek and Hermel) with needed ICT training and developed plans to improve school safety and quality of student life. Another component of the relief and response work stream was the partnership donation in March 2008 of \$65,000 to the Marshall Legacy Institute to sponsor the training and certification of two mine-detecting dogs to sniff out land mines in contaminated areas.<sup>29</sup>

## **JOB CREATION AND PRIVATE SECTOR REVIVAL**

The job creation and private sector revival work stream aimed at creating opportunities for the Lebanese youth to thrive through job creation and expanding private-sector absorptive capacity; therefore, the PFL started working on reviving and energizing the Lebanese private sector and spurring job creation with a particular focus on small and medium enterprises (SMEs), the backbone of the Lebanese economy. The main interventions in this regard entailed equity investments, SME-enablement projects and ICT micro-grants to rural areas; for example, the PFL, in collaboration with Relief International, implemented the Cisco Rural Enterprise Development for Information Technology (CREDIT) program. The microcredit loans dispatched through this program were intended to support the development of new businesses and stimulate job creation in rural areas while also alleviating reverse-migration. Through the CREDIT program, the PFL initiated an active collaboration with two microfinance institutions — Al Majmoua and Ameen — specializing in ICT loans to provide access to microcredit loans along with relevant training in marketing, financial management and business planning. The loans ranged from \$3,000 to \$5,000 and were used to fund various start-up enterprises including knowledge cafés, hardware stores, computer accessory and maintenance shops and networking installation and diagnostics, among others. As of August 2009, 133 loans were distributed with a value of \$258,900 as part of the Cisco \$1 million grant to Relief International. In parallel, the PFL launched the Executive Mentorship Program in October 2007, which

<sup>28</sup> "Progress Report," *Partnership for Lebanon*, 2009, [www.lebanonpartnership.org/Media/ProgressReport\\_v4r7.pdf](http://www.lebanonpartnership.org/Media/ProgressReport_v4r7.pdf), accessed November 3, 2010.

<sup>29</sup> *Ibid.*

matched accomplished U.S. business leaders with Lebanese CEOs, allowing the latter to benefit from international exposure and expert advice. Furthermore, both Cisco and Intel contributed \$500,000 to the Berytech Fund that provided capital to promising ICT companies in their early growth stages.<sup>30</sup>

## ICT INFRASTRUCTURE

The PFL investment in an ICT infrastructure work stream was rooted in the belief that a modern communications infrastructure was the most powerful and least-expensive differentiator for a small knowledge-based economy. Accordingly, the PFL sought to improve broadband access across sectors and modernize the communications infrastructure in the hope of promoting Lebanon's economic competitiveness; in this respect, the PFL worked with the Lebanese Telecommunication Regulatory Agency (TRA) to develop a National Broadband Strategy which would gradually help phase broadband service to urban and rural communities, facilitating access to all citizens. The National Broadband Strategy was presented to the TRA in January 2008, and to the president of the Council of Ministers in April 2009. In October 2008, the PFL also helped launch the Lebanese Broadband Stakeholder Group (LBSG) comprising individuals, companies and associations that had endorsed a Broadband Manifesto, a 10-part document produced by the PFL outlining the steps that government and industry should have taken to facilitate broadband connectivity. In 2009, the Broadband Manifesto had been signed and supported by more than 6,000 individuals and corporations including banks, advertisers, broadcasters, industries and those in commerce and various syndicates, and the LBSG leveraged it effectively to raise awareness of the importance of broadband in various sectors. Akiki commented on the broadband situation: "The PFL has successfully addressed through these two important steps the 'why' and 'what' in relation to broadband, but we are now left with the 'how' and 'when,' which are the more delicate questions because of political dynamics and intricacies."<sup>31</sup> In parallel, the PFL facilitated the establishment of the Beirut IX — the second Internet Exchange Point (IXP) in the Middle East — in April 2008, and donated two powerful 12000 series routers to establish an International Internet Gateway at Ogero, the government service provider. The IXP would allow the free flow of traffic between networks among various Internet providers.<sup>32</sup>

## WORKFORCE TRAINING AND EDUCATION

Investment in a workforce training and education work stream stemmed from the belief that the Lebanese youth, as future employees and leaders, needed to be trained and prepared to excel and effectively integrate into the global economy. In this respect, Cisco proposed an internship intervention intended to place highly qualified interns in Lebanese businesses and government agencies, as well as in top U.S. corporations. Interns were recent Lebanese graduates and university students with a background in computer networking, marketing, program management and software development, and were hosted in a variety of public and private sector firms; for example, Cisco, Intel, Ghafari and Microsoft had all hosted interns between 2007 and 2009. Cisco hosted the first 20 interns in its headquarters in San Jose, California and in Phoenix, Arizona in 2007 for six months. In 2008, the PFL worked with the Lebanese Council for Development and Reconstruction (CDR) to expand its internship program to the public sector in Lebanon. Twenty-five interns working in IT and other technical fields were placed in Lebanese government

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<sup>30</sup> *Ibid.*

<sup>31</sup> *Interview conducted by authors with Salam Yamout, George Akiki, and Elie Geachan, July 13, 2009, Beirut, Lebanon.*

<sup>32</sup> *Ibid.*



agencies, and 12 others were placed in the Lebanese private sector. As of 2009, the PFL had sponsored 73 internships in total.<sup>33</sup>

The PFL had also identified various educational projects and worked on their implementation jointly with the Lebanese government; for example, in 2008, the National Education Network (NEN) was launched by Cisco in an attempt to build a platform for educational transformation into the 21<sup>st</sup> century. The NEN began by connecting 50 public schools to the Ministry of Education and Higher Education (MEHE) using high-speed broadband connections, providing a reliable, safe and secure wireless school network and online learning materials. The PFL also created, in collaboration with UNICEF and MEHE, the ‘school in a box’ pilot to facilitate the integration of ICT in Lebanese public schools. The project was funded by \$250,000 in grants and was being piloted in seven schools, with the intention to gradually roll it out across public schools in disadvantaged communities. Simultaneously, Cisco had been keen to maintain the continuation and expansion of the Cisco Networking Academy Program, which had been implemented in 168 countries worldwide. Since 2006, Cisco had worked closely with its local partners (the Hariri Foundation, the MEHE and the Lebanese American University) to more than double Networking Academy sites in Lebanon from 21 to 44, providing participants with various networking skills and certifications; moreover, the PFL sponsored the Tawassol ICT youth summer camp in the summers of 2008 and 2009, providing the 108 participants with ICT classes and relevant learning experiences.<sup>34</sup> According to Elie Geachan, communications manager of the PFL and corporate affairs at Cisco Systems, “these camps [had] been successful not only in imparting ICT skills but also nurturing relevant life skills needed for conflict resolution, while fostering appreciation of civic responsibilities, leadership and human rights.”<sup>35</sup>

### CONNECTED COMMUNITIES / CONNECTED GOVERNMENT

The connected communities program served to offer the Lebanese with full-service online community access points, local portals, ICT training and certification, education, social services and business opportunities. It was rooted in the belief that technology needed to be leveraged most effectively to restore networking connections between Lebanon and the rest of the world which had been disrupted by the war. Working closely with experienced NGOs such as ANERA and Mercy Corps, the PFL rehabilitated 10 ICT centres in rural communities and enabled five full-service online community access points in Lebanese towns affected by the 2006 conflict (Alma Chaab, Baalbek, Bint Jbeil, Bourj Al Barajneh and Nabatiye). The centres met the Professional Internet Computer Training Academy standards for infrastructure, human resources and equipment.<sup>36</sup> According to Yamout, “the communities serve[d] as hubs for social and economic development in their regions.”<sup>37</sup> The PFL, in collaboration with DOT, planned to expand to eight additional communities in order to leverage technology in promoting entrepreneurial capacity. Cisco Networking Academy, Intel and Microsoft promised to offer training courses at the centres, with Microsoft focused on training accountants and SME managers on how to take advantage of ICT to expand their business and streamline their systems. In parallel, the PFL initiated the Lebanon Creative Cluster in collaboration with the Professional Computer Association of Lebanon and the Tom Fleming Creative Consultancy in February 2008. This initiative was intended to help different creative industries and services develop their value proposition to attract international business and boost industries within Lebanon’s creative cluster, comprising media, advertising, broadcasting, digital media, publishing and film.<sup>38</sup>

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<sup>33</sup> *Ibid.*

<sup>34</sup> *Ibid.*

<sup>35</sup> *Interview conducted by authors with Salam Yamout, George Akiki, and Elie Geachan, July 13, 2009, Beirut, Lebanon.*

<sup>36</sup> *Ibid.*

<sup>37</sup> *Interview conducted by authors with Salam Yamout, January 8, 2010, Beirut, Lebanon.*

<sup>38</sup> *Ibid.*

## HOW RESULTS WERE TRACKED AND MEASURED

The PFL tried to design robust systems to measure how well it was reaching the people that it set out to serve. In this respect, it monitored tasks completed and milestones achieved (e.g. the amount of money invested, the number of interventions initiated and communities served) but was equally concerned about whether its interventions translated into concrete changes on the ground; for example, the PFL had been mindful that its connected communities work stream not only added to the income generated through establishing viable ICT centres in rural areas, but also added value in a broader sense through the new skills, networking and relationships enabled through these centres. In other words, the project management mindset was concerned with tracking social benefit, with a view to making a distinction between short- and long-term performance metrics as well as tangible economic benefits and non-tangible psychological benefits that were equally important although clearly more difficult to pin down.<sup>39</sup>

## HOW INITIATIVES WERE MANAGED

A project management approach entailed the active involvement of the PFL team and its partners in all aspects of the project, as well as the creation of a steering committee to assume responsibility in terms of leading, guiding, problem solving, technical assistance, alleviating obstacles and constraints and building capacity as appropriate; for example, each of the programs initiated, including the TSAP, the LEARN, the CREDIT, the NEN and the Lebanon Creative Cluster had a steering committee comprised of members of the PFL team and relevant partners and stakeholders. Akiki discussed these steering committees: “We treated each of these projects as central to our business and we adopted a project management approach in overseeing each of these initiatives.”<sup>40</sup> Far from just writing a check and outsourcing the work, the PFL maintained its presence and involvement: it applied its management talent and energy while sending clear signs of being visible and accessible across all phases of project design and implementation.

## THE CHALLENGE OF SUSTAINABILITY

As outlined above, the PFL and its main priorities were identified in the context of the July 2006 war on Lebanon, but the partners steering the PFL maintained an improvement culture and continuously sought to reinvigorate the partnership and its interventions to leverage core competence and maximize positive social impact. In September 2009, however, the PFL was at a crossroads and sustainability loomed as an important concern into the future; in fact, while the PFL made consistent strides in developing scalable and replicable interventions and in targeting particularly disadvantaged communities, the future sustainability of the different initiatives loomed as a daunting challenge. In this respect, the PFL was cognizant from day one of the need to build local capacity — which was an important thread across all projects — through providing the education, training, skills and access to psychological resources (e.g. self-esteem and self-efficacy) that individuals and communities needed to help themselves, but the viability of the PFL depended on continuous investments from the partners, which it could not see being sustained over the long term; for example, Cisco systems alone had invested more than \$15 million in the various work streams throughout the 2006-2009 period, but was beginning to have doubts for the first time about the ability to continue to host and fund certain initiatives such as another cohort of 20 interns in the coming years. The PFL was therefore keen to explore mechanisms to ensure the sustainability of the projects it had started and serve the goals that it had originally set out relating to fostering long-term economic growth, prosperity and stability in Lebanon.

*The author would like to acknowledge the contribution of research assistant, Alexandra Tarazi.*

<sup>39</sup> *Ibid.*

<sup>40</sup> *Ibid.*

## Exhibit 1

## CISCO CULTURE

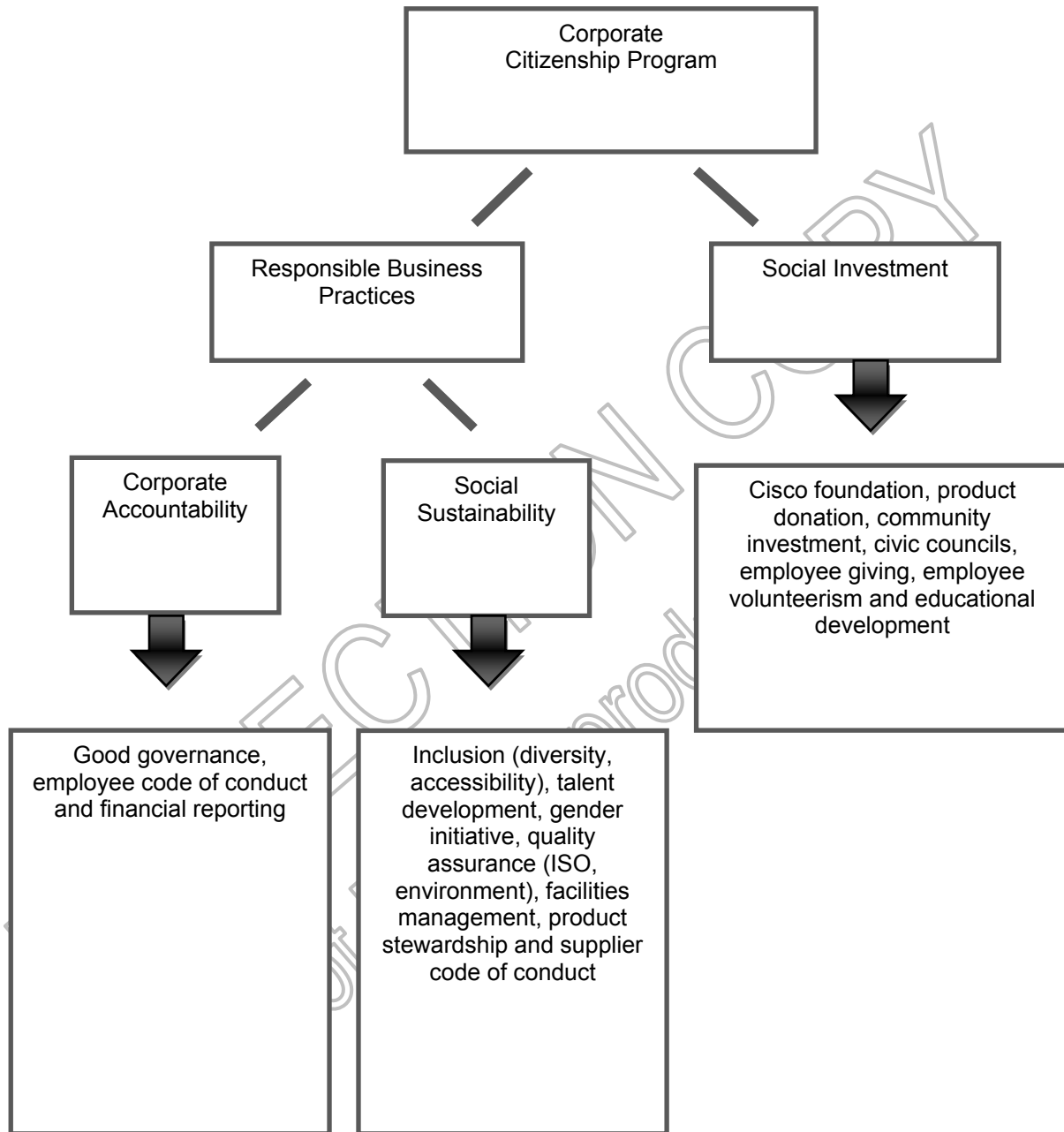
Innovation / Market Transitions	Continuous Improvement / Stretch Goals	Quality Team	
No Technology Religion	Profit Contribution (Frugality)	Trust / Fairness / Integrity	
Collaboration Teamwork	Giving Back	Fun	Inclusion
Drive Change	Empowerment	Open Communication	
Customer Success			

Source: Compiled by the case author.

INSIDE  
Not For

Exhibit 2

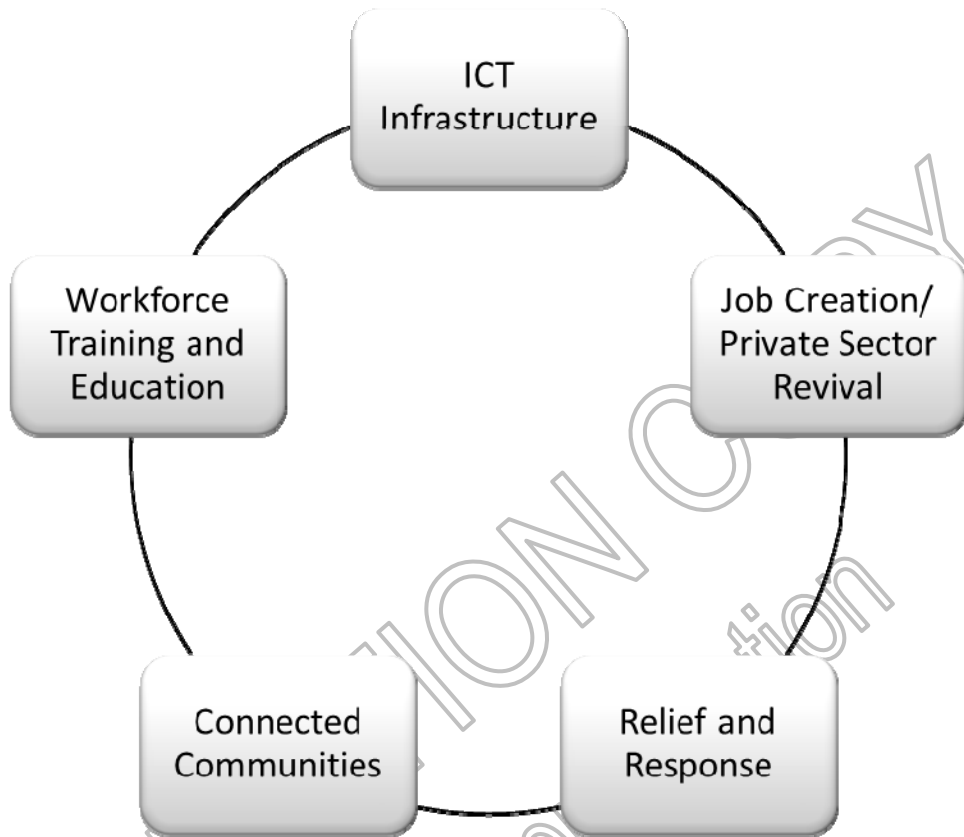
CISCO SYSTEM'S CORPORATE CITIZENSHIP PROGRAM



Source: Developed by the case author.

Exhibit 3

MAIN WORK STREAMS OF THE PARTNERSHIP FOR LEBANON



Source: Developed by the case author.

## Exhibit 4

## LIST OF VARIOUS PFL PARTNERS AND DESCRIPTION

<b>Non-profit/ non-governmental organization</b>	<b>Mission</b>	<b>Location</b>	<b>Website</b>
Al Majmouaa	Provides microfinance services to those in need across Lebanon	Lebanon	<a href="http://www.almajmoua.org">www.almajmoua.org</a>
American Near East Refugee Aid (ANERA)	Provides health, development and education programs across the Middle East	Headquartered in U.S./ works in the Middle East	<a href="http://www.anera.org">www.anera.org</a>
Amideast	Implements education, training and development activities in the Middle East and North Africa	Headquartered in U.S./ works in Middle East and North Africa	<a href="http://www.amideast.org">www.amideast.org</a>
Digital Opportunity Trust (DOT)	Mobilizes ICT tools in developing countries to create educational, economic and entrepreneurial opportunity	Headquartered in Canada/ works internationally	<a href="http://www.dotrust.org">www.dotrust.org</a>
Habitat for Humanity	Builds, rehabilitates or repairs homes	Headquartered in U.S./ works internationally	<a href="http://www.habitat.org">www.habitat.org</a>
Hariri Foundation	Develops Lebanon's human resources through education and training programs	Headquartered in U.S./ works in Lebanon	<a href="http://www.haririfoundationusa.org">www.haririfoundationusa.org</a>
Mercy Corps	Develops programs across numerous spheres to alleviate suffering, poverty and oppression	Headquartered in U.S./ works internationally	<a href="http://www.mercycorps.org">www.mercycorps.org</a>
Professional Computer Association of Lebanon	Provides a platform for ICT companies in Lebanon	Lebanon	<a href="http://www.pca.org.lb">www.pca.org.lb</a>
Relief International	Provides emergency relief, rehabilitation and development assistance to vulnerable communities	Headquartered in U.S./ works internationally	<a href="http://www.ri.org">www.ri.org</a>
<b>Financial Institution</b>			
Ameen	Provides and develops microfinance services for those in need	Lebanon	<a href="http://www.ameen.com.lb">www.ameen.com.lb</a>

## Exhibit 4 (continued)

<b>Private Consultancy</b>			
Tom Fleming Creative Consultancy	Offers policy and industry leadership across the creative, cultural and knowledge economy	United Kingdom/ works internationally	<a href="http://www.tfconsultancy.co.uk">www.tfconsultancy.co.uk</a>
<b>Public Sector</b>			
Lebanese Council for Development and Reconstruction (CDR)	Focuses on rebuilding the damaged Lebanese infrastructure after the country's civil war	Lebanon	<a href="http://www.cdr.gov.lb">www.cdr.gov.lb</a>
Ministry of Education and Higher Education (MEHE)	Promotes education in Lebanon and ensures equal access through various policies, legislation and programs	Lebanon	<a href="http://www.mehe.gov.lb">www.mehe.gov.lb</a>
Telecom Regulatory Authority (TRA)	Develops, liberalizes and regulates the telecom market in Lebanon through legal mandate	Lebanon	<a href="http://www.tra.gov.lb">www.tra.gov.lb</a>
USAID	Provides economic and humanitarian assistance	Headquartered in U.S./ works internationally	<a href="http://www.usaid.gov">www.usaid.gov</a>
<b>United Nations</b>			
United Nations Children's Fund (UNICEF)	Works for children's rights, their survival, development and protection worldwide	Headquartered in U.S./ works internationally	<a href="http://www.unicef.org">www.unicef.org</a>
<b>Private University</b>			
Lebanese American University	Provides private higher education in two campuses in Lebanon	Lebanon	<a href="http://www.lau.edu.lb/">www.lau.edu.lb/</a>

Source: Developed by the case author based on information from partners' websites.

## Exhibit 5

## PARTNERSHIP FOR LEBANON — WORK STREAMS AND INITIATIVES

<b>Emergency Relief and Response</b>
Helped more than 1,000 families rebuild their homes and resettle in their communities mainly in the south through the TSAP.
Rehabilitated 10 youth and IT centres, benefiting 1,400 young people through training, computer labs and Internet access.
Provided students in 12 underserved public schools in war-ravaged communities with needed ICT training and developed plans to improve school safety and quality of student life.
Donated \$65,000 to sponsor the training and certification of two land mine-detecting dogs.
<b>Job Creation / Private Sector Revival</b>
Distributed 133 microcredit loans specializing in ICT with a value of \$258,900 as part of a Cisco \$1 million grant through the CREDIT program.
Launched the Executive Mentorship Program, matching accomplished U.S. business leaders with Lebanese CEOs.
Contributed \$500,000 to the Berytech Fund supporting promising ICT companies.
<b>ICT Infrastructure</b>
Developed a National Broadband Strategy in cooperation with the Lebanese Telecommunications Regulatory Agency (TRA) serving to gradually phase broadband service to all urban and rural communities alike.
Launched the Lebanese Broadband Stakeholder Group (LBSG) comprising individuals, companies and associations that have endorsed a broadband manifesto, a 10-part document produced by the PFL outlining the steps that government and industry should take to facilitate broadband connectivity.
Established Beirut IX, the second Internet Exchange Point (IXP) in the Middle East and an International Internet Gateway in Ogero.
<b>Workforce Training and Education</b>
Sponsored 73 highly-qualified Lebanese interns in total, placing them in Lebanese businesses and government agencies as well as in top U.S. corporations.
Connected 50 public schools to the Ministry of Education and Higher Education using high speed broadband connections, providing a reliable, safe and secure wireless school network and online learning materials through the NEN program.
Created the 'school in a box' pilot to facilitate the integration of ICT in Lebanese public schools.
Doubled Cisco's Networking Academy sites in Lebanon from 21 to 44, providing participants with various networking skills and certifications.
Sponsored the Tawassol ICT youth summer camp providing 108 participants with relevant ICT and other life skills.
<b>Connected Communities / Connected Government</b>
Rehabilitated 10 ICT centres in rural communities, providing ICT infrastructure, human resources and equipment.
Enabled five full-service online community access points in Lebanese towns affected by the 2006 conflict (Alma Chaab, Baalbek, Bint Jbeil, Bourj Al Barajneh and Nabatiye).
Initiated the Lebanon Creative Cluster to support promising creative clusters, comprising media, advertising, broadcasting, digital media, publishing and film in Lebanon and develop their value proposition and full potential.

Source: Developed by the case author.