Annex A

BACKGROUND ON IBM SMARTER CITIES CHALLENGE

IBM Corporate Citizenship

1. IBM's Smarter Cities Challenge is an outgrowth of IBM's Corporate Service Corps grants programme, in which IBM deploys teams of top employees to areas in the developing and developed world to work on projects that intersect business, technology and society. Since the launch of the Corporate Service Corps in 2008, nearly 1,400 IBM employees based in 50 countries have been dispatched on more than 140 team assignments in 24 countries.

2. The Smarter Cities Challenge is sponsored by IBM's Corporate Citizenship programme and IBM's International Foundation. IBM has been a leader in corporate social responsibility and citizenship for 100 years. To learn more about IBM's corporate citizenship initiatives, please visit: www.citizenibm.com

IBM Smarter Cities Challenge – Introduction

3. The IBM Smarter Cities Challenge is a competitive grant programme in which IBM is awarding grants over three years that will total US$50 million worth of technology and services to 100 municipalities worldwide. 2012 is year-two of a three-year programme.

4. The Smarter Cities Challenge draws upon IBM's intrinsic technological savvy, but also upon the field experience accumulated by IBM over the last three years from the company's ongoing pro bono Corporate Service Corps grant programme. The Corporate Service Corps has deployed more than 140 teams of 1,400 top IBM employees from around the world with skills in technology, scientific research, marketing, finance, and business development, and has sent them to 24 countries to perform meaningful public service. They work with local government, non profit civic groups, and small business to develop blueprints that intersect business, technology, and society.

5. Teams of specially selected IBM experts will provide city leaders with analysis and recommendations to support successful growth, better delivery of municipal services, more citizen engagement, and improved efficiency.

6. The programme helps communities even as it helps IBMers develop leadership and collaboration skills as well as professional and technical skills. IBMers spend three weeks living in each winning city, giving them a real feel for the texture of local daily life.

IBM Smarter Cities Challenge – Selection of Grant Recipients

7. IBM selected cities based on their commitment to the use of data to make better decisions, and for their desire to explore and act on smarter solutions to their most pressing concerns.
8. The most successful proposals offer clear, compelling evidence that a particular city is poised to best utilise the resources offered in the Smarter Cities Challenge, that the grant has the potential to substantially enhance a city's capacity to act on key issues, and that the city is ready to match IBM's investment with its own commitment of time and talent.

9. IBM's consultants and technology specialists will help municipalities review their city plans and selectively apply successful strategies used by other cities worldwide to complement them. After studying the role that intelligent technology might play in unifying and advancing different aspects of city life, IBM then outlines a range of concrete strategies designed to help make cities healthier, safer, smarter, more prosperous, and attractive to current and prospective residents and businesses.

10. A consistent theme in these projects is the collecting, sharing, analysing and acting on data generated by urban interactions and transactions. Such information can include everything from school test scores, smartphone adoption, crime statistics, foot and vehicle traffic, to tax revenue and library usage. The insights gained will be used to develop innovative and cost effective strategies to address persistent challenges.

11. The approximate value of each Smarter Cities Challenge grant is equivalent to as much as US$400,000.

**City Forward**

12. During Smarter Cities Challenge engagements, IBM will help recipients become comfortable using a free Web site called City Forward (http://www.cityforward.org). The site gives policy makers, citizen-advocates and the public a new perspective on how their respective cities are performing compared with others. It serves up easy-to-use data to help them make more informed decisions that improve services and make their citizens and businesses healthier, happier, safer, more productive and prosperous.

13. It captures vital statistics on the performance of many specific services such as education, safety, health, transportation, land use, utilities, energy, environment, personal income, spending, population growth and employment. Users can then gather, compare, analyse, visualise, and discuss statistical trends, giving them real-world insight that can help shape public policy.

To find out more about IBM Smarter Cities Challenge grants, please visit IBM's Smarter Cities Challenge Web site, or watch an overview of our work on YouTube.