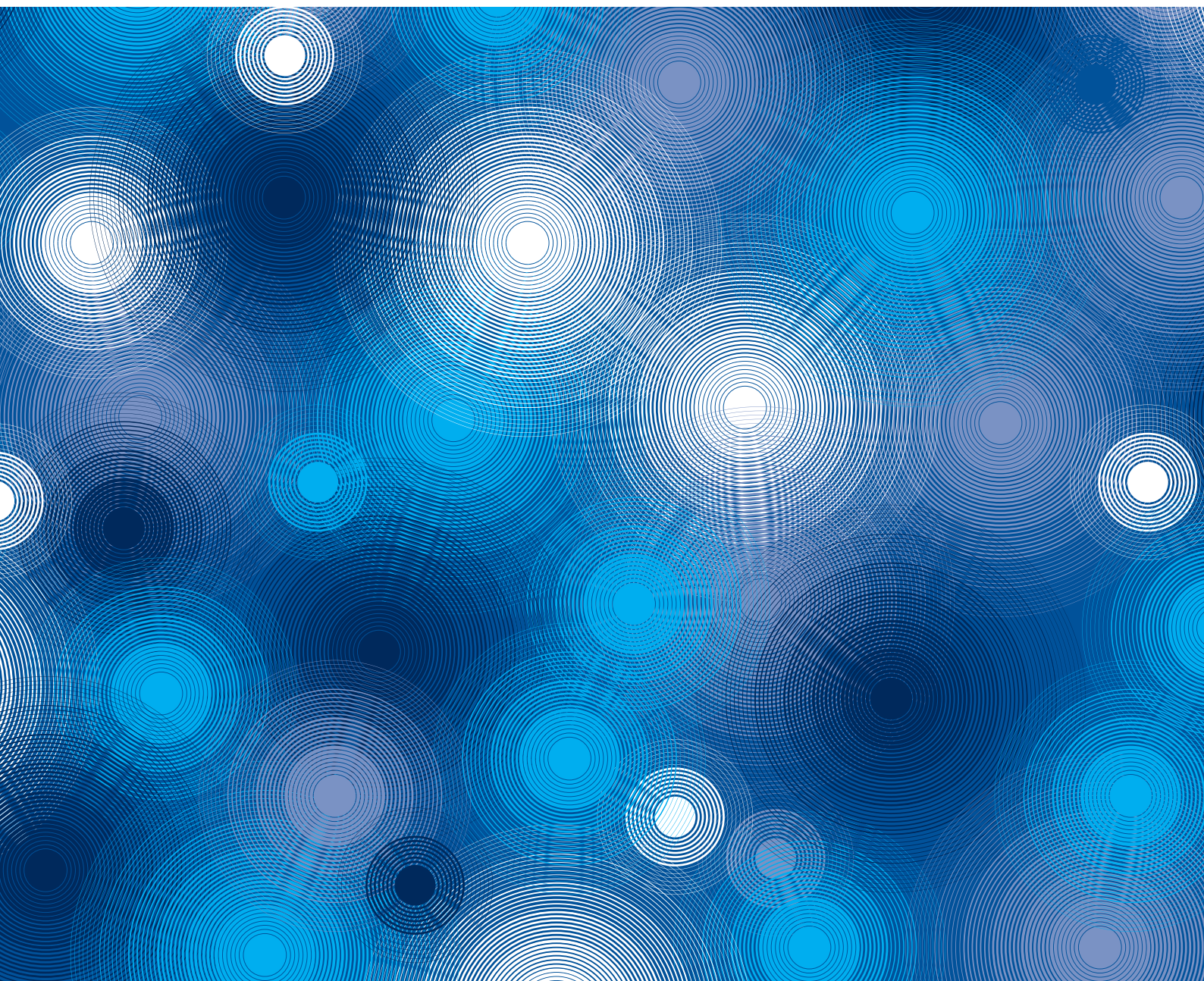


# Annual Report 2018–2019

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Klaus Schwab, Founder and Executive Chairman

## LETTER FROM THE EXECUTIVE CHAIRMAN

# Committed to Improving the State of the World

### Dear Stakeholders,

For 50 years, the World Economic Forum has had a single guiding vision: to be the platform where business, government, civil society and other stakeholders work together to address critical global issues. This ambition has held constant even as the world has changed almost beyond recognition.

Today, we live in a world that has been irreversibly interconnected through communications, technology, trade, culture, markets, finance and people. The world has seen substantial progress. Yet this progress is

challenged by its own outcomes. A burgeoning global population has triggered consumption patterns that push against the environmental limits of our world, while the transforming nature of our economies and societies is fundamentally impacting the fabric of inclusion, equality and opportunities for all. Global risks threaten catastrophe, and technological disruption — in the form of the Fourth industrial Revolution — is posing profound questions about what it means to be human.

At the same time, the global governance architecture that was created to steward the world through an earlier age of disruption is no longer fit for purpose. As we look



The Forum was founded on my conviction that no stakeholder alone can sustainably address the technological, environmental and social challenges of an interdependent, multidisciplinary and fast-transforming world. This is as true today as it has ever been.

back at a unipolar world, we have entered an era defined by multiple concepts of governance. We urgently need a new collaborative approach to our shared future.

The Forum was founded on my conviction that no stakeholder alone can sustainably address the technological, environmental and social challenges of an interdependent, multidisciplinary and fast-transforming world. This is as true today as it has ever been.

As the International Organization for Public-Private Cooperation, the Forum provides a trusted space for informed collaboration and cooperation between all stakeholders. It is a passionate, mission-driven organization. This year, it has again demonstrated its entrepreneurial, pragmatic and efficient spirit in all its activities, reinforcing its reputation as a successful catalyst for enabling and driving global cooperation.

That capacity will be strengthened considerably as we enter our sixth decade. This year my colleagues and I have continued to drive the strategy that will take the organization into its next stage of evolution, designed to multiply the power of impact of the Forum's community of communities. As the Forum enters this new phase, it will harness the energy and drive of its stakeholders by evolving into a network of platforms, each independent yet interconnected. These platforms will provide stakeholders with structured, efficient ways to drive leadership from within the systems that shape the issues.

In a fragmented world, the Forum serves a unique role as a constructive and collaborative force in shaping global, regional and industry futures. We strive to fulfil our role in ways that are fit for purpose and for the times in which we live, always being agile, multistakeholder, forward-looking and solutions-oriented.

I am deeply grateful to all who engage with us on our critical mission — businesses, governments, international organizations, academia, young people, civil society and all stakeholders who give their time, energy and strength of purpose to drive collaborative action. It is a special privilege to lead the Forum's team of 800 talented and dedicated colleagues, driving forward the priorities determined by our committed Board of Trustees.



*Back row: Adrian Monck, Jeremy Jurgens, Murat Sönmez, Alois Zwinggi, Julien Gattoni, Dominic Kailash Nath Waughray, W. Lee Howell  
Front row: Richard Samans, Sarita Nayyar, Olivier M. Schwab, Saadia Zahidi, Børge Brende, President, Anil Menon, Emma Benameur*

## LETTER FROM THE PRESIDENT AND MANAGING BOARD

# The International Organization for Public-Private Cooperation

The World Economic Forum's 49th year of operation was critical in its evolution as a new kind of international organization, one that is multistakeholder, multidisciplinary and top-level. It serves the needs of the international community by providing a platform for advancing systemic improvements in cooperation and governance through the engagement of multiple stakeholders, industries, technologies, regions and intellectual disciplines. The Forum's vision and role are uniquely suited to these fast-moving and complex times, requiring agility, engagement and support from leading stakeholders from all walks of life, the creative application of interdisciplinary skill and a high-performance team.

The Forum is working to expand the geometry of international cooperation at a time when our interdependent and multipolar world is facing important challenges that no single set of actors can resolve alone, and for which the business community has critical capabilities that need to be activated.

Organizational efforts this year focused on extending our network of platforms, designed to enable stakeholders to lead, engage or monitor initiatives and challenges. Because they provide greater access to Forum networks, digital tools, events and communications, these platforms make it easier for community members to create their

own multistakeholder projects on a self-organized, distributed basis. They demonstrate a major step in the Forum's journey to increase its impact and catalyse action well beyond the power of its internal resources to harness the passion and intent of the wider community.

The Forum's strategic objective is for external collaborators to lead approximately 80% of initiatives by 2020, against about 50% today.

This year at the Forum was characteristically marked by notable achievements. Many are outlined in this document, with two holding particular institutional significance.

First, the Forum and the United Nations signed a Partnership Agreement to accelerate the implementation of the 2030 Agenda for Sustainable Development. Signed in the presence of UN Secretary-General Antonio Guterres and World Economic Forum Founder and Executive Chairman Klaus Schwab, the Agreement identifies six areas of focus — financing the 2030 Agenda, climate change, health, digital cooperation, gender equality and the empowerment of women, and education and skills — to strengthen and broaden their organizations' combined influence by building on existing and new collaboration.

Second, working with the G20, the World Economic Forum will lead a new effort to establish universal norms and guidelines for the implementation of smart city technology. The Global Smart Cities Alliance will advance how technology is used in public places and promote core principles, such as transparency, privacy and security.

The Forum's was founded on the principle that, to make sustainable, positive progress on significant challenges, all stakeholders must be engaged. The two examples highlighted above demonstrate how this principle holds increasing power as the world becomes ever more complex and interconnected. This report draws attention to the breadth of the activity that has resulted from our single-minded application of this principle in action. One strategic imperative for the next phase will be to ensure that the institution's governance structures adapt as the wider portfolio of activities grows, while maintaining the soundest best practices across all Forum activities.

One of the Forum's unique drivers is the number and quality of deep relationships it fosters with the world's most important companies. In that regard, 2018–2019 was a strong year, during which some of the most influential businesses joined the Forum as Partners. The number of companies that engaged at the Partnership levels totalled over 670.

The continuous and deep engagement with top government leaders is a critical aspect of the Forum's capacity to make change and is increasingly important in times of accelerating disruption and geopolitical shifts. The Forum continues to strengthen its efforts to provide a neutral environment for informal diplomatic dialogues. For instance, the talks between the leaders of Greece and the then Former Yugoslav Republic of Macedonia at the Annual Meeting 2018 set the foundations for a historical agreement. The meeting resulted in a resolution between the countries that entered into force earlier this year.

The Forum's Public Engagement activities support its positioning as a distinctive partner of business, government and civil society. The Annual Meeting in Davos-Klosters generates more coverage than any global event outside sports. During the year, the Forum was mentioned in the media 564,000 times. Its digital presence continued to grow: in 2018, more than a billion minutes of Forum content were consumed across the internet, a 79% increase on 2017.

Strategic insight capabilities continued to support Forum activities this year, during which 28 reports and 49 White Papers were published. To lead in the Fourth Industrial Revolution, the Forum continues its pioneering work to curate platforms and exercise systems leadership by developing proprietary knowledge and interaction tools, such as TopLink and Transformation Maps.

Achieving everything outlined in this Annual Report, and so much more, relies on the talent, commitment and drive of our team of colleagues. The Managing Board is committed to driving best practices for its people to ensure that the Forum's values are lived in the culture that binds our 800 colleagues. These values are strong intellectual curiosity and integrity, independence, passionate yet impartial engagement, and a positive mindset.

We are extremely grateful to these collaborators, and to the Members, Partners and constituents who engage with all our activities and work to deliver such great success.

# Our Platforms





# WORLD ECONOMIC FORUM

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COMMITTED TO  
IMPROVING THE STATE  
OF THE WORLD

# Accelerating Business Transformation

Enabling Industry Transformation and Improving  
the State of the World

## Shaping the future of...

Advanced Manufacturing and Production  
Consumption  
Digital Economy and New Value Creation  
Energy  
Financial and Monetary Systems  
Media, Entertainment and Culture  
Mobility

# Enabling Industry Transformation and Improving the State of the World



Anil Menon  
Managing Director,  
Head of the Centre for  
Global Industries

For over half a century, the World Economic Forum has been a neutral, independent and trusted partner for leaders in business, government and civil society.

Our effectiveness in creating impactful public-private cooperation is reflected in our formal recognition by the Swiss government as an international institution, in the major strategic cooperation agreement with the United Nations, and in the continuous and active engagement of over 1,000 of the world's top companies.

As the Forum's capacity to encourage trust and open collaboration between business and stakeholder groups has deepened over the decades, so has the Forum's technical capability, its understanding of how multiple systems can be led to achieve positive change, and its span across global, regional and industry issues.

In this complex and fast-moving world, there are too many challenges that demand industry's attention, too many complexities to take a single approach, too much to do to rely solely on the Forum's internal resources.

To meet this opportunity, the Forum has become a network of platforms, each one bringing together the most relevant stakeholders, expertise, insights and activities to shape the future of an industry, a region or a technology. Frictionless collaboration between platforms gives stakeholders the power to engage across global, regional and industry issues, and exponentially multiply their impact.

The platforms are designed to augment that impact, not by growing the Forum in size or complexity, but by enabling our business and other stakeholders to drive change themselves — building their own impact by using the power of the Forum's networks, its technology, its insights.

Our industries platform model is designed to balance stakeholder equity, and our Partners engage with us precisely because this principle enables the rich and unique activities Forum platforms curate.

Our industry engagement is organized into the following cross-industry and interdependent platforms that work to shape the future of:

- Advanced Manufacturing and Production
- Cities, Urban Development and Urban Services
- Consumption
- Digital Economy and New Value Creation
- Energy
- Financial and Monetary Systems
- Health and Healthcare
- Investing
- Media, Entertainment and Culture
- Mobility

These platforms are designed to engage business leaders at the highest level in initiatives that bring together public and private stakeholders committed to making a difference in issues as diverse as advanced manufacturing models, multimodal mobility systems, epidemic preparedness, financial inclusion, climate change, and dozens more.

One example of the Forum's nimble approach to public-private collaboration was the aggregation in the second quarter of 2019 of all our cities and urban activities into the new Platform for Shaping the Future of Cities, Urban Development and Urban Services. The Forum's stakeholders can together create a new urban services industry to make a huge impact on how the world urbanizes, one of the most critical forces shaping the world of tomorrow. The launch of this platform came as the G20 engaged the Forum to lead a new global effort to establish universal norms and guidelines for the implementation of smart city technology. The platform also drives the Forum's National Infrastructure Acceleration initiative, working with stakeholders to develop new and innovative infrastructure financing models.

This is just one of many instances where the Forum's platform structure has brought together business and other stakeholders to act, together, for impact. Many more are outlined in the following pages.



# Shaping the Future of Advanced Manufacturing and Production

Anticipating how pioneering factory technologies, innovative business models and new partnerships are transforming business's ability to drive economic and societal impact.

Production is more than manufacturing; it encompasses everything from research and development to design, consumer behaviour and end-of-use cycles. Production includes sectors as diverse as automotive, chemicals, electronics, healthcare and textiles. While it has been the foremost source of growth, jobs and innovation, production also contributes heavily to CO<sub>2</sub> emissions and climate change. The Platform for Shaping the Future of Advanced Manufacturing and Production helps stakeholders to drive the application of technologies in manufacturing to stimulate innovation, sustainability and employment through new pilots and partnerships.

In 2018–2019, led by more than 130 leaders from government, business, academia and civil society, the platform launched the Advanced Manufacturing industry community for business leaders to explore new technologies, partnerships and business model transformations in advanced manufacturing and production. Moreover, it made significant progress focusing on four main challenges:

- **Adopting and disseminating technology**—The platform launched the Global Lighthouse Network to identify the most advanced factories in the world in integrating advanced manufacturing technologies into modern production, and to understand how these technologies are transforming production in real time. It sought to understand how companies can overcome “pilot purgatory” to drive technology adoption and diffusion at scale. In addition, it encouraged the use of a cross-industry learning journey to help multinational corporations and small and medium-sized enterprises (SMEs) increase productivity while enabling the workforce and protecting the environment. For insights, see the 2019 report [Fourth Industrial Revolution: Beacons of Technology and Innovation in Manufacturing](#).
- **Evolving manufacturing skills**—To help leaders prepare their workforce to face the transformations



created by new technologies in production, new insights were developed and presented in the 2019 White Paper [Leading through the Fourth Industrial Revolution: Putting People at the Centre](#). In collaboration with the Platform for Shaping the Future of the New Economy and Society, a new task force comprising chief human resources officers of advanced manufacturing companies and leading experts from government, academia, civil society and international organizations is being formed. It will seek to develop company-specific programmes and industry-wide collaborations intended to accelerate and support the transition of the workforce to the future of production.

- **Accelerating sustainable production**—Stakeholders were brought together to define how to make sustainable manufacturing the global standard by leveraging technology to drive sustainability and economic growth. The platform identified a \$5 billion additional GDP growth opportunity for the Indian state of Andhra Pradesh and a \$7 billion opportunity for the US state of Michigan by 2022 through the adoption of advanced manufacturing technologies, such as cobotics and augmented reality (see insights in the 2018 report [Accelerating Sustainable](#)

[Production](#)). In addition, it supported local efforts to create advanced manufacturing hubs in China, the United States and India, and connected them globally to maximize competitiveness and achieve sustainable growth.

- **Developing new manufacturing strategies**—The platform developed new strategies and public-private interventions to support an inclusive, people-centred transformation of the production ecosystem. It built on the findings of the [Readiness for the Future of Production](#) framework to identify over 30 potential collaborative efforts in the Association of Southeast Asian Nations, such as in skills development for SMEs, 3D printing and prototyping, smart packaging and digital logistics (see [The Future of Production in ASEAN](#)). In collaboration with the Inter-American Development Bank, the platform carried out a new [study](#) to understand the effect of transformations in manufacturing on supply chains in Latin America.

THE PLATFORM FOR...

# Shaping the Future of Consumption

Creating responsible models of consumption for the benefit of business and society.

The Fourth Industrial Revolution is transforming the consumption landscape by igniting opportunities for value creation through game-changing technologies. With consumer spending as an engine of economic activity that drives approximately 60% of global GDP, embracing the power of technology to create new value is paramount to progress across developed and emerging economies.

Key actors must address the following challenges: meeting consumer expectations amid changing demographics and new patterns of consumption; adopting game-changing technologies (e.g. AI, IoT, blockchain) that are poised to transform value chains; and tackling ensuing societal challenges, such as urban-rural divides, environment degradation due to overconsumption, concerns regarding trust and transparency in the world of big data, and worker reskilling to support the rapidly evolving consumption landscape to mitigate inequality.

To date, the Platform for Shaping the Future of Consumption has engaged over 150 organizations across the public and private sectors in their pursuit to transform the consumption landscape in responsible ways. Major achievements this year included initiatives designed to drive systemic change across the consumption landscape via public-private cooperation.

- **Future of Consumption in Fast Growth Consumer Markets:** This multi-year effort continues to develop a 10-year perspective on the future of consumption in such emerging markets as China, India and ASEAN to shape sustainable business practices and inclusive societies. Based on the rich set of insights and proprietary research conducted across 5,100 households and 30 towns across urban and rural India, India is expected to sustain 7.5% of GDP growth over the next decade. Domestic consumption is predicted to grow into a \$6 trillion opportunity by 2030, supported by a 1.4 billion strong population that is younger than that of any other major economy.



While the study generated rich strategic views into the future, it also highlighted critical obstacles required to achieve inclusive growth. Generating employment and ensuring the right skills for the workforce were prioritized as the biggest opportunities for India to tackle. In early 2019, the Forum introduced the Public-Private Task Force to Close India's Skills Gap to advance efforts to increase work readiness and critical skills among the current and future workforces in key sectors, including retail and e-commerce.

- **Bio-Innovation Governance Initiative:** Driven by polarized debates regarding the food applications of bio-technologies involving genetic modification, this ongoing effort explores how bio-innovation may enable innovative solutions to transform the food system and ensure positive outcomes for all stakeholders. Based on recommendations from a dialogue series over 2017–2018, leaders from the business, faith, civil society, policy and academic communities at the Annual Meeting 2019 called for new principles for governing bio-innovation across health, nutrition, agriculture and the environment. The principal goals are to enable purpose-led innovation, promote consumer well-being, advance the UN Sustainable Development Goals and safeguard human dignity.
- **The Loop™ Alliance: Shifting Consumers from Disposable to Durable:** Plastic waste is a critical systemic issue as more than 90% of plastic is never recycled. Since the inception of the idea at the

Forum's Annual Meeting 2017, leading consumer goods firms, top retailers and representatives from the public sector have created a coalition to advance and commercialize a new model of consumption that replaces disposable plastic packaging with durable formats. The revolutionary zero-waste e-commerce system, Loop™, was officially launched at the Annual Meeting 2019 in Davos-Klosters, with the ambition of introducing zero-waste packaging to help end plastic pollution. In May 2019, the Loop™ Alliance began testing its durable packaging delivery model in two of the world's largest consumer markets, Paris and New York.

- **Preparing for the Future of Work: Consumer Industries Task Force:** To drive value for consumers in the digital era, workforces need to be reskilled to ensure they remain relevant, productive and employable. Based on the recommendations of a public-private task force formed in 2018 and spearheaded by Walmart and Unilever, CEOs from the consumer industries committed at the Annual Meeting 2019 to joining forces to become an industry that supports a culture of lifelong learning with tech literacy as a key priority and collectively enabling the transition of employees at most risk of disruption onto new roles. Over 2019–2020, coalition-level efforts will focus on the commitment framework's implementation.



THE PLATFORM FOR...

# Shaping the Future of Digital Economy and New Value Creation

Developing new economic and business models that are digitally driven, creating sustainable value for an inclusive economy.

This year, the World Economic Forum strengthened its role as a platform for collaboration and impact on global, regional and national digital agendas, supporting and accelerating a range of activities led by its Partners. To frame this collaboration, leaders and chief executives from government, business and civil society drafted [\*Our Shared Digital Future: Building an Inclusive, Trustworthy and Sustainable Digital Society\*](#), a first-of-its-kind global framework. This 2018 Insight Report took stock of the world's collective progress to date and outlined a case for deeper public-private cooperation, just as internet use had grown to reach half of the world's population. And yet, less than half of those already online trust that technology would make their lives better.

Notable progress this year included:

- **The advanced awareness and capabilities of leaders to navigate digital transformation** through a range of knowledge products and tools. These include a practical guide for enterprises to manage successful and sustainable digital transformations; a briefing for corporate boards on the increasing responsibilities of business, as every company becomes a technology company; and a briefing paper on the important governance choices facing public- and private-sector leaders on the role of digital platforms in industry and society. The platform also supported initiatives such as GSMA's Digital Declaration, which outlines key principles as a guide to act ethically in the digital era.
- **The launch of a new programme on 5G** to improve coordination between countries, businesses and other relevant actors on emerging business, policy and societal questions related to the rollout of the technology. A community of leaders from across governments, business and civil society are building shared understanding on the economic and social opportunity of 5G, highlighting the need for new coordination and collaboration models and identifying concrete areas to advance cooperation.



- **Further collaboration on digital inclusion** through the Internet for All regional platforms in Africa (with SMART Africa) and Latin America (with the Inter-American Development Bank), and country platforms in Argentina, Rwanda and South Africa. These platforms are driving tangible progress: Argentina has supported the development of the “dig once” national policy, has trained 80,000 young people on digital skills and has 11 active projects addressing 3-4 million new internet users. In South Africa, the Internet4Mzansi project provides affordable connectivity to over 33,000 people in remote areas. The platform is also codifying lessons from across these projects and deepening partnerships with leading businesses, international agencies and development banks to address global priorities, such as the need for new infrastructure investment models.
- **The launch of a shared platform for Good Digital Identity** to accelerate the work of coalitions advancing digital identities that empower individuals and protect their freedoms. Over 50 organizations contributed to a publication that outlined key design elements that put the individual at the core of design and offered a shared working agenda for leaders. Multiple Partners provided financial and in-kind resources to accelerate this platform’s efforts over a three-year period. An initial list of activities and coalitions led by Partners was announced and are supported: Good ID dialogues from Omidyar Network; Mission Billion, a privacy-by-design innovation challenge from the World Bank Group; Identity for Good, an accelerator programme for non-profit organizations from Evernym and the Sovrin Foundation; and research on the economic value of identity by the McKinsey Global Institute.
- **Accelerated community and action on data for good** through insights and tools that advanced the notion of data collaboratives. This new form of multilateral collaboration allows cross-sector partners, including private companies, research institutions and government agencies, to exchange data to help solve public problems. Tangible projects and pilots, such as the Epidemics Readiness Accelerator (in collaboration with the Platform for Shaping the Future of Health and Healthcare), demonstrated its practical applications, which can in turn be employed across a wide range of use cases that create value for business and society.
- **The promotion of regional digital agendas and strategies**, such as Digital ASEAN’s accelerating progress on a range of agendas, including gathering business commitments to train 20 million ASEAN SME workers by 2020 and hiring 200,000 digital workers directly. A new Digital Economy programme was launched with support from the China Business Council. Digital Europe’s community of digital leaders continues to advance regional projects on digital innovation. The platform initiated strategic collaborations that are laying the groundwork for deeper cooperation between international and regional partners on an inclusive digital economy in Africa.

THE PLATFORM FOR...

# Shaping the Future of Energy

Accelerating the transition to a more sustainable, affordable and inclusive energy system while affordably heating and lighting homes, fuelling transport and powering the economy.

Today's global energy context is characterized by deep shifts that create new opportunities, yet a much faster and more widespread transition is needed. The tide has turned from slow-changing energy systems focused mostly on supply to energy systems increasingly driven by changing energy demand and factors outside energy.

New business models and technologies are changing the way energy is produced, delivered and consumed, especially for the electricity sector. Decentralization, digitalization and connectivity transform how companies interact with customers and disrupt traditional business models while new ones emerge. The electrification of energy use is also on the rise, driven especially by falling battery costs for electric vehicles. Hydrogen is also firmly back on the global energy agenda, gaining increasing interest among many industrial players and governments.

At the same time, the world is still far from being sufficiently sustainable, affordable and secure. In particular, energy-related greenhouse gas emissions are trending upwards, in contrast to the recommendation in recent reports of the Intergovernmental Panel on Climate Change and the commitments of the Paris Climate Agreement.

This platform promotes strategic insights and collaborative action, pushing the thinking and the boundaries of what will become the energy future that affects everyone. Highlights of the past year included:

- **Accelerating the pace of innovation in sustainable energy** is critical to meeting global climate goals and prosperity. Through the partnership with Mission Innovation, a leading government alliance, public-private collaboration was reinforced to encourage greater investments in and support of innovation. The European Union and the United Kingdom adopted bold ideas developed on the World Economic Forum platform for new public-private investment vehicles. Together with Mission Innovation and interested companies, the Forum developed a concept for a first-of-its-kind

Global Sustainable Energy Innovation Fund and is establishing a coalition of willing actors to set it up.

- **The Future of Electricity supports multistakeholder public-private steering committees in several South American countries** to advance dialogue and develop policy, regulation and infrastructure recommendations for transforming the electricity sector. The objective is to facilitate the transition towards more efficient and sustainable energy production and consumption by creating a reliable and economically competitive electricity system.
- **Cyber-risk is pervasive in critical infrastructure.** Over the year, the Forum created the Systems of Cyber Resilience working group comprising businesses, governments and members of civil society and academia, each with a unique perspective, to collaborate and develop a clear and coherent cybersecurity vision and tools for the electricity industry. As a first step, boardroom principles and recommendations were developed to create a cyber-resilience culture within companies and the ecosystem. The working group continues to grow in strength and is developing new areas of focus, including regulation and supply chains.
- **The seventh edition of the Energy Transition Index**, released in March 2019, benchmarks 115 countries on where they currently stand in energy transition and how prepared they are for the future.

The Index provides a fact base to inform country policy-making and public-private dialogues on energy transition strategy.

- **Clean hydrogen**, if developed at scale, can be applied across various energy uses, industry sectors and in transportation, with the benefit of reducing emissions, providing more flexibility in the energy system and increasing the value of renewable energy. The Forum initiated a collaboration with the Hydrogen Council, an alliance of over 50 companies from diverse sectors, and encouraged greater collaboration between governments, industry and international hydrogen initiatives.
- **The Forum continued its support of the CEO-led Oil and Gas Climate Initiative**, which expanded its membership to 13 companies last year with the addition of Chevron, ExxonMobil and Occidental Petroleum. The initiative's objective is to develop practical solutions for climate change.
- **The Oil and Gas community continued to use the Forum platform** to foster a stronger dialogue with the financial sector on climate-related risks. This topic, addressed with the Future of Oil and Gas workforce, a joint effort with the Centre for the New Economy and Society, dominated the agenda at the Governors Meeting during the World Economic Forum Annual Meeting in Davos-Klosters and at a summer gathering in Geneva.



# Shaping the Future of Financial and Monetary Systems

Building a more efficient, resilient and equitable international financial system that protects customers, enabling saving and investment for growth while supporting the creation of jobs and enterprises.

Financial and monetary systems represent the cornerstone of economic activity. Over the past decade, important steps have been taken to strengthen system resilience. At the same time, a rapid transformation of the system is defining new economic poles, driving power away from public institutions to non-state actors, and accelerating technological disruption, with significant implications for existing and future value chains and employment. Demographic shifts and political polarization are also significantly influencing the system.

Major topics driving this platform's activities include business transformation due to new technologies and digital competitors, new risks to industries and consumers from these new technologies and business models, and the creation of skills and capabilities needed for the long-term sustainability of the financial system.

Activities in the 2018–2019 financial year included:

- **New Physics of Financial Services initiative.** The New Physics of Financial Services initiative worked with over 75 financial partners and fintech innovators on the changing strategic, operating and competitive dynamics of the financial industry. This work, documented in two in-depth reports, influenced decision-makers on charting the direction of their institutions and understanding the challenges and risks faced by the adoption of artificial intelligence. Its efforts also informed policy-makers in the United States, Europe and Asia on the trade-offs associated with increased automation in the system.
- **Alliance on Appropriate Data Use.** Incumbents, fintechs and large technology firms are rapidly increasing their ability to collect and use customer data, posing both operational opportunities and risks. No global, shared principles define appropriate data use for financial institutions. Instead, multiple standards and laws have emerged. The Alliance

on Appropriate Data Use worked with over 100 banks, insurance firms and technology companies to develop global principles guiding the collection, use and sharing of data, and examined operational and competitive effects. The collective work informed views on customer data use at the IMF, Bank of Canada, Bank of England and the US Federal Reserve, among other central banks and international institutions.

- **Fintech Cybersecurity Consortium.** Cyber-risk to the financial services system is increasing as businesses rely more heavily on technology and amass larger stores of data. The increasing modularization of the system, with fintechs partnering and competing at different points along the value chain, has propelled the protection of customer information to the top of the list of operational challenges in maintaining a safe and secure financial system. In response, a multistakeholder consortium, including over 30 banks, insurers, payment and financial infrastructure providers, and fintechs, partnered to create baseline technical guidance for fintech and data aggregators that allows for streamlined partnership negotiations with traditional financial institutions. Once the guidance is completed, it will undergo a period of prototyping with user groups and will be released via a web-based assessment tool to allow for scalability among the fintech community, numbering in the thousands.
- **The Coalition to Fight Financial Crime.** The illicit proceeds of criminal activity are estimated to be between 2% and 5% of global GDP (equating to approximately \$2 trillion), yet less than 1% is ever seized or frozen by law enforcement agencies. Financial institutions spend tens of billions of dollars annually combating the issue, which is plagued by operational challenges. Furthermore, tech-enabled innovation, such as the rise of cryptocurrencies, has added an additional layer of complexity to the system. The Coalition, which is comprised of a growing list of leading financial institutions, law enforcement agencies, think tanks and business associations, acted during the year to identify key weaknesses in the system, advocate for reforms, and support governments and law enforcement in their efforts to disrupt criminal activities.
- **Promoting Global Financial Inclusion initiative.** Through a Memorandum of Understanding (MOU) with the National Bank of Rwanda (BNR), the platform seeks to enhance collaboration between policy-makers, industry actors and civil society representatives to foster financial inclusion. As part of this MOU, the Forum worked with the BNR, the private and public sectors, and civil society

on a national-level pilot that enhances financial education for young adults using non-traditional distribution channels; builds bridges between university/vocational school students and young university graduates with relevant resources to help them develop their entrepreneurial capabilities; and connects financial institutions and investors with promising talent, offering opportunities for long-term customers and profitable investments. The collaboration also addressed challenges faced by small and medium-sized enterprises in Rwanda in accepting digital payments and accessing working capital loans.

The platform was active in engaging with the financial and monetary systems community to understand the implications of cryptocurrency. In collaboration with the Forum's Platform for Shaping the Future of Technology Governance, it continued to explore the role of central banks in issuing digital assets. The effort is primarily geared towards informing central bankers of the opportunities and risks of adoption, and broader implications for financial stability. As part of a collaboration with Refinitiv, Europol and several other stakeholders on combatting financial crime, the platform examined the role of cryptocurrencies as a cloaking mechanism for payments linked to terrorist financing, human trafficking and the drug trade.

Through a number of global initiatives that integrate the activities of over 150 multistakeholder partners, the Platform for Shaping the Future of Financial and Monetary Systems continued during the year to promote leading approaches for the financial sector to meet the SDGs, including assessing balance-sheet climate risk, enhancing climate-related disclosures and evaluating the digital financing of the SDGs. It also worked with the financial sector to support a multigenerational, inclusive workforce that increases productivity and talent retention.

# Shaping the Future of Media, Entertainment and Culture

Identifying new business models for content and distribution, transforming the way consumers are informed and entertained around the world.

This past year was one of renewal for the platform, which anticipates new ways that culture and society can be positively affected by harnessing new technologies to create and distribute better information and entertainment. Senior leadership met with constituents, who emphasized a collective need to focus on the media and entertainment industry's rapidly changing business models and on the technological disruption affecting employees globally within this ecosystem. These discussions helped to solidify a core community of committed leaders ready to align on how to tackle the industry's most pressing issues, namely using emerging technologies, protecting consumer data, measuring the impact of media, sustaining trust, regulating content and contributing to the overall good of society.

The platform's Governors community was instrumental in identifying and championing certain initiatives for further development, which included:

- **Future of Work:** The platform worked with the Centre for the New Economy and Society (CNES) to address workforce transformation with the media, entertainment and information (MEI) industry. Although the industry has always been at the forefront of technological adoption, how it will respond to new technologies and what this will mean for workers are difficult to predict.

With this in mind, the platform drew on extensive research collected by the CNES to form a task force of businesses, labour unions and academia that will address the opportunities and challenges that automation and artificial intelligence present to the industry and look to produce a roadmap of these over the coming year.

- **Value in Media:** The platform focused on the relationship between subscription and advertising in influencing the media industry's sustainability.



It launched a research project that seeks to understand how rapidly evolving trends in the MEI industry could combine to change the way people experience, pay for and value media. After completing an initial consultation with industry strategy officers, the project now intends to develop insight into how three key issues — diversifying business models, transforming consumption habits and changing measurement criteria — could impact the future of media, and what this might mean for society more broadly.

- **United for News:** A joint venture between Internews and the World Economic Forum, United for News (UFN) is a multistakeholder coalition of industry, media and civil society with a shared mission of supporting and sustaining reputable media in the

digital age. Throughout the past year, two key project streams were defined and launched: sustaining media through socially responsible advertising, and increasing women's voice in media. The coalition significantly increased the number of members, adding Edelman, GroupM, AppNexus, World Association of Newspapers and News Publishers, the BBC's 50:50 project, Sembra Media, News Gain and Open Society Foundations, and now counts 17 collaborating organizations. Significant progress was made on the Amplifying Women's Voice in media initiative, with an initial project planned in Canada. UFN also co-designed a session and held a private workshop during the World Economic Forum on ASEAN, and held its first annual meeting in October 2018.



# Shaping the Future of Mobility

Accelerating the transformation to safe, clean and inclusive global transportation, ensuring the equitable mobility of people and delivery of goods, creating greater access to a connected world of travel and trade for all.

The platform significantly expanded its corporate and government community and project portfolio this year. While focusing on influences that foster the transition towards safe, clean and equitable outcomes, it strengthened its collaboration with the Centre for the Fourth Industrial Revolution on its Autonomous and Urban Mobility and Drones and Tomorrow's Airspace portfolios, which it will integrate as of 1 July 2019.

Work progressed this year on the following projects, including:

#### **Autonomous and Urban Mobility**

- Developing a Sustainable Transportation Index to explore ways mobility innovations, such as autonomous technologies and Mobility-as-a-Service platforms, can address the socio-economic disadvantages of transit deserts
- Creating an Automated Vehicles Policy Framework Plan based on the city of San Francisco's mobility principles and working with the city's Municipal Transportation Agency to examine potential effects and viable solutions to address concerns regarding autonomous vehicles

#### **Drones and Tomorrow's Airspace**

- Launching the Advanced Drone Operations Toolkit with case studies and a template to collect and share lessons on how countries are creating an enabling environment to facilitate drone delivery and other new types of drone operations
- Bringing together a community to design principles and protocols for drone use to improve medical supply chains

#### **Known Traveller Digital Identity (KTDI)**

- Launching the KTDI public-private consortium, which includes several governments, airlines and airports
- Developing the KTDI mobile application, whose integration within the security systems of consortium partners will allow them to access verifiable claims of a traveller's identity data
- Piloting the KTDI concept, with the goal that Dutch and Canadian nationals enrol in the KTDI platform

and complete an end-to-end journey in a contained, live environment using their biometrics instead of a passport by early 2020

#### **Seamless Integrated Mobility System**

- Launching the SIMSystem pilot in Detroit, Ann Arbor and Windsor with three work streams: i) to establish the foundational requirements for activation; ii) to build a coalition integrating funded regional projects serving vulnerable populations; and iii) to enable the launch of a cross-border autonomous shuttle to help tackle mobility deserts in the region
- Collaborating with international cities to exchange ideas and begin creating a community interested in the transformation of urban mobility systems

#### **Clean Skies for Tomorrow**

- Developing a mechanism to align on meaningful and proactive ways for the aviation industry to address carbon emissions by increasing the use of sustainable aviation fuels
- Building a cross-industry coalition between airlines, airports, aerospace companies, fuel providers and investors to close the gap towards a net zero 2050 solution beyond established offsetting

#### **Sailing towards a Sustainable Future**

- Bringing together stakeholders across the maritime, fuels and infrastructure value chains, to make the operationalization of zero-emission vessels a reality by 2030
- Working with maritime-sector industry leaders as well as fuel providers, shipbuilders, ship engine makers, ship financiers and key maritime countries to explore and implement net zero carbon fuel pathways

#### **Future of Last Mile Urban Freight**

- Addressing the surge in time critical last-mile delivery services and the resulting crisis of urban congestion and pollution, by delivering action frameworks and toolkits for the public and private sectors
- Advancing the goal for coalition of industry leaders in supply-chain services, technology and vehicle innovations as well as civil society to provide global Mayors in dense and sprawled cities with policy and technology solutions, including autonomous delivery, drones and last-mile solutions

#### **Power of Fleets**

- Accelerating the transition to electromobility for passenger cars by harnessing the potential role of “Mobility as a service” operators that may lead the way in the transition
- Building a coalition of fleet operators, battery-makers, automakers, utilities and grid operators to fully leverage the economic potential of

electromobility, including grid stabilization and second-life solutions for used batteries

#### **Circular Car Initiative**

- Using the demand power of the global automotive industry to push for circular value chains, in particular for metals and plastics, in collaboration with the chemicals and mining & metals industry groups

#### **Travel & Tourism Competitiveness Report**

- Relaunching *The Travel & Tourism Competitiveness Report* as an interactive document and further engaging with tourism industry leaders and the World Travel & Tourism Council in developing insights and initiatives in tourism sustainability

#### **Space Sustainability Rating**

- Launching the Space Sustainability Rating, which will promote existing guidelines for orbital debris mitigation by increasing transparency and creating market pressure to drive the sector’s sustainable growth

#### **Cyber-Resiliency in Aviation**

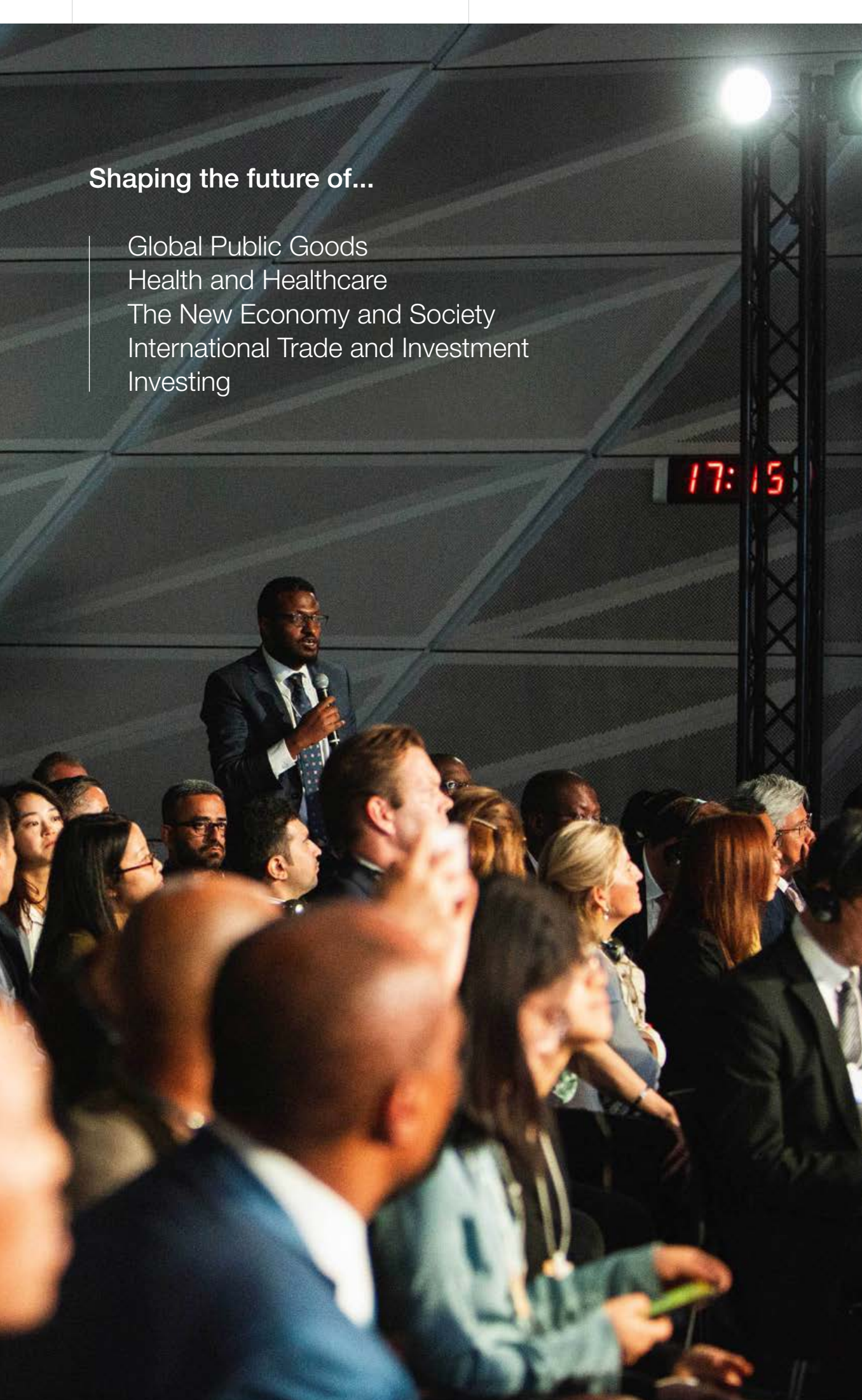
- Creating a Cyber-Risk Framework for airlines and airports to increase the situational awareness of cyber-risks, develop best practices for adopting emerging technologies, provide insights and incentives for investment in cybersecurity, and incorporate industry perspectives into crisis-planning exercises.

# Accelerating Socio-Economic Progress



## Shaping the future of...

Global Public Goods  
Health and Healthcare  
The New Economy and Society  
International Trade and Investment  
Investing



THE PLATFORM FOR...

# Shaping the Future of Global Public Goods



Dominic Waughray  
Managing Director,  
Head of the Centre for Global  
Public Goods

Accelerating actions on climate change and environmental sustainability, food systems and the future of international development.

Global ecological systems are straining under the burden of nearly 8 billion people consuming within our planet's limited boundaries. The shared resources that sustain humanity are under severe strain — our climate, oceans and food systems are facing unprecedented crises. These crises are exacerbated by a global economy that is extremely inequitable and an international governance system that is under acute stress. Amid this, the future of the international development system itself is under scrutiny — as it becomes clear that government alone cannot deliver the global Sustainable Development Goals or the Paris Agreement on climate change. There is just over a decade left to fix these problems in order to respond to the latest science and meet the targets of the global goals that the world's nations have signed up to.

The Platform for Shaping the Future of Global Public Goods enables leaders from the public and private sectors and civil society worldwide to form exceptional, cross-cutting communities of action that collaborate at speed and scale, harness the opportunities of the Fourth Industrial Revolution and trigger systems change.

The platform is comprised of four global challenges and three communities:

#### **Global challenges**

- Shaping the Future of the Circular Economy and Global Value Chains
- Shaping the Future of Climate Change, Environment and Natural Resource Security
- Shaping the Future of Food Systems
- Shaping the Future of International Development

#### **Communities**

- Shaping the Future of Civil Society Organizations
- Shaping the Future of Global Philanthropic Organizations
- Shaping the Future of Social Innovation (Schwab Foundation for Social Entrepreneurship)

As of June 2019, the platform hosts a portfolio of 27 active and significant public-private projects. This includes a growing number of affiliated third-party initiatives and collaborations, which the platform and its

associated networks and activities are helping to expand in terms of resourcing, impact and global positioning. Over 150 of the world's leading companies and 50 international and civil society organizations as well as research institutions currently engage in the platform.

Importantly, the platform portfolio is itself dynamic — it can help to catalyse and increase public-private collaboration which, on reaching a certain stage of maturity or proof of concept after 2-3 years of platform engagement, can then be spun off to stand alone or be incorporated as innovative programmes within existing international organizations. The 2030 Water Resources

Group, a \$20 million Public-Private Trust Fund now housed within the Global Water Practice of the World Bank and active in 15 countries, is one such example. The Platform for Accelerating the Circular Economy (PACE) is another. During 2018–2019, PACE successfully transitioned into a global initiative co-delivered by the World Resources Institute and co-hosted by the Government of the Netherlands.

In collaboration with the Global Programming Group, the platform also hosts the World Economic Forum **Sustainable Development Impact Summit** (See Forum as Convenor, page 92).



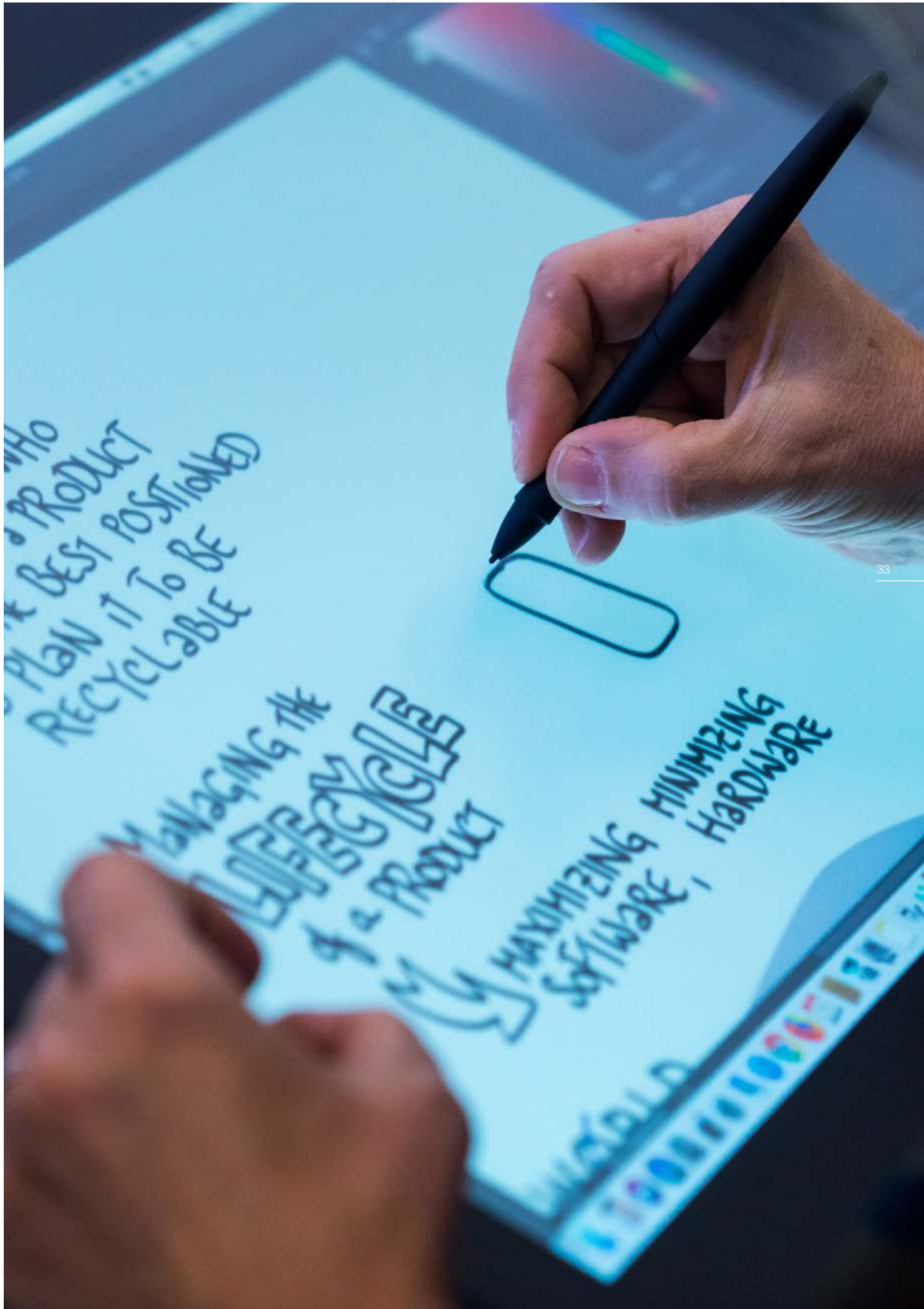
Highlights of the past year included:

- **The Global Plastic Action Partnership (GPAP).** This initiative was launched at the Sustainable Development Impact Summit in September 2018. It is a major joint venture championed by the Governments of the United Kingdom (linked to the 2018 Heads of Commonwealth Summit Oceans Alliance) and Canada (linked to the 2018 G7 Ocean Charter) with four industry founding partners: The Coca Cola Company, Dow Chemical Company, Nestlé and PepsiCo. It will help participating countries to address their plastic pollution challenges in a systemic, “circular economy” manner and stop additional ocean plastic pollution by 2025.
- **The Nature Action Agenda.** This project was launched at the World Economic Forum Annual Meeting 2019. Invited by the Executive Secretary of the UN Convention of Biological Diversity (CBD) and supported by the Ministry of Environment and Ecological Protection of China, it supports business mobilization ahead of the major United Nations meeting on nature and people (CBD COP15) in Kunming, China in October 2020. New global biodiversity targets will be agreed at this meeting for 2020-2030.
- **Phase 2 of the Tropical Forest Alliance.** This phase was launched in July 2018, with continued support from the Netherlands, Norway and the United Kingdom, and additional resourcing from the Gordon and Betty Moore Foundation and Germany. The Tropical Forest Alliance is a partnership to reduce deforestation from the supply chains of soy, palm oil, paper and pulp, and palm oil (drivers of 50% of tropical deforestation) through the creation of multistakeholder sustainable development partnerships in key soft commodity production jurisdictions, such as provinces in Indonesia or departments in Colombia, for example.
- **Climate Action and the Industry Transition Track.** In January 2019, the UN Secretary-General invited the World Economic Forum to take responsibility for shaping the future agenda of the industry transition track in line with the Paris Agreement, ahead of his Climate Action Summit in September 2019. In collaboration with several Forum industry platforms, the Platform for Shaping the Future of Global Public Goods mobilized a multi-institutional effort involving climate action organizations and industry leaders from sectors such as shipping, aviation, trucking, steel, cement and chemicals.

Other key developments this year included:

- The launch of **Innovation with a Purpose**, a unique platform that enables collaboration and action to leverage the power of technology innovations for food system transformation
- The launch of **Food Systems Dialogues** on how to transform food systems in line with the 2030 goals; in its first year, the dialogues enabled a diverse group of over 700 leaders and practitioners to discuss specific proposals for food system transformation through 12 countries
- Affiliation with the **BRI Green Investment Principles**, a new coalition led by the Chinese Green Finance Committee to develop principles for greening investment in the Belt and Road Initiative in line with meeting the Sustainable Development Goals and Paris Agreement
- The expansion of the **Sustainable Development Investment Partnership (SDIP)**, which is now a 42-member collaboration including banks, investment funds, pension funds, development finance institutions, foundations, governments and multilateral development banks with shared ambitions to mobilize sustainable investments in emerging and developing countries in support of the Sustainable Development Goals
- Support for the **Building Sustainable Markets Initiative**, which secured its mandate from key stakeholders among the business and financial communities, with the goal of identifying concrete steps needed over the next 18 months to mainstream sustainable markets and to catalyse a global decade of action on sustainability
- Continued progress since the launch of **Friends of Ocean Action** on mobilizing efforts to end plastic pollution, as well as to expand marine protected areas, ensure food security from the ocean, address illegal fishing, end harmful fisheries subsidies, decarbonize the maritime and shipping sector, scale finance for ocean innovations, create a platform for ocean data and drive gender parity in the battle to save the oceans.





THE PLATFORM FOR...

# Shaping the Future of Health and Healthcare

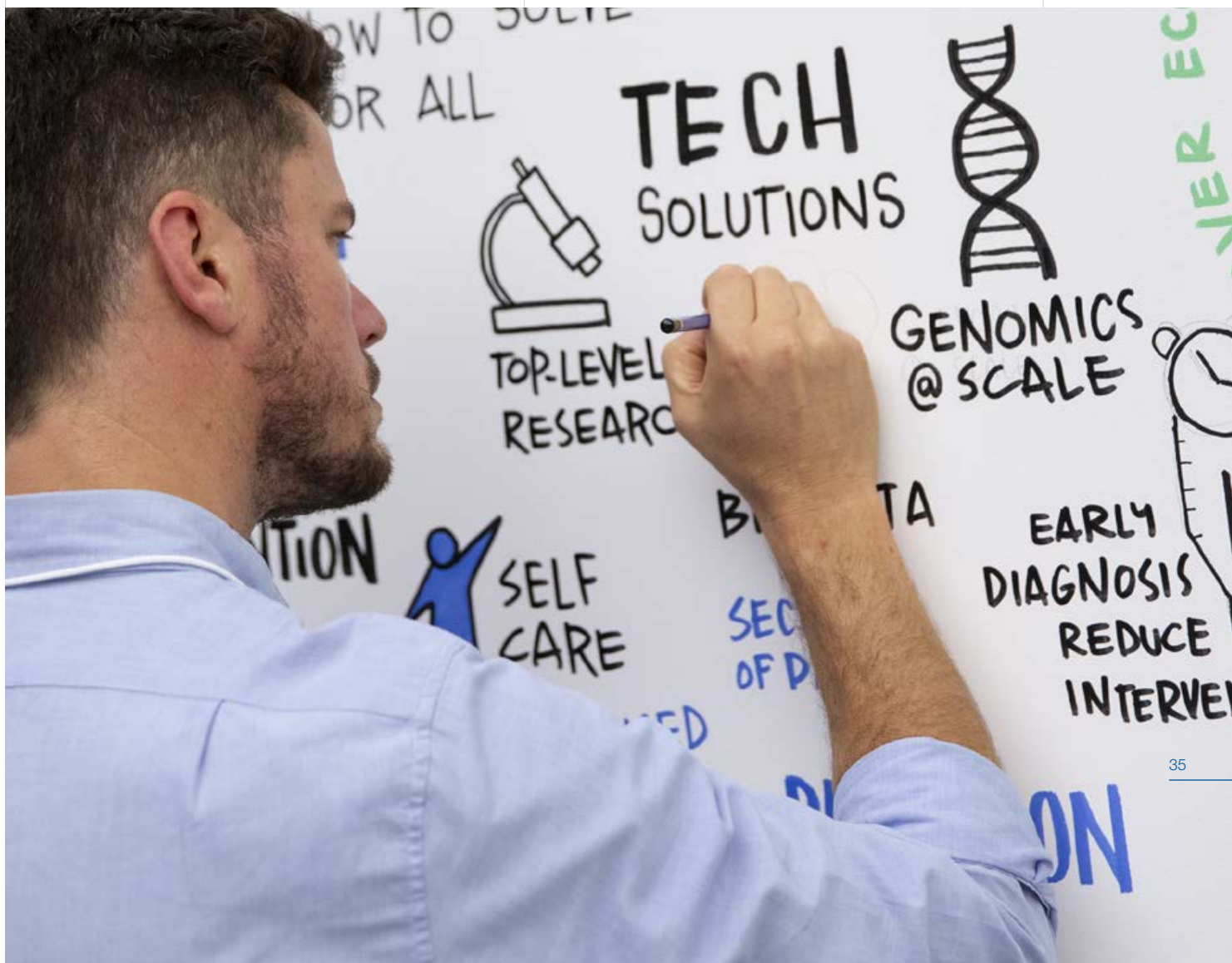
Transforming the healthcare industry while promoting healthy lives and ensuring access to affordable quality care for all.

Today's greatest priorities are keeping populations healthy and transforming the current healthcare delivery systems. This platform thus concentrates its activities on five key portfolios.

## 1 Epidemic preparedness

Over the past year, the platform examined risks associated with emerging infectious diseases of epidemic and pandemic potential through innovative, cross-industry and cross-sectoral public-private cooperation, helping to strengthen national and global health security. Achievements included:

- Designing and launching a platform to improve decision-making, coordination and communications within and between the public and private sectors, relating to risk, travel advisories and border measures
- Continuing work to create a capacity for large, trusted and influential employers to readily and reliably increase public messaging on infectious disease outbreaks, manage rumours and misinformation, and amplify credible information to support emergency communications
- Engaging the Pandemic Supply Chain network to release WHO Disease Commodity Packages (DCPs), a series of disease-specific data sheets that list the critical commodities and the technical specifications for each commodity per disease. With the DCPs now available, much of the year was spent building related tools, including those necessary for cold chain and inventory management, customs and strategic dialogue around key commodities
- In collaboration with WHO, developing the design and development of EPI-BRAIN (Epidemic Big Data Resource and Analytics Innovation Network), a sustainable, shared, accessible and integrated data innovation ecosystem to reduce the impact of outbreaks through forecasting and predictive analytics



- Establishing the M2030 Champions Council, a platform for corporate engagement to end malaria in Asia-Pacific with leadership from the private sector and the Global Fund
- Supporting the Accelerator for Impact (a4i) in collaboration with the Stop TB Partnership to create an impact investing global health fund to catalyse the rapid roll-out of new products and technologies targeting tuberculosis and antimicrobial resistance

## 2 Non-communicable diseases and mental health

In this area, the platform:

- Launched the multistakeholder Defeat-NCD Partnership, which aims to enable and assist lower-income countries to expand sustained action against NCDs

- Brought contributions to the work of the WHO Independent High-level Commission on NCDs to strengthen the commitment and contribution of the private sector to achieve SDG target 3.4. on NCDs and mental health
- Kick started work with Orygen, a civil society group based in Australia, to produce evidence-based guidance on an integrated model of youth mental healthcare that can be adapted to a range of resource settings
- Launched a communication initiative to feature efforts in private-sector companies to shift their culture practices towards becoming mentally healthier workplaces
- Initiated a scoping review for a “new vision for consumer well-being 2030” to bring additional momentum to consumer well-being

# 3

## Value in healthcare

The Value in Healthcare project explores innovative ways to achieve more while lowering costs through an approach known as value-based healthcare. The goal of a value-based health system is to continuously improve the ratio of outcomes-to-costs by providing increasingly targeted, segment-specific clinical interventions.

To accelerate health system transformation, the Forum launched the Global Coalition for Value in Healthcare. The coalition is a platform that aims to speed up the development of value-based healthcare around the world by bringing industry and public-sector stakeholders together to develop a shared vision and exchange insights and best practices for improving healthcare value.

# 4

## Universal health coverage

The UHC2030 Partnership is a global movement to build stronger health systems for universal health coverage (UHC). It advocates for greater political commitment to universal health coverage and facilitates accountability and knowledge-sharing. In 2018, the partnership launched an effort to engage the private sector in the global movement towards achieving UHC.

A joint statement on the UHC2030 Partnership will be disseminated ahead of the UN General Assembly in September.

Finally, in collaboration with the Ministry of Health of Viet Nam, Harvard Medical School and Novartis, the Forum supported the design and scoping review of an alliance for Primary Healthcare Transformation in Viet Nam.

# 5

## Precision medicine

The platform launched the Leapfrogging with Precision Medicine project to develop a set of case studies demonstrating how a precision medicine approach in countries with greenfield policy spaces can potentially transform healthcare delivery and outcomes. It also assessed the Breaking Barriers to Health Data pilot project with two Forum Partners and stakeholders in four countries; assembled a working group to build technology for accessing genomic data across country borders; developed a policy playbook for cross-border data access; and formulated ethical principles on the access and use of genomic data as a case study to record new ways to facilitate access to data relevant for precision medicine.



THE PLATFORM FOR...

# Shaping the Future of the New Economy and Society



Saadia Zahidi  
Managing Director,  
Head of the Centre for the New  
Economy and Society

Accelerating progress  
towards prosperous,  
inclusive and equitable  
economies and societies  
that provide opportunity  
for everyone to fulfil their  
potential.

The twin forces of globalization and technology are transforming our economies, workplaces, societies and families. In advanced and emerging economies, slowing growth, job disruption, growing inequality and a broken social contract are creating unrest and instability. Yet there has never been a better time to mobilize technology and human capability to address these challenges and shape a new socio-economic system.

The Platform for the New Economy and Society aims to create opportunity for everyone to fulfil their potential. The platform shapes the future of three interconnected challenges:

- Shaping the future of growth and competitiveness for a new economy
- Shaping the future of education, skills and work for tomorrow's workforce
- Shaping the future of equality and inclusion for a new society

The platform delivers system-level impact by supporting leaders in forming a new vision and acting in coordination with each other through:

- Unique insights and analysis to help stakeholders deepen their understanding of complex issues
- New models and standards to help stakeholders overcome differences and expand the opportunity space
- Scalable action frameworks to help stakeholders “crowd-in” and create communities of purpose

In 2018–2019, the platform worked closely with over 100 of the world's leading companies, over 30 governments and hundreds of stakeholders from academia, civil society, media and international organizations to shape progress on three challenges:



# 1 Growth and competitiveness

Globalization and technological progress are having a profound effect on economic and social systems, calling for a new vision of growth, innovation and competitiveness. A window of opportunity exists to design human-centric and sustainable pathways to shared prosperity. The platform supports leaders to understand, shape and scale new models and frameworks that drive growth in the new economy.

To address this challenge, the platform portfolio included the following activities in 2018–2019:

- Introduced the new **Global Competitiveness Index 4.0**, shedding light on an emerging set of drivers of productivity and long-term growth, and providing a much-needed compass for policy-makers and other stakeholders to shape forward-looking economic strategies and monitor progress
- Initiated the **Global Dialogue Series on New Economic Frontiers**, crowdsourcing from leading experts the response options for emerging topics at the intersection of economics, technology and society, including rethinking what constitutes economic value in today's economy, addressing market concentration created by online platforms, enhancing job creation, reimagining social protection and renewing fiscal policy, among others
- Launched the **New Metrics CoLab**, creating a network of big data partners to transform how we measure and map the new economy
- Shaped the **Closing the Innovation Gap Accelerators** framework, which serves as a platform for national innovation initiatives and aims to create a global network of 10 pilot and champion economies by 2020

# 2

## Education, skills and work

Quality education and work are the basis of prosperity, dignity and well-being for individuals and form the backbone of successful economies. The changing nature of work calls for new pathways to shaping education, skills and jobs for the current and future workforce. The platform supports leaders to understand, shape and scale new models and frameworks to aid the transition into the new world of work.

To address this challenge, the platform portfolio included the following activities in 2018–2019:

- Released three widely cited insight reports in collaboration with Partners, taking a nuanced and practical view of the jobs and skills challenge: *The Future of Jobs Report 2018*; *Towards a Reskilling Revolution*; and *Skills as the Currency of the Labour Market*
- Served as a platform for economies preparing their workforces through the **Closing the Skills Gap Accelerators**, launched in Argentina, India, Oman, Pakistan, South Africa and the United Arab Emirates, with the aim to create a global network of 15 pilot economies and five global champions by 2020
- Served as a platform for industries addressing workforce transformations through the **Preparing for the Future of Work Industry Accelerators**, launched in consumer; advanced manufacturing; oil and gas; financial services; aerospace; and media, entertainment and information industries, to reskill workers at risk of disruption, create upskilling and learning organizations, and dynamically track the evolution of skills and jobs
- Promoted a business-led reskilling movement, through the **Closing the Skills Gap 2020 Pledge**, thus far equipping 17 million individuals for future jobs via skilling, reskilling and upskilling, surpassing the goal of reaching 10 million beneficiaries by 2020

# 3

## Equality and inclusion

Globalization, societal change and technological progress have brought new focus to existing inequalities and given rise to new inequalities. The present moment offers a unique window to proactively embed equality into the future of economies and societies. The platform supports leaders to understand, shape and scale new models and frameworks to accelerate solutions for gender parity, inclusion, diversity and socio-economic mobility.

To address this challenge, the platform portfolio included

the following activities in 2018–2019:

- Provided a benchmarking tool for national progress on gender parity through *The Global Gender Gap Report 2018*, which took a forward-looking approach and analysed how technological change and gaps in artificial intelligence skills may affect gender parity in the future of work
- Served as a platform for economies promoting economic gender parity through the **Closing the Gender Gap Accelerators**, including seven economies in Latin America in partnership with the Inter-American Development Bank, with the aim to create a global network of 15 pilot and champion economies by 2020
- Launched a business-led **Diversity and Inclusion 4.0** movement, through the **Hardwiring Gender Parity in the Future of Work Pledge** for reaching parity in recruitment and reward for the top-five fastest growing professions by 2022; the **Partnership for Global LGBTI Equality** for supporting the implementation of the UN Standards of Conduct to tackle LGBTI discrimination in the workplace by 2020; and a platform for business-led action on disability.





# Shaping the Future of International Trade and Investment

Modernizing international rules, national policies and behind-the-border trade facilitation strategies with the aim of strengthening trade and investment flows in a rules-based system.

Trade tensions continued to drive markets and attract political attention in 2018–2019. The platform focused this year on trade tensions, digital trade, trade and investment facilitation, and global tax and competition cooperation.

The projects and activities linked to these issues included:

## Trade tensions

Business insight calls were held among corporate trade leaders across various economic sectors, trade programming was intensified at World Economic Forum regional meetings, and experts and Ambassadors were convened around the world at various events to informally explore the easing of trade tensions.

Responding to the G20's call for international trade reforms, the Forum community convened a broad range of informed and interested stakeholders to create and advance a roadmap for trade policy and governance reform.

Through the Global Future Council on International Trade and Investment, the community produced early briefings on the need for new trade rules to accommodate the technology race between nations with different economic systems, and on the difficulties at the WTO Appellate Body.

## Digital trade

Digital trade activities at the Forum support the development of policy frameworks and practical actions to maximize the benefits of digitally-enabled trade while meeting societal preferences. Divergent national responses can create cross-border regulatory

complexity and hinder policy objectives. The work covered e-commerce, data flows and trade tech.

Over 40 e-commerce businesses and independent experts collaborated to produce five policy briefings covering digital payments, small package logistics, consumer protection, e-transactions and paperless trading. Over a dozen regional dialogues contributed to the launch at the World Economic Forum Annual Meeting of WTO e-commerce negotiations among 76 countries. Efforts were undertaken in the Pacific Alliance region (with the Inter-American Development Bank), in Africa (with UNCTAD) and in Papua New Guinea (with financial support from the Government of Australia) to convene communities of interest, prioritize needs and build capacity for cross-border e-commerce reform.

Discussions continued at major Forum events and at leading trade and technology governance gatherings on the best principles and mechanisms to enable cross-border data-sharing.

A small TradeTech leadership group of tech innovators proposing solutions to radically transform the informational and physical flows of trade was created. In collaboration with the Inter-American Development Bank, it offered ideas and support to Argentina related to the country's efforts to develop its electronic single window for international trade operations, including on the value of blockchain elements. Additional work began on assessing the impact of other transformative technologies.

## Trade facilitation

The Global Alliance for Trade Facilitation helps developing and least-developed countries implement trade facilitation reforms. It brings trading businesses and governments together to identify trade bottlenecks, and helps to design and deploy targeted reforms to deliver commercially quantifiable results. The initiative receives funding from the Governments of Australia, Canada, Denmark, Germany, the United Kingdom and the United States. Around 240 companies are engaged, providing over \$3.5 million in in-kind contributions.

Nine trade-related projects were implemented in Brazil, Colombia, Ghana, Kenya, Morocco, Sri Lanka, Viet Nam and Zambia, and a further 12 are in the scoping phase. Initial results demonstrated progress in a number of areas. For example, improved risk management has led to a 23% reduction in foodstuff inspections at the Colombian border, allowing faster release and more focus on high-risk items.

## Sustainable investment facilitation

This initiative focused on facilitating foreign direct investment (FDI) to make a maximum contribution to society as well as to the productivity, environment and governance of the host economy. It provided multistakeholder input into the joint ministerial statement discussions on investment facilitation for development at the WTO, while piloting reforms in select countries and capturing the lessons learned. The sectoral focus was initially on agriculture and food processing. Financial support was provided by the Governments of Denmark and the Netherlands.

Specific sustainable investment challenges in Ghana and Cambodia were addressed through a collaborative, public-private approach to facilitation. The effort tests proposals emerging from the WTO investment facilitation discussions. Insights were also presented to G20 working groups during the Japanese Presidency.

## Globalization, tax and competition

Building on the E15 Initiative and a mandate received at the World Economic Forum Annual Meeting 2019, the community developed in-depth thinking on the trade-flanking policies needed for inclusive and sustainable global value chains:

- Tax and globalization: how to tax firms fairly in a globalized, digitalized economy
- Competition policy in the digital economy: how to update anti-trust rules and enforcement to balance concerns around market concentration, innovation, competitiveness and consumer welfare
- Business relationships and policy coherence: how firms interact with one another in global value chains and the implications for trade and investment policy coherence

THE PLATFORM FOR...

# Shaping the Future of Investing

Creating value for society by efficiently financing the world's most pressing opportunities and responding rapidly to long-term risks.

Today's world is driven excessively by short-term pressures that prevent optimal outcomes for all stakeholders in the long term. In this spirit, the platform seeks to focus on areas where long-term orientation can make the biggest difference, notably in long-term investing (which includes corporate leadership) and infrastructure.

Key activities and deliverables over the past year follow:

- Work on long-term and responsible leadership continued as part of the International Business Council's (IBC) **Modern Dilemma series**. In [\*The Modern Dilemma: Balancing Short- and Long-Term Business Pressures\*](#), four IBC CEOs discuss how they use governance, reporting and stakeholder relationships to maximize stakeholder and financial outputs. The Investors community has also led on this topic through the **Active Investor Stewardship Project**, which examines how investors can build stronger relationships with portfolio companies to improve value creation.
- A two-year collaborative effort between the World Economic Forum, Thomson Reuters and Refinitiv produced the **Sustainable Leadership Monitor**, a data-driven tool to help leaders benchmark and implement responsible leadership practices. The tool, developed based on input from Forum Partners at workshops, draws on Refinitiv's database of financial and non-financial information. CEOs demonstrated use cases and shared lessons learned in discussions at the IBC. The beta version of the tool is now available to Forum Partners and will be launched globally in 2019.
- The project on **Sovereign Wealth Funds and Strategic Investment** demonstrated how institutional investment can serve as an economic policy tool to directly address national and global economic challenges, including demographic shifts, economic diversification and climate change. The 2019 report [\*Thinking Strategically: Using Resource Revenues to Invest in a Sustainable Future\*](#)

established the economic policy rationale for such an approach. The project's next phase will make the investment case for doing so from both risk/return and impact perspectives.

- **Building an Effective Ecosystem for ESG**, an effort designed to accelerate the adoption of environmental, social and governance (ESG) criteria in investment decision-making, was launched under the umbrella of sustainable and impact investing. With an initial emphasis on ESG reporting, an extensive consultation process uncovered opportunities for collective action between the complex and diverse set of stakeholder groups that influence reporting, and highlighted where greater action is needed to accelerate system-level progress. In collaboration with Allianz and the Boston Consulting Group, these findings were published in a [White Paper](#) at the World Economic Forum Annual Meeting 2019.
- The **Humanitarian Investing Initiative**, a cross-platform application of the Forum's impact investing toolkit, launched a high-level group at the Annual Meeting 2019 co-chaired by Børge Brende, President, World Economic Forum; Kristalina Georgieva, Chief Executive Officer, World Bank; and Peter Maurer, President, International Committee of the Red Cross. The working group, consisting of global investors, large corporations, and humanitarian and development agencies, seeks to address the long-term challenges facing families and individuals residing in settings of fragility and displacement. The Initiative will launch a framework

for humanitarian investing at the Sustainable Development Impact Summit in September 2019.

- The **National Infrastructure Acceleration (NIA)** initiative concluded its work in Argentina and Viet Nam. In addition to specific interventions in these countries and in Indonesia, Brazil and India, the NIA initiative produced the White Paper [Empowering Public-Private Collaboration in Infrastructure: National Infrastructure Acceleration \(NIA\) approach](#), a roadmap for other countries to implement the NIA methodology.
- The **Global Future Council on Infrastructure** focused on two areas: i) understanding the transformative effect that technological innovation will have on infrastructure by developing case studies on the most crucial questions arising from technological transformation; and ii) increasing the pipeline of viable infrastructure projects by developing a tool to aid public officials in deciding on the appropriate procurement methodology for any given project.
- The World Economic Forum and the **Inter-American Development Bank** published [Improving Infrastructure Financing in Brazil](#), a report that presents recommendations from the public and private sectors on how to tackle the key challenges in Brazil's infrastructure market. The intent is to help mobilize more domestic and international financing to meet Brazil's long-term infrastructure needs and to increase the participation of long-term investors in Brazil's infrastructure market.



# Accelerating Agile Governance

Shaping the future of...

Cybersecurity and Digital Trust  
Technology Governance

THE  
R  
AGILE  
GOVERNANCE

THE PLATFORM FOR...

# Shaping the Future of Cybersecurity and Digital Trust



Alois Zwinggi  
Managing Director,  
Head of Compliance and  
Institutional Affairs

Promoting global collaboration to address systemic cybersecurity challenges and improve digital trust to safeguard innovation and prosperity, protecting institutions, businesses and individuals.

The World Economic Forum *Global Risks Report 2019* cites “technological vulnerabilities” among the top five global risks. For an order of magnitude, cyber-risks, along with environmental risks, are in the high-impact, high-likelihood quadrant of the global risks landscape. The breadth and impact of cyber-risks and cyberattacks — affecting business, economies, national security, international stability, individual privacy and employment opportunities — are only beginning to appear. They undermine overall trust in technology and grow exponentially as interconnectivity and technological advances accelerate in the Fourth Industrial Revolution.

A global risk requires a global response. As the International Organization for Public-Private Cooperation, the Forum occupies an ideal position to lead and guide global multistakeholder cooperation on cross-sector solutions to cybersecurity challenges. Engaging with the Platform for Shaping the Future of Cybersecurity and Digital Trust means taking the lead in the global response to address systemic cybersecurity challenges and improving digital trust to defend innovation and protect institutions, businesses and individuals.

The platform brings together policy-makers and operational leaders from the highest levels and from around the world, through ongoing collaborative action and partnership in a network comprising business, government, civil society, academic leaders and top cyber experts. In so doing, the platform drives dynamic cross-sector efforts to:

- Comprehend the unprecedented and continually arising cybersecurity challenges
- Share insights, build awareness and capabilities for robust cybersecurity preparedness
- Shape global policies for optimal security and trust



- Build communities of purpose to strengthen cyber-resilience and develop system leadership on major cybersecurity issues

The first Annual Gathering of the Centre for Cybersecurity took place at Forum headquarters in Geneva, Switzerland on 26–27 November 2018. Among the over 150 high-level participants from the public and private sectors were global cyber specialists, more than 80 global chief information security officers (CISOs) from the world’s leading companies, government ministers and high-level cyber officials from more than 20 countries, among them China, Russia and the United States. The gathering set out to establish a framework for improving cybersecurity through global cooperation by exploring and prioritizing key global cybersecurity challenges and areas of collaboration for significant and broad impact.

The Platform for Shaping the Future of Cybersecurity and Digital Trust engaged constructively with a wide range of partners and constituents:

- Signed partnership agreements with 13 private-sector partners, including six founding partners (Accenture, Fortinet, Palo Alto Networks, Salesforce, Saudi Aramco and Sberbank) and seven platform partners (Bank of America, Check Point Software Technologies, Credit Suisse, Deloitte, Equifax, Saudi Information Technology Company and Zurich Insurance Group)
- Signed agreements with six international organizations and academic institutions (Europol, Global Cyber Alliance, INTERPOL, International Telecommunications Union, Organization of American States and University of California, Berkeley)
- Signed agreements with five government agencies: Israel National Cyber Directorate, Oman Information Technology Authority, Republic of Korea’s National Information Resources Service, Saudi Arabia National Cybersecurity Authority and United Kingdom’s National Cyber Security Centre



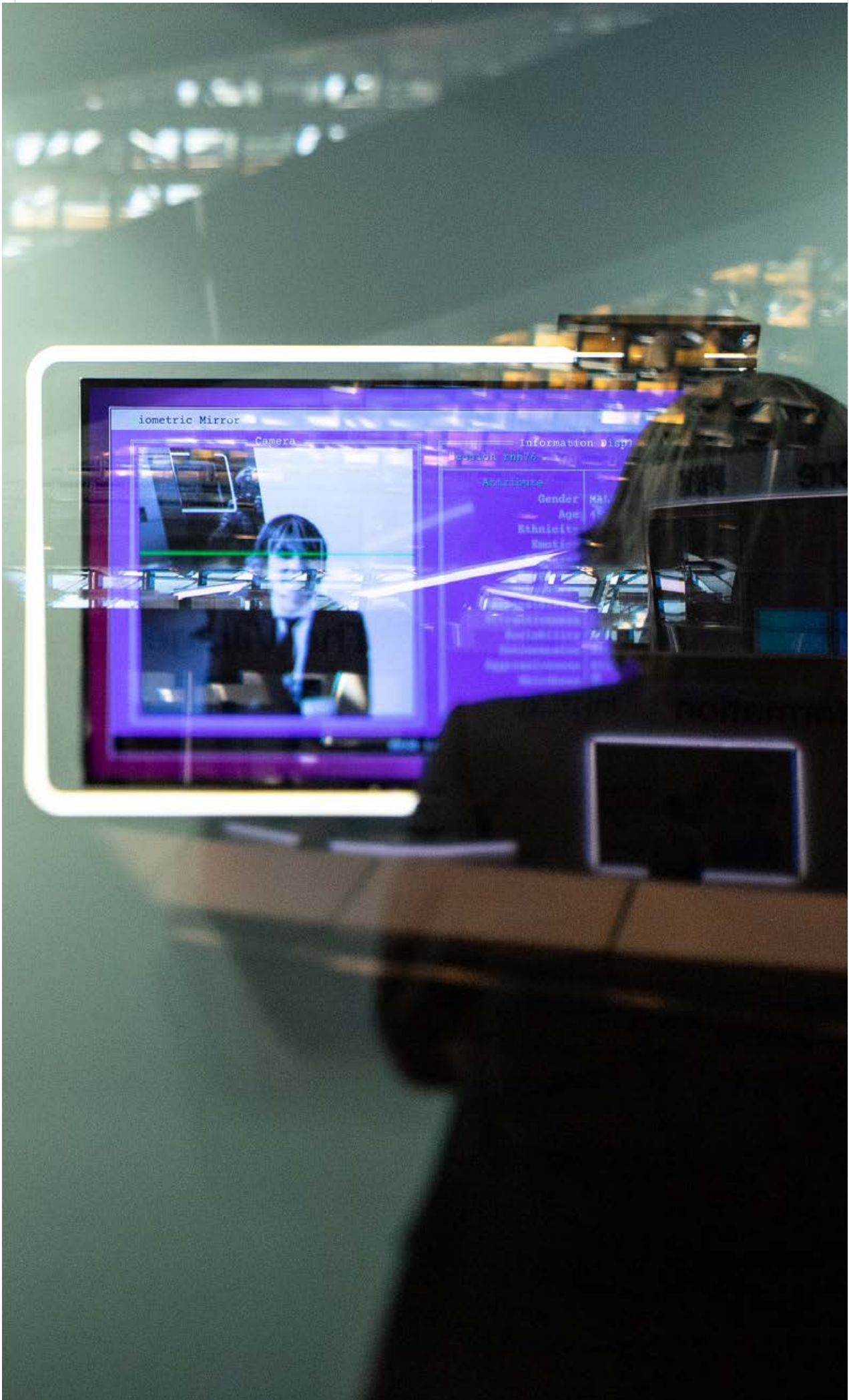
The platform collaborated actively with:

- The Platform for Shaping the Future of Digital Economy and New Value Creation and the Centre for the Fourth Industrial Revolution: building cybersecurity into the Forum’s 5G programme and, in partnership with GSMA and Mobile 360, exploring security concerns arising from the rollout of 5G networks; building a community of experts for a series exploring the future of cyberthreats and emerging global cyber-risks from the most strategically significant technologies of the Fourth Industrial Revolution; developing a call for private- and public-sector entities to commit to systematic use of stronger authentication mechanisms than passwords for more secure digital identities.
- The Centre for the Fourth Industrial Revolution: providing support and expertise to the Centre’s development of principles for AI governance for corporate boards of directors, ensuring that the overall guidance recognized the role of cybersecurity in guaranteeing the confidentiality and integrity of data processed by AI applications; creating and contributing a module to the report dedicated to cybersecurity.
- The Centre for the Fourth Industrial Revolution and the Centre for Global Industries, in a stewardship arrangement: participating in a multistakeholder initiative for promoting a safe, secure and resilient aviation ecosystem in an increasingly interconnected digital world; enabling aviation stakeholders to transfer their industry lessons and best cyber-resilience practices to all sectors; operating critical infrastructures via sharing of information and risk assessment processes; incentivizing secure and continuous digital transformation of the ecosystem.
- The Platform for Shaping the Future of the New Economy and Society: enhancing diversity and inclusion in the cybersecurity professions and developing a network of cyber ecosystems comprising a specialized workforce to fill the resource gap.
- The Platform for Shaping the Future of Financial and Monetary Systems and the Fintech Cybersecurity Consortium created in March 2018: identifying key challenges to the stability of the global financial ecosystem and proposing 19 solutions in the White Paper [Innovation-Driven Cyber-Risk to Customer Data in Financial Services](#); leading the work of the Fintech Cybersecurity Consortium as of January 2019 on cybersecurity policy frameworks for financial entities taking advantage of new technologies.

- Systems of Cyber Resilience: Electricity: developing [principles](#) to support the cyber-risk strategy of corporate boards to enhance cyber-resilience in the electricity ecosystem by effectively implementing cyber-resilience frameworks and augmenting supply chain resilience (the Electricity Industry Governors endorsed operationalizing these principles at the World Economic Forum Annual Meeting 2019).
- The World Economic Forum telecoms community: promoting the implementation of measures to counter high-volume cybercrime in the telecom industry; building a community of CISOs in telecoms to scope a potential dialogue series on how to encourage proactivity among internet service providers in countering cyberthreats on their networks.

In addition, investors, tech innovators and ratings agencies were convened in June 2019 to develop guidelines for investors to encourage secure and responsible innovation. The Insight Report [Incentivizing Responsible and Secure innovation: Principles and Guidance for Investors](#) serves to help find a balance between investing in new technologies and enforcing foundational cybersecurity controls. It allows investors and innovators to speak the same language and understand each other’s responsibilities regarding security and innovation.

In all these initiatives, the platform has strengthened cyber-risk governance by encouraging policy dialogue with sector-specific practical guidance and leveraging market forces to promote greater responsibility and accountability.



THE PLATFORM FOR...

# Shaping the Future of Technology Governance



**Murat Sönmez**  
Managing Director,  
Head of the Centre for the  
Fourth Industrial Revolution Network

Optimizing the societal benefits of scientific and technological breakthroughs while minimizing bias and inequality and maximizing privacy, accountability, transparency and safety.

The first Industrial Revolution introduced the use of steam power to mechanize production, while the second saw a number of groundbreaking inventions in transport, telecommunications and manufacturing, including the use of electric power to generate mass production. The third Industrial Revolution brought the internet and other technological innovations, which have ushered humanity into the digital era. Today, society is undergoing the Fourth Industrial Revolution, in which scientific and technological breakthroughs are disrupting industries, blurring geographical boundaries, challenging existing regulatory frameworks, and even redefining what it means to be human.

Emerging technologies such as artificial intelligence (AI), blockchain, drones and precision medicine are swiftly changing lives and transforming businesses and society, inevitably posing new risks and raising ethical concerns. How can society ensure that its policies, norms and standards are able to keep up with these rapidly evolving technologies? Enter the Centre for the Fourth Industrial Revolution Network.

The network's vision is to help shape the development and application of these emerging technologies for the benefit of humanity. Its mission is to co-design, test and refine governance protocols and policy frameworks to maximize the benefits and minimize the risks of advanced science and technology. To accelerate impact and drive change, the network brings together governments, business organizations, dynamic start-ups, civil society, academia and international organizations from around the world to collaborate across six emerging technology areas. The network develops, implements and scales up agile and human-centred pilot projects which policy-makers, legislators and regulators worldwide can adopt.

Headquartered in San Francisco, the Centre for the Fourth Industrial Revolution Network launched hubs in China, India and Japan in 2018. In addition to these World Economic Forum-led Centres, the network is establishing Affiliate Centres around the world that are managed and operated locally by partnering



governments committed to supporting and advancing the development and deployment of pilot frameworks on topics aligned with the network's projects. The first two Affiliate Centres for the Fourth Industrial Revolution, in the United Arab Emirates and Colombia, were launched in April 2019.

The challenges and opportunities of the Fourth Industrial Revolution are global in scope, have cross-industry impact and require multistakeholder cooperation. Understanding that the world must act now to ensure emerging technologies will help and not harm people in the future, the Centre for the Fourth Industrial Revolution Network is pioneering new approaches in the following key technology platforms:

### **Internet of Things, Robotics and Smart Cities**

Connected devices now outnumber people worldwide. These devices, commonly known as the internet of things (IoT), come in an infinite number of forms – from smart building technologies that monitor and manage energy usage to connected vehicles which help anticipate and avoid potential collisions. By 2020, the number of IoT devices is projected to exceed 20 billion, fuelled by continued technological advances

and the plummeting costs of computing, storage and connectivity. As IoT technologies continue to spread to all aspects of daily life, and even become embedded in the human body, questions about data ownership, accuracy and privacy protection take on greater importance. Similarly, in an interconnected world where electric grids, public infrastructure, vehicles, homes and workplaces are capable of being accessed and controlled remotely, the vulnerability to cyberattacks and the potential for these security breaches to cause serious harm are unprecedented. Project areas include accelerating the impact of IoT technologies, building trust in consumer IoT, unlocking the shared value of IoT data, enabling an inclusive rollout of next-generation connectivity, and smart cities.

### **Blockchain and Distributed Ledger Technology**

Blockchain, an early-stage technology that enables the decentralized and secure storage and transfer of information, could become a powerful tool for tracking and transactions that can minimize friction, reduce corruption, increase trust and empower users. While still nascent, cryptocurrencies built on distributed ledger technologies (DLTs) have emerged as potential gateways to new wealth creation and disruptors across financial

markets. Other revolutionary use cases are being explored in almost every sector, ranging from energy and shipping to media. DLT has the potential to transform entire systems, but it also faces challenges, including lack of interoperability, security threats, centralization of power and unwillingness to experiment due to recent overhype. A systemic and inclusive approach to this technology can help ensure that everyone — from the most marginalized members of society to the most powerful — benefits from its transformative potential. Project areas include looking at ways to unlock government transparency, redesigning trust using blockchain for supply chains, involving central banks in the implementation of blockchain technology, and reimagining data ownership and economic models in a token economy.

## Artificial Intelligence and Machine Learning

AI is the software engine that drives the Fourth Industrial Revolution. Its effect can be seen in homes, businesses and political processes. In its embodied form as robots, it will soon be driving cars, stocking warehouses and caring for the young and elderly. AI holds the promise of solving some of society's most pressing issues, but also presents challenges such as inscrutable “black box” algorithms, unethical use of data and potential job displacement. As rapid advances in machine learning increase the scope and scale of AI's deployment across all aspects of daily life, and as the technology can learn and change on its own, multistakeholder collaboration is required to optimize accountability, transparency, privacy and impartiality to create trust. Project areas include standards for protecting children, government procurement, norms around establishing a data marketplace and facial recognition.

## Data Policy

Data is the oxygen that fuels the fire of the Fourth Industrial Revolution. More data is being generated than ever before, with the global volume of data predicted to double between 2018 and 2022, and double again between 2022 and 2025. Three developments are driving this ever-growing volume: the rapidly expanding universe of connected devices via the internet of things (IoT), breakthroughs in autonomous vehicles and drone technology, and the growing availability of genomic testing. That data, in turn, is leveraged through machine learning to make AI possible and to power advances in precision medicine, diagnostics and predictive analytics used across industries. Although an unprecedented amount of data flows across borders and devices, the regulatory environment for data protection remains fractured. The over 120 data privacy laws currently

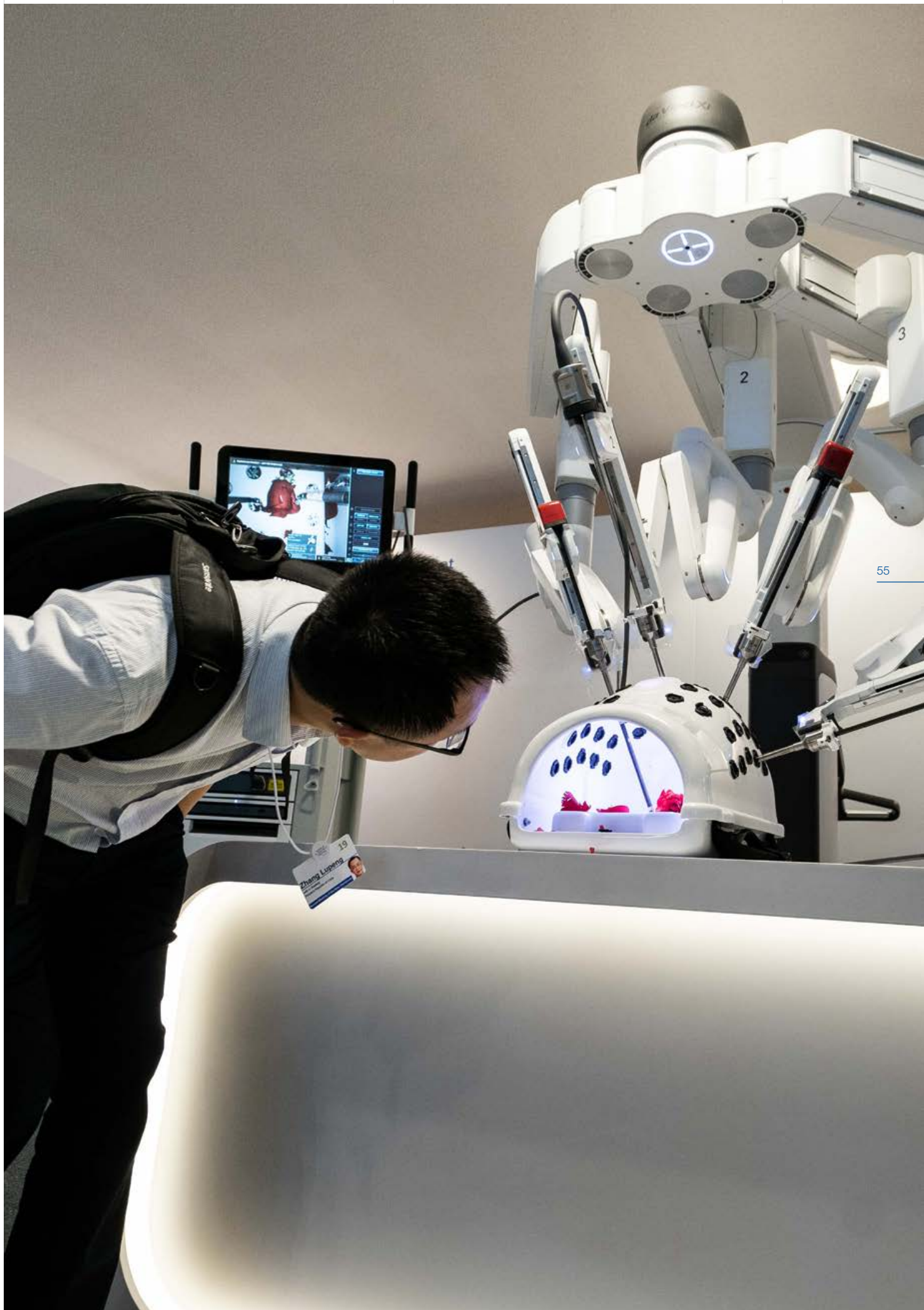
in place globally have created more uncertainty than ever before. More recently, questions about the ethical use of data within the public and private sectors have become critical issues. Project areas include governance frameworks for AI, trustworthy data for the common good, and examining the interplay between healthcare, data policy and cross-border data flows.

## Autonomous and Urban Mobility

Autonomous vehicles (AV) have the potential to improve road safety, decrease pollution levels, reduce congestion and transform the design of cities. With the proper parameters in place, AVs can be safer, more efficient and more economical than other vehicles. However, transitioning to AVs involves a disruptive shift that is bound to reshape public and private transportation systems, leaving many players behind if they fail to keep pace with emerging technologies. Business and government leaders must collaborate to identify the best strategies for accelerating the adoption of autonomous mobility in a safe, clean and inclusive way. Project areas include the Global New Mobility Coalition, societal benefits, equality and access, and infrastructure readiness to enable autonomous and urban mobility.

## Drones and Tomorrow's Airspace

Unmanned aircraft systems, commonly referred to as drones, are democratizing the sky and enabling new participants in aviation. Drones are already increasing crop yields, making dangerous jobs safer and acting as a lifeline for remote populations. In the longer term, autonomously piloted systems could revolutionize the transport of people and goods. While drones provide an opportunity to transform business models and help address societal challenges around the globe, governments are struggling to find ways to encourage aerial innovations while maintaining public safety and confidence. Large companies and an increasing number of start-ups are hindered in their ability to invest in drones and expand their use. Enabling millions of manned and unmanned aircraft to fly concurrently will also require new types of airspace management, physical infrastructure, and privacy and data ownership policies. Project areas include the Drone Innovators Network, drone delivery, aerial imagery for social transformation and scaling new paradigms for drone regulation.



# Regional and Geopolitical Activities

02:05





2030



# Responding to a Multi-Conceptual World



Børge Brende  
President

Over the past year, the World Economic Forum has further intensified its work supporting regional collaboration and future-oriented geopolitical and geo-economic dialogue and insight. This is in response to a sense of deepened uncertainty at the global level, coupled with the need to advance on important international issues, such as technology governance, climate change, trade, and various security and humanitarian challenges.

The idea of a multi-conceptual world continues to resonate as a means of understanding increasingly dispersed power structures and the need to “go deeper” to grasp the values, historical experiences and future outlooks that are driving key countries in their engagement with others. With this in mind, the Forum has worked with leaders from across sectors and disciplines not only to respond to current challenges, but also, and more crucially, to help equip countries and regions to be resilient and nimble in this new strategic context.

In September 2018, the Forum held the World Economic Forum on ASEAN meeting in Ha Noi, Viet Nam, focusing on measures to support entrepreneurship and strengthen trade ties as the region tackles the overspill of intensifying competition in trade and technology leadership. As part of the World Economic Forum on the Middle East and North Africa in April 2019, the Forum brought 100 Arab start-ups to Jordan to discuss the future of their industries with government and business leaders and to encourage the development of a regional innovation network with the potential to address the region’s chronic youth unemployment problem. And, at the World Economic Forum Annual Meeting 2019, the Forum facilitated a series of dialogues that examined the global governance architecture and explored ways of increasing cooperation while accounting for the desire for greater sovereignty among the citizens of a number of countries.

The technological currents flowing through economies and societies offer opportunities for unprecedented progress, and also raise questions about whether institutions and policies are poised to maximize the benefits of the Fourth Industrial Revolution. Unless business and governments work together to unlock the potential of new innovations in an equitable manner, the world faces the risk of further schisms driven by dissatisfaction with globalization.

To help address the dilemmas produced by new technologies, the Forum opened Affiliate Centres for the Fourth Industrial Revolution in Colombia and the United



Arab Emirates (UAE). Additionally, the Forum announced that Affiliate Centres will open in Israel, South Africa and Saudi Arabia. They offer a platform for business and governments to co-design approaches to policy and governance, considering the diverse levels of readiness and maturity of different countries and regions.

The Forum has continued its work to enhance regional security by convening stakeholders for dialogues on diplomacy. At the Annual Meeting 2019, the Breaking the Impasse community of Israeli and Palestinian businesses and government leaders focused on the Palestinian technology sector as a means to support youth and socio-economic development during geopolitical headwinds. Other diplomacy dialogues have included addressing conflicts in Syria, the Sahel region, the Horn of Africa and on the Korean Peninsula. The dialogue on the Balkans has focused on using public-private partnerships to advance economic opportunities to ensure that the region does not regress to past cycles of instability. The Forum is currently exploring the common threads of previously successful resolution efforts so that these can serve as models for peace and reconciliation.

Underpinning this work is rigorous analysis used to inform stakeholders about the drivers shaping the business and geopolitical risk environments. In

November 2018, the Forum released *Regional Risks for Doing Business 2018*, an Insight Report that compiled survey data from about 130 economies to offer insight into the risk landscape of eight regions. The Forum also produced the regional risk briefing paper *The Middle East and North Africa Risks Landscape*, which was released in April 2019 as part of the regional meeting at the Dead Sea, Jordan. *The Global Risks Report 2019* was released in January and generated more than 4,000 mentions in global media. This flagship report is a foundation for Forum dialogues, including the Annual Meeting. The Forum will further expand its risk offering in the coming year.

# Africa

The continent is going through a period of political renewal. Elections were held, or will be held, in 31 of Africa's 54 countries in 2018 and 2019.

Notably, presidential elections were recently held in South Africa and Nigeria, the continent's largest economies. In May 2019, Cyril Ramaphosa was elected as South Africa's president with a commitment to deliver a "new dawn" for the country by encouraging economic growth and fighting corruption. At the World Economic Forum Annual Meeting 2019, President Ramaphosa discussed his government's efforts, in partnership with the business community, to turn South Africa's economy around and take advantage of the Fourth Industrial Revolution.

In February 2019, Muhammadu Buhari was re-elected as Nigeria's president and pledged to focus on national security, diversifying the economy and fighting corruption. Shortly after his re-election, President Buhari addressed the opening plenary of the World Economic Forum on the Middle East and North Africa, noting: "In this new world without borders, my personal view is that stability and sustainability can only be achieved through inclusive economic growth and enhanced cooperation among nations."

In July 2018, following the launch of the Africa Peacebuilding Platform at the World Economic Forum Annual Meeting 2018, the Forum convened a preliminary group of experts in Geneva to identify and map the main issues related to peace and conflict prevention. At the Annual Meeting 2019, President Yoweri Museveni of Uganda chaired the second session of the Africa Peacebuilding Platform. Additionally, as part of a series of sessions on the Sahel region, the Forum launched the Forum Friends of the Sahel Framework, an effort to refocus attention on peacebuilding efforts in the region, in support of ongoing initiatives spearheaded by the heads of state of the G5 Sahel countries.

Furthermore, newly appointed Ethiopian Prime Minister Abiy Ahmed, in conversation with the President of the World Economic Forum Børge Brende and in the context of the historic joint declarations of peace in the Horn of Africa, shared his vision for Ethiopia and the region. President Kagame of Rwanda, outgoing Chairman of the African Union, highlighted the reforms he initiated and shared an update on the progress made on the Africa Continental Free Trade Area.



In 2019, as in 2018, Sub-Saharan Africa will be home to most of the world's fastest-growing economies. While Ethiopia, Rwanda and Ghana will again lead the region's growth (expected to be 3.8%), it continues to face challenges, including an increase in joblessness. According to the World Economic Forum *Regional Risks for Doing Business* report, the working-age population of Africa will more than double to 1.6 billion by 2050. This trend could open new economic opportunities for the continent, but only if a huge number of jobs can be created. (While 10–12 million youth enter the workforce each year, only 3.1 million jobs are created, leaving vast numbers of youth unemployed.)

In this context, and to address the issue, the Africa Regional Business Council, in collaboration with co-chairs Zenith Bank and A.T. Kearney, hosted the session “Empowering Africa’s Youth for the Future” at the Annual Nigerian Economic Summit in the fall of 2018. Moreover, during the Africa E-Commerce Week of the United Nations Conference on Trade and Development (UNCTAD) in Nairobi, and together with the UNCTAD-led E-Trade for All initiative, the Forum launched a pan-African E-Trade multistakeholder community to serve as a sounding board for digital trade policy and partnerships within the region. Subsequently, the Forum convened a session on “Accelerating E-Commerce in Africa” at the High-Level Forum Africa-Europe in Vienna in 2018.

In preparation for the World Economic Forum on Africa in September 2019, the Forum held workshops in March on “Accelerating the Industrialization Agendas” in the South African Development Community, East African

Community and the Economic Community of West African States in Johannesburg, Nairobi and Lagos, respectively. The half-day workshops explored how governments, businesses, academia and communities can collaborate to speed implementation of subregional industrialization action plans in the context of the Fourth Industrial Revolution. At the meeting in September 2019, the Forum will launch the first African Affiliate Centre for the Fourth Industrial Revolution in South Africa. The local Affiliate Centre will be hosted by the Council for Scientific and Industrial Research (CSIR) in Pretoria. The CSIR has identified AI, IoT, blockchain and precision medicine as priorities for this Affiliate Centre. The Forum also began preparing for the launch of the second Affiliate Centre in Africa, in Rwanda, in 2019.

Finally, over 200 Global Shapers from more than 90 Hubs recently convened in Nairobi for SHAPE Africa. The meeting was opened by Deputy President of Kenya William Ruto. The Shapers spent three days sharing their experiences, passions and work, with the goal of crafting bold solutions for education, the future of work and entrepreneurship, and mobility and access.

# Asia-Pacific

Developments of the past year have had profound implications for Asia-Pacific.

Escalating trade disputes and slowing economic growth, a weakening of international systems for cooperation and rising geopolitical pressures, deepening realization of the urgency of environmental issues and the accelerating disruptions of the Fourth Industrial Revolution are just some of the headwinds. And yet, despite the challenges, the Asia-Pacific region continues to outperform the world in terms of economic vigour, poverty reduction and other measures.

In the region, the World Economic Forum focuses on supporting Asia's strong growth story while also helping to navigate the rising challenges. For the environment, for example, the Forum supports initiatives on food security and sustainable agriculture: Grow Asia has five country partnerships in the ASEAN bloc, and the Forum added Grow Papua New Guinea in 2019. The World Economic Forum Global Plastics Action Partnership launched its first-ever country task force in Indonesia in March 2019, and will launch the second in Viet Nam later this year. In addition, the Forum is working with many countries on shaping roadmaps to transition energy systems to a more sustainable future.

Technology governance and ensuring that the Fourth Industrial Revolution leads to positive social outcomes are vital regional priorities. Over the past year, the Forum signed partnerships in this regard with the governments of Singapore, New Zealand, Viet Nam and South Korea, and is exploring other opportunities. The Forum's work to promote cybersecurity is finding equally strong partners.

One particularly exciting initiative is the Digital ASEAN programme. The ASEAN region is currently the fastest-growing internet market in the world: the online population is increasing by 125,000 users every day, e-commerce is flourishing, and the region is producing exciting tech unicorns. However, much of the activity is still at a national level rather than a regional one. The Digital ASEAN work aims to help unlock the digital economy's regional potential. Working with all 10 ASEAN governments, as well as a large coalition of private-sector companies and other stakeholders, the initiative is helping to shape regional data policy, harmonize regional e-payment systems and build digital skills. In Thailand, the Forum launched a collective pledge in November

2018 to train 20 million workers at SMEs across ASEAN in digital skills by the end of 2020. To date, 15 companies have signed up to the pledge, with a combined commitment to train nearly 11 million workers.

The regional portfolio of work also has a large trade component. At a micro level, the World Economic Forum Global Alliance for Trade Facilitation is working on improving border and customs procedures – for example, helping Viet Nam to develop a customs bond system. At a macro level, the Forum’s community of stakeholders in ASEAN is shaping new ideas for regional economic cooperation. The ASEAN bloc has a strong commitment to build a regional economic community, and the Fourth Industrial Revolution provides exciting opportunities for moving rapidly towards this goal and organizing regional cooperation in new ways.

Work in all these areas – and others, such as healthcare, competitiveness, education and the future of work – takes place throughout the year with dedicated communities operating on the Forum platform. But once a year, they all come together to showcase their progress, to gather new ideas and to build awareness and support. That moment is the annual World

Economic Forum on ASEAN. In September 2018, 1,100 participants from 44 countries gathered in Ha Noi, Viet Nam for two days of high-level discussions as well as deeply focused workshops. Among the participants, the Forum welcomed eight heads of state and government, two deputy heads, 80 government ministers and 650 business leaders, with strong representation from academia, civil society, the media and other stakeholders. For the first time, the ASEAN meeting featured a dedicated programme for start-ups, with 80 hand-picked start-ups from across the region participating to build connections, explore regional opportunities and debate how to strengthen innovation ecosystems across Asia.



# China

Since President Xi Jinping's speech at the World Economic Forum Annual Meeting 2017, the Forum has continued to engage members of China's government, welcoming Vice-Premier Liu He and Vice-President Wang Qishan to the Annual Meetings 2018 and 2019, respectively.

This was also reflected in the record number of Chinese senior government officials joining the Annual Meeting 2019 and of Chinese companies, both private-sector and state-owned enterprises, that have chosen to partner with the Forum on important industry and global initiatives. During the past year, the Forum welcomed new Partners from the Hong Kong Special Administrative Region and from leading companies in the energy, information technology, financial services and consumer industries.

From a policy perspective, the Forum made important contributions over the past year. It launched the Green Investment Principles for the Belt and Road initiative to ensure that environmental friendliness, climate resilience and social inclusiveness are built into new investment projects and daily business operations in the Belt and Road region. It also developed the Platform for Accelerating the Circular Economy, which is helping China to reach its ambitious environmental targets, including sourcing 20% of materials for new electronic products from recycled materials and recycling 50% of all e-waste by 2025. The Forum contributed green policy recommendations for China's 14th five-year-plan through the China Council for International Cooperation on Environment and Development and joint workshops undertaken during the Annual Meeting of New Champions 2018 and Forum events in Beijing.

In addition to hosting the Annual Meeting of New Champions 2018 in Tianjin under the theme of *Shaping Innovative Societies in the Fourth Industrial Revolution*, the Forum's Beijing office hosted private workshops as part of the Centre for the Fourth Industrial Revolution Network. These workshops addressed issues such as next-generation diagnostics, innovative therapies, urban aerial mobility, application of drones in humanitarian situations and a governance framework for data-sharing for smart cities.

The Forum's growth on Chinese social media platforms was particularly robust this past year thanks to growing interest in its work. Engagement on Weibo grew by 261% due to a revamp of the Forum's existing presence. The WeChat subscriber base increased by 32% and reads of articles increased by 351%, while the Forum podcast hit 15.6 million plays.





The World Economic Forum has been convening decision-makers in China since 1981. In 2006, the Forum established the Beijing Representative Office of the World Economic Forum to further integrate Chinese leaders from government, business and academia into Forum communities and activities. The Forum looks forward to continuing and further expanding this work, focusing particularly on the Fourth Industrial Revolution and the shared goal of improving the state of the world.

# Eurasia

The Russian Federation's economy rose 2.3% in 2018, exceeding expectations, with services contributing strongly thanks to the country hosting the 2018 FIFA World Cup.

Growth for 2019-2020 is anticipated to be only 1.5% to 1.8%, underscoring an ever-important need for structural change in the economy. With oil and gas still making up 59% of Russia's exports, the country needs to move towards a new growth model driven by innovation.

With more than 70% of the country's population, Russian cities are magnets for workers and a source of new opportunities in science, innovation, education and entrepreneurship. As such, they became the focus of the World Economic Forum Global Future Council on Russia, co-chaired by Maxim Oreshkin, Minister of Economic Development of Russia, and Igor Shuvalov, Chairman of VEB.RF, the country's major financial development institution. The Council, consisting of 20 Russian and international experts, from cybersecurity professionals to governors of Russian regions, has launched seven work streams, including developing the index for city readiness for the Fourth Industrial Revolution and an "AI as Governor" toolkit offering international methodologies for AI use. A three-day Global City Hackathon, hosted in the city of Nizhny Novgorod, attracted more than 300 people and matched city issues with innovative solutions driven by Russian entrepreneurs and start-ups.

Joint work with the Russian Federation also continued in the fields of the Fourth Industrial Revolution and cybersecurity, with Sberbank becoming one of the six founding partners of the World Economic Forum Centre for Cybersecurity. On the geopolitical front, a series of Europe-Russia dialogues took place across several World Economic Forum meetings, bringing together more than 100 participants to discuss the state of the relationship.

With a gross domestic product (GDP) of \$250 billion, Central Asia has demonstrated exceptional growth of 6.6% per year for the last decade, making the region one of the fastest-growing in the world. However, recent growth has dropped by one-third to 4.7%, not least due to the decline in energy prices, limited access to international markets and the lack of competitiveness of its domestic products. The World Economic Forum continued its work with countries in Eurasia to unlock the region's economic potential through building a regional network for technological development and

cooperation. A partnership was established between Azerbaijan and the Centre for the Fourth Industrial Revolution in San Francisco on Digital Trade, aimed at strengthening the country's role as an international trade hub. Kazakhstan partnered with the Centre to advance regulations of the IoT in support of Kazakhstan's agenda on Industrialization 3.0. Both partnerships are helping to connect Eurasia to the wider network of Centres to facilitate knowledge sharing and contribute to more open and inclusive growth. At the Astana International Economic Forum, the Forum facilitated a dialogue on the Fourth Industrial Revolution and the regulation of technology.

The World Economic Forum Annual Meeting 2019 examined the renewed attention on Eurasia and what it might offer in opportunities for development and growth. Nikol Pashinyan, leader of Armenia's "Velvet Revolution" (Armenia was 2018's country of the year, according to both *The Economist* and *The Wall Street Journal*), spoke about the importance of transitioning to a true democracy. The Annual Meeting witnessed a historic

meeting between the Prime Minister of Armenia and the President of Azerbaijan, marking the start of a long journey to break the impasse in the Nagorno-Karabakh conflict, while Mamuka Bakhtadze, Prime Minister of Georgia, joined the cohort of the World Economic Forum Young Global Leaders. The final accord of the Annual Meeting 2019 was the decision to launch the Eurasia Policy Group, a community of select high-level public- and private-sector experts from within and outside the region that will work on identifying opportunities for increasing regional connectivity and growth. It will seek to facilitate trade, jobs and skills and engage youth beyond national borders and trade blocs.



# Europe

Europe faces multiple new challenges from within and beyond its borders. It has been a strong advocate of a rules-based, values-driven multilateral system. Globalization is changing the rules in unprecedented ways, however, and the continent is facing serious choices about its future global role.

As key EU institutions are reaching the end of their term in 2019, important unfinished business remains to be tackled. This includes developing a truly strategic industrial agenda that allows the continent to continue to prosper in an inclusive and sustainable manner, overcoming internal political divisions, addressing European integration and enlargement, formulating an assertive common foreign policy and dealing effectively with long-term challenges, such as migration and climate change.

Regional activities therefore included a high-level multistakeholder meeting in Brussels hosted by Jyrki Katainen, EU Commission Vice-President for Jobs, Growth and Investment, to discuss Europe's post-election agenda. In addition, a high-level German chief executive officers' roundtable bringing together 50 global chief executives, Chancellor Angela Merkel and several members of her cabinet discussed Germany's role and standing in the multilateral world order and globalization 4.0. It also explored the effect of technological changes, such as AI's impact on the global business environment and political leadership in Europe's biggest economy. A similar meeting took place with 50 chief executive officers in France in December 2018.

Regarding Europe's immediate neighbours, the World Economic Forum engaged in dialogue with the Western Balkans and Africa. In October 2018, it convened the heads of state and government from all Western Balkan states and senior public figures from across Europe for the third meeting of the Strategic Dialogue on the Western Balkans. The participants committed to a set of actions, which included opening a regional Centre for the Fourth Industrial Revolution, establishing a regional Competitiveness Council, connecting to the World Economic Forum Centre for Cybersecurity and opening a Global Shapers Hub in the Western Balkans.

The Forum kick-started a strategic dialogue on Europe and Africa in December 2018 against the backdrop of demographic challenges on both continents and their migration agendas. The High-Level Forum Africa-Europe: Taking Cooperation to the Digital Age in Vienna was hosted by the Federal Chancellery of Austria. The dialogue continued at the World Economic Forum Annual Meeting 2019 with the participation of German

Chancellor Angela Merkel, South African President Cyril Ramaphosa, Austrian Chancellor Sebastian Kurz, Rwandan President Paul Kagame and Estonian Prime Minister Jüri Ratas, and will resume at the World Economic Forum on Africa in September 2019. The aim is to explore mutually beneficial public-private cooperation for building peace and promoting a stable, responsible and inclusive business environment.

During the Annual Meeting 2019, the European agenda focused on the continent's global leadership role, with 37 heads of state and government from Europe and Eurasia participating. Discussions focused on shaping a vision for Europe that allows the region to assume a values-based leadership role in the era of Globalization 4.0 and the Fourth Industrial Revolution. Themes included European societies in transformation, raising the region's competitiveness, smart neighbourhood politics and Europe's role in global governance. A group of global chief executive officers interacted with government leaders from the United Kingdom, while diplomacy dialogues took an in-depth view of Europe-Russia, Europe-Africa and transatlantic relationships, as well as the Western Balkans.

Europe's Global Future Council, under the co-chairmanship of Slovak Foreign Policy Minister Miroslav Lajčák and German economics professor Beatrice Weder di Mauro, presented the White Paper Reflections on the Future of Europe with a wide range of contributions to revitalize a constructive debate on Europe's agenda. Based on this input, the Council is working on a New Manifesto for Europe to advance an agenda for the European Commission and other relevant European institutions and member states.

Several communities are involved in this process: the Europe Reflection Group, consisting of top economic

and political advisers to the EU, its 28 heads of state and the European Commission; the New Leaders for Europe, a group of dynamic government leaders; the Digital Leaders of Europe, pivotal players in building Europe's innovation environment; the Regional Business Council on Europe, comprising board members of more than 30 of the world's leading companies and regional financial institutions; and the World Economic Forum Young Global Leaders and Global Shapers.

Economically, the region has seen slow but steady growth for six consecutive years, with unemployment at a record low of 6.4% in the EU28 (though 14% among youth). While the region remains a haven of stability and the rule of law, its future prosperity will also depend on its ability to push for the digital transformation of its industries, and to compete with the United States and China, which are heavily investing in AI and other enabling technologies of the Fourth Industrial Revolution.

With its Digital Europe platform, the Forum therefore aims to connect Europe's many vibrant innovation networks and advance the region's Digital Single Market. In January 2019, the Digital Leaders of Europe community published *Innovate Europe — Competing for Global Innovation Leadership*, a report that outlined elements of Europe's approach to innovating in the Fourth Industrial Revolution. The community also formulated actions for each of the 10 principles for a pan-European network of innovation and entrepreneurship. In May 2019, more than 20 speakers including founders, venture capitalists, and representatives from government, the military, corporates and academia taught a group of Digital Leaders about the success of the Israeli system and introduced transferable take-aways for Europe.



# India and South Asia

With 8% GDP growth in 2018, South Asia is the fastest-growing region in the world. Having demonstrated remarkable strength and resilience amid a global slowdown, the regional economies have established their significance for the sustainability of global economic growth. The dramatic economic progress, however, masks daunting developmental challenges which, if left unaddressed, undermine the region's future growth potential and outlook.

The regional economies have some of the highest inequality rates in the world, and their economic gains have bypassed large segments of society. Although rapid growth has pulled millions of South Asians out of poverty and expanded the size of the middle class, the region continues to have the largest concentration of the world's poor population. Improving the governance of technology, developing infrastructure, strengthening the institutional frameworks, harnessing the young population's potential through job creation and skill development, promoting environmental sustainability and ensuring equitable and inclusive growth are some of the most critical priorities for the regional economies. Furthermore, South Asia remains one of the world's least economically integrated regions.

Addressing these challenges and promoting and anchoring deeper neighbourhood integration could create economic and social value to bolster the region's ability to realize its growth potential. The rise of advanced technologies combined with the region's demographic dividend gives its economies the opportunity to leapfrog to advanced stages of development. This would simultaneously provide replicable proofs of successful models on a range of globally relevant issues, affecting billions of people around the world.

The World Economic Forum regional agenda for India and South Asia is a transformative, comprehensive and people-centred plan committed to promoting greater social cohesion and balanced sustainable development. The Forum's South Asia community comprises more than 80 businesses, 91 Young Global Leaders and 49 social entrepreneurs representing the region in the global networks, and 650 Global Shapers across 36 regional Hubs. Working closely with regional governments and communities, the Forum uses its platform approach to promote multistakeholder dialogue and public-private partnerships to support the regional development priorities and bolster the sustainability of the region's growth.

Just as the opening address by Indian Prime Minister Narendra Modi at the World Economic Forum Annual Meeting 2018 marked a milestone in the country's 35-year relationship with the Forum, the Prime Minister



of Nepal's first participation in a Forum Annual Meeting marked the 2019 meeting, in addition to enthusiastic contributions from across the region. The Annual Meeting also had strong high-level participation from various Indian states, demonstrating the Forum's growing influence across the region at the national and subnational levels. Inspired by the emphasis on pivotal regional issues, the high-level regional government delegations engaged on various platforms contributing to an "Impactful Country Strategy Dialogue" session on India and subnational collaborations with the Indian states of Punjab and Andhra Pradesh. These dialogues covered agriculture, road safety and mobility, energy, production and Fourth Industrial Revolution technologies, among other subjects.

The Centre for the Fourth Industrial Revolution India, the fourth in the Forum's global network, was launched by the Indian prime minister in October 2018 in New Delhi. Developed in partnership with the Government of India, the Centre is working with national and subnational governments, business leaders and prominent academic experts to develop pilots, protocols and frameworks for governing Fourth Industrial Revolution technologies. Aiming to harness the technological revolution to support the regional development priorities, the Centre has partnered with national and state governments to deploy technologies, such as AI, IoT, blockchain and distributed ledger, drones and machine learning for applications in data management, governance, agriculture, public service delivery, digital payments and smart cities.

India has the world's largest youth population, and more than half of the country's population is of working age. According to the World Economic Forum *Future of Jobs Report 2018*, more than half of India's workforce will need to be reskilled by 2022 to meet the demands of the Fourth Industrial Revolution. Skill development is critical for India to sustain inclusive growth and development.

To support India's skilling agenda, the Forum launched the Closing the Skills Gap Task Force. Launched by Dharmendra Pradhan, Minister of Skill Development, Entrepreneurship, Petroleum and Natural Gas, the multistakeholder task force is co-chaired by the minister and Salil Parekh, Chief Executive Officer and Managing Director, Infosys, to develop practical frameworks and partnership models to enhance the employability and future readiness of the workforce (achieved through reskilling and upskilling) and to address current and emerging skills gaps through a lifelong learning approach.

To support the Indian government's vision to increase manufacturing's contribution to GDP from the current 17% to 25% by 2022, the Forum started the Accelerating Sustainable Production project in Andhra Pradesh in partnership with the state government. The in-depth multistakeholder assessment study highlighted top Fourth Industrial Revolution technologies for the state to enhance its manufacturing competitiveness and transition towards advanced and sustainable production systems. Launched in 2018 by Chandrababu Naidu, Chief Minister of Andhra Pradesh, at the Sustainable Development Impact Summit in New York, the study highlights the importance of local action for driving global impact and systems change.

The Forum is also working with the Government of Sri Lanka on a Global Alliance for Trade Facilitation that anticipates establishing a multi-country shipping hub in Sri Lanka while unlocking significant investment opportunities.

# Japan

The Forum welcomed Prime Minister Shinzō Abe, four cabinet members and a business delegation — Japan’s largest-ever presence — to the World Economic Forum Annual Meeting 2019.

The prime minister’s participation attracted considerable media attention and signalled Japan’s commitment to taking the lead in global affairs as it prepares to host the G20 Summit. Prime Minister Abe announced the G20 should be remembered as the summit that kicked off the global Data Free Flow with Trust (the Osaka Track). Members of the business community also took part in the Annual Meeting. Hiroaki Nakanishi, Chairman of Keidanren and Hitachi, headed Japan’s business delegation, taking an active role in Society 5.0 sessions and media briefings.

The Centre for the Fourth Industrial Revolution Japan, a joint venture involving the Japanese Ministry of Economy, Trade and Industry (METI); the Asia Pacific Institute; and the Forum, continued to make solid progress in technology governance in smart cities, data policy and mobility.

The participation of Japan’s minister of education at the Annual Meeting of the New Champions 2018 highlighted the importance of reskilling while the mayor of Fukuoka, keen to make his city one of the leaders in Asia, committed to further involvement in the Innovative City Forum.

Throughout the year, the Forum engaged in various activities including the “Sustainability Through Advanced Materials: New Batteries and Technologies” workshop in April 2018 with Mitsubishi Chemical Holdings, a Partner company. The workshop focused on batteries, the circular economy and mobility, and sought to accelerate cooperation between Japan’s private and public sectors to solve some of the current challenges related to next-generation technologies, sustainability and transportation.

At the Innovative City Forum in October 2018, the Forum hosted the session “Cities and the Fourth Industrial Revolution.” The session explored the factors that will play an important role in determining the readiness of cities to embrace opportunities presented by the Fourth Industrial Revolution, including visionary city leadership, local innovation networks, smart regulation, global standards and public-private collaborations. The Forum’s activities in Japan also included contributions to the 1st Well Aging Society Summit, organized by METI.





Important constituents that were engaged included the Prime Minister's Office, the Cabinet Office, the Ministry of Foreign Affairs, METI, the Ministry of Environment, and the Ministry of Internal Affairs and Communications.

On the digital side, a new Agenda page became a significant element of the Forum's engagement with audiences in Japan, as well as the launch of a Facebook page. Both contain content in Japanese.

# Latin America

Following an intense electoral cycle, eight new governments were inaugurated across Latin America (including in Brazil, Mexico and Colombia, three of the region's largest economies), with six additional elections scheduled in 2019. The new political landscape offers the possibility of renewed public policies that, in most cases, suggest a more market-friendly environment, driving geopolitical change and signalling some moderate economic optimism amid a complex global context.

The Forum's platform offers a space for the region's stakeholders to come together to identify gaps and unlock new responses to both protracted and emerging challenges in important areas. These include inclusive economic and social progress, competitiveness, environmental sustainability and the Fourth Industrial Revolution.

A record number of Latin American leaders participated in the World Economic Forum Annual Meeting 2019, prioritizing topics such as promoting responsible leadership, transparency and agile governance; driving economic progress for all; and using the potential of a human-centred Fourth Industrial Revolution. Protectionism, commercial uncertainty and the impact of hemispheric and global geopolitics on Latin America, together with the need to implement further structural and institutional reforms, formed part of the discussion, as did the shared concern about the deepening humanitarian, economic and political crisis in Venezuela. These discussions reaffirmed the Quito Plan as a comprehensive undertaking and acknowledged the efforts being made by the International Organization for Migration and the Office of the United Nations High Commissioner for Refugees through their Joint Special Representative.

Efforts have been made throughout the year to contribute to shaping and advancing the regional agenda through the Forum's platform. In this regard, the Affiliate Centre for the Fourth Industrial Revolution Colombia was inaugurated in Medellin, led by the Colombian government and the municipality of Medellin. The Affiliate Centre will initially focus on the development of technology policy frameworks on artificial intelligence (AI), blockchain, the internet of things (IoT) and smart cities. Two Centre for the Fourth Industrial Revolution projects created in partnership with the Inter-American Development Bank (IDB) have produced preliminary results: one has developed a framework to use blockchain to increase transparency in government procurement and tender processes in Colombia; the other has created blockchain-supported Trade Single Window applications for Argentina.

In partnership with Brazil's Ministry of Economy, the Forum launched a project for prototyping protocols to advance the implementation of a competitive IoT network



in the country. To address issues and opportunities stemming from emerging technologies, the Forum also co-developed a series of local dialogues on shaping the Fourth Industrial Revolution in Chile, Costa Rica and El Salvador, while the Centre for the Fourth Industrial Revolution in San Francisco hosted a steady stream of senior government and business leaders from Chile, Mexico, Costa Rica and Colombia, including the presidents of the latter two.

In cybersecurity, a partnership was formalized with the Organization of American States. This collaboration is already adding value and regional perspectives to the global platforms on cybersecurity developed by the Forum.

The Internet for All project in Argentina, launched in partnership with the IDB, convenes stakeholders to share priorities and issues and to identify and execute cooperation opportunities in connectivity. It has already trained more than 81,000 people in digital skills in 11 of the country's provinces and has supported a draft technical standard for laying fibre optic cable, taking advantage of existing infrastructure projects.

Argentina has also incorporated the Secretariat of the Forum's Infrastructure Public-Private Working Group (IPSWG) and the methodology created for national infrastructure acceleration at Banco de Inversión y Comercio Exterior SA (Federal Bank for Investment and Foreign Trade). This will advance the public-private partnership selection, structuring and implementation across different jurisdictional districts supporting the development of the energy sector.

Also in the energy field, and in collaboration with the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) among other partners, the Forum launched its Global Battery Alliance initiative, focusing on developing a sustainable and efficient approach to the lithium value chain, which would create value-added opportunities for the participating South American economies. The Future of Electricity project launched in Brazil created a working group with more than 20 companies from the power, technology and mobility sectors as well as their regulators, aiming to develop an agenda for the transformation of the electricity industry.

In trade, notable advances were achieved through the Global Trade Facilitation platforms that continue to expand across the region, with active initiatives in Argentina, Brazil and Colombia. Colombian projects made progress in implementing a risk-management system for the National Food and Drug Surveillance Institute, and in establishing a Centre for Trade Facilitation and Good Practices to support growth in Colombia's automotive industry.

Other initiatives were driven through the Forum's gender, environmental and youth projects. Latin America continues to be a region in transition; the Forum is committed to serving the region in its efforts to modernize its economies, improve productivity and governance, and advance economic progress for all.

# The Middle East and North Africa

For a second consecutive year, GDP growth remained subdued in the Middle East and North Africa against a backdrop of rising geopolitical tensions. Hovering around 2% for the previous two years, this rate is insufficient to make a dent in the region's youth unemployment problem.

However, in a pattern that validates the perception of a "tale of two regions", Uber's acquisition of UAE-based Careem, a mobility app, for \$3.1 billion illustrated the considerable promise of the Middle East's digital and technology scene.

In this context, more than 1,000 leaders from government, business and civil society gathered on 6-7 April 2019 at the Dead Sea, Jordan, for the 17th World Economic Forum on the Middle East and North Africa under the theme of *Building New Platforms of Cooperation*, with the presence and full support of King Abdullah II bin Al-Hussein and Queen Rania Al-Abdullah of Jordan. The Forum once again extended its platform to the top 100 Arab start-ups in recognition of the growing voices of an emerging generation of entrepreneurs. Their leadership holds the key to addressing one of the world's most intractable challenges: how to create a positive future for the millions of young people entering the job market every year.

An important outcome of the meeting was the decision by the Governments of Bahrain and the UAE to support the 100 start-ups, such as by issuing long-term visas to their executives. The UAE committed \$1 million to support SCALE 360, the Forum's initiative aimed at unlocking the potential of the technologies of the Fourth Industrial Revolution for the circular economy. The University of the People (UoPeople), a tuition-free, US-accredited online university, announced the UoPeople in Arabic. The university will be run primarily by and for refugees from Syria, Yemen, Libya and Iraq.

The groundwork for a successful meeting had been laid when the Forum welcomed more than 40 public figures from the Gulf, the Levant and North Africa to the World Economic Forum Annual Meeting 2019 in January. The regional programme featured the need for increased diplomacy to overcome geostrategic fractures and the role of technology as the region embraces Globalization 4.0. The latest developments related to Israeli-Palestinian relations dominated discussions in the IGWEL. In addition, important diplomacy dialogues were



convened on Afghanistan and Syria in collaboration with President Ashraf Ghani of Afghanistan and the United Nations Special Envoy for Syria Geir O. Pedersen, respectively. The Breaking the Impasse community of Israeli and Palestinian business leaders pledged its support, together with leading global technology companies, to strengthen the Palestinian economy by working together to close the digital divide between the two sides.

Furthermore, the Forum launched the Fourth Industrial Revolution Affiliate Centre in the United Arab Emirates in April 2019, with the active participation of Børge Brende, President of the World Economic Forum, and Omar Al Olama, Minister of State for Artificial Intelligence of the United Arab Emirates. The Affiliate Centre, located in Dubai, will work on projects and case studies that use blockchain-based technology, AI and precision medicine. The Forum also signed an overarching memorandum of understanding with Saudi Arabia, which includes the launch of the Fourth Industrial Revolution Affiliate Centre in Riyadh in 2019 and support for the country's G20 presidency in 2020.

To mark the Forum's focus on the implications of the Fourth Industrial Revolution for the Middle East, leaders from business, government, start-ups and venture capitalists were convened in Manama, Bahrain, for a

workshop that explored how to narrow the gap between the region's technological potential and the policy agenda required to realize it, related to e-commerce, cross-border data flows and the governance of new technologies.

Finally, more than 100 Global Shapers participated in the SHAPE MENA programme on 2–4 April 2019 in Amman, Jordan. Reflecting the increasing impact of climate change on citizens' lives in the region in recent years, the meeting highlighted local champions of environmental restoration. The Shapers travelled to the city of Azraq and visited reserves and protected sites to better understand indigenous-led initiatives tied to environmental restoration, and also met with members of the local community. The Shapers launched two Hubs in Jerusalem: Global Shapers from East and West Jerusalem jointly expressed their determination to make the voice of their generation heard in building peaceful and equitable societies.

# North America

The North America region remains a core focus for the World Economic Forum. The offices in New York and the Centre for the Fourth Industrial Revolution in San Francisco house nearly 200 staff; they also serve as a hub for countless activities conducted by different Forum platforms.

With strong tailwinds sustaining the economic expansion both in the United States and to a lesser extent in Canada, the region continued to perform well during the past year as measured on a range of macroeconomic metrics. At the same time, some of the structural inequities inherent in the system are unsustainable, leading to an increased sense of anxiety and marginalization in the population and clear political implications.

The 2018 US mid-term elections fundamentally changed the country's political dynamics, with few areas of bipartisan policy formulation to highlight. The Forum's endeavour to find new ways of managing the disruption of the Fourth Industrial Revolution has led to deeper engagement with mayors and governors, two well-positioned groups for implementing some of the innovative governance ideas being generated through these platforms.

At the same time, a long-standing strong working relationship with Canada has grown even stronger, with the federal government making an additional commitment to the Forum's public-private initiatives. The Forum's engagement at the city and provincial level in Canada has also deepened.

North American government representatives from all levels actively participated in the Forum's global meetings. A US governor and congressional representatives travelled to the Annual Meeting of New Champions 2018 in Tianjin to discuss trade, innovation and economic issues. Tianjin also hosted a senior Canadian presence from both the federal cabinet and mayoral level, who highlighted the country's focus on using innovation and technology to drive economic development, as well as Canada's leadership on empowering women and scaling start-ups. Several Canadian ministers, as well as US mayors and governors, attended the Sustainable Development Impact Summit in New York to mobilize for climate action. A US congressional presence was likewise showcased during the World Economic Forum on the Middle East and North Africa in April 2019 in Jordan, adding an important perspective to the geopolitical and economic conversations.

US President Donald Trump, members of his cabinet, Senate delegations from the Foreign Relations, Banking and Energy Committees, and a bipartisan delegation of members of the House of Representatives had planned to participate in the Annual Meeting 2019 but were prevented from travelling due to the longest government shutdown in US history. Nevertheless, US Secretary of State Mike Pompeo addressed participants in a videoconference and spoke about the importance of harnessing disruption for positive outcomes. Canada's cabinet was well represented by four ministers and the Central Bank's governor; they engaged in discussions on geopolitics, global finance and the need to promote tolerance and pluralism as a precondition of shared prosperity and stability.

Beyond North American government participation in the Forum's global meetings, there was continued commitment to deepening partnerships with the Forum and its Partners across platforms. Among the many examples are New York City's partnership on the Loop™ Alliance to promote reusable packaging for environmental sustainability; the US Department of Health hosting the first-ever health strategy officers' meeting to discuss ways of tackling global health issues; and the State of Michigan and City of Detroit partnering

with the Forum and stakeholders on a pilot project to become global leaders in advanced manufacturing. Particularly close ties were established with the US Department of Transportation, which is actively engaged at the highest level in the work of the Forum's mobility platform.

The Government of Canada signed a historic partnership contributing \$4.6 million towards the Forum's Global Plastic Action Partnership, in line with Canada's G7 priorities. Additionally, Canada pledged \$1 million towards the Forum's Friends of Ocean Action to support fast-tracked solutions for healthy oceans.

The City of San Francisco, the US National Governors Association and the Canadian Government are now partners of the Centre for the Fourth Industrial Revolution, and several US and Canadian government officials at all levels are engaged in the Centre's Councils to drive development of human-centred governance tools to address challenges related to emerging technologies.



# International Organizations and Informal Gathering of Global Leaders

Ongoing conflicts, widening inequality, intensifying cross-border trade tensions, signs of failure to curtail human-made climate risks and a whole set of new challenges and questions arising from rapid technological advances call for a more integrated and coordinated response at a global level.

In 2018–2019, the Forum emphasized revitalizing and designing new approaches to international collaboration through enhanced partnerships with the United Nations, multilateral development banks and other key international institutions, such as the Organisation for Economic Co-operation and Development, to co-design ways for active multistakeholder participation and impact.

The second Sustainable Development Impact Summit, held in New York in September 2018, showcased an even wider and more deeply integrated set of coalitions dedicated to accelerating progress towards the achievement of the Sustainable Development Goals (SDGs). More than 20 heads of international organizations participated, working alongside other stakeholder groups to find practical ways of harnessing public-private cooperation and innovation to achieve impact. Taking advantage of the presence of primary actors and influencers for the United Nations General Assembly week, the Forum also convened a set of sessions of the Informal Gathering of World Economic Leaders (IGWEL), facilitating a frank and intimate exchange on common concerns over climate change and geopolitical conflicts.

The annual International Organizations Consultation Meeting in October convened senior representatives from the multilateral system. The meeting helped deepen and broaden the Forum's integral collaboration within the international organization community in two key ways: first, by facilitating wider exchanges among international organizations on how they partner with the Forum and use its various platforms, communities and tools to further advance their mandates; and second, by actively integrating their input for the World Economic Forum Annual Meeting 2019 (as well as for the Annual Meeting's theme of *Globalization 4.0: Shaping a Global Architecture in the Age of the Fourth Industrial Revolution*).





The Annual Meeting, an essential touchpoint to convene the main stakeholders in the Forum's ongoing activities and to gather high-level input to help guide its future course, saw more than 30 heads of international organizations engage with the programme to advance important aspects of common global challenges. The IGWEL programme comprised seven sessions addressing some of the most critical issues on the global agenda, including the traditional IGWEL on the "Future of the Financial System," held jointly with the International Monetary Fund. The United Nations Secretary-General's message to the plenary hall on the "fragmented and dysfunctional" response to common problems highlighted the need for more effective multilateralism.

On the humanitarian agenda, the High-Level Group on Humanitarian Investing was officially launched and co-chaired by Kristalina Georgieva, Chief Executive Officer, World Bank; Peter Maurer, President, International Committee of the Red Cross; and Børge Brende, President, World Economic Forum. Bringing together the core humanitarian and development actors along with corporate and investment representatives, the High-Level Group sought to stimulate new thinking

and action to tackle long-term challenges in protracted humanitarian crises. It also highlighted the need to support local markets by moving from a mindset of short-term funding to a more sustainable approach of investing in fragile contexts.

With the growing impact of the Fourth Industrial Revolution and the corresponding need for policy development, agile governance and stewardship in using new technologies, the Forum, through its Centre for the Fourth Industrial Revolution Network, worked closely with a wide range of international organizations to integrate them into its relevant activities, including partnerships with the United Nations Children's Fund, the World Food Programme and the Office of the United Nations High Commissioner for Human Rights, and to support consultations with relevant stakeholder groups for the UN Secretary-General's High-Level Panel on Digital Cooperation.

# Our Foundations





The World Economic Forum supports three independent yet integrated Foundations that serve as catalysts for next-generation leaders and mature-stage social entrepreneurs interested in playing an active role in improving the state of the world and their own communities. The Global Shapers Community, the Forum of Young Global Leaders and the Schwab Foundation for Social Entrepreneurship are represented in over 150 countries. The Foundations are creating significant social change, thanks to a combined membership and alumni network of more than 10,000 inspiring change-makers.

## OUR FOUNDATIONS

# Community of Global Shapers

A network of young people under the age of 30 who work together to address local, regional and global challenges, the Community includes more than 8,000 members committed to local action through their 400 city-based Hubs.

Spanning 158 countries, the Community connects Shapers through Forum meetings, community events, joint projects, campaigns and TopLink, the Forum's digital platform.

In each of the Hubs, teams of Shapers gather to create lasting change in their local community. In the past year, Hubs implemented 550 projects, including some dedicated to fighting climate change, promoting diversity and inclusion, and teaching marketable skills to disadvantaged groups. To extend the Community's reach and impact, Hubs frequently join forces to mobilize the global network on pressing world issues, ensuring young people are heard and their ideas acted upon.

In January, six Global Shapers served as co-chairs of the World Economic Forum Annual Meeting 2019 and delivered a strong call to action to participants. Noura Berrouba, Member of the Governing Body, European Youth Parliament, helped launch the Global Shapers Voice for the Planet initiative, calling for urgent action on climate, oceans and biodiversity. With support from world leaders, such as Sir David Attenborough, Broadcaster and Naturalist; Al Gore, Vice-President of the United States (1993–2001) and Chairman and Co-Founder, Generation Investment Management; Jacinda Ardern, Prime Minister of New Zealand; and Anand Mahindra, Chairman, Mahindra Group, the Shapers have now mobilized over 140,000 people to ask their government leaders to do more to protect the planet by 2030.

Perhaps the most sobering plea came from Shaper and Co-Chair Mohammed Hassan Mohamud, a Somali refugee who has spent the last 20 years living in a Kenyan refugee camp. Mohammed's message was clear: displaced people need more than food and shelter; they need to be recognized, to be given agency to improve their own lives and to be included in the global dialogue. Mohammed also helped create the Kakuma Hub, the Community's first Hub in a refugee camp.

To ensure young people are at the forefront of peacemaking and solution-building, the Global Shapers Community launched two Hubs in the historic city of Jerusalem in April 2019, the East Jerusalem and West Jerusalem Hubs. In Venezuela, in response to the humanitarian crisis, the Caracas Hub launched #ShapersforVenezuela to help raise awareness of migrants and channel much needed health, food and educational aid to them.

Young people have inherited enormous global challenges but, with support from the Global Shapers Community and the World Economic Forum, they have the potential to confront the status quo and create youth-led solutions for a better world.



## OUR FOUNDATIONS

# Forum of Young Global Leaders

Klaus Schwab, Founder and Executive Chairman of the World Economic Forum, founded the Forum of Young Global Leaders with a vision to create a multistakeholder community of the world's next-generation leaders. This peer network, which operates on principles of authenticity, respect, generosity and impact, has grown to over 1,300 people.

Each year, a cohort of exceptional leaders under the age of 40 is identified to participate in the work of the World Economic Forum, to inform and influence decision-making through the contribution of new ideas and perspectives. They are also exposed to executive education, global meetings, group expeditions and opportunities to collaborate and pilot new solutions to persistent problems.

This year's cohort included political representatives from all continents, founders of organizations that are shifting the way society operates, and courageous individuals who are pressing for more sustainable and responsible leadership paradigms. From film directors who use their art to open important international conversations to social entrepreneurs changing consumer behaviour, these individuals are examples of the types of leaders the world needs and whose influence should grow.

The Forum of Young Global Leaders is committed to supporting its members in advancing public-private cooperation in the global public interest. In 2018–2019, its members gathered to collectively address urgent topics, such as food security, humanitarian innovation, nature conservation, sustainable cities and leadership for Globalization 4.0. Beyond the leadership development opportunities offered as part of the programme, specific opportunities to support joint action comprised this year's activities.

For example, Young Global Leaders (YGLs) travelled to the Kakuma (Kenya) refugee camp, partnering with the UN Refugee Agency to better understand the complexity of forced displacement and ways they could support systemic change. YGLs are now investing further resources to connect refugees to the global economy: Alex Betts has forged a partnership to bring an Oxford University executive education module to refugee leaders; Marieme Jamme has trained over 150 girls to code; and Lorna Solis, Mike Moradi and other YGLs are working to make university scholarships available through the YGL-led NGO Blue Rose Compass.



The community also remains dedicated to promoting sustainability and environmental stewardship. At the largest annual summit ever held by the Forum of Young Global Leaders, over 600 participants committed to reducing their carbon footprint, leading to the first-ever Forum event that was completely carbon neutral. In addition, YGL Mina Guli helped lead an effort to mobilize the community on the issue of water scarcity. Through joint YGL efforts, almost 1.5 billion people participated in the global campaign, and over \$100 million in media exposure was generated. Jane Burston launched the Clean Air Fund with the support of fellow YGLs, who are lending their expertise to uncover the systemic causes

of and solutions to poor air quality. The project is now supported by the World Economic Forum platforms on health, mobility and climate change.

The YGL programme also offers tuition-free executive education to strengthen leadership skills and broaden the world view of YGLs. This year, over 150 members participated in programmes at such leading institutions as Harvard University, Oxford University and University of Cape Town. The modules spur important collaboration and reflection to further empower these exceptional young people.

## OUR FOUNDATIONS

# Schwab Foundation for Social Entrepreneurship

The Schwab Foundation for Social Entrepreneurship supports a network of more than 350 late-stage social entrepreneurs. By providing unparalleled global, regional and national platforms, the Foundation's goal is to highlight and scale leading models of social innovation.

The Foundation helps strengthen and grow the field of social entrepreneurship by showcasing best-in-class examples, creating opportunities for collaboration with the private sector and governments, and developing practitioner-oriented research.

In September 2018, the Foundation celebrated its 20th anniversary of supporting social entrepreneurship around the world. Over 130 Social Entrepreneurs gathered in New York with Hilde Schwab, Chairperson and Co-Founder of the Foundation, and with leading experts in social sector strategy, finance and measurement, to reflect on the progress of the last two decades, to provide peer support for their current work, and to look ahead and identify opportunities for collaborative impact.

At the World Economic Forum Sustainable Development Impact Summit, the Foundation publicly announced its 2018 Social Entrepreneur of the Year awardees. They included Sasha Chanoff, Founder and Executive Director of RefugePoint, which has referred over 54,000 refugees for resettlement; Urvashi Sahni, Founder of Study Hall Educational Foundation, which provides affordable, high-quality rights-based education to thousands of girls from urban slums; and Bas van Abel, Founder of Fairphone, which produces what the company calls "the world's first ethical, modular smartphone".

In May 2019, the Schwab Foundation underwent a leadership transition, with François Bonnici taking over as Head of the Foundation from Katherine Milligan.

The Foundation will introduce three new award categories in addition to Social Entrepreneurs to remain on the cutting edge of social innovation, to recognize the diversity of social innovation models across multiple sectors and to stimulate further impactful public-private cooperation. The new categories are Corporate Social Intrapreneurs, Public Social Intrapreneurs and Social Innovation Thought Leaders. In September 2019, the Foundation will publicly announce the new awardees at the Sustainable Development Impact Summit.



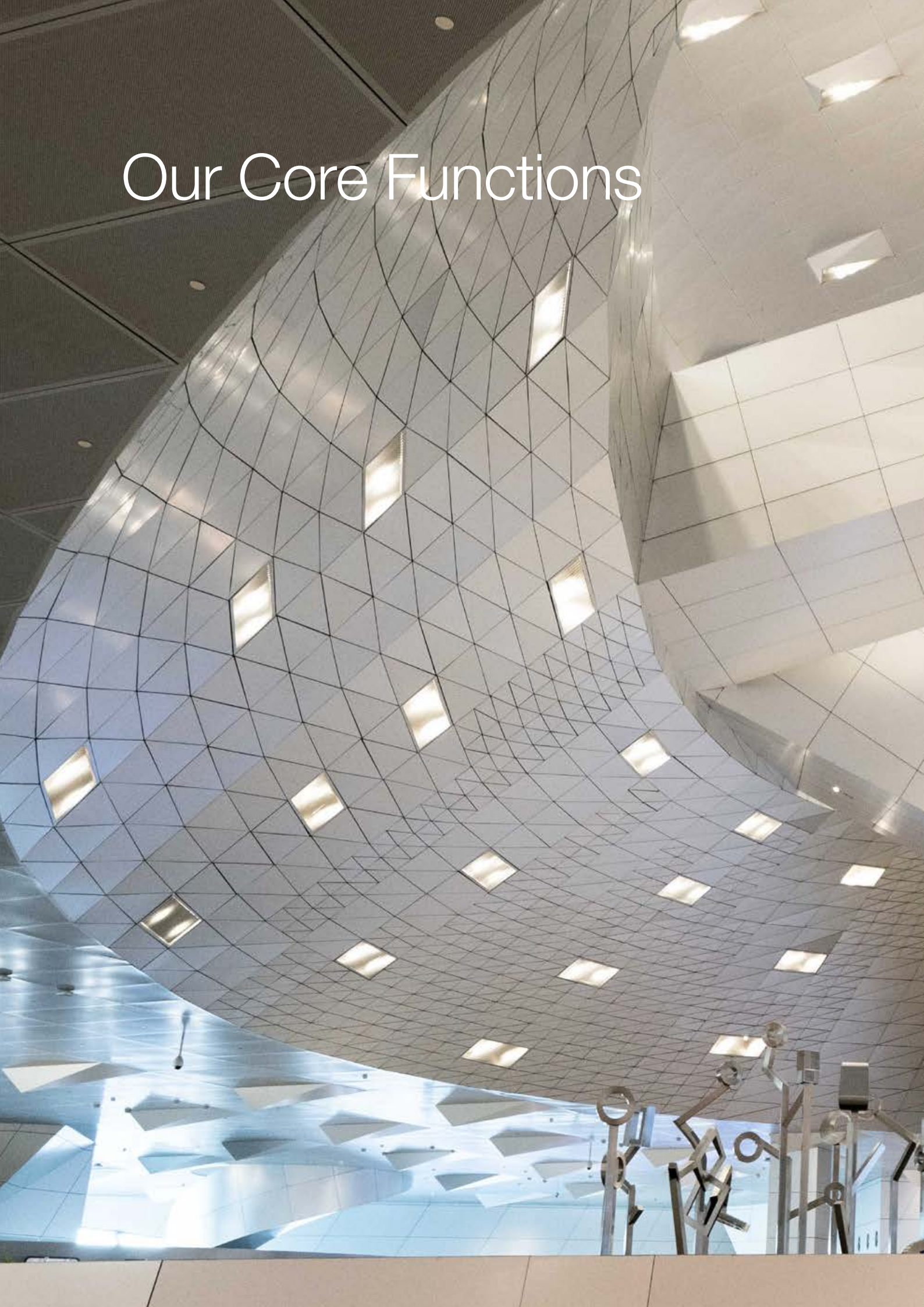
# BECOMING BIG BETTABLE

Schwab Foundation Social Entrepreneurs Summit  
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# Our Core Functions





## OUR CORE FUNCTIONS

# The Forum as Convenor



Lee Howell  
Managing Director,  
Head of Global Programming

To foster effective collaborative action, the Forum's platforms need trusted environments to bring together leaders to engage in systems leadership.

In 2018–2019, the World Economic Forum created these environments in over 300 events around the world, from our flagship Annual Meetings, to our regional meetings, through to hundreds of specialized working group and task force gatherings that took place at its offices in Geneva, Beijing, New York, San Francisco and Tokyo. Such working events are instrumental to achieving the objectives of the Forum's platforms and to developing the agendas essential to delivering the kind of impact highlighted in this report.

The Forum's core series of events act as curated platforms that shape global, industry and regional agendas by convening the most relevant stakeholders. Each agenda is developed by integrating insights and initiatives from the appropriate Forum communities and platforms. The strategic objective is to develop an integrated programme flow (by linking issues, insights and innovations) in a systematic, structured and stimulating manner across key Forum events, such as the World Economic Forum Annual Meeting, the Annual Meeting of the New Champions, the Annual Meeting of the Global Future Councils, the Sustainable Development Impact Summit, the Industry Strategy Meeting and, now in the preparatory phase, a new Annual Global Technology Governance Meeting in San Francisco, as well as regional meetings.

The second annual Sustainable Development Impact Summit was held in September during the United Nations General Assembly in New York, gathering over 100 coalitions together — involving champions and experts from all sectors and domains — in what was arguably the world's biggest multistakeholder “accelerator” event to advance action and increase innovation on collaborations for sustainable development and climate change.

Further efforts to catalyse coalitions, partnerships and alliances and to harness advanced technologies to address development, environmental and other societal challenges were undertaken two months later in Dubai at the Annual Meeting of the Global Future Councils. Thirty-five Global Future Councils comprising 700 experts from academia, government, business and civil society convened to advance systemic change in such

critical areas as health, energy and infrastructure using innovative digital tools, including the World Economic Forum's Transformation Maps.

These two events in the last quarter of 2018 were instrumental in the design and development of the overall agenda and specific sessions of the World Economic Forum Annual Meeting 2019 in January in Davos-Klosters. The theme for the 49th edition was *Globalization 4.0: Shaping a Global Architecture in the Age of the Fourth Industrial Revolution*, at which 3,000 leaders engaged in close to 500 sessions focusing on six global dialogues: geopolitics and a “multi-conceptual” world; the future of the economy; industry systems; cybersecurity; human capital; and institutional reform.

Four months after the Annual Meeting, the Industry Strategy Meeting was held in Geneva at World Economic Forum headquarters. The gathering brought together 350 industry strategy officers to reflect further on key priorities shaping the global, regional and industry agendas, and to progress the work of relevant platforms. The Forum's role as convenor considers global issues in context in order to facilitate systems leadership and acknowledge the nature of the global shift towards complexity, multipolarity and multi-conceptuality. Forum events are designed to enable leaders to engage thoughtfully and actively on critical issues of global and regional significance.



## OUR CORE FUNCTIONS

# Our Multistakeholder Communities

The World Economic Forum is a community of communities. When actively combined and recombined around complex challenges, these communities become much more than the sum of their parts.

### Community of Chairpersons

Two events were central to the Community of Chairpersons' past year of activity. The Community's annual retreat (26–28 April 2019), its flagship event, helped to put theory into practice as participants explored the theme of establishing governance structures for agility and trust in a changing world. It was organized in the context of the Fourth Industrial Revolution and the dynamic geopolitical environment in which boards and chairs find themselves, where they must lead radical and rapid business transformations. As the world enters the next phase of globalization, boards are increasingly pressured to put responsive and responsible governance structures in place and to proactively drive transformation. At the same time, fostering trust is a prerequisite for boards to shape the future of their businesses and the societies in which they operate. The Community thus explored how they can develop an environment for business that generates trust, helps them to stay agile and responsive, and allows them to lead by example based on a strong tone set at the top.

At the World Economic Forum Annual Meeting 2019, the Community debated Globalization 4.0 and accountable capitalism. Community members also engaged in a conversation with Jair Bolsonaro, President of Brazil, on the future of the country, and shared perspectives on artificial intelligence, blockchain, robotics, quantum computing and cybersecurity with Technology Pioneers and other innovators. A cross-community exchange with the International Business Council and Family Business Community addressed the future of work.

### Civil Society

Civil society is essential to framing and advancing public good. Its involvement in multistakeholder efforts is crucial to ensuring accountability, garnering public trust and promoting inclusive processes. The World Economic Forum's integration of civil society communities in all its activities reflects its commitment



to human-centred, positive social change that can strengthen the effectiveness and coherence of global governance. Non-governmental organizations, faith-based institutions, labour unions and new kinds of mission-driven organizations are valuable facilitators, advocates and innovators. Often serving vulnerable populations, they help assess the impact of accelerating technological development on accountability, fairness and other societal values.

This year, with support from Pact and the Children's Investment Fund Foundation and with the active engagement of nearly 30 influential civil society

organizations, the Preparing Civil Society for the Fourth Industrial Revolution platform was launched. This unique, multi-actor effort engages civil society, industry and other social-sector players in shaping civil society readiness and influence in the age of the Fourth Industrial Revolution. As rapid social and economic change ensues, the initiative helps empower, prepare and inform civil society representatives on how best to structure their operating models and engage and promote shared responsibility across government and industry for protecting and upholding human rights and achieving the SDGs.

## Cultural Leaders

The World Economic Forum network of Cultural Leaders includes artists, historians, educators, indigenous leaders, sports personalities, cultural influencers and cultural institutions. Cultural Leaders are united in their desire to create social change around the big issues of our time, from climate change to diversity and inclusion.

They use the Forum platform to speak truth to power, develop new partnerships, and launch campaigns and narratives that can change hearts and minds. The Forum acts as connector, curator and creator, fostering collaboration between the cultural field and other sectors, showcasing some of the best creative and topical content through world-class artistic experiences, and commissioning, producing and launching creative projects where a gap exists that the Forum can aptly fill.

A highlight this year was the successful launch at the World Economic Forum Annual Meeting 2019 of numerous experiences, from exhibitions to screenings of new campaigns, which garnered significant attention, partnerships and commitments. One notable example presented the urgent need to protect biodiversity, in collaboration with Sir David Attenborough, the World Wildlife Fund, Netflix and the Natural History Museum, London, among others. Another dealt with the critical need to better integrate the 1 billion people living with a disability into society, in collaboration with several disability advocates, the Cooper Hewitt Smithsonian Design Museum and major corporate leaders, including Accenture, Bloomberg, Unilever and many others.

## International Business Council

The role of the CEO as the custodian of trust was the key theme of International Business Council (IBC) exchanges in the context of Globalization 4.0 this year. The discussions focused on three angles. The first concerned the implications for business if the present economic conflict becomes a struggle for primacy in the Fourth Industrial Revolution, and what business leaders can do to help maintain a rules-based global trade system. The Council debated how business can help increase resilience and create trust in the new global environment, with its ever-accelerating worldwide shifts and their effects on business and the society at large in which leaders operate.

The second angle focused on the situation in which technologies transform the future on most levels in an unprecedented way. Best practice exchanges among Council members as well as involvement from experts offered valuable insights into how cyber-resilience requires much closer international collaboration, and on the opportunities and challenges blockchain presents for

the mid- and longer-term future to increase trust across value chains.

Third, as CEOs face challenges on multiple levels in this fast-changing environment, peer exchanges dealt with how to balance performance and progress. Balancing short- and long-term considerations continues to demand much attention. The CEOs' Modern Dilemma dialogue series of the past two years resulted in the Responsible Leadership Monitor, with contributions from IBC members in collaboration with the World Economic Forum. The Monitor serves as a framework for measuring long-term value creation, leading to key findings and conclusions. Nonetheless, the dilemma may change as the evolving global context, together with accelerating technological advances, leads to new challenges.

In addition, a cross-community exchange with the Family Business Community and the Community of Chairpersons about the future of work emphasized that the active engagement of owners, chairpersons and CEOs is key to responsibly managing the transition driven by technology. The ability to gain the trust of current employees and to integrate the next generation, for whom "meaning is the new money", warrants time on the agendas of future Community meetings.

IBC members and the Community of Chairpersons exchanged perspectives on artificial intelligence, blockchain, robotics, quantum computing and cybersecurity with Technology Pioneers, the World Economic Forum community of early-stage companies, in an interactive session that raised awareness of key questions linked to these technologies. Both communities also engaged in a joint conversation with Jair Bolsonaro, President of Brazil, on his vision for the country and upcoming plans for privatization.

## International Media Council

Continuing its previous year's in-depth exchange on technologies that disrupt, the International Media Council focused on how blockchain revolutionizes the way information is generated and saved, bringing the meaning of trust to a new level. The Council specifically explored the hard facts behind distributed ledger technologies for potential applications and the power they may have to reignite media. With its immutable store of data, blockchain technology could come to the rescue of factual news; using digital identities as well as verifiable reputation systems, blockchain-based social media works to promote accurate information while fighting falsehoods. The Council debated whether the technology will deliver what it promises, what aspects of blockchain are relevant for the business model in



media, and whether micropayments could unlock better opportunities for publishers to foster conditions for higher quality content and become a viable option for monetizing content.

The year proved challenging for journalists around the globe; according to Reporters Without Borders, the journalism profession is increasingly dangerous. At the same time, trust in the media has reached an all-time low worldwide, including in “free” societies. Nevertheless, as media are curtailed, they continue speaking truth to power. The Council debated how global stakeholders can help increase public trust and press freedom, even in environments where partisanship dominates and media are pushed into a corner or forced to choose sides. This intense exchange led to the One Free Press Coalition, which uses the collective audiences of its member organizations to “stand up for journalists under attack for pursuing the truth worldwide”. At the end of June 2019, the coalition had 33 members.

### Family Business Community

As a select group of leading family business owners, the Family Business Community is united in its commitment to create long-term economic and social value. It offers

members a trusted space for dialogue and cooperation, helping them to understand the global forces driving change. This is critical as they strive to improve their companies’ competitiveness in times of internal and external disruption, and to prepare the next generation to lead in a constantly evolving global context. The Family Business Community also involves a group of particularly dynamic next-generation game changers committed to leading innovative activities that add value to their family businesses and society.

This year the Community focused on challenges linked to agility, responsibility and family at its annual retreat, the Next Generation Meeting at the Annual Meeting of the New Champions 2018 in China, the Family Business Community Oslo Meeting in 2019, a Harvard Kennedy School programme on Impact Investing for the Next Generation, and Community-led events. It also pursued its dialogue with the Community of Chairpersons and the International Business Council on leadership and on relationships that are capable of securing sustainable value creation. The Family Business Community had its first dedicated session in a World Economic Forum Annual Meeting; at the Annual Meeting 2019, it showcased the Forum’s recognition of the unique contribution family businesses make to business and society.





## Global University Leaders Forum

The Global University Leaders Forum (GULF) community comprises world leading universities that are key contributors to the Forum's platforms and initiatives. At the GULF Annual Meeting in Davos-Klosters, the presidents of these universities explored their role as stewards of society. They discussed expanding educational endeavours to meet the needs of the global middle class; developing the collaborative innovation ecosystems that exist between universities and industry; ensuring the benefits of university-driven innovation are shared widely; exploring the ethical imperatives for researchers; and investigating the effects of Globalization 4.0 on their community. Alice Gast, President, Imperial College London, chaired the GULF community through May 2019, alongside Vice-Chair Suzanne Fortier, Principal and Vice-Chancellor, McGill University. Faculty from GULF universities also contributed widely to Forum initiatives, including as members of the Global Future Councils and the Young Scientist community, as well as by co-curating Transformation Maps and providing content and data for the Forum's Strategic Intelligence platform.

## Partnering Against Corruption Initiative

The Partnering Against Corruption Initiative (PACI) celebrates its 15th anniversary in 2019, confirming its role as the leading voice of business in fostering trust and integrity to address corruption. Close to 90 of the world's most influential companies continued to work during the year alongside civil society and international organizations to develop collective action on anti-corruption under the platform of the World Economic Forum to amplify the Initiative's impact and reach. The PACI community champions Fourth Industrial Revolution

technologies to improve transparency, the pace and scale of anti-corruption efforts, and the future of trust and integrity.

## Community of Philanthropic Organizations

The Community of Philanthropic Organizations comprises representatives from over 20 of the world's leading entities in the philanthropic arena. Community members and partner foundations bring their expertise to Forum platforms, projects and strategic dialogues, interfacing with business, government, multilateral institutions, academia, youth and civil society to enhance their philanthropic impact and influence global conversations.

In 2018–2019, Community members and partners convened to discuss opportunities and challenges for increased collaboration with a view to accelerating progress on the 2030 Agenda for Sustainable Development, new models of operating as well as the role of the philanthropic sector in driving systems change.

## Technology Pioneers

A global community of companies developing new technologies and innovations, the Technology Pioneers inform and influence decision-making by contributing new ideas and perspectives that address long-term global concerns. These firms are shaping the future by advancing such technologies as artificial intelligence (AI), the internet of things, robotics and blockchain, as well as biotechnology. The group's focus this year included agtech, smart cities, cleantech, supply chain, manufacturing, cybersecurity, autonomous vehicles and drones.

Technology Pioneers come from all over the world, including Canada, China, Finland, Germany, India, Indonesia, Israel, Korea, Mexico, Morocco, Netherlands, Saudi Arabia, Singapore, South Africa, Switzerland, the United Kingdom and the United States. Their diversity is reflected by ViaVerde (Mexico), which creates, installs and maintains large-area vertical gardens; DataProphet (South Africa), which specializes in optimizing manufacturing processes using AI; TIPA-Corp (Israel), which offers biodegradable and recyclable packaging solutions; Volocopter (Germany), which is developing a manned, fully electric and safe vertical take-off and landing aircraft that can transport people; and Quantela (USA), which offers AI-based smart city solutions.

The leadership of the 2019 Technology Pioneers is gender diverse, with 25% of companies led by women. Examples include Cara Jones, Founder and Chief Executive Officer of Marinus Analytics, who has a wealth of experience ranging from engineering autonomous robots to integration testing federal enterprise information technology; Emily Foges, Chief Executive Officer of Luminance, who has been scaling up technology-led businesses for over 20 years; and Ponsi Trivisvavet, Chief Executive Officer of Inari Agriculture, who has worked in several roles in agricultural companies, most recently as Chief Operating Officer of another fast-growing firm.

## Young Scientists

The Young Scientists community brings together extraordinary researchers under the age of 40 from various academic disciplines and geographies and with a demonstrated record of research excellence. These individuals commit to engaging with global leaders from government, business and civil society to demonstrate the effect science can have on improving the state of the world. Gathering at the Annual Meeting of the New Champions, the group represents 25 nationalities drawn from all continents.

In March 2019, the World Economic Forum convened the community in London for the “Young Scientists Science Communication Module” in partnership with the journal *Nature*, the Science Gallery London and the Natural History Museum. The module, which brought together Young Scientists and alumni from over 14 countries, provided the participants with tools and methodologies to more effectively engage with leaders on their research.

## Global Leadership Fellows/Global Leadership Institute

The Global Leadership Institute was launched in 2018 to develop the World Economic Forum’s diverse and talented pool of individuals, which includes the Global Leadership Fellows. The scale, complexity and urgency of today’s global challenges call for more responsive and responsible leaders, who have the vision and values and the character and competence to shape the future while balancing the tensions between short- and long-term goals. Based on the changing global context and the Forum’s strategic emphasis on systems and platform curation, the Global Leadership Institute focuses on developing systems leadership capabilities by running programmes and training sessions for all staff, not just the Fellows.

With the introduction of additional learning opportunities for the entire staff, employee participation in core training this year grew 52% and the number of staff members attending leadership courses increased sixfold. The Institute is working to help employees extract and share relevant skills and knowledge. As a result, many Forum leaders and experts learned to develop and deliver key modules to their peers as faculty, based on their know-how and specific skills in systems leadership and platform curation.

The Global Leadership Fellows programme underwent significant change during the year, to ensure stronger institutional relevance. More than 10 global leadership modules took place, focused on helping Forum leaders discover, understand and develop key dimensions of leadership. A set of skills-based training sessions were also held in areas such as presentation skills, influencing skills and dialogue facilitation, as well as on collaboration and workplace conduct. Each training module was specifically designed to provide the tools, frameworks and experiences required to enable systems change and joint work with all stakeholders of global society. The modules included “Fourth Industrial Revolution Leadership”, “Shaping Systems: Curating Dialogues for Impact” and “The Forum Way: Systems Leadership and Platform Curation”.

# Business Engagement



Olivier Schwab  
Managing Director,  
Head of Business Engagement

One of the World Economic Forum's most critical and unique drivers as the International Organization for Public-Private Cooperation is the number and quality of deep relationships it fosters with the world's most important companies. The Forum aims to build the commitment of business to engage in the solutions to the challenges its platforms address and to bring their influence to bear on the problem-solving and impact they generate.

In that regard, 2018-2019 was a strong year, during which the Forum continued to attract some of the world's most influential companies as Partners. The number of companies that engaged at the partnership levels totalled over 670, with increased interest and partnerships from the eastern hemisphere, notably South Asia. The highest level of engagement, Strategic Partnership, was much in demand, with this class of partnership experiencing greater movement, reflecting volatility in the global business environment.

Many Partners embraced increasingly more purposeful and committed engagement, for instance on climate action, as witnessed during the year and at the World Economic Forum Annual Meeting 2019.

Business engagement in the Fourth Industrial Revolution platforms was also strong, in particular in the two new Affiliate Centres in Colombia and the United Arab Emirates.

The strategic shift to platforms this year had important implications for Partners: this new approach means a more comprehensive and simplified way to engage, with the Forum mapping all activities against one dimension — the platforms. Partners can now select those in which they wish to lead activities that are at the heart of their strategic imperative or collaborate in those where they will make the most difference.

Forum Membership, tailored for innovative, fast-growing companies, continued to grow. Members now have a comprehensive suite of intelligence tools at their disposal, such as the Transformation Maps, which cover over 120 topic areas and synthesize the collective intelligence of the Forum's network. Members also have the opportunity to engage in the work of one platform.

In a fast-moving and complex world, the need for business to engage in finding solutions to the challenges shaping our world has never been greater. The outlook for business engagement with the World Economic Forum's comprehensive suite of high-level, impactful activities is stronger than ever before.



## OUR CORE FUNCTIONS

# Public Engagement



Adrian Monck  
Head of Public  
and Social Engagement

In the past 10 years, the World Economic Forum has built a public engagement machine that is unrivalled among international organizations. In terms of the worldwide media, the Annual Meeting in Davos-Klosters generates more coverage than any global event outside sports. During the year, the World Economic Forum was mentioned in the media 564,000 times, or more than once every minute.

Online, the Forum's presence continued to grow also. In 2018, more than a billion minutes of content were consumed across the website and social media, a 79% increase on 2017. This achievement, among others, brought recognition at the 2018 European Excellence Awards, where the team was named Communications Team of the Year.

Building on this success, the Public Engagement team's strategy consists of two distinct but mutually supportive elements: first, to continue to increase our audience directly through innovative new formats, new digital channels and deeper collaborations with the media; second, to develop new ways of supporting the Forum's transition to a platform-based organization for impact through more targeted strategic communications.

In practice this means that, as well as providing support for the Forum mission through high-volume media operations around major meetings and reports and by maximizing audience share across social media channels, the Public Engagement team will promote platform priorities by enhancing its capability for reaching and interacting with key decision-makers in smaller, niche communities. Resourcing for this effort will come from productivity savings across the team as operational processes are automated.

Highlights of the team's performance over the past 12 months reflect the strategic shift that is already under way.

In digital media, video remained the main driver of attention. The Forum is now one of the leading brands on Facebook video across the world and has made rapid progress in building audiences on LinkedIn and Instagram, where the presence on both has grown to close to 2 million in under two years. In total, Forum videos were viewed more than 1.5 billion times during the past year while our social media followers now number 18 million across all platforms.

This online scale translates into real world impact. For example, a video on Guatemala's river-cleaning "biofences" that went viral in both English and Spanish with more than 16 million views was eventually featured at the UN General Assembly in September, helping to gain political backing for the biofence concept.



The Forum's storytelling prowess made real-world impact via the media, too. Numerous speeches, briefing papers and newspaper articles in support of legislation in Europe, the United Kingdom, Canada and elsewhere banning single-use plastics in the past year cited the Forum's now-famous headline warning that there could be more plastic than fish in the oceans by 2050 if urgent action is not taken.

Partnerships play a significant role in the success of the Forum's Public Engagement team. In order for it to achieve the scale necessary to compete with international media, our digital platform Agenda concluded publishing agreements with dozens of publishers in a number of languages, including English, Spanish, Chinese, Japanese and French. In journalism, *Time* magazine produced an Annual Meeting special supplement to coincide with the event, yielding valuable publicity for the Forum and its mission.

In video, a breakthrough in terms of reaching Chinese audiences was achieved through a new partnership with the Chinese streaming service, iQiyi. Working together for the first time at the Annual Meeting 2019, this relationship helped generate 26 million views of the sessions, a vast increase on previous years. Other new partnerships included WhatsApp and Apple News, both of which make the Forum's digital content available to users and are starting to deliver significant amounts of traffic.

A clearly identified trend that emerged in the media over the past year was solutions journalism. This strand of programming, aimed at countering the preponderance

of negative stories in the daily news cycle, gained popularity. The Forum, with its wealth of innovative platform projects and network of exceptional innovators, is well placed to satisfy this need. A Facebook video on one of the winners of this year's Davos Circular Awards, a Netherlands-based company that pioneered a process to dye clothing without the need for water or chemicals, achieved over 5 million views in its first week and is still one of this year's most popular videos. Meanwhile, relationships with mainstream media outlets, such as BBC World Hacks and Bloomberg's youth-oriented TicToc, continued to yield valuable publicity for the Forum's community members.

The Public Engagement team also made forays into community-building and original content production. In the run-up to the Annual Meeting, a collaboration with Qualtrics saw the release of a worldwide public opinion survey which, in addition to providing excellent content, demonstrated public support for all the issues the Forum works so hard to advance.

In terms of community engagement, the Forum's digital Book Club on Facebook continued to be a huge success. Members, now numbering 45,000, were invited to read the book of the month and share their comments and insights, like an offline book club but at scale. The digital twist is that at the end of the month the author answers readers' questions via video. Contributors included Yuval Noah Harari, Elif Shafak, Walter Isaacson and Melinda Gates.

## OUR CORE FUNCTIONS

# Strategic Intelligence



Jeremy Jurgens  
Managing Director,  
Chief Digital and Innovation Officer

The World Economic Forum consolidated and enhanced its strategic intelligence capabilities over 2018–2019 as a core pillar of its engagement with Partners and constituents.

Transformation Maps, covering 125 topic areas and synthesizing the Forum network's collective intelligence, are at the heart of this capacity. They are developed with leading universities, think tanks and international organizations, including Australian National University, China Europe International Business School, the Kennedy School of Government at Harvard University, Institut Montaigne, Korea Advanced Institute of Science and Technology, Massachusetts Institute of Technology, University of Oxford, Yale University, the University of Cape Town, the Inter-American Development Bank, the International Organization for Migration, the Smithsonian Institution and the World Resources Institute, among others.

The Transformation Maps also incorporate research and analysis from leading research institutions around the world. Information is automatically scanned, summarized and classified based on a proprietary machine learning capacity. The system currently analyses more than 1,000 reports and articles a day from more than 200 sources, in five languages, including from the Brookings Institution, Carnegie India, Chatham House, MIT Sloan School of Management, London School of Economics and Political Science, RAND Corporation, Pew Research Center, Observer Research Foundation and Stockholm International Peace Research Institute, among others.

In early 2019, the Forum launched a new version of the Strategic Intelligence platform for public use, upgrading its performance and adding new features, such as aggregated high-quality video content. This is in line with the Forum's mission to promote global and informed discussion on global issues. The public version of the Transformation Maps, launched in November 2017, has been popular with users around the world, with over 140,000 public users signed up. This has provided new opportunities to extend engagement with new global audiences and to understand attitudes and priorities among stakeholder groups not engaged by the Forum in the past.

The launch of the new version of Strategic Intelligence preceded the roll-out of a wider set of tools for Forum constituents planned for later in 2019. New features include an enhanced capacity to customize maps for individual organizations or projects, and display trends



and signals derived from the large body of knowledge accumulated through the machine-curated knowledge feed.

Forum collaborations with academic institutions, notably through the Global University Leaders Forum and the broader university network, contribute to strengthening these strategic intelligence capabilities through content-based engagement. One notable collaboration launched in 2018 was a deepening of the partnership between Carnegie Mellon University's CREATE Lab and the Forum on EarthTime; the objective was to collect global visual information sources under one open-data, open-source umbrella. The Forum launched an EarthTime integration into the Transformation Maps as a new feature at the Annual Meeting of the New Champions 2018. EarthTime stories currently feature in a dedicated data tab on the Transformation Maps; more than 50 stories are available on topics as diverse as America's affordable housing crisis, the Heartbleed cyberattack, the global refugee crisis and the global fish trade.

The Forum also continues to refine and equip its expert communities to ensure the highest-quality engagement with them in serving the Forum's overall strategic goals. The World Economic Forum Expert Network, a community of more than 5,000 leading thinkers and practitioners across roughly 120 topic areas, is increasingly using the Forum's digital platforms to contribute their expertise and thought leadership on some of the most important and globally relevant challenges and opportunities.

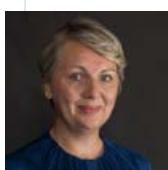
Since their creation in 2016, the Global Future Councils have significantly advanced the Forum's forward-looking agenda, including more than 370 Agenda articles and 33 podcasts exploring the intersection of the Fourth Industrial Revolution and global systems.



## OUR CORE FUNCTIONS

# People and Culture

## A True Platform for Talent



Emma Benameur  
Managing Director,  
Head of People and Culture

People are the World Economic Forum's greatest asset. Attracting, engaging and nurturing the best talent globally is fundamental to fulfilling the Forum's mission and role as a trusted platform for public-private cooperation. With close to 800 employees, the workforce is truly global, operating in six locations: Geneva, New York, Beijing, San Francisco, Tokyo and Mumbai.

The Forum's people are passionate and purpose-driven. The global, cultural, professional and academic diversity of its talent and stakeholders, combined with a dynamic and intellectually stimulating work environment, provides a valuable learning experience for all.

This year, the Forum focused on enabling the following strategic priorities in People and Culture:

- **Leadership development and learning**, by establishing the Global Leadership Institute to develop leadership capabilities fit for the future at all levels of the organization
- **Talent development and growth**, by shifting the performance management process from being an annual one to a year-round, dynamic and more holistic talent review of performance and potential, and a focus on enabling development and growth opportunities for each individual
- **Employee experience and engagement**, by involving Forum employees in town halls, exploratory sessions and continuous listening initiatives to identify priorities for improvement and innovation, and by launching a new careers website
- **Digital solutions and analytics**, by using people analytics to improve workforce planning and decision-making, and developing a strategy for implementing digital innovation and solutions to enhance employees' experience
- **Talent acquisition for strategic initiatives**, by partnering in the creation of the Global Centre for Cybersecurity, with a global recruitment of 20 leaders with deep expertise; establishing the Centre for the Fourth Industrial Revolution office in India; and growing in China and Japan
- **Enhanced diversity and inclusion**, by rolling out mandatory workplace conduct training to promote a respectful and inclusive workplace, as well as initiating the development of the Forum's diversity and inclusion goals for 2021

As its platform for talent continues to evolve, the Forum sees upholding its values and strengthening its culture as key to maintaining its collaborative spirit and entrepreneurial edge. The Forum's three aspirational commitments are to respect dignity and diversity, to serve the community above self-interest, and to act as a trustee of future generations.

Over the past year, the Forum registered higher activity in learning and leadership development, with 52% more staff participating in core Forum training and a six-fold increase in the number of employees attending leadership training. The focus on leadership development also shifted towards systems leadership and platform curation — called “the Forum Way” — where Forum leaders increasingly engaged as the core “faculty”.

Key talent statistics for 2018-2019 include:

**794** employees globally. This includes secondees from over 25 Partner organizations from the public and private sectors who collaborate with the Forum on specific projects and platforms.

**30,000** job applications received in 2018, from which 254 new colleagues were selected. Individuals are recruited from all walks of life – a workforce of true global citizens.

**84** nationalities from all continents and across six office locations (Geneva, New York, San Francisco, Beijing, Tokyo and Mumbai).

**Over 40%** of Forum leadership positions occupied by women, who also make up the majority of employees. Diversity is embedded in the Forum's culture and is integral to the organization's success.

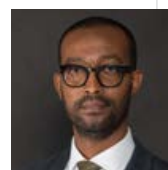
**88** Global Leadership Fellows working at the Forum, with Fellows who have graduated holding nearly 30% of the Forum's leadership positions.

The World Economic Forum Global Leadership Institute prepares future leaders for a complex and ambiguous world. The Forum itself invests in the development of all its people through continuous learning opportunities.



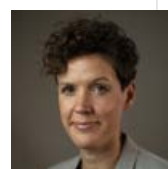
“For me the Forum has been a finishing school: the trainings I've taken, the assignments I've been given, and the management I've received have all sharpened the way I work with people.

Abhinav Chugh, Strategic Intelligence



“It's a work environment that really keeps you on your toes and tests your ability to shift and adapt.

Merid Berhe, Digital Solutions and Analytics



“At the Forum I've gone from thinking and writing about technological change to creating an impact with it.

Anne-Marie Engtoft Larsen, Science and Technology

## OUR CORE FUNCTIONS

# Finance and Operations



**Julien Gattoni**  
Managing Director,  
Chief Financial Officer

The World Economic Forum Finance and Operations team is responsible for finance, financial control, procurement, general services and hospitality, delivering cost-effective and client-focused infrastructure for all Forum locations. It is conscious that Members and Partners entrust financial resources to the Forum, which must ensure financial management best practice and discipline.

The Forum developed and maintains an integrated institution-wide financial accounting system, with appropriate financial reporting and internal controls. The team provides leadership in the strategic planning, performance reporting, budget analysis, justification and control of all functions.

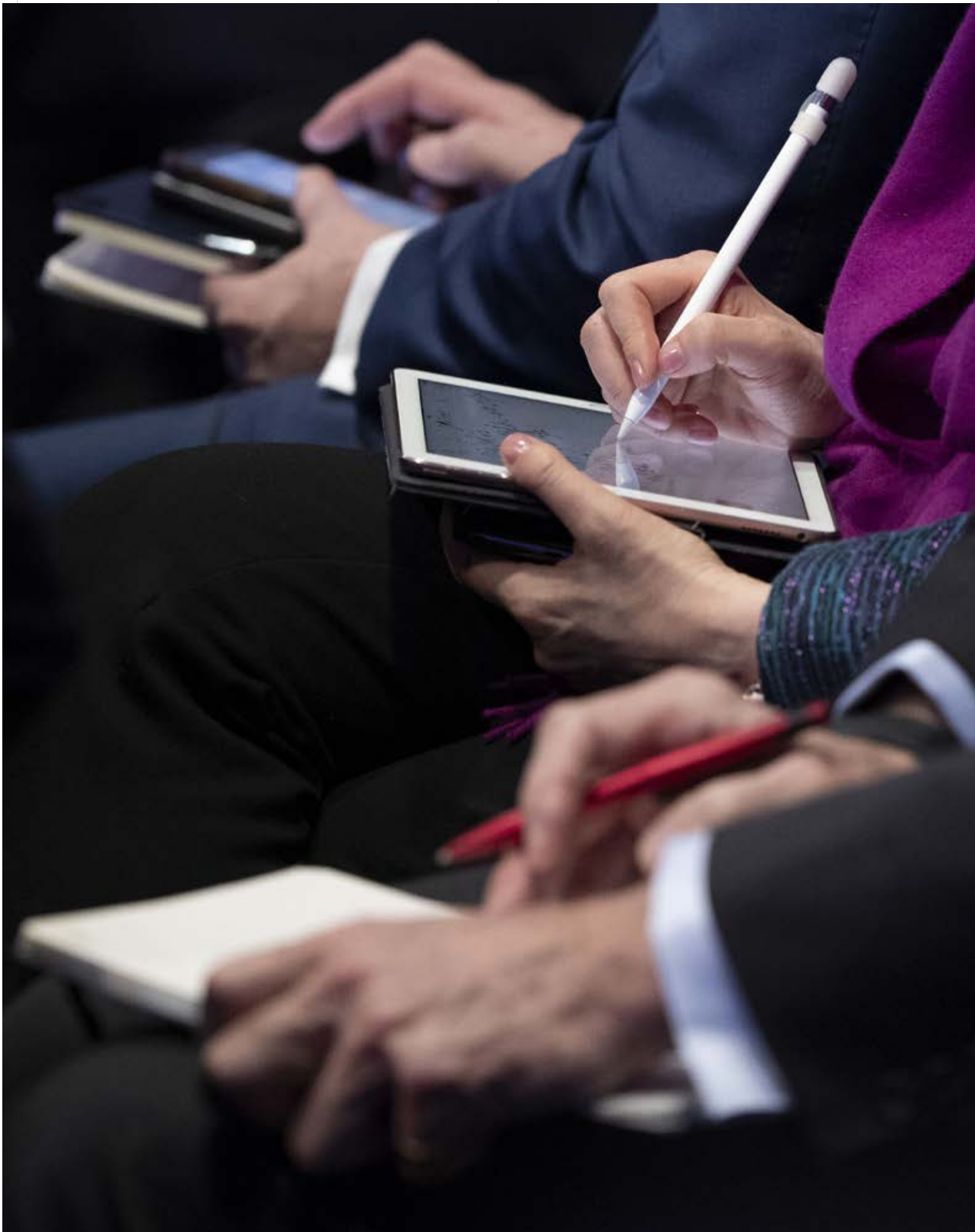
This year, the Forum strengthened the procurement systems designed to ensure a fair supplier selection process as well as transparency and predictability in its own operations, to maintain the integrity of the Forum's grant-funded initiatives and guarantee the fulfilment of its responsibilities towards its Members and Partners. The sole objective was to secure the best overall value with regard to price, quality and compliance.

The Procurement team was established in September 2018 as a centralized core support function to deliver business support services across the Forum's locations as OneProcurement, an integrated, institution-wide end-to-end procurement system with appropriate reporting mechanisms and a new target operating model.

The Forum's Sustainable Procurement Policy helps to ensure that sustainability practices are also implemented throughout its value chain. It attests that goods and services are procured with an emphasis on fair employment and sustainability, as well as other social and ethical criteria.

The team continued its consolidation of Forum operations into OneForum, focusing on maintaining flexible and agile systems that support fast growth, in particular of the Centre for the Fourth Industrial Revolution Network and its launch of the Centre for the Fourth Industrial Revolution in India. In addition, the "quote-to-cash" systems that automate the contract management processes were improved and the data analytics capacities were reinforced to enable more effective data-driven decision-making. Increases in direct funding contributions encouraged the development of a robust grant management process.

The General Services team focused on the continued growth of operations and capacity at Forum headquarters in Geneva, in particular on the need for new infrastructure and workspaces. It thus concentrated



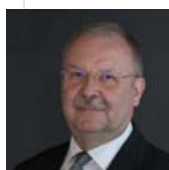
efforts on the planned construction of a new extension and on the opening of a new office in Pallanterie, close to headquarters.

The Hospitality team continued to provide major operational support for the increasing number of events taking place not only at Forum headquarters in Geneva but also in the San Francisco, New York, Tokyo and Beijing offices.

At the same time, the Forum's Operations team worked to maintain a positive workplace, clean offices and the availability of varied and healthy food, and responded to employee requirements, including audiovisual and telecommunication needs as well as mailing and delivery services around the world.

## OUR CORE FUNCTIONS

# Compliance and Institutional Affairs



Alois Zwinggi  
Managing Director,  
Head of Compliance and  
Institutional Affairs

Institutional integrity underpinned by compliance with applicable laws and ethical standards is at the heart of World Economic Forum operations.

### Institutional integrity and compliance

The Forum is committed to upholding the highest standards of professional integrity to be able to serve as a valued, independent and impartial partner to its international stakeholder base. The Forum's Compliance and Institutional Affairs department hence offers guidance, training and support to all Forum employees in order to foster a sustainable culture of moral and intellectual integrity.

Importantly, the department is integrated into the highest management level of the organization. It is chaired by a member of the Managing Board supported by the Head of Legal and Compliance, who jointly set the integrity standards for all Forum offices around the world. Among other duties, the department is responsible for enforcing the Forum's Code of Conduct, designing and implementing associated policies, and advising the organization on emerging compliance issues.

### Sustainability

The World Economic Forum is committed to ensuring the highest level of sustainability for its offices and events, as well as incorporating sustainability into its global operations and business practices. Its commitment to sustainability, as evidenced by the [Sustainability Policy](#) and the [Sustainable Procurement Policy](#), is another way the Forum is working to fulfil its mission of improving the state of the world.

The Forum's [Sustainability Strategy 2021](#), adopted in December 2018, is a practical roadmap and pledge to act to make events, offices and global operations more sustainable by 2021. The World Economic Forum Annual Meeting held in Davos-Klosters, a key element of the strategy, became [ISO 20121-certified](#) for sustainable event management in January 2018 following audits by an external auditing company. With ISO 20121, the Forum follows a strict methodology to embed sustainability in its internal day-to-day management. The Forum undergoes annual surveillance audits to

demonstrate continuous efforts in sustainability for the Annual Meeting.

As part of this sustainability programme, the Forum takes responsibility for its direct impact on the environment. Environmental measures are implemented at Forum events and offices based on impact assessments. This includes efforts in energy management, resource optimization and environmental impact reduction for transportation and catering services.

In addition, through its Sustainable Procurement Policy, the Forum aims to guarantee that sustainability practices are also implemented throughout its value chain. This includes making sure goods and services are procured with an emphasis on fair employment and sustainability, as well as other social and ethical criteria. The Code of Conduct for Suppliers requires suppliers to take appropriate steps to certify that sustainability principles are respected wherever products and services are produced or sourced.

Finally, the Forum works to assure that local communities are considered and engaged. It collaborates with many Swiss suppliers to deliver the Annual Meeting, values local expertise for its operations, engages actively with local stakeholders and authorities to ensure mutual benefits, and supports the development of local sustainability programmes. The Open Forum event has increased the engagement of the local community, civil society and general public on topical debates, allowing a broader audience to participate in World Economic Forum activities.



## OUR CORE FUNCTIONS

# Our Global Presence

### Switzerland World Economic Forum Headquarters

Since 1971, the World Economic Forum has been a neutral, independent and trusted partner for leaders in business, government and civil society.

We are a global organization proudly headquartered in Geneva, Switzerland.

Our effectiveness in creating impactful public-private cooperation is reflected in our formal recognition by the Swiss government as an international institution, in a major strategic cooperation agreement with the United Nations, and in the continuous and active engagement of over 1,000 of the world's top companies.

Through constant reinvention and reimagination of our role and approach, we are a new type of International Organization (IO) designed for the 21st century.







## USA World Economic Forum LLC

The World Economic Forum New York office was established in 2006 to engage businesses in shaping global, regional and industry agendas. Headed by Sarita Nayyar, Member of the Managing Board of the World Economic Forum, Chief Operating Officer, World Economic Forum LLC, the office continued to manage relationships with Forum Members and Partners who strongly support the Forum's mission to drive relevant and sustainable change for business and society. Together they identified, discussed and addressed their sector's critical issues through industry-specific initiatives, and actively contributed to the World Economic Forum Annual Meeting in Davos-Klosters, and to other Forum events throughout the year.

The New York office focused on key industry sectors, including consumer packaged goods, financial services, investors, technology, media, digital communications and mobility. The office continued to develop relationships with governments in North America and to facilitate their engagement in the Forum's work. In September 2018, the office hosted the annual Sustainable Development Impact Summit in New York.

The San Francisco office serves as the global base for the Centre for the Fourth Industrial Revolution Network. The Forum continued to establish this Network as the foremost international institution recognized for its leadership role in the collaborative development, piloting and refinement of policy frameworks and governance protocols that more fully anticipate the risks and accelerate the social benefits of emerging technology.



## China World Economic Forum Beijing Representative Office

The World Economic Forum has hosted events in China since 1981. In 2006, the Beijing Representative Office was established to provide a centre for Forum activities focusing on Global Growth Companies. The office has grown steadily, integrating Chinese leaders from government, business, academia and the New Champions community into Forum activities and platforms. Since the Forum Beijing Representative Office was opened, China's economy has grown rapidly, leading to an increasingly prosperous society.

Along with growth and prosperity, China continues to experience major challenges, such as rapid urbanization,

pollution and the need to ensure greater social inclusion, among others. At the same time, opportunities expanded for Chinese enterprises to go global, upgrade manufacturing value chains and broaden innovation and entrepreneurship as the country becomes ever more integrated in the global economy. Again this year, the Forum Beijing Representative Office and China team continued to work with Chinese and international stakeholders to help address these challenges and opportunities.

Led by David Aikman, Chief Representative Officer, China, the Forum's China team continued its next phase of growth, focusing on the Fourth Industrial Revolution in technology and developing advanced industry knowledge and strategic intelligence capabilities to stay ahead of China's rapidly changing global context.





## Japan World Economic Forum Japan

First established in 2009, the World Economic Forum Japan office has been headed by Makiko Eda since April 2018. Based in Tokyo, it continues to support Forum activities across all areas, particularly relations with government, business and the public.

Engagement with the Japanese government included Prime Minister Shinzō Abe's participation in the World Economic Forum Annual Meeting 2019. Coming five years after his previous participation, it symbolized Japan's return to the Forum's global arena.

Japan is facing a series of social challenges, such as an ageing population. The World Economic Forum Japan accelerates progress in the country by engaging

in and addressing relevant national topics. Reskilling and education, sustainability and advancing the environmental, social and governance ecosystem will continue to be the focus of activity.

Along with such major pillars as sustainability and Society 5.0, Japan's societal transformation plan to help the country grow and excel, the Japan office supports the country's efforts to lead endeavours to tackle global challenges by engaging closely with the Japanese government, businesses, academia and media. It collaborates with constituents and is expanding the network to work on projects and communicating through newly launched digital platforms in Japanese.

# Governance and Leadership

## Governance

Incorporated as a foundation in 1971, and headquartered in Geneva, Switzerland, the World Economic Forum is impartial and not-for-profit; it is tied to no political, partisan or national interests. It is under the supervision of the Department of the Interior of the Swiss Federal Government.

The Forum strives to model world-class corporate governance where values are as important as rules. Legitimacy, accountability, integrity, transparency and concerted action are the pillars of effective governance and the guiding principles of the Forum. By clearly articulating its principles, the Forum continues to reinforce and renew what makes it relevant and unique, and maintains its independence as it adheres to its mission to improve the state of the world.

### The main governing bodies of the World Economic Forum are the:

- Board of Trustees
- Committees of the Board of Trustees:
  - Governing Board
  - Audit and Risk Committee
- Managing Board, assisted by the Executive Committee

## Board of Trustees

Recognizing that an organization is only as strong as its leadership, the Forum is guided by a Board of Trustees, consisting of exceptional individuals from business, politics, academia and civil society who act as guardians of its mission and values and oversee the Forum's work in promoting true global citizenship. In their work on the Board, members do not represent any personal or professional interests. To reflect the Board's multistakeholder status, its membership is divided equally

between representatives of the business community and leaders from international organizations and civil society.

The Board determines and supervises the activities of the Forum and its governing bodies, including approving the annual accounts and strategic direction, and manages its statutes. Two committees facilitate the work of the Board of Trustees: the Governing Board, which fulfils strategic and governance functions; and the Audit and Risk Committee, which oversees the Forum's accounts and budgets by remaining in close contact with the Forum's auditors, its Chief Financial Officer and the Head of Compliance and Institutional Affairs.

As custodians of the Forum's brand, Board members oversee the Forum's operations and make recommendations to respond to the needs of all the Forum's stakeholders.

## The Executive Chairman

The Executive Chairman presides over the Board of Trustees and the Governing Board. He is particularly responsible for the strategic, conceptual and leadership issues of the Forum, and represents the Forum at the highest level.

The Executive Chairman works in close collaboration with the President, who presides over the Managing Board, ensuring that all issues related to strategy, institutional development and governance are aligned and integrated into a unified approach.

### Members of the World Economic Forum Board of Trustees (as of 30 May 2019)

**Klaus Schwab,\*** Chairman of the Board of Trustees, World Economic Forum

**Peter Brabeck-Letmathe,\*** Vice-Chairman of the Board of Trustees, World Economic Forum Chairman Emeritus, Nestlé SA, Switzerland



**H.M. Queen Rania Al Abdullah** of the Hashemite Kingdom of Jordan

**Mukesh Ambani**, Chairman and Managing Director, Reliance Industries, India

**Marc R. Benioff**, Chairman and Chief Executive Officer, Salesforce, USA

**Mark Carney**, Chairman, Financial Stability Board; Governor of the Bank of England

**Chrystia Freeland**, Minister of Foreign Affairs of Canada

**Orit Gadiesh,\*\*** Chairman, Bain & Company, USA

**Fabiola Gianotti**, Director-General, European Organization for Nuclear Research (CERN)

**Al Gore**, Vice-President of the United States (1993–2001); Chairman and Co-Founder, Generation Investment Management LLP, USA

**Herman Gref**, Chairman of the Board and Chief Executive Officer, Sberbank, Russia

**Angel Gurría**, Secretary-General, Organisation for Economic Co-operation and Development

**André S. Hoffmann,\*** Non-Executive Vice-Chairman, Roche Holding Ltd, Switzerland

**Christine Lagarde**, Managing Director, International Monetary Fund, Washington DC

**Ursula von der Leyen**, Federal Minister of Defence of Germany

**Jack Ma**, Executive Chairman, Alibaba Group, People's Republic of China

**Yo-Yo Ma**, Cellist

**Peter Maurer**, President, International Committee of the Red Cross (ICRC), Switzerland

**Luis Alberto Moreno,\*\*** President, Inter-American Development Bank, Washington DC

**L. Rafael Reif**, President, Massachusetts Institute of Technology (MIT), USA

**David M. Rubenstein**, Co-Founder and Co-Executive Chairman, Carlyle Group, USA

**Tharman Shanmugaratnam**, Senior Minister and Coordinating Minister for Social Policies, Singapore

**Jim Hagemann Snabe,\*\*** Chairman, Supervisory Board, Siemens AG, Germany; Chairman, A.P. Møller-Maersk, Denmark

**Heizo Takenaka,\*\*** Minister of State for Economic and Fiscal Policy of Japan (2002–2006)

**Min Zhu,\*** President, National Institute of Financial Research, People's Republic of China; Deputy Managing Director, International Monetary Fund, Washington DC (2011–2016)

\* Member of the Governing Board

\*\* Member of the Audit and Risk Committee

## President and Managing Board

Members of the Managing Board are appointed by the Governing Board.

The President chairs and coordinates the Managing Board, which acts as the executive body of the Foundation. The Managing Board ensures that all activities undertaken by the Forum fulfil its mission, and acts as its representative to outside parties.

The Managing Board has a collective executive responsibility for the Foundation and reports to the Board of Trustees.

## Members of the World Economic Forum Managing Board

**Børge Brende,** President

**Emma Benameur,** Managing Director, Head of People and Culture

**Julien Gattoni,** Managing Director, Chief Financial Officer

**Lee Howell,** Managing Director, Head of Global Programming

**Jeremy Jurgens,** Managing Director, Chief Digital and Innovation Officer

**Anil Menon,** Managing Director, Head of Centre for Global Industries

**Adrian Monck,** Managing Director, Head of Public and Social Engagement

**Sarita Nayar,** Managing Director, Chief Operating Officer

**Richard Samans,** Managing Director, Head of Policy and Institutional Impact

**Olivier Schwab,** Managing Director, Head of Business Engagement

**Murat Sönmez,** Managing Director, Head of the Centre for the Fourth Industrial Revolution Network

**Dominic Waughray,** Managing Director, Head of the Centre for Global Public Goods

**Saadia Zahidi,** Managing Director, Head of the Centre for the New Economy and Society

**Alois Zwinggi,** Managing Director, Head of Compliance and Institutional Affairs

## Executive Committee

The Executive Committee consists of the Forum's senior management and meets monthly for strategic discussions on key institutional issues.

## Members of the World Economic Forum Executive Committee

**David Aikman,** Chief Representative Officer, China

**Marisol Argueta,** Head of Regional Agenda — Latin America

**Arnaud Bernaert,** Head of Partner Development, Europe & North America, Head of Healthcare Industry

**Matthew Blake,** Head of Future of Financial and Monetary Systems

**Roberto Bocca,** Head of the Future of Energy and Materials

**Sebastian Backup,** Head of Programming, Global Programming Group

**Denise Burnet,** Senior Adviser on France to the President of the World Economic Forum

**Vanessa Candeias,** Head, Shaping the Future of Health and Healthcare

**Oliver Cann,** Head of Strategic Communications

**Sean de Cleene,** Head of Future of Food

**Nicholas Davis,** Head of Society and Innovation

**Sean Doherty**, Head of International Trade and Investment System Initiative

**Silvio Dulinsky**, Head of Business Engagement — Latin America

**Mirek Dusek**, Deputy Head of the Centre for Geopolitical and Regional Affairs

**John Dutton**, Head of Forum Foundations

**Makiko Eda**, Chief Representative Officer, Japan

**Maha Eltobgy**, Head of Investors and Infrastructure

**Malte Godbersen**, Head of Technology and Digital Services

**Knut Haanaes**, Dean of the Global Leadership Institute

**Derek O'Halloran**, Head, Future of Digital Economy and Society

**Kristin Hughes**, Director, Global Plastics Action Partnership

**Zara Ingilizian**, Head of Future of Consumption

**Philippe Isler**, Director, Global Alliance for Trade Facilitation

**Troels Oerting Jørgensen**, Head of the Centre for Cybersecurity

**Elsie Kanza**, Head of the Regional Agenda, Africa

**Zvika Krieger**, Head of Technology Policy and Partnerships

**Ramya Krishnaswamy**, Head of Engagement Management

**Martina Larkin**, Head of Regional Strategies — Europe and Eurasia

**Viraj Mehta**, Head of Regional Agenda — India and South Asia

**Stephan Mergenthaler**, Head of Strategic Intelligence

**Mel Rogers**, Head of Strategic Affairs

**Stephan Ruiz**, Head of Group Controlling and Head of Finance and Operations USA

**Paul Smyke**, Head of Regional Agenda — North America

**Mark Spelman**, Head of Thought Leadership

**Kirstine Stewart**, Head, Shaping the Future of Media, Entertainment and Information

**Masao Takahashi**, Head of Forum Members

**Anne Toth**, Head of Technology Policy and Partnerships

**Terri Toyota**, Deputy Head of Centre for Global Public Goods

**Stefano Trojani**, Head of Security Affairs

**Christoph Wolff**, Head of Mobility Industries and System Initiative

**Justin Wood**, Head of Regional Agenda — Asia Pacific

# Financial Statements

The image features a close-up, high-angle view of a computer keyboard, rendered in a monochromatic blue color scheme. The keys are arranged in a standard QWERTY layout, with some keys appearing more prominent due to the lighting. The text 'Financial Statements' is overlaid in the upper left quadrant in a clean, white, sans-serif font. The overall aesthetic is professional and tech-oriented.



The image features a blue-tinted background of a large crowd of people, likely at a conference or summit. In the foreground, a dark blue rectangular panel is tilted, containing the World Economic Forum logo and a commitment statement. The logo consists of the words 'WORLD ECONOMIC FORUM' in a white, sans-serif font, with a white arc underneath. The commitment statement is also in white, sans-serif font, separated from the logo by a thin white horizontal line.

WORLD  
ECONOMIC  
FORUM

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COMMITTED TO  
IMPROVING THE STATE  
OF THE WORLD

# Consolidated Financial Statements

Annex to the accounts as at 30 June 2019

## Presentation

The World Economic Forum is an international organization integrating leaders from business, governments, academia and society at large into a global community committed to improving the state of the world.

To achieve its mission, the World Economic Forum acts as a catalyst for thought leadership and action mainly in the form of public-private partnerships.

For this purpose, the World Economic Forum identifies issues on the global, regional and industry agendas, seeks solutions and, wherever possible, creates partnerships for action.

The World Economic Forum always acts in the spirit of entrepreneurship in the global public interest, combining the forces of creative thinking, innovative initiatives and intellectual integrity with the will to advance peace and prosperity in the world.

In its activities, the World Economic Forum fully respects the essential role played by governments and international organizations as well as by their various affiliated institutions.

The World Economic Forum is a public interest, not-for-profit organization, is independent and does not pursue any political or ideological interests. In its activities the World Economic Forum proves in all circumstances its independence and impartiality.

The World Economic Forum is based in Cologne/ Geneva, Switzerland, in Wilmington/Delaware, United States of America, and in Tokyo, Japan. It also has representative offices in Beijing (China) and Mumbai (India).

## Basis for the establishment of the consolidated accounts

The consolidated financial statements (hereafter also "the accounts" or "financial statements" or "annual consolidated accounts") of the World Economic Forum are prepared in accordance with the provisions of Swiss GAAP FER. We observe the standard of consistency, the accrual basis of accounting, prudence and no netting of amounts. The main accounting rules used in the preparation of the World Economic Forum's consolidated financial statements are described below. The accounts are presented according to the principles of historical cost and presented in CHF. The accounts also comply with article 83a of the Swiss Civil Code. All the entities included in the consolidated accounts close their books at 30 June.

## Method of consolidation

The consolidated financial statements include the accounts of the World Economic Forum and of the entities that are controlled by the World Economic Forum as listed in the scope of consolidation. Control exists when the World Economic Forum is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its powers over the entity.

### Entities included in the scope of consolidation

Name of the Entity	Activity	Country	2019	2018
			Voting Rights	Voting Rights
World Economic Forum LLC	Not-for-Profit-Organization	United States of America	100	100
World Economic Forum Japan	Not-for-Profit-Organization	Japan	100	0

The World Economic Forum fully consolidates entities in which it exercises exclusive control, either directly or indirectly. The assets and liabilities of its controlled entities, together with the expenses and income, are included in full in the annual consolidated accounts.

Any minority interests in the net funds and the result appear separately in the consolidated balance sheet and the consolidated profit and loss. Under the unity principle, the minority interests are included in the funds.

Intercompany balances, expenses and income are eliminated upon consolidation.

The consolidated financial statements were prepared for the first time for the year ended 2017. The World

Economic Forum LLC has been consolidated for the period in which the World Economic Forum exercises its control, thus since 1 January 2017.

The World Economic Forum Japan was registered and affiliated in 2019 by the World Economic Forum and thus is consolidated for the first time for the year ended 2019.

### Functional currency

The elements included in the financial statements of the World Economic Forum are measured in the currency that best reflects the economic reality of the transaction. The accounts are presented in Swiss francs (CHF), which is the functional currency of the World Economic Forum.

### Transactions in foreign currencies

Transactions in foreign currencies are converted to the functional currency at the opening rate of the current month and provided by the Swiss Administration for foreign currencies. At the closing date, balance sheet items (with the exception of the funds) denominated in foreign currencies are revaluated to the functional currency at the average rate of the following month and provided by the Swiss Administration.

The exchange losses and gains arising from the settlement of the transactions and from the re-evaluation in foreign currencies are posted to the profit and loss statement.

### Conversion into Swiss francs

The consolidated accounts are prepared and presented in Swiss francs (CHF). The controlled entities express their financial statements in local currency.

The individual items in the profit and loss statement as well as the cash flow statements of the foreign entities are converted into the functional currency at the average exchange rate for the year published by the Swiss Administration for foreign currencies.

The balance sheet items (with the exception of the funds) are converted into the functional currency at the balance sheets rate published by the Swiss Administration for foreign currencies. The conversion differences resulting from the translation of the balance sheet items have no effect on the profit and loss statements and are recognized in the Funds along with the translation differences on the profit and loss statement arising from the difference of the average and the year-end exchange rate.

### Cash and short-term cash deposit

This item represents assets in current accounts as well as short-term cash deposit. These transactions are recorded at the exchange rate prevailing at the time of the transaction. These items are revalued at the year-end at closing rate.

### Receivables

Receivables are recorded at the amount originally billed. A provision for bad debts is established on the basis of a review of the open items at the end of the period, when there is high probability that the amounts will not be recovered by the company. Amounts which are definitively unrecoverable are written off.

### Prepaid expenses/accrued revenues

This position includes the prepaid expenses relating to the following accounting period, as well as accrued revenues.

### Investments securities

Securities are valued at acquisition cost less impairment. Gains are recognized when securities are disposed of and are accounted under financial income.

### Property, plant and equipment

Property, plant and equipment are recorded at historical cost, less accumulated depreciation. Depreciation method is straight-line and based on the following useful lives, by category of assets:

Nature of the asset	Depreciation term (years)
Building, new construction	30
Real estate	10
Furniture & equipment	5
Leasehold improvements	the lowest between the useful life & the residual lease term
Intangible assets	5
IT software	5
IT hardware	3
Furniture & equip. (events)	3
Vehicles	3
Art objects	No depreciation
Land	No depreciation
Assets under construction	No depreciation

Expenses for repairs and maintenance are booked to the profit and loss statement under "expenses for equipment". Expenses for major renovation are capitalized and amortized over the life of the element replaced, but never beyond the remaining useful life of the underlying asset. Costs of research for ongoing projects are not capitalized, but expensed when incurred.

### Intangible assets

Intangible assets are included at their historical value, reduced by depreciation. Depreciation method is straight-line and based on a standard useful life of generally 5 years.

### Impairment

The Foundation tests each asset at the balance sheet date and any impairment is recognized if necessary. The tests are performed in a cyclic manner on the basis of 5 years for art objects, land and buildings.

### Accrued liabilities

This item includes expenses payable relating to the current period, which will only be paid in the following period.

### Provisions

A provision is booked when the Foundation has a probable obligation that is based on a past event and its amount and/or its due date is uncertain but can be estimated. This obligation gives rise to a liability.

### Loans and derivatives

Loans and derivatives are recognized at fair value through profit or loss, net of transaction costs incurred. They are classified as current liabilities unless the settlement of the liability defers for at least 12 months after the reporting date.

### Revenue

Revenue is recognized when there is persuasive evidence that an arrangement exists, and risks and rewards are transferred. The amounts are posted to the statement of income, net of taxes.

### Rent charges

Rental expenses are recognized on straight-line basis over the lease terms.

## Pension plan

The Foundation covers the costs relating to the professional pension of all its workers, as well as their assignees, under the legal prescription. The pension plan is covered by both Swiss and USA Law in accordance with the World Economic Forum statutes.

The pension obligations and the plan assets are managed by a legally independent pension fund. The organization, the management and the financing of the pension plans are governed by the law, together with the deed of foundation and the regulations applicable to pensions in force.

## Transactions with related parties

According to Swiss GAAP RPC 15, the following foundations are considered as related parties:

- Schwab Foundation for Social Entrepreneurship
- Forum of Young Global Leaders
- World Arts Forum
- Global Shapers Community

Agreements have been signed with these related parties stating that, in case of deficits, they will be covered by the World Economic Forum.

All other transactions between the parties are conducted at straight length.

## Donations

Institutional donations:

- These are funds that are committed by a written donation agreement to the World Economic Forum and are recorded in full in the profit and loss statements as donations in the year that the commitment is made. All donations received where use is limited by restrictions, donor-imposed purpose or time restrictions have been classified as restricted funds.
- Foreign currency exchange gains and losses realized between the date of the written donation agreement and the date of the actual receipt of cash and those unrealized at the date of the statement of the financial position are recorded in the profit and loss statement.

Individual donations:

- These are accounted for on a cash basis given their relative size and significance.

## Risk management policy

### Risk assessment

To satisfy the requirements of an internal control system, the World Economic Forum operates a continuous review of risk and control through various independent institutional review and governance organs such as the Foundation Board, Audit Committee and Statutory Audit under Swiss Law.

Internally, the World Economic Forum is governed by the Managing Board under the Chairmanship of Founder and Executive Chairman Professor Klaus Schwab. Internal organs such as the Engagement Leadership Team and the Project Review Board safeguard the suitability and eligibility of Partners and Members and review project activities.

### Management of exchange risk exposure

The Swiss franc is the functional currency of the Foundation. The World Economic Forum receives its revenue in Swiss francs and US dollars. Most expenses are in Swiss francs and a minority are in euros and US dollars. The exchange risk exposure is very low and generated gains and losses are posted in the profit and loss statement.

### Management of liquidity risk

The Foundation is exposed to this risk in the event of default of certain counterparts or refinancing problems. The liquidity is proactively supervised to ensure that the Foundation can cover its obligation at all times.

### Market risks

The Foundation has a low exposure to market risks thanks to the diversity of its revenues. This low risk is mainly linked to the dependence on the Annual Meeting in Davos. Annual Meeting revenues in Davos represent 13% of the total revenues in 2019. Cancellation of the Annual Meeting in Davos could have negative consequences on the Foundation's revenue.

# Report of the statutory auditor

to the Foundation Board of the World Economic Forum

Cologne

## Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of the World Economic Forum, which comprise the balance sheet, profit and loss statement, cash flow statement, statement of changes in equity and notes for the year ended 30 June 2019.

### Foundation Board's responsibility

The Foundation Board is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss GAAP FER, Swiss law and the foundation's deed and internal regulations. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Foundation Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements for the year ended 30 June 2019 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the foundation's deed and internal regulations.

## Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 83b paragraph 3 CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

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*PricewaterhouseCoopers SA, avenue Giuseppe-Motta 50, case postale, CH-1211 Genève 2, Switzerland  
Téléphone: +41 58 792 91 00, Téléfax: +41 58 792 91 10, [www.pwc.ch](http://www.pwc.ch)*

PricewaterhouseCoopers SA is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

In accordance with article 83b paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Foundation Board.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA



Marc Secretan  
Audit expert  
Auditor in charge



Marcello Stimato  
Audit expert

Geneva, 13 August 2019

Enclosure:

- Consolidated financial statements (balance sheet, profit and loss statement, cash flow statement, statement of changes in funds and notes)

## Revenues and Costs, Balance Sheet 2014–2019

Consolidated \*

Swiss Francs (000s)	30/6/2014	30/6/2015	30/6/2016	30/6/2017	30/6/2018	30/6/2019
<b>Profit &amp; Loss</b>						
<b>Total Revenue</b>	<b>198,823</b>	<b>205,758</b>	<b>228,343</b>	<b>280,022</b>	<b>326,740</b>	<b>344,708</b>
Membership	33,614	32,019	34,876	30,817	31,620	27,294
Participation Fees	43,890	47,080	43,568	43,200	43,299	42,336
Partnership	105,543	114,896	140,643	185,307	227,317	240,687
Other	15,776	11,763	9,256	20,698	24,503	34,390
<b>Total Expenses</b>	<b>197,342</b>	<b>205,025</b>	<b>227,101</b>	<b>278,809</b>	<b>325,023</b>	<b>343,688</b>
Staff <sup>1</sup>	89,286	94,958	101,865	108,360	130,790	144,337
Office & Activity	108,056	110,067	125,236	170,449	194,233	199,351
<b>Carried to Foundation Capital</b>	<b>1,480</b>	<b>733</b>	<b>1,241</b>	<b>1,213</b>	<b>1,717</b>	<b>1,020</b>
<b>Balance Sheet</b>						
<b>Total Assets</b>	<b>265,248</b>	<b>264,459</b>	<b>330,312</b>	<b>455,690</b>	<b>565,650</b>	<b>596,385</b>
Current Assets	63,753	80,347	125,262	162,982	164,948	190,145
Cash & Equivalents	29,734	45,405	59,054	97,760	74,055	107,338
Receivables	34,019	34,942	66,208	65,222	90,894	82,808
Non-current Assets	201,495	184,112	205,050	292,708	400,702	406,240
Tangible and Intangible Assets <sup>2</sup>	106,233	108,577	107,489	115,993	142,849	145,165
Financial Assets	95,263	75,535	97,561	176,715	257,853	261,075
<b>Total Liabilities and Funds</b>	<b>265,248</b>	<b>264,459</b>	<b>330,312</b>	<b>455,690</b>	<b>565,650</b>	<b>596,385</b>
Current Liabilities	96,797	94,886	146,561	185,514	194,863	200,790
Payables	14,042	11,775	10,250	13,278	12,149	7,083
Accrued Expenses and Deferred Income <sup>3</sup>	82,755	83,111	136,311	172,236	182,715	193,708
Non-current Liabilities	—	—	—	—	50,000	50,000
Long-term Loan	—	—	—	—	50,000	50,000
<b>Funds</b>	<b>168,451</b>	<b>169,573</b>	<b>183,751</b>	<b>270,176</b>	<b>320,787</b>	<b>345,595</b>
Foundation Capital	28,621	30,102	30,834	32,075	33,603	34,410
Reserves and Restricted Funds	138,349	138,739	151,676	236,888	285,466	310,165
Surplus	1,480	733	1,241	1,213	1,717	1,020

\* The Consolidated figures above include figures from the World Economic Forum and the World Economic Forum LLC as of 1 January 2017. Therefore, the last years' figures are not fully comparable.

<sup>1</sup> Staff costs include salaries, social costs and other staff expenses.

<sup>2</sup> Tangible assets: land, property, equipment, IT hardware and software. Intangible assets: IT development.

<sup>3</sup> Accrued expenses: provision for activity costs, provision for staff. Deferred income: membership, partnership and registration income deferral.







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