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Global relations are always changing, always presenting new challenges. A constant is the institute's effectiveness in driving dialogue between countries that are not seeing eye-to-eye.

- Vartan Gregorian

This institute is distinguished by its effective multinational dialogue work as well as its success in integrating business in the public policy debate. Its results speak for themselves. – **Condoleezza Rice** 

"Building Trust, Delivering Solutions" is not only a slogan it's the EastWest Institute's enduring appeal.

- Adm. James Stavridis

With multilateralism under threat, relations between peoples and nations become that much more important. This is the unique value proposition of the EastWest Institute. — **Maria Livanos Cattaui** 

EWI's unique formula of building trust among adversaries and addressing the sources of conflict is the necessary first step towards government engagement that leads to lasting solutions. – **Amb. Thomas Pickering** 

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#### Photos: Getty Images

On the cover: Visitors at the Mori Building Digital Art Museum: teamLab Borderless—a nerve center of 520 computers and 470 projectors—in the Tokyo waterfront district of Odaiba. TeamLab's interactive, digital art is a product of endless programming, testing and retesting—meant to dissolve barriers.

The EastWest Institute works to reduce international conflict, addressing seemingly intractable problems that threaten world security and stability. We forge new connections and build trust among global leaders and influencers, help create practical new ideas, and take action through our network of global decision-makers. Independent and nonprofit since our founding in 1980, we have offices in New York, Brussels, Moscow and San Francisco.

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Waves hit a fishing boat crewed by Rohingya refugees in the Bay of Bengal—near Cox's Bazar in southeast Bangladesh—in June. (Clodagh Kilcoyne / Getty Images)

More than ever, the conflict prevention work of the EastWest Institute is of critical importance.

he events of 2018 continue to reflect geopolitical uncertainty and tensions. Differences between the United States, China and Russia are disrupting global alliances; cyberspace presents a unique challenge of competing political, cultural and economic forces; and conflict in the Middle East has produced a serious refugee crisis.

More than ever, the conflict prevention work of the EastWest Institute is of critical importance.

EWI prides itself on responding to and addressing these threats, driving dialogue between opposing groups and thus contributing to global stability. Instead of sitting on the sidelines, we bring together key policymakers, business leaders, experts and groundbreaking innovators to develop practical solutions. When governments are at a stalemate, we bring opposing groups to the table to facilitate trust-building. We are proud to fulfill this vital role.

As the institute embarks on its 38th year of global engagement, EWI remains unique and instrumental. We remain committed to engaging influencers at the touchpoints of conflict—today and in the future.

Please help us continue to provide a foundation for global stability and conflict avoidance. On behalf of the board of directors, thank you for your continued support.

**Ross Perot, Jr.** Chairman of the Board

Chairman's

Letter



any observers argue that in today's age of growing distrust and nationalistic fervor, multilateralism is receding. We wholeheartedly disagree. During my recent travels to India, Pakistan and China, everyone seems to be in a mode of wait and see. Absent are the expectations of bold changes to the international order. Instead, I see India focused on upcoming elections, Pakistan on political and economic reforms and China on whether the U.S. administration will raise trade tariffs.

As the global order shifts, one should not automatically anticipate an inevitably bleak future. We at the EastWest Institute see this as a time of enormous potential for the entire global community.

This past year, the institute rapidly expanded its programmatic work in South Asia and the Balkans, launching dialogues among experts and decision-makers across both regions that reveal those points of friction that may undermine solidarity along political, cultural and economic lines.

We continue to play a role in seeking common ground between the U.S. and Russia at a precarious juncture, while also tackling security and economic issues between the U.S and China-two countries whose relations are critical to global stability. In the Middle East, the institute maintains a unique Iran-Saudi dialogue—an initiative designed to find navigational rules to help prevent incidents at sea in the Gulf-and is increasingly recognized as an organization capable of framing the security risks of climate change across the region.

EWI remains globally recognized for its work on cybersecurity, from convening the first ever trilateral meeting between China, India and the United States on cyberspace stability and cooperation, to developing cutting edge analysis on encryption and smart cities, to launching and administering the Global Commission on the Stability of Cyberspace, a unique multistakeholder body advocating for more responsible behavior by the major powers in cyberspace.

Our worldwide staff and experts will continue to find solutions and strengthen the relationships that are most critical for a more secure and peaceful future.

Cameron munter

**Cameron Munter** CEO and President

Report

## Who We Are

We are a global network committed to building trust and preventing conflict around the world.

## **Our Mission**

The EastWest Institute (EWI) is an independent NGO that promotes peace by creating trusted settings for candid, global discourse among leaders to **tackle intractable problems that threaten world security and stability**. EWI not only responds to issues as they arise, it **anticipates problems that could flare into conflict**.

# A Global Network

teamLab Borderless, Tokyo, 2018.

Our Impact We measure our success by our 38-year history of influencing outcomes on global security problems-from hosting the first ever military-to-military dialogue between NATO and Warsaw Pact countries, to developing ground rules for protecting digital infrastructure and the stability and security of cyberspace, and hosting the only three-party dialogue between the U.S. Democratic and Republican Parties and the Communist Party of China.

# for Peace

## **Our Work**

## Asia-Pacific

Deepen dialogue between U.S. and Chinese military and party leaders to advance understanding of U.S.-China relations. **(3)** 

(2)

**EWI** 

## Cyberspace

Mobilize governments, companies and civil society to develop and implement norms of behavior in cyberspace and address cyber crime, encryption and security risks from connected devices. (1)

## **U.S.-Russia**

Lead joint U.S.-Russia expert working groups on counterterrorism in Afghanistan during this critical period in U.S.-Russia relations. **(2)** 

Our **offices** connect

**EWISan** Francisco

a aiverse network of influencers and experts around the globe, providing substantive, political and financial support for our work. WI New York

(1)

# Building Trust, Del

## Middle East & North Africa

Provide a platform for dialogue between regional rivals to identify common ground in tackling climate change, decrease the role of media in inciting sectarianism, prevent incidents at sea in the Gulf region and initiate dialogue on post-ISIS recovery of Iraq. **(4)** 

## South Asia

Facilitate a Pakistan-Afghanistan-India trilateral dialogue, analyze the impact of the Belt and Road Initiative and support rational dialogue and diplomatic insight into U.S.-Pakistan bilateral relations. **(5)** 

## **Balkans**

Engage key stakeholders and experts to assess and deliver policy recommendations to ensure the longterm stability of the region. **(6)** 



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## Our Programs



## Asia-Pacific

The institute engages with political, military and academic leaders across the region, facilitating highly constructive official and semi-official dialogues between China, the United States and other key Asia-Pacific nations.

## **Asia-Pacific**

#### **The Challenges**

2018 marked a year of transformative and often dramatic developments throughout the Asia-Pacific.

Portents of an arising "new Cold War" between the United States and China signaled the potential reemergence of great-power rivalry. Numerous incidents—the escalation of trade conflicts, sharp political divergences, exchanges of bitter rebukes, allegations of undercover influence operations and election interference, and grating friction between armed forces in the South China Sea—had sent the already fragile U.S.-China relationship into a downward spiral.

Both countries pursued multi-faceted initiatives designed to influence the Asia-Pacific region and beyond. China's Belt and Road Initiative continued to gain traction across the Eurasian continent, while the U.S. advanced its pursuit of a "Free and Open Indo-Pacific," both attempting to bring smaller countries into their spheres of influence.

In South Asia, exacerbated by longstanding territorial disputes and historical enmities, nations continued to contend with a host of emerging challenges linked to transforming demographics, economic development, environmental degradation and resource scarcity.

## **EWI Action**

Innovative diplomatic initiatives are more necessary than ever. Greater stability and growth throughout the Asia-Pacific and beyond hinges on closing the widening gap, and the EastWest Institute is uniquely poised to help bridge the divide.

In 2018, EWI's Asia-Pacific program engaged with and leveraged its network of senior political and military leaders in China, Japan, Pakistan, India and the United States through Track 1.5 and Track 2 diplomatic initiatives, while simultaneously expanding outreach and connectivity throughout Asia.















The 10th anniversary of the U.S.-China Sanya Initiative continued discreet, high-level dialogue between retired U.S. and Chinese senior flag officers during a time of mounting tensions in the bilateral military relationship. Held in Beijing at the Diaoyutai State Guesthouse, discussion yielded concrete recommendations for better U.S.-China military-to-military ties along a wide array of issues, including the South China Sea, Taiwan and the application of emerging technologies.

As U.S.-China trade tensions escalated throughout the year, EWI initiated a new series of high-level roundtable discussions at its New York headquarters. The U.S.-China Strategic Seminar Series engaged a select group of senior officials, entrepreneurs and policy influencers to develop innovative ideas and solutions that impact longterm U.S. strategic planning in the Asia-Pacific region. The first two roundtables held in 2018 offered clear recommendations to improve bilateral relations for the next 20 years.

Following the dissemination of the U.S. National Security Strategy and National Defense Strategy and just prior to the release of Japan's National Defense Program Guidelines and Medium-Term Defense Program, EWI convened the second U.S.-Japan Military-to-Military Dialogue in Tokyo. With an eye toward enhanced strategic coordination between the two allies through concrete policy recommendations, retired flag officers from both militaries exchanged views on defense planning to effectively address the changing regional power dynamics concerning China, Russia and North Korea.

The newly established and far-reaching Asia-Pacific Fellows Network expanded EWI's geographic and programmatic scope to include both eminent and emerging officials, academics and entrepreneurs from nearly 20 countries spanning Asia and Oceania. The diverse backgrounds of the Fellows Network will continue to enhance regional perspectives and add value to EWI's thought leadership.

In 2018, EWI launched the South Asia Initiative, which aims to advance cooperation among key players on the issues and challenges confronting one of the world's most dynamic regions.

Clockwise from left: U.S. delegation at the 10th U.S.-China High-Level Political Party Leaders Dialogue in Beijing; Delegates at the 10th U.S.-China High-Level **Political Party Leaders** Dialogue; RNC Treasurer Tony Parker and Minister Song Tao; Gen. (ret.) Li Andong and Gen. (ret.) Qi Jianguo at the 10th anniversary meeting of the U.S.-China Sanya Initiative in Beijing; Adm. (ret.) William A. Owens and Adm. Miao Hua; EWI welcomes Morningside Scholars from China.

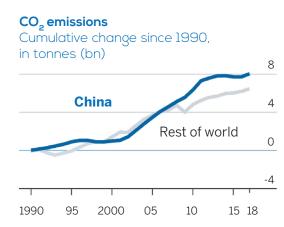
## **Asia-Pacific**

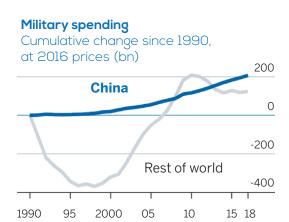
#### **Next Steps**

In 2019, the Asia-Pacific program plans to:

- Commemorate the 40th anniversary of the establishment of diplomatic relations between the United States and China by assembling delegations of U.S. Democratic and Republican Party leaders, senior officials from the Communist Party of China and global business leaders to address issues of foreign policy, the U.S.-China trade and commercial relationship and domestic governance.
- Bring together retired U.S. and Chinese four-star generals and admirals to strengthen militaryto-military ties and to serve as a stabilizing force in the overall strategic relationship.
- Expand the **U.S.-Japan military**to-military dialogue process to include four-star generals and admirals from India and China.
- Continue to increase the impact of the U.S.-China Strategic Seminar Series by targeting specific issues and offering concrete, innovative recommendations for U.S.-China relations.

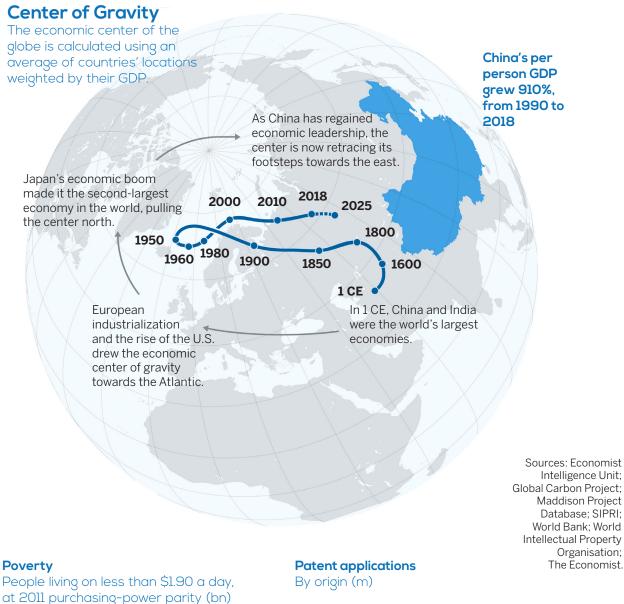
- Gauge **regional responses** to the U.S. Free and Open Indo-Pacific Strategy and Chinese Belt and Road Initiative, in coordination with the Asia-Pacific Fellows Network and EWI's Global Cooperation in Cyberspace program.
- Launch EWI's Belt and Road Initiative (BRI) online database to inform analyses on the transformative impacts of the BRI's land, maritime and digital footprints and to provide empirical data on each infrastructure project for the benefit of political, corporate and academic experts.
- Leverage EWI's extensive network and conflict resolution methodologies to address South Asia's complex political and territorial disputes, to facilitate breakthroughs in regional partnerships and sustainable peacebuilding within the region.

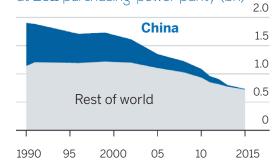




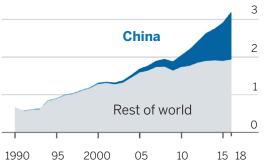
## **Shaping Global Trends**

Although the U.S. remains the lone superpower, China arguably has already replaced it as the driver of global change.





The World's Economic



## Our Programs



The Way of the Sea in the Crystal World, Interactive Digital Installation, teamLab borderless, Tokyo, 2018.

## Global Cooperation in Cyberspace

The Global Cooperation in Cyberspace program seeks to reduce conflict, crime and other disruptions in cyberspace and promote stability, innovation and inclusion.

## **Global Cooperation in Cyberspace**

#### **The Challenges**

The centrality of cyberspace as an infrastructure is self-evident, with digital technologies serving as an essential aspect of life. Cyberspace has become a conflict zone that reflects competing political systems, cultural norms and economic interests—the perfect crime scene where malicious actors can brazenly and surreptitiously steal or tamper with critical information and disrupt business processes. These threats disturb the delicate equilibrium that allows cyberspace to provide the goods, services and connections that make it an engine of innovation.



Clockwise from top left: EWI cyber panel at the Munich Security Conference; GCSC Chair Marina Kaljurand; EWI Global Vice President Bruce W. McConnell; EWI Senior Associate Andreas Kuehn; GCSC commissioners at the Paris Peace Forum; GCSC meeting with the Singapore Foreign Minister Vivian Balakrishnan.

## **EWI** Action

We **convene** discreet conversations across governments and private institutions who might otherwise not meet. We help them **reframe** difficult questions and devise win-win approaches. We then **mobilize** support for the results to make change happen, working through our extensive networks of key individuals in capitals and corporate headquarters around the world.

#### Convene

In June, EWI convened the second **trilateral** cyberspace cooperation dialogue between China, India and the United States. Delegates fleshed out proposals for improved operational cooperation on cyber incidents among computer emergency response teams (CERTs) and deepened mutual understanding of divergent perspectives on strategic stability in cyberspace, norms of behavior, data protection and privacy and cyber sovereignty.







In September, 50 members of EWI's international network attended an **annual strategic roundtable** in Palo Alto to analyze global trends, discuss recent accomplishments, debate proposals for new work and define the program's agenda. A focused workshop dealt with the rising tide of technology nationalism, including government efforts to restrict foreign technology through bans, restrictive requirements and tariffs. This discussion crystalized plans to continue to develop and promote objective criteria for procurement decisions involving sensitive information and communications technology (ICT).



#### Ubiquitous Encryption and Lawful Government Access

Framed a set of balanced approaches to provide law enforcement access to plaintext while minimizing risks to cybersecurity and human rights.



Secure, Resilient Cities and the Internet of Things Developed a security guide for city managers who are building "smart" cities.

Systemic Risk and Cyber Insurance Examined the potential for major losses from large-scale cyber incidents and their effect on the insurance industry.

#### Increasing the Global Availability and Use of Secure ICT Products and Services

Promoted EWI's Secure ICT Buyers Guide and began work on trade policy guidance that will promote free trade in secure ICT products and services.

#### Promoting Norms of Responsible Behavior in Cyberspace

Created and supported the Global Commission on the Stability of Cyberspace.

## **Global Cooperation in Cyberspace**

EWI convened and participated in more than a dozen small, off-the-record meetings with senior policymakers and influencers in the major cyber powers, continuing to build mutual understanding and deepen trust in the face of increasing cyber conflict.



EWI's policy development efforts are driven primarily by five working groups—called **breakthrough groups**—that develop, refine and advocate recommendations for national and corporate policies.

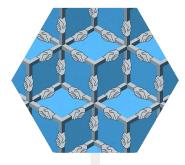
In 2018, EWI published *Encryption Policy in Democratic Regimes: Finding Convergent Paths and Balanced Solutions*, a report proposing recommendations on encryption policy designed to help find a balance between the legitimate needs of law enforcement and strong protections for digital information. The report provides nine normative recommendations on encryption policy to ensure strong cybersecurity, while enabling law enforcement lawful access to the plaintext of encrypted information in limited circumstances. This report reflects the contributions and advice from a wide range of stakeholders and experts from organizations around the world.

As part of its work on the development of norms of behavior in cyberspace, EWI, along with The Hague Centre for Strategic Studies, serves as the Secretariat of the **Global Commission on the Stability of Cyberspace (GCSC)**. Launched in 2017 at the Munich Security Conference, the Commission is a unique multistakeholder body working to develop proposals for norms and policy initiatives to improve the stability and security of cyberspace.

Chaired by distinguished world leaders, the Commission brings together government, industry, technical and civil society experts from around the world to complement the work of intergovernmental initiatives, such as the United Nations Group of Governmental Experts. Building on its 2017 "Call to Protect the Public Core of the Internet," the Commission produced a definition of the public core of the Internet and proposing norms on electoral infrastructure, inserting vulnerabilities into products and services, commandeering others' devices to

## The Rules of the Road

Norms are foundational for better governance, and therefore the initial focus of the Commission's work. They form a test of "what needs to be done" to achieve some measure of "cyber stability."



NORM TO PROTECT THE PUBLIC CORE OF THE INTERNET



NORM TO PROTECT THE ELECTORAL INFRASTRUCTURE



NORM TO AVOID TAMPERING



NORM AGAINST COMMANDEERING OF ICT DEVICES INTO BOTNETS



Read the full report at eastwest.ngo/ encryption



create botnets, and non-state actors conducting offensive cyber operations.

#### Advocate

EWI's cyber staff, fellows and experts in its network of business, academic and civil society leaders advocated for increased security, stability and cooperation in cyberspace. EWI staff appeared at more than 40 events reaching an audience of over 2,500. The recommendations in its reports have generated discussion of key cyber topics, such as encryption, receiving praise from industry stakeholders and government officials. The program continued its strong track-record of building trust through private discussions among major cyber powers—including China, Russia and the United States.

## **Next Steps**

The chief activities of the Global Cooperation in Cyberspace program will be the five breakthrough groups, focused meetings on specific issues, bringing together major powers and continuing to support the GCSC as it enters its third year. The Commission will continue discussions on the implementation of proposed norms, defining elements of cyber stability and will propose recommendations for the future of the international security framework in cyberspace. More specifically, EWI has identified three concrete areas for action. First, the program will publish a report—*Smart and Safe: Risk Reduction in Tomorrow's Cities*—designed to provide guidance for city executives and administrators to make Smart Cities safe and secure by connecting and managing new technologies effectively. This guide will recommend action in four areas: cybersecurity, cyber resilience, privacy and data protection, and collaboration and coordination in governance.

Our work on Increasing the Global Availability and Use of Secure ICT Products and Services will focus on trade, supply chain and cybersecurity with international ICT companies and academic experts to analyze technology nationalism and develop recommendations for businesses and governments to address the many challenges that it creates.

Finally, the breakthrough group on Systemic Risk and Cyber Insurance will examine how cyber insurance can increase cybersecurity, and will recommend steps to ensure that the market can absorb systemic failures from major cyber incidents.



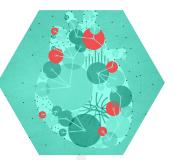
Learn more at eastwest.ngo/gcsc



NORM FOR STATES TO CREATE A VULNERABILITY EQUITIES PROCESS



NORM TO REDUCE AND MITIGATE SIGNIFICANT VULNERABILITIES



NORM ON BASIC CYBER HYGIENE AS FOUNDATIONAL DEFENSE



NORM AGAINST OFFENSIVE CYBER OPERATIONS BY NON-STATE ACTORS

## Our Programs



## Middle East and North Africa

EWI's MENA program provides a platform for conflicting and competing state and non-state actors to engage in confidential, constructive dialogue on a multitude of current and potential future security threats facing the region.

## **Middle East and North Africa**

#### **The Challenges**

Top: EWI's Vice President of the Middle East and North Africa Program Kawa Hassan; Bottom: Members of EWI's board of directors meet with His Majesty King Abdullah II on May 9, in Amman, at the spring board meeting. The Middle East and North Africa (MENA) region continues to undergo rapid, complex and unpredictable transformations and transitions across all sectors of society. These have resulted in further fragmentation, polarization and competition for influence between principal rivals on the regional and international level. In the absence of a defined regional order and security structure, and with the erosion of international norms and agreements, EWI's role as a trusted intermediary between rivaling and competing parties becomes even more valuable and necessary.



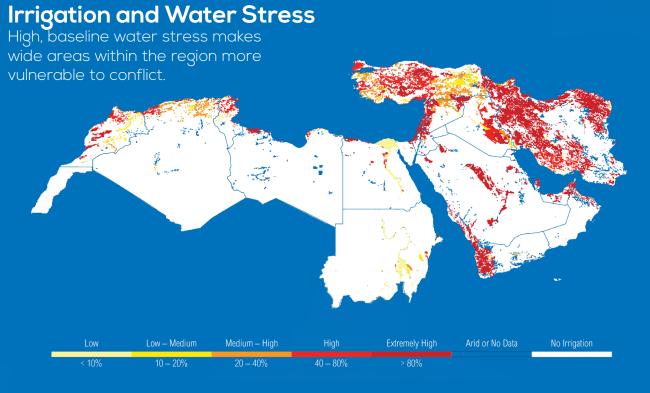
#### **EWI** Action

The MENA program monitors and analyzes conflict triggers that could emerge from national, regional and international politics. EWI then facilitates confidential dialogues where political and social leaders, organizations, academics and media professionals can engage in constructive conversations, find innovative ways to defuse tensions and mitigate conflict, and generate balanced recommendations. EWI works to raise awareness of under-recognized security threats facing the region and proposes actions to mitigate them.

#### Iran-Saudi Arabia Dialogue

Iran and Saudi Arabia remain in a state of rivalry and contest for power and influence over the region; the bilateral relationship is a major driver of instability, conflict and sectarianism in the Middle East. Relations remain at an all-time low-mutual distrust and accusations are prevalent and reinforced by the weakening of international agreements, such as the Joint Comprehensive Plan of Action (JCPOA). For the past three years, EWI, in partnership with Center for Applied Research in Partnership with the Orient (CARPO), has convened confidential dialogues between influential individuals from the policy, government, academic, business and media communities to exchange views and perceptions on issues of mutual interest. In 2018, EWI convened a group of economic experts from both countries to explore the po-





#### Sources: WRI, Natural Earth, GDAM.

tential for future economic development in the region, as well as a group of senior academics to address the role of academia and think-tanks in knowledge production and how they can influence the understanding of "the other."

## Environmental Degradation as a Security Threat

EWI is strongly engaged in thought leadership on the impact of environmental degradation and the resulting security risks in the MENA region. EWI co-authored a report for the Swedish Foreign Ministry and the Stockholm International Peace Research Institute (SIPRI) on Irag: Climate Related Security Risks As**sessment**. The report was used in the United Nations Security Council debate in July 2018 on the nexus between climate change and security, brought forward under the Swedish Presidency of the Council. EWI has been a leader in the conversation, elevating awareness of the effects of climate change as a security risk, presenting the report's findings at numerous conferences and media appearances. EWI also held a joint expert exchange with the Konrad-Adenauer-Stiftung (KAS) to address environmental challenges and how climate action can be a tool to tackle migration flows and violent extremism.

### **Next Steps**

In 2019, EWI will continue to provide a platform for confidential Track 2 dialogue between the major regional actors with the aim of mitigating rivalries and tensions and minimizing their harmful effects. EWI will continue to contribute thought leadership on climate-related security risks, particularly in and around Iraq.

Iraq's strained relations with its neighbors will be an area of particular focus in 2019 and beyond. EWI will organize discreet Track 1.5 and Track 2 dialogues among influential stakeholders and experts to lay the foundation for an inclusive regional security order focused on stability and reconstruction, and unlock the untapped areas of mutual interest, including trade, environment, water, counterterrorism and economic cooperation.

EWI will also engage more actively in the Maghreb to unlock potential economic cooperation though private sector, business-tobusiness dialogues.

## Our Programs



A member of the Russian press does a stand up interview ahead of the start of the joint press conference between U.S. President Donald Trump and Russian President Vladimir Putin after their summit on July 16 in Helsinki, Finland (Chris McGrath/Getty Images).

## **Russia and the United States**

EWI is focused on rebuilding strategic trust between Russia and the United States, seeking to broaden engagement and the scope of cooperation between the two former Cold War rivals.

## **Russia and the United States**

#### **The Challenges**

U.S.-Russia relations remained fraught throughout 2018. While Presidents Donald Trump and Vladimir Putin have both voiced commitment toward improving relations, the much-anticipated Helsinki summit and other overtures have done little to thaw the frosty impasse between the former Cold War rivals. Tensions surrounding alleged elections interference in the U.S., the Skripal controversy and military escalation in the Sea of Azov—as well as the sanctions war and the U.S. decision to withdraw from the Intermediate-range Nuclear Forces Treaty (INF)—continued to color political rhetoric in both countries and mar the potential for any improvement.

In the face of such challenges, EWI's Russia and the United States program sustained substantive Track 2 dialogue, leveraging its extensive network and reputation as a trusted convener.

#### **EWI** Action

Recognizing the urgent need for increased U.S.-Russia cooperation and the potential of Afghanistan and counterterrorism as points of common interest, EWI's Joint U.S.-Russia Working Group on Counterterrorism in Afghanistan facilitated Track 2 dialogue in these critical areas, convening in Washington, D.C. in March and in Brussels in October.

#### Counterterrorism

Clockwise from left: EWI's Director of the Russia and the United States Program Vladimir Ivanov; Amb. Roland Kobia and Ivan Safranchuk; Amb. Mikhail Konarovsky and Cameron Munter; EWI Professorial Fellow Greg Austin (left) at the "Cyberstability: Approaches, Perspectives, Challenges" in Moscow on December 13-14.

Expanding on discussions from the previous year, the Working Group touched on several issues, including U.S. and Russian interests and counterterrorism strategies in Afghanistan; terrorist actors and trans-border networks in Afghanistan; regional perspectives on the terrorist threat in Afghanistan; border management; and terrorist financing, arms trafficking and other means of terrorist support. Against a backdrop of rapidly evolving political and security developments, experts exchanged views on U.S. and Russian perspectives on and approaches to the Afghan peace process, as well as how current U.S.-Russia dynamics affect counterterrorism cooperation in the war-torn country. The March meeting included a public











panel discussion, "After Syria: The United States, Russia, and the Future of Terrorism," addressing what constructive roles both countries can play in shaping the counterterrorism agenda. At the Brussels meeting, experts heard perspectives from officials representing the European Union External Action Service and North Atlantic Treaty Organization.

Beyond Afghanistan and counterterrorism, EWI sought to generate constructive dialogue on other areas of bilateral cooperation, including in cyberspace. On the heels of the Trump-Putin summit in Helsinki in July, EWI hosted Fyodor Lukyanov, editor-in-chief of *Russia in Global Affairs*, for an off-the-record roundtable discussion on the prospects for improved U.S.-Russia relations. In conjunction with its activities, EWI also conducted discreet meetings with officials in both the U.S. and Russian governments, as well as those of key stakeholder countries, and interlocutors in the think-tank, media and business sectors.

#### **Next Steps**

The year ahead will prove as challenging—if not more for U.S.-Russia relations. In the United States, ongoing investigations into and additional sanctions resulting from Russia's alleged activities will continue to hamper prospects for improved relations. Further, the shaky future of the bilateral nuclear arms control framework carries repercussions for regional and global security. In this uncertain climate, EWI will seek out spots for constructive engagement and facilitate Track 2 dialogue to dispel misperceptions and minimize tensions.

As part of this effort, the Joint U.S.-Russia Working Group on Counterterrorism in Afghanistan will convene for a fourth and final meeting in Central Asia in summer 2019 and formally conclude with the publication of its *Joint Threat Assessment*, which will provide policymakers an independent, up-to-date assessment of the terrorist threat in Afghanistan and recommendations for action. Leveraging its global network of influence, EWI will disseminate the report to U.S. and Russian government officials, as well as key regional and international stakeholders.

In 2019, EWI will look to create a platform for shared geopolitical, security and economic interests, engaging policymakers, experts, business leaders and other influencers from both the public and private sectors. To that end, EWI will launch special U.S.-Russia dialogues in 2019 to help deescalate hostile rhetoric and constructively reshape public discourse in both countries.

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**Thank you** to all of the donors whose financial and in-kind support make our work possible.

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> \* All donors listed contributed between Jan. 1 - Dec. 31, 2018.

## Audited Financial

	TOTAL
Revenue	(USD)
Donor contributions	2,852,447
Grants	64,888
Investment gain	557,571
In-kind contributions	258,391
Other	241,625
Loss due to uncollected contributions*	(10,000,000)
Total public support and revenue	(6,025,078)
Expenses	
Program services	3,995,904
Management and general expenses	1,275,869
Fundraising	647,334
Total operating expenses	5,919,107
Net assets	
Change in net assets before foreign translation loss	(11,944,185)
Foreign translation loss	(17,746)
Change in net assets	(11,961,931)
Net assets, beginning of year	25,116,741
Net assets, end of year	13,154,810
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\* In December 2016, the institute received a \$10 million pledge to be collected over a 5-year period. This pledge was provided to the institute to establish the EastWest Institute Center for Peace and Regional Stability in Turkey. Due to the deteriorating economic conditions in Turkey over the past two years, EWI has not received any payments on this pledge. As such, the institute has recorded a loss due to uncollected contributions in the consolidation statement of activities and has removed the associated purpose and time restriction from net assets with donor restrictions.

## The Year in Pictures

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(1) 2018 Awards Gala; (2) H.E. Dr. Armen Sarkissian; (3) Zuhal Kurt; (4) Allen Collinsworth and Mary Springer;
(5) EWI board members at the fall board meeting; (6) Hon. Steven S. Honigman; Matt and Janice Bross; (7) Reena Ninan;
(8) Vladimir Ivanov (right); (9) F. Francis Najafi; (10) Gen. (ret.) James L. Jones; (11) Amb. Kanwal Sibal and Franz-Stefan Gady;
(12) Kevin Taweel and Maria Livanos Cattaui; (13) Bruce W. McConnell; (14) EWI Board members at the fall board meeting.













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John Hurley and Anurag Jain; (2) Karen Linehan Mroz; (3) Addison Fischer; (4) Amb. Wolfgang Klapper and Kawa Hassan;
 (5) EWI staff members; (6) Haifa Al Kaylani; (7) Aso Tavitian; (8) Joel H. Cowan, Bruce W. McConnell and Mark Joseph Bild;
 (9) Francis Finlay and Tewodros Ashenafi; (10) Amb. Wolfgang Ischinger; (11) Ross and Sarah Perot, Jr.; Nouneh and H.E. Dr. Armen Sarkissian; Cameron Munter and Aso Tavitian; (12) Ross Perot, Jr., Richard N. Haass and Cameron Munter.











## The Year in Pictures

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(1) Mary McInnis Boies and R. William Ide III; (2) Cameron Munter, Dr. William J. Parker III and Ross Perot, Jr.; (3) Darcy Anderson and Lori C. Roux; (4) Stephen B. Heintz; (5) Vladimir Ivanov and Dr. Lora Saalman; (6) Adm. (ret.) William A. Owens; (7) Maryfrances Metrick and Robert N. Campbell III; (8) Sarah Perot (9) Darcy and Kay Anderson; Laurent M. Roux; (10) Mara O'Connell and Teresa Val; (11) Ryan D. McCarthy; (12) Vartan Gregorian; (13) Peter Altabef; (14) Irum Chaudhry, Shahnaz Sehgal and Aliya Haroon.



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#### Top played podcasts:



Elizabeth Economy: Xi Jinping and the New Chinese State



David E. Sanger: The Perfect Weapon

Nicholas Burns: A Changing U.S. Foreign Policy

Francis Fukuyama: The Demand for Dignity and the Politics of Resentment



Ian Bremmer: Has Globalism Failed?

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35

major events

in 17 countries

a new series of discussions. introduced in 2018

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years among top U.S. think tanks in Penn University rankings Buildings lay in ruins on September 22 in Mocha, Yemen. The city was retaken from Houthi rebels in early 2017 as part of Yemen's Saudi-led, coalition-backed military campaign, which moved west along Yemen's coast. (Andrew Renneisen/Getty Images)

A dedicated fighter for the cause of freedom; a tireless and subtle organizer of dialogues in the pursuit of peace; a bridge between groups that needed a means of working together.

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- Michael Morell

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