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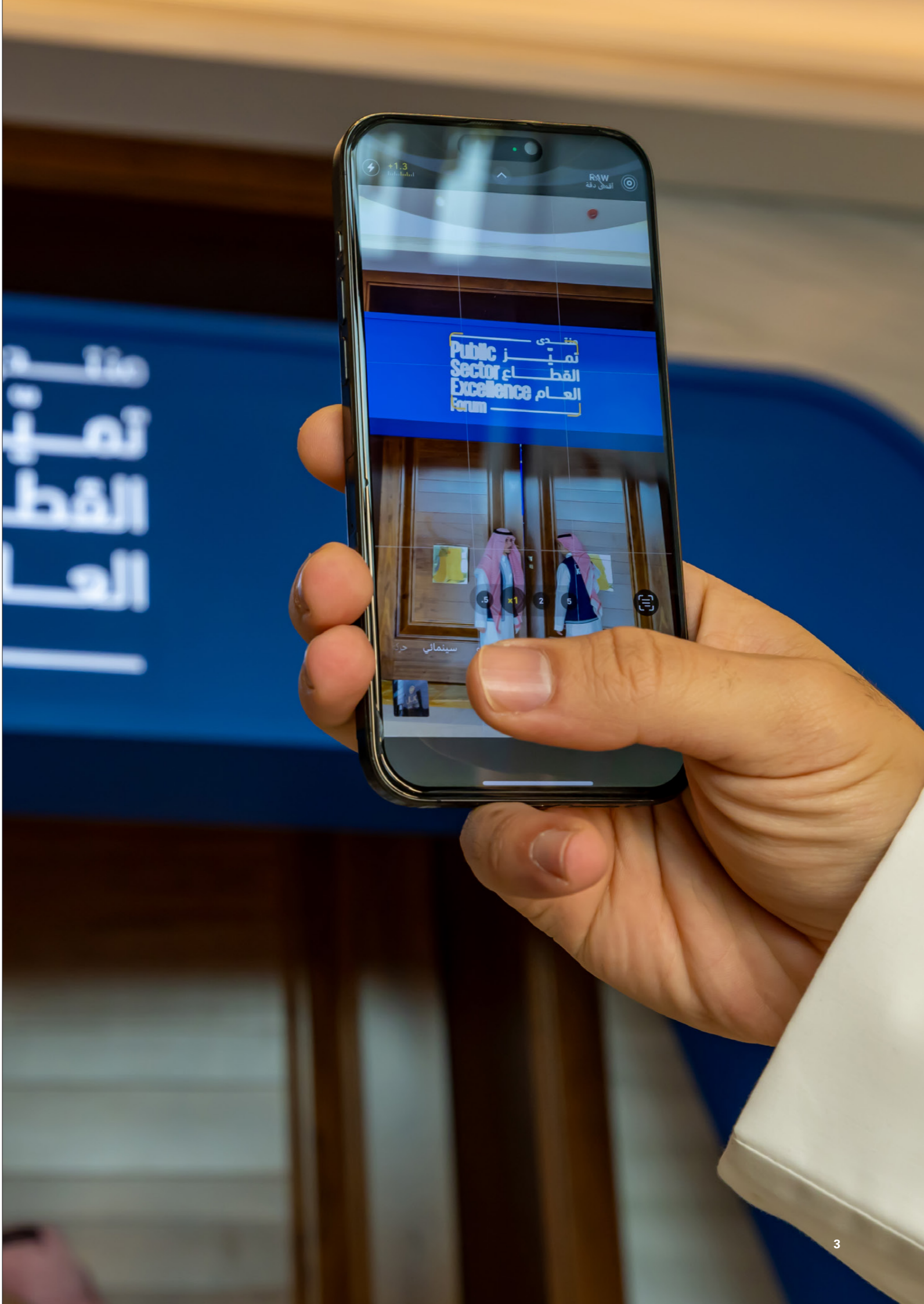
# Governing with impact, delivering public value

**Public Sector Excellence Forum**  
*One year onwards*



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# Foreword



**Despite the contextual differences between nations, challenges in the public sector share a shadow of similarity in their essence, making meaningful dialogue in this forum crucial to reaching sustainable and scalable solutions.**



It was a great honor to host our inaugural Public Sector Excellence Forum in Riyadh, as many distinguished public sector officials, industry leaders, and experts from around the globe gathered with us for an important conversation about the state of the public sector.

We convened in February 2025, at a critical time where the public sector has become increasingly integral to building innovative, adaptable systems capable of overcoming challenges and seizing opportunities. I believe the strong attendance and the deep conversations were a testament to the fact that excellence in the public sector isn't an abstract goal, but an ongoing process – one that requires a clear vision, effective collaboration, and shared discipline. Challenges can be deterring, but with joint efforts and learned experiences, they can serve as opportunities for sustainable development.

This forum was a space like no other, designed specifically to understand the challenges of the public sector inside out, and foresee the pathways that reinforce its role as the foundation of every thriving society. It was a step towards leveraging accumulated expertise and knowledge to strengthen and elevate the public sector.

The Public Sector Excellence Forum (PSX) is based on four main pillars, each reflecting essential elements needed to fulfill the needs of the public sector. The first pillar, capabilities, acknowledges that nations thrive in the hands of its citizens, and the strength of organizations largely depends on the competencies of their workforce. People are the cornerstone of accomplishing national goals and achieving sustainable development. Therefore, focusing on human capital development and building future-ready talent and leadership is a profitable investment in the sector.

Readying future talent is only possible through using the right tools, which is why the second pillar of the forum focuses on technology. Digital transformation and artificial intelligence (AI) are crucial to enhance efficiency and speed in decision-making. Using the right tools, the public sector can drive operational excellence and improve public service delivery, benefitting both beneficiaries and stakeholders alike.

The third pillar of our forum, sustainability, ensures the sector's ability to achieve goals efficiently while managing resources responsibly. A well-structured approach to sustainability enables continuous transformation without placing undue burdens on future generations. The last of these pillars is risk resilience, which has become a fundamental necessity in an unpredictable world. The ability to anticipate and mitigate risks ensures the public sector stability and enables institutions to effectively navigate economic and operational changes.

We proudly look back on our first PSX Forum, taking place at a time in which Saudi Arabia has been pioneering an unprecedented transformation in governance, with its influence extending regionally and internationally. Despite the contextual differences between nations, challenges in the public sector share a shadow of similarity in their essence, making meaningful dialogue in this forum crucial to reaching sustainable and scalable solutions. However, our ambition exceeds beyond knowledge exchange. We aspire for this forum to create generational value that aids in building a more effective and future-ready public sector.

On behalf of my colleagues at KPMG Middle East, I would like to thank their excellencies and our esteemed guests for their attendance. I'd also like to extend my sincerest gratitude to our colleagues whose astounding efforts established this forum and turned our vision into a reality.

We trust the insights that we gathered in this publication will help reflect on how the world evolved, and help enable you to have these important conversations about capability, technology and risk in the public sector. PSX is here to stay and we hope to welcome you at our future editions—here or around the world.

**Ismail Alani**

Partner, Head of Government and Public Sector  
KPMG Middle East

# Introduction

We stand at a critical point for governance. The challenges before us—human capital development, technological disruption, sustainability imperatives, and systemic risk—are structural forces reshaping the role of the public sector.

Strong institutions require leadership that is purposeful, resilient, and attuned to the demands of transformation. Strengthening human capital is not a peripheral consideration but a foundational necessity.

Technology has redefined the parameters of governance, shifting the focus of power from institutions to networks and from centralization to decentralization. Digital innovation offers an unprecedented opportunity to enhance efficiency, transparency, and citizen engagement, but it also raises profound questions about security, data ethics, and digital sovereignty.

The integration of AI, open data, and emerging technologies into governance must be approached with precision, ensuring that digital transformation strengthens public trust rather than undermining it.

The interplay between resource security, economic diversification, and environmental stewardship necessitates a governance model that is both integrative and adaptive. The deliberations at this forum have underscored the urgency of embedding sustainability within public sector frameworks, fostering cross-sector partnerships, and aligning national priorities with global imperatives.

The modern risk landscape is defined by interconnectivity. The capacity to govern effectively in this environment depends on the ability to anticipate, absorb, and adapt to uncertainty. Risk management must evolve beyond mitigation into a strategic function embedded within national governance frameworks. Strengthening institutional agility, fostering regional and international cooperation, and preparing for emergent disruptions will be critical to sustaining long-term stability.

The path forward requires deliberate and sustained action—integrating technological advancement with ethical governance, embedding sustainability into

economic and policy structures, and approaching risk with both vigilance and adaptability.

The responsibility to shape the future does not rest with any one institution, but with a shared commitment to progress, resilience, and collective prosperity.

This report synthesizes the core discussions and lessons from the forum alongside with reflections of today, together, offering strategic guidance and key takeaways for building a future-ready public sector.

Relive our journey into public sector excellence as we set the stage for our discussions on capability, technology, sustainability and risk. Watch the [video](#).

### PSX in numbers

400+

attendees

180+

VIP guests

27

speakers

13

media representatives



# Capability

## Building national competence for the future

To ensure long-term success, the public sector must build robust human capital and institutional capacity to meet future challenges. We explored how the public sector can develop leadership, skills, and governance structures that are future-ready. Discussions focused on how leaders inspire action, the qualities of exceptional leadership, and how managing large-scale reforms and ambitious national visions can cultivate innovative leaders capable of driving long-term progress.

### 2026 reflections

Public-sector upskilling moved from intent to funded delivery, with dedicated programs across the globe. The ongoing Human Capability Initiative is a notable example in Saudi Arabia.

The skills gap was confirmed as a macro constraint—not an HR issue. Unequal access to skills development is constraining economic

performance, reinforcing our emphasis on human capital as the foundational enabler of reform and delivery.\*

Digital talent became a formal public-sector policy. AI has taken a leap in public sector application with an evolving role for public sector professionals.

\*The 2025 OECD's Skills Outlook 2025 confirms.

## How great leaders inspire action

- Leadership is about enabling others and achieving collective success
- Young leaders should invest in learning and not rush into authority
- Trust and autonomy are powerful drivers of innovation
- Vision 2030 offers a unique opportunity to shape a new generation of public sector leaders

H.E. Dr. Munir Eldesouki, President of KACST notes that a true leader is driven by the desire to inspire and guide teams to make a difference. "Leadership requires taking bold actions, working hard, and setting the standard for others to follow. He challenged traditional views of leadership as individual excellence, arguing instead for a model based on collective achievement."

He highlights that young professionals often feel pressure to lead quickly, but urges them to prioritize self-development and learning. "It is important for young leaders to understand that leadership is often not a choice—it is sometimes a position people are placed into because no one else can do the job better. Developing leadership skills should be a priority, with an emphasis on learning, adapting and growing. By investing in themselves, young leaders will be positioned to join the winning teams, those already making a difference."

Using the example of The Garage—a former parking facility transformed into a global innovation hub—he illustrates the power of trust-based leadership. Under the leadership of His Royal Highness Mohammed bin Salman, a team of experts was granted the autonomy to explore innovative solutions for a new city in the Kingdom designated as a science park. The initiative involved transforming a parking garage into an accelerator. Just eighteen months later, The Garage became the second largest incubator in the world—a thriving space for innovation and entrepreneurship. "This creative approach, supported by HRH's trust and leadership created thousands of jobs and made a significant contribution to the economy. This demonstrates leadership that encourages risk-taking, innovation and the achievement of exceptional results."

H.E. Dr. Eldesouki is confident about the course of direction: "Vision 2030 offers a unique opportunity for growth and leadership development. For those willing to invest in their own abilities and become part of a dynamic team, there is no better time or place to make an impact."



**A true leader looks for impact. Leadership is not about being the loudest in the room, but about building strong teams and empowering others. Don't rush to lead—invest in your ability to learn, and the right opportunities will follow.**



**H.E. Dr. Munir Eldesouki**  
President of King Abdulaziz City for Science and Technology

# Making exceptional leaders in exceptional times

## Transforming leadership beyond roles

- **Even the most empowered leaders won't create true progress unless they build systems that support the growth of others**
- **Beyond organizational policies, leadership is also a personal commitment**
- **Success in this new era will be defined by the ability to adapt, grow, and stay ahead of change**

The growing paradox of leadership: while some are empowered to shape the future, others are constrained, either pushed to their limits or held back from reaching their full potential. No matter how many policies, financial support mechanisms, or frameworks are established, true progress will not happen unless those in leadership prioritize the development of others, actively support them, and cultivate a system that enables growth. Ultimately, those in positions of influence shape not only their own trajectory but also the success of others, whether in the public sector, private sector, or on a national scale.

H.E. Dr. Bander Alsajjan, Director General at the Institute of Public Administration, finds that in any country, a fully integrated and complementary system must be in place to support leadership growth. "Institutions should focus on policymaking and creating an environment where leaders can thrive, regardless of sector. At the same time, we must remain vigilant about emerging challenges, such as high leadership turnover. Should we accept this as an unavoidable reality, or should we examine and address its root causes? This question is particularly crucial in the public sector, where stable leadership is a cornerstone of effective governance."

He notes that beyond organizational policies, leadership is also a personal commitment, and explains that even if their organizations do not explicitly guide them, individuals must take responsibility for defining their role within this broader system and must actively determine how they will contribute—whether within their institutions, at a national level, or on the global stage. "Leadership responsibilities exist at multiple levels: organizations have obligations toward their leaders, but leaders, in turn, have responsibilities toward their organizations and the broader society."

He also emphasizes that fostering a holistic leadership system requires bringing all stakeholders together. "The public sector, as both policymakers and service providers, must collaborate with the private sector, which brings expertise, best practices, and innovative approaches. Meanwhile, leaders must remain attuned to global developments, as change is unfolding at an unprecedented pace. They are taught to embrace globalization, yet sudden geopolitical shifts can upend

“**With rapid global changes, the key to success lies in staying adaptable and continuously learning. Leaders must remain open to evolving shifts in geopolitics and technology, and ensure their growth contributes to the broader ecosystem, both within their organizations and beyond.**”



**H.E. Dr. Bander Alsajjan**  
Director General at the Institute of Public Administration

their perspectives, forcing them to navigate new regulatory complexities, protect investments, and reassess economic security strategies. Keeping pace with these evolving realities is not just beneficial—it is essential."

This rapid transformation extends beyond governance and economic policy; it is reshaping the very nature of leadership development. "With technologies like AI rapidly advancing, traditional models of learning and capacity-building are no longer enough."

Future leaders, H.E. Dr. Alsajjan argues, must embrace self-directed development: "Success in this new era will not be defined by static knowledge but by the ability to adapt, grow, and stay ahead of change. If we do not invest in our own continuous development, we risk becoming obsolete in a world that demands agility. The responsibility to lead, to evolve, and to prepare for the future lies with each of us."

## Navigating crisis with agility and innovation

- **Stability in leadership is a necessity for governance that lasts beyond the crisis**
- **Continuity planning and a culture of innovation must be embedded long before disruption strikes**

Dr. Mohammed Alabdulaali, Assistant Minister of the Ministry of Health, recalls the Covid-19 pandemic as challenging episode, but also a defining test of crisis management where success required agility, trust, and cross-sector collaboration: "If we look specifically at the question of crisis management, the pandemic serves as a prime example of uncertainty and risk. At the time, no one had a definitive playbook—it was an unprecedented challenge. Yet, success required agility, trust, cross-sector collaboration, and bold decision-making. Instead of overanalyzing, we had to act swiftly, trust in our ability to adapt, and embrace innovative solutions."

He argues that any large-scale crisis—whether it be a pandemic or another unforeseen disruption—the key is to come together, move quickly, and abandon conventional approaches. Dr. Alabdulaali believes that relying on the same structures, timelines, and decision-making processes as before will not suffice. "If we continue with the same competencies, governance models, and rigid adherence to procedures, we will fail. Instead, we need new frameworks, urgent response mechanisms, and a restructuring of priorities." This means distributing responsibilities effectively, appointing individuals who can lead in uncertain times, and forming specialized teams to manage the crisis while ensuring long-term resilience.

He stresses the importance of maintaining a dedicated focus on continuity, calling for individuals and organizations to safeguard their strategic roles so that when stability returns, they are prepared for recovery rather than struggling to find their place in a changed landscape.

"In normal circumstances, organizations tend to focus heavily on established plans while dedicating minimal resources to innovation and unconventional thinking. However, in times of crisis, this balance must be reversed—flexibility, creativity, and adaptability take precedence. Vision 2030 has laid the groundwork for this shift by restructuring national systems, particularly in healthcare, to be more responsive and resilient in the face of future challenges," concludes Dr. Alabdulaali. "Ultimately, preparedness is not just about having policies in place—it is about cultivating a mindset of agility, proactive decision-making, and continuous adaptation to an ever-evolving world."

“**Agility, trust and collaboration are crucial when navigating uncertainty. Vision 2030 prepares us by restructuring systems and ensuring we are ready to handle unexpected situations.**”



**Dr. Mohammed Alabdulaali**  
Assistant Minister at the Ministry of Health



### Vision and stewardship in public sector leaders

- **Successful public sector leadership is when citizens feel real improvement in their daily lives, not just delivering on KPIs and meeting targets**
- **Leaders must look beyond silos, aligning their work with broader national goals that improve real lives**

While both are complementary, in recognizing the difference between the public and private sector, H.E. Hekia Parata, Former Minister in New Zealand, highlights the unique and primary responsibility of the public sector: ensuring the overall well-being of citizens and executing the government’s agenda to the highest standard.

“In that light, the energy and natural resources sector isn’t that different from education; they share a common goal—building a strong, prosperous economy where citizens enjoy good health and quality education. These are the fundamental challenges we must address.”

H.E. Parata identifies two key types of leadership drive success in the public sector: “The first is the ability to manage outputs—delivering on KPIs, meeting targets, and ensuring results in a specific department, domain, or project. However, the most effective leaders do more than that. They maintain a broader vision, aligning their work with the government’s overarching ambitions for society. This kind of stewardship seeks to create synergies across projects and departments, ensuring that outputs translate into meaningful, long-term impact for citizens.”

“Managing outputs in sectors like education, healthcare and infrastructure is important, but true success comes when those efforts lead to real outcomes. Citizens don’t live in sectors; they live in communities. The combined impact of separate projects should make people feel like their lives are getting better.”



**H.E. Hekia Parata**  
Former New Zealand Minister of Education, Minister of Energy and Resources, and Minister for Women

“After all, citizens do not live within sectors—they live in their homes, neighborhoods, and communities. Public sector leaders succeed not just by delivering individual outputs, but by fostering outcomes that improve everyday lives. Progress is measured when people feel tangible improvements—when they say their lives are getting better because of the collective impact of public sector initiatives. So, while managing outputs is crucial, true leadership lies in driving outcomes.”

### Preparing the future workforce: Shaping public sector talent for 2035 and beyond

- **Saudi Arabia is proving that bold trust in young talent—backed by structure—can redefine national leadership**
- **With the right systems in place, Saudi Arabia is positioned to build one of the youngest, most capable governments globally by 2035**

Leadership begins with identifying potential—and while great leaders may seem rare, they are more common than assumed when nurtured in the right environment. However, realizing leadership potential depends on the right processes and conditions. Ismail Alani, Partner and Head of Government and Public Sector at KPMG Middle East, pointed out that Saudi Arabia is currently undergoing a fascinating experiment: blending private-sector efficiency with public-sector responsibility. “While there may be parallels in other countries, the uniqueness of this experiment lies in the extraordinary expectations placed on public-sector leaders. They are tasked with delivering remarkable results within seemingly impossible timelines.”

Alani understands the pressure of execution, but notes we must never lose sight of the importance of nurturing future leaders. He posed a provocative question: If leadership development is crucial for teams and companies, how much more essential is it for a country? “We are living in an era of exceptional leadership—one that is shaping our country’s future. Now, consider what would happen if every public-sector organization placed as much emphasis on leadership development as it does on achieving results. If each ministry, commission, or authority committed to cultivating just two outstanding leaders over the next decade, the impact on governance and national progress would be profound.”

“In the private sector, leadership is closely tied to financial performance and shareholder interests. Meanwhile, in the public sector, we see extraordinary leadership at the highest levels, but there is untapped potential in systematically developing emerging leaders. This presents a tremendous opportunity for Saudi Arabia—one that could lead to global-scale success.”

Alani highlights Saudi Arabia’s demographic advantage, noting that since 2015, more than 150,000 graduates from top international universities have returned, adding to the strength of local talent. What sets the Kingdom apart, he finds, is the level of trust placed in young professionals—many of whom now occupy mid- and senior-level roles at an earlier age than in most countries. “What makes Saudi Arabia truly unique is the level of trust placed in young leaders. Across public sector institutions, middle and even senior leadership positions are occupied by individuals younger than their counterparts in nearly any other country. This brings immense energy and resilience, but it can also mean less experience and maturity in decision-making. The good news is that this generation has now accumulated a decade of experience—ten years of running not just a government, but a government leading some of the world’s most ambitious projects, achieving transformative KPIs in half the time it takes other nations.”

“Exceptional leadership changes the course of humanity and this has proven to be true over and over in history. If we invest in leadership, in the next decade we will be the youngest and most capable government in the world. We will be sharing knowledge and expertise not only locally, but to the rest of the world.”



**Ismail Alani**  
Partner, Head of Government and Public Sector at KPMG Middle East

Of course, the journey is not without its challenges, however, Alani predicts that by 2035, Saudi Arabia could have one of the youngest, most capable governments in the world—one that exports its expertise globally. “The key now is to ensure structured programs are in place to nurture this talent, sustain their motivation, and manage their well-being. With the right support, we are not just building a stronger government for 2035—we are laying the groundwork for an era of extraordinary national and global impact well beyond 2050.”

## Trust, empowerment, and collaboration

- **Leaders who embrace failure, lean on their teams, and empower others will thrive in uncertain times**
- **leaders must navigate constant change while maintaining adaptability, resilience, and awareness of emerging challenges**

Ruth Harris, Director of Defense and Security at RAND Europe, reflects on the human side of leadership in a world shaped by rapid change and technological disruption. “Resilience and adaptability were seen as essential—but so was emotional intelligence and trust.”

She argues that in a rapidly shifting geopolitical climate, leaders must navigate constant change while maintaining adaptability, resilience, and awareness of emerging challenges—especially with the acceleration of AI and technological advancements. “The pressure to be agile is immense, but at its core, leadership remains a deeply human endeavor. It is a long journey, and along the way, failure is inevitable.”

Harris emphasizes the importance of creating safe spaces to fail—while uncomfortable, they are necessary for experimentation and growth. “Leadership isn’t about controlling every detail, it’s about trusting others to handle complexity and contribute meaningfully. Leaders must cultivate environments where setbacks do not lead to severe consequences but instead serve as opportunities for growth. From my experience, I have learned that not being overly fixated on the details is key. A leader’s strength comes from trusting the team—knowing that others are immersed in the details and will provide the necessary support. This trust enables leaders to make difficult decisions with greater confidence and flexibility.”

“There is also an important distinction in how we build leadership. We should not build on the strengths of others—placing undue weight on them—but rather build with their strengths, bringing people along on the journey. Leadership that is truly resilient and adaptable is one that integrates the collective strength of a team. No

single person can possess every skill, and while we may sometimes believe otherwise, true leadership recognizes the need for collaboration.”

One also needs to consider the generational shift. Young people lead differently—through rapid decision-making and immediacy. The responsibility of more experienced leaders is to support that energy, not suppress it, helping nurture a new era of confident, capable leadership. “This presents a generational opportunity. Young people demonstrate resilience in a different way—through immediacy, rapid decision-making, and adaptability. Those of us who are no longer young have a responsibility not to suppress their energy, but to nurture it. By trusting in their ability to make good decisions and by guiding rather than restraining them, we can cultivate the next generation of leaders who will shape the future.”

“**Leadership is a human endeavor, and we must create spaces where it’s safe to fail. Trusting your team and drawing on the strength of others builds resilience and adaptability. We need to embrace the generational shift, trusting young people to make good decisions while we nurture, not stifle, their energy.**”



**Ruth Harris**  
Director of Defense and Security at RAND Europe



# Technology

## Driving transformation in public service

Technological advancement is at the heart of modern public sector. From AI to digital services, technology provides powerful tools to enhance public service delivery, boost efficiency, and increase accessibility. We discussed how the public sector can leverage technology for transformation. Speakers presented strategies for aligning today's workforce with future technological advancements, highlighting key topics such as talent development, digital upskilling, and using technology to build a resilient, future-ready public sector.

### 2026 reflections

The emphasis on digital identity, interconnected ecosystems, and seamless public services has since been reinforced by OECD reporting on the expansion of digital identity access, validating our focus on trusted platforms and fully digital service delivery.

Large-scale human capability programs – like under Vision 2030, AI readiness indices, and investment

in AI data infrastructure demonstrate that AI transformation is being operationalized across talent, governance, and infrastructure in parallel.

Saudi Arabia has strengthened its position as a balanced global model for AI governance, becoming the first Arab nation to join the Global Partnership on AI and ranking third globally as a contributor to the OECD AI Policy Observatory.

## Technology driving operational excellence in the public sector

- **Saudi Arabia's early focus on digital infrastructure and national platforms positioned it to deliver seamless public services, even in crisis**
- **True digital transformation is not about technology, it's about people, purpose, and services that improve productivity**
- **AI cannot be left only to IT departments, leaders must take ownership of understanding it**

H.E. Ahmed Alhakbani, Founder and CEO of SiFi, a FinTech company, takes us through Saudi Arabia's initial journey toward e-government in the early 2000s with the expansion of internet access across government agencies, schools, and institutions. This led to the development of online government presences and the modernization of transactional databases—shifting away from traditional mainframes. “By the mid-2000s, the introduction of the national e-government program accelerated adoption, marking a turning point in digital governance.”

The next phase saw the rise of key national platforms, and H.E. Alhakbani highlights how the National Information Center played a critical role by introducing a system that enabled citizen authentication and identity verification, paving the way for government agencies to leverage decentralized digital identity solutions. Later, the Digital Government Authority, established by the Ministry of Communications and Information Technology, played a critical role in standardizing services, enhancing user experience, and fostering public-private partnerships. These efforts, he explains, laid the foundation for a seamless and interconnected digital ecosystem.

“Saudi Arabia's long-term investment in e-government proved invaluable during the Covid-19 pandemic, which rapidly pushed many government services online. The country was well-prepared, allowing citizens to access essential services digitally—an achievement that stands as a case study for other governments worldwide. Platforms for identity verification and expatriate services have further streamlined interactions between the public and private sectors, boosting efficiency and accessibility. Today, individuals can complete transactions—such as selling property—entirely online, from anywhere in the world.”

H.E. Alhakbani emphasizes that technology alone is not the driver of change—people are. “In the public sector, digital transformation is not merely about adopting new tools; it's about ensuring that these tools create meaningful impact. Organizations must shift their focus from flashy technology announcements to prioritizing services that genuinely enhance productivity for citizens and employees.”



**I don't look at AI as just another technology that we can add to our technology department, but rather a tool that changes how we work, how we interact, how we serve our customers, and how we increase productivity, it's a true paradigm shift.**



**H.E. Mr. Ahmad Alhakbani**

Founder and CEO of SiFi  
Former Governor at Saudi Customs; Deputy Minister for Foreign Trade at Ministry of Commerce and Investment; Secretary General at SAUDI EXPORTS

He notes that AI will play a critical role in the next phase of digital transformation. However, AI cannot be left only to IT departments—leaders must take ownership of understanding it, upskilling their teams, and integrating it strategically. “Looking ahead, AI will be a key driver of transformation. Leaders cannot afford to delegate AI strategy solely to IT departments—they must educate themselves and their teams, ensuring that AI is integrated in ways that create tangible value. Partnering with innovators and learning from industry advancements will be essential for staying competitive in the digital era.”

“Ultimately, the secret to successful transformation is not just technology—it is the people. Organizations that prioritize talent development, foster a culture of adaptability, and embrace innovation will lead the way in shaping the future of digital governance.”

### Preparing for the jobs of the future

- **Human-centric skills are just as important as technical competencies**
- **Saudi Arabia can accelerate AI adoption by prioritizing action over formal strategies**

Citing the World Economic Forum’s 2025 Jobs Report, Dr. Basma Al Buhairan, Managing Director of the Centre for the Fourth Industrial Revolution Saudi Arabia, shares projections that AI will generate 170 million jobs by 2030—while displacing 92 million. “With nearly 40 percent of job skills set to change significantly, the challenge is not only technical but deeply human. This rapid transformation demands immediate collaboration between governments, businesses, and education institutions to ensure workforce readiness. While AI, big data, and cybersecurity will be the key technical competencies shaping the future, human-centric skills such as flexibility, resilience, and creativity will be just as critical.”

As nations prepare for this shift, Dr. Al Buhairan points out the significant steps that Saudi Arabia has already taken toward AI workforce development. “By 2030, a significant portion of the global workforce will require upskilling or reskilling, and Saudi Arabia has already made substantial progress in this area. The number of technology professionals in the Kingdom has grown from 150,000 in 2021 to 381,000 in 2024. To remain competitive, Saudi Arabia must now move beyond general STEM education and rapidly scale specialized training in AI, big data, and cybersecurity.”

She shares global examples of what bold action can look like. “Saudi Arabia can accelerate AI adoption by learning from successful global initiatives that prioritized action over waiting for formal strategies. For example, C4IR Azerbaijan launched free AI courses on Coursera before its national AI strategy was finalized,

ensuring accessibility for all citizens, across all segments of society. By using digital platforms, they ensured broad accessibility, including for individuals in remote areas and those with disabilities. Their efforts earned them an AI Innovation Award for inclusivity. Similarly, C4IR Malaysia surpassed its goal of educating over a million people on AI through digital platforms, proving that large-scale AI education can be successfully implemented with the right approach.”

The Kingdom is now at a pivotal moment in its AI transformation journey. “Moving forward requires immediate action, prioritizing practical experimentation

“**By 2030, approximately 59 percent of the global workforce will need substantial upskilling and reskilling. To meet this challenge, governments and the private sector must work together to provide accessible and inclusive education. This should focus on essential technology skills such as AI, big data, and cybersecurity, as well as vital human skills including creative thinking, resilience, and flexibility.**”



**Dr. Basma Al Buhairan**  
Managing Director of the Centre for the Fourth Industrial Revolution Saudi Arabia  
WEF Affiliate Centre

over theoretical planning, and ensuring AI talent development extends beyond automation to foster true innovation. Regulatory sandboxes and policy labs will play a key role in testing and scaling AI solutions, while a balance must be struck between top-down strategic vision and bottom-up innovation from grassroots efforts. While leadership sets the vision, true AI transformation will be driven by hands-on experimentation, regulatory flexibility, and grassroots innovation. By strengthening public-private partnerships, investing in AI education, and adopting an agile approach to digital transformation, Saudi Arabia has the opportunity to position itself as a global leader in AI-driven economic growth. With the right investments and an agile approach, Saudi Arabia can position itself as a global AI powerhouse, driving innovation and economic transformation for decades to come.”

### Building capabilities and expertise to deliver on digital transformation in the public sector

- **Every meaningful transformation must be technology-enabled, data-driven, and digitally delivered**
- **AI is no longer just a tool—it is becoming increasingly autonomous and integrated into everyday operations**
- **Regulatory frameworks must enable safe experimentation without stifling innovation**

Dean Grandy, Global Head of Government and Public Sector at KPMG, in working with governments around the world, finds there are some universal themes that must be addressed to ensure societies are future-fit. “The first and most fundamental point is that there is no such thing as an analog transformation. Every meaningful transformation must be technology-enabled, data-driven, and digitally delivered. This requires smart strategic investment in infrastructure, including cloud capabilities and data centers, but more importantly, in data readiness itself.”

Governments possess vast amounts of data, yet their ability to extract value from it remains limited. The ability to generate insights that inform policy, legislation, and decision-making is still evolving. “It is encouraging to see the investments made in data infrastructure, particularly in the Kingdom and other forward-thinking nations, but the next step is to build capabilities and expertise. This includes overcoming resistance to emerging technologies like AI. While predictive AI has been around for decades, the recent breakthroughs in generative and agentic AI have accelerated the need for adaptation.”

“AI is no longer just a tool—it is becoming increasingly autonomous and integrated into everyday operations.” Grandy believes that while human oversight will always be essential, we must be prepared to use AI in the right contexts, ensuring it is safe, trusted, and aligned with real-world applications that deliver measurable value.

“Globally, governments seek low-risk, high-impact outcomes from technology investments, particularly in emerging technologies like AI. We have moved beyond the hype cycle and past the doomsday narratives of job losses, into a phase focused on proving AI’s value. The key challenge now is demonstrating return on investment and quantifiable productivity gains. Achieving this requires not just

“**There is no such thing as an analog transformation. Every business transformation needs to be technology-enabled, data driven and designed for digital delivery. Smart investment in infrastructure, sovereign capability and data readiness enables governments worldwide to extract value from data, informing policy and decision-making.**”



**Dean Grandy**  
Global Head of Government at KPMG

financial investment but also a shift in mindset and behaviors, particularly at the political and leadership levels. Strong will and clear guidance are essential, as are educational initiatives, micro-credentialing, and opportunities for students and civil servants to experiment with AI in controlled environments.”

Grandy advocates the need for regulatory reform: “One of the greatest barriers to progress is regulation. In some cases, governments have leaned too heavily on restrictive regulations, stifling innovation rather than enabling safe and responsible experimentation. The right approach is smart regulation—establishing guardrails that allow AI to be tested, refined, and scaled in a way that ensures trust and security.”

In the end, every AI solution is only as good as the data that powers it. “As governments look to the future, their ability to harness AI effectively will depend on investing in the right infrastructure, fostering a culture of experimentation, and aligning policies with progress rather than fear. The path forward is clear—AI is here, and governments must ensure they are ready to use it to its full potential,” Grandy concludes.

### Public sector transformation with AI

- **Cloud computing and digital fluency are non-negotiables for effective AI deployment at scale**
- **Agility, iteration, and bold execution will define success in the AI era**
- **Defining human roles in the AI era is critical now to avoid over-reliance on automation later**

In recent years, AI has transformed from a futuristic concept into a foundational technology shaping economies and industries worldwide. The question now is whether AI is receiving the attention it truly deserves. Turki Badhris, President of Microsoft Arabia notes that with AI expected to contribute US\$15.7 trillion to the global economy by 2030—including a US\$135 billion boost to Saudi Arabia’s GDP—the stakes are high. “The Kingdom is already leading the way, attracting major investments and positioning itself as a global AI hub.”

Badhris points out two fundamental pillars that will determine the success of AI transformation: cloud infrastructure and digital skills: “While much of the conversation around AI revolves around its applications, cloud computing remains the key enabler, providing the computational power needed to harness AI’s full potential. Equally critical is the development of digital skills, but this extends beyond just technical expertise. Widespread adoption and awareness across all levels of society are essential.”

Despite notable progress, the Kingdom still faces a skills gap according to Badhris: “Saudi Arabia has witnessed strong demand for AI talent, prompting initiatives to accelerate workforce development. However, there remains a skills gap, requiring efforts to train individuals at all levels—from students and workers to executives. The push for digital skills is not just about job creation—it is about national self-sufficiency. Saudi Arabia aims to not only attract global AI investments but also ensure that its own workforce can manage and operate the infrastructure.”

He stresses the speed of AI’s impact. “The impact of AI adoption is already being felt across industries. Unlike traditional enterprise technologies that took years to yield a return on investment, AI can deliver measurable results in just weeks. AI-powered agents in legal departments or HR functions are already demonstrating significant efficiencies, reinforcing the need for rapid adoption. However, executive leadership

“**AI is not another technology. Unlike previous systems where ROI took years, today the impact of AI can be seen in just a matter of weeks. The key is enabling leadership to embrace change and drive adoption across all levels to maximize its benefits.**”



**Turki Badhris**  
President of Microsoft Arabia



plays a crucial role in driving this change. Decision-makers must lead by example, fostering a culture of AI integration across their organizations.”

“AI is driving major transformations in citizen services and government operations. As AI adoption accelerates, several key trends are emerging. Cloud computing will see widespread adoption, with more workloads migrating to the cloud as a fundamental requirement for AI. Additionally, the concept of AI sovereignty is gaining traction, with countries, including Saudi Arabia, investing in homegrown AI solutions aligned with national regulations.”

AI adoption must be approached as a continuous journey, not a one-time project: “Organizations must embrace experimentation, identify gaps, and refine their strategies as technology evolves. The traditional approach of lengthy strategic planning may no longer be viable, as AI’s rapid development necessitates a more agile and action-oriented mindset. Success will be determined not by the perfection of initial plans but by the speed of implementation, the ability to iterate, and a relentless focus on adoption.”

“Saudi Arabia stands at the forefront of the AI revolution, with the right investments, infrastructure, and vision in place. The challenge now is to act decisively, ensuring that AI’s transformative potential is fully realized for the benefit of businesses, society, and the nation as a whole.”

### Trust and strategy in AI adoption

- **As AI advances in data-driven tasks, humans must define and secure their roles**
- **Trust, safety, and bias prevention must be built into AI from the start**

The rapid progress of AI signals a fundamental shift in how AI will reshape jobs, particularly those that rely on data analysis, pattern detection, and decision-making. That said, Marin Ivezic, a leading AI expert, points out that despite these disruptions, humans still have a

crucial role to play. “AI can handle data-driven tasks with increasing efficiency, but it is up to us to set objectives, provide context, oversee risk management, and ensure cybersecurity. This is where the real challenge lies: we must actively claim these roles before automation advances too aggressively. There is already a tendency to hand over too much responsibility to AI without adequate oversight.”

He cautions against the risk of surrendering too much control to AI before clear human roles are defined: “To prevent such overreach, industries and governments must proactively define human responsibilities in the AI era. The role of supervisors, risk managers, and implementers of AI-driven changes in society is not something to be assigned after automation has taken over—it must be developed and solidified now. Otherwise, we may find ourselves in a situation where human oversight is no longer considered necessary, and entire professions are displaced without a clear plan for adaptation.”

Ivezic positions the Kingdom as a global model of balanced AI governance, noting that in discussions at Oxford University and conversations with policymakers in China, Saudi Arabia and the UAE were frequently cited as examples of balanced AI adoption. “Unlike the EU, which leans heavily on regulation, or the US, where the private sector leads AI development, or even China, which enforces AI adoption through central planning, Saudi Arabia has struck a balance. With Vision 2030 providing a regulatory framework while also fostering AI startups and education initiatives, the Kingdom is being recognized as a leader in navigating AI transformation effectively. This is something to be proud of and to build upon as AI adoption accelerates.”

Still, he warns that innovation alone is not enough. Trust and safety must be foundational to any AI strategy. “Bias detection, cybersecurity, explainability, and the resilience of AI systems must be priorities from the outset, not afterthoughts. As AI takes on increasingly critical decision-making roles, ensuring trust and safety is paramount. The challenge ahead is not just in adopting AI but in doing so responsibly, ensuring that human oversight remains integral to the process.”

# The Blueprint for Intelligent Economies

KPMG partnered with the World Economic Forum (WEF) to develop a comprehensive AI blueprint designed to guide the public sector and country leaders in crafting fair, forward-thinking AI strategies. This initiative was not just about isolated use cases—it was about providing a holistic roadmap that ensures AI is adopted in a way that is bold, inclusive, and strategically aligned with national priorities.

The blueprint is structured around three key areas. First, foundations, which include the essential technology infrastructure—cloud computing, datasets, and other digital enablers that make AI adoption possible. Second, functions, which emphasize collaboration between the public sector, businesses, and technology providers to ensure AI solutions align with citizen needs and national goals. Finally, enterprise, which encourages leaders to think bigger and bolder about AI’s potential, embedding it into governance structures at scale.

The discussions at PSX have reinforced the importance of this structured approach, highlighting the need for a common framework that allows the public sector to build AI capabilities methodically. The collaboration that went into the blueprint was remarkable—bringing together policymakers, consultants, academics, and industry leaders to create a shared vision. It was an effort to bridge the gap

between public and private sector innovators, ensuring that AI investments are aligned with national strategies rather than being developed in silos.

One of the key challenges in AI adoption is leadership. Governments and businesses alike struggle with workforce readiness—how to train people, shift mindsets, and create space for innovation in a rapidly evolving landscape. Leaders must balance setting a high-level vision with enabling ministries and departments to implement AI in ways that are both strategic and scalable. The Middle East, with its ambitious Vision 2030 agenda, offers a compelling example of how AI can be harnessed not just for technological advancement, but for broader societal progress.

A critical takeaway is that collaboration is essential. While individual ministries and agencies can drive AI innovation, true impact comes when governments break down silos and approach AI adoption as a unified effort. The AI blueprint is designed to support this integration, helping leaders develop cross-ministry strategies that prioritize citizen needs. It’s important to start with practical use cases, but always with the bigger picture in mind—ensuring AI is embedded into governance structures in a way that is scalable, responsible, and transformative.



“  
**The Blueprint for Intelligent Economies provides a comprehensive framework for the public sector to develop ambitious AI strategies that prioritize the needs of citizens. By fostering collaboration between ministries, global AI leaders, enterprises, small businesses, academia, civil society and end users, this blueprint ensures that AI technology benefits society, rather than just through isolated use cases.**”

**Brenda Walker**  
Former Global Head of Government and Public Sector at KPMG



“  
**As AI continues to revolutionize the public sector and society at large, the question isn’t just about potential—it’s about responsibility. The Blueprint for Intelligent Economies highlights three essential pillars for AI adoption: sustainable infrastructure, high-quality diverse datasets, and ethical regulation. This framework provides the public sector with the strategic guidance needed to ensure AI is not only innovative but also inclusive, secure, and beneficial for all.**”

**Mazhar Hussain**  
Partner, Head of AI at KPMG Middle East



Download the [Blueprint for Intelligent Economies](#)

# Sustainability

## Ensuring long-term value

The public sector is playing a leading role in promoting sustainability, aiming for a balance between economic growth, environmental stewardship, and societal well-being. We explore how the public sector can implement sustainable policies and initiatives that contribute to national development while protecting the environment and preserving resilient access to resources. The sessions highlighted strategies for financing green initiatives, prioritizing investments in sustainability, and creating value through low-cost, high-impact solutions.

### 2026 reflections

Global assessments show how climate and disaster risks compound public debt, reinforcing that sustainability is now treated as a fiscal and governance resilience priority. This reflects our argument that proactive sustainability decisions cost less than correcting poor ones later.

We emphasized that public-private partnerships must be nurtured and advanced. With ever growing demand for resilient and integrated

infrastructure, these are confirmed to be the central delivery model for long-term and sustainable outcomes.

Declarations are no longer sufficient and action is paramount was one of our outcomes. The shift toward structured privatization programs and measurable project pipelines reflects a move from sustainability announcements to institutionalized execution.

## Think slow, act fast

- **Behavioral science is becoming central to project management—understanding human decision-making is just as vital as technical expertise**
- **Successful leaders are ‘optimistic realists’ who balance belief in success with clear-eyed assessment of resources and timelines**
- **Integrating behavioral insights into leadership development can improve decision quality and project delivery outcomes**

The concept of “think slow, act fast” might remind some of Daniel Kahneman’s influential book, *Thinking, Fast and Slow*, in which the Nobel laureate in economics, along with his colleague Amos Tversky, conducted rigorous research on human cognition. They identified two modes of thinking. Fast thinking is our natural, pre-programmed mode—it is the way we instinctively approach decision-making, acting spontaneously and addressing issues as they arise. Slow thinking, conversely, is deliberate and analytical; it involves carefully considering decisions before taking action. Kahneman and Tversky’s research explored the implications of these two modes on performance, revealing significant insights, particularly in fields such as multi-billion-dollar investments. In such contexts, thinking quickly and rushing into action is a poor strategy. Instead, one must think carefully before embarking on large-scale projects.

Professor Bent Flyvbjerg, author of *How Big Things Get Done*, takes this as his starting point for where the concept of ‘thinking slow’ becomes critical. “It involves comprehensive planning, rigorous experimentation, and, as discussed in a previous presentation, testing ideas beyond one’s current skill set—engaging in what is known as the ‘sandbox’ approach. Slow thinking is not merely about contemplation or aimlessly pondering solutions; it involves trial and error, experimenting, and running simulations. Today, we are fortunate to have access to advanced computer simulations, which allow us to model potential outcomes before taking any real-world action. Once this careful and thorough groundwork is completed—once one has engaged in slow thinking—swift action becomes possible.”

Prof. Flyvbjerg points out that most people follow the opposite pattern: they think quickly, jump into action, and only then are confronted with unforeseen issues, which inevitably slow the process down. These issues do not disappear because they were ignored, he noted, they resurface during execution, causing delays and complicating delivery. “It is a pattern familiar to many in

large projects: think quickly, act impulsively, and then struggle with slow delivery. *How Big Things Get Done* emphasizes a critical rhythm for success in large projects: Think slow, act fast.”

Applying this approach to large public sector projects, which are often complex and extensive, underscores the importance of careful consideration and strategic planning. Prof. Flyvbjerg explains that when analyzing a project, the first step is to determine whether the foundational work was done correctly. “Was the project’s funding secured and prepared meticulously? If the answer is no, problems are bound to arise because critical factors have been overlooked—issues that will emerge as the project progresses.”

“**The biggest progress in project management is the growing adoption of behavioral science in project delivery. If you don’t understand people, you do not have any hope to deliver big project successfully.**”



**Prof. Bent Flyvbjerg**  
Professor at the IT University of Copenhagen and Professor Emeritus at the University of Oxford

A quick test he sees as critical is reviewing the project's risk assessment. "Many projects today include quantified risk analyses, but in my experience, these reports are often unreliable. When reviewing them, I focus on the section detailing risk deviations. If the standard deviation in the report is unrealistic, it signals that the risk assessment is likely flawed. This is a simple and effective way to quickly assess whether a project plan is grounded in reality. A proper understanding of the standard deviation in statistical terms allows for a quick determination of the risks associated with a project, making this an invaluable litmus test for any project manager or advisor."

Another major shift in project management he mentions is the integration of behavioral science. This shift has been transformative, and it is now widely acknowledged as a key factor in successful project delivery. Citing the International Journal of Project Management, which recently published a special issue celebrating Daniel Kahneman's contributions, highlighting the impact of his work on the field, he underlines how behavioral science was identified as the most significant advancement in project management over the past two decades.

"Historically, project management has been rooted in engineering, and while engineers are exceptional at solving technical problems, they often fail to account for the human element. Project delivery is not just about technology—it is fundamentally about people. If a project team does not understand human behavior and the psychological factors that influence decision-making, its chances of success are slim. This realization—

understanding that people are at the heart of project success—is one of the most important developments in the field. The growing recognition of this and its incorporation into project management practices is a positive sign for the future."

He warns against unchecked optimism and encouraged a balance of ambition and realism: "Optimism, a natural psychological trait, is essential for motivating us to face challenges and continue with our day-to-day lives. However, in project management, excessive optimism can be detrimental. If project teams are composed only of optimists, they are likely to overlook potential pitfalls."

The best project leaders, Prof. Flyvbjerg states, are optimistic realists. "They have a can-do attitude, but they are also realistic about what is required in terms of budget and timeline. They understand that a project cannot succeed without adequate resources and a realistic schedule."

"The question then arises: can we train people to develop this mindset? Can we instill the balance of optimism and realism in project teams and leaders? I believe the answer is yes. By focusing on leadership development and emphasizing the importance of psychological factors in decision-making, we can foster the traits needed for successful project delivery."

This holistic approach—integrating slow thinking, behavioral science, and an emphasis on human factors—is essential for ensuring the successful delivery of large and complex projects in today's fast-paced world.



# Strategic sustainability under economic constraints

## Sustainability as imperative

- **In the public sector, sustainability must be built into how things are run—not treated as optional**
- **Collaboration between regions and stakeholders is key to accelerating the shift toward a circular economy**

Sustainability is no longer a luxury—it's a necessity. Eng. Hashim Al Dabbagh, CEO of the Aseer Region Development Authority (ASDA), emphasizes that from a governance perspective, public sector institutions are subject to a set of guidelines introduced by the government, setting forth what governance should look like within the public sector. "This is in contrast to the private sector, which has a much more detailed and structured set of regulations regarding governance. In the private sector, there is a broad range of authorities provide comprehensive guidelines on governance, including the structure and role of boards, the responsibilities of senior management, and the overall operational framework. These regulations are far more detailed, and there is a significant emphasis on accountability."

ASDA's vision is for the region to become a year-round, premier destination for both domestic and international visitors. Eng. Al Dabbagh explains: "The primary reason people are drawn to Aseer is its natural beauty—the temperate climate, lush forests, and scenic mountains make it a desirable destination. Therefore, it is essential for us to prioritize the preservation of these natural resources. To undermine these assets would be short-sighted and detrimental to our long-term goals."

Therefore, the organization is committed to ensuring that sustainability is not just a luxury but an imperative. "By doing so, we aim to ensure that our strategy is forward-thinking and sustainable, both from a governance and environmental perspective. It is essential that we allocate part of our budget to initiatives dedicated to environmental preservation. One of the most significant projects we are currently undertaking is a comprehensive environmental scan to establish a baseline for understanding the state of the environment, to ensure that we have accurate data to guide our sustainability efforts."

As other countries and regions are ahead in terms of adopting a circular economy, ASDA invites all

stakeholders and parties to engage with them to come up with best practices, fruitful initiatives and potential collaboration. "While there are certainly challenges, the commitment to environmental and governance sustainability in the Aseer region is steadfast. Through collaborative efforts, careful planning, and the support of the central government, we are confident that we will make significant strides in creating a sustainable future for both Aseer and Saudi Arabia at large."

“**At ASDA, we are committed to staying ahead of the curve by adopting best practices in sustainability—both environmentally and in governance—even before they become required by the public sector. Sustainability is not a luxury; it is an imperative to ensure that our strategy is not short-sighted and remains impactful in the long term.**”



**Eng. Hashim Al Dabbagh**  
CEO of the Aseer Region Development Authority

## Infrastructure: The ability to embrace the future

- **Infrastructure choices today affect technology use for the next 50–75 years**
- **Embracing new methodologies and leaving behind outdated practices is key to building future-ready infrastructure**

“Infrastructure decisions made today will shape the next 50 to 75 years.” That’s the stark reality according to Stephen Beatty, Chairman of the Advisory Board at the National Center for Privatization and former Global Chairman of KPMG’s Infrastructure practice. “When you make an investment in infrastructure, the technological set you adopt is fixed for the next 50 to 75 years. This fundamental fact underscores the importance of each infrastructure decision made today, as it will influence the trajectory of technological advancements for decades to come. If we fail to invest wisely, we will continue to use outdated technology long into the future.”

The challenge, therefore, lies not only in asking the right questions but also in ensuring the private sector responds to solutions that are reliable and resistant to failure. “There is a certain cynicism in the private sector, a reluctance to embrace long-term commitments to sustainability.”

A turning point will come, Beatty adds, when sustainability becomes a core criterion in contractor selection—when a project is awarded for its low environmental impact. He said “When the first private sector operator is chosen because they have a lower environmental impact or a superior sustainability score, it will mark a significant step forward.”

Another sign of progress will be when compensation for portfolio managers is linked to sustainability performance. These changes, he argued, will help shift mindsets across the sector. “Likewise, when the compensation of a private sector portfolio manager is

linked to their environmental performance, we will see further progress. The key challenge here is to move away from outdated mindsets and methodologies—by doing so, we can begin to embrace a future that places sustainability at the core of our decisions.”

“**Whenever an investment in infrastructure is made, its technology set is fixed for the next 50 to 75 years. The challenge is for the public sector to ask the right questions, and the private sector to believe in solutions that are unlikely to fail.**”



**Stephen Beatty**  
Chairman of the Advisory Board at the National Center for Privatization



## The power of public-private partnerships

- **There is growing public demand for transparency and measurable sustainability outcomes**
- **A cultural shift is needed: from announcements to action, and from abstract goals to daily progress**

“The concept of public-private partnerships is undoubtedly one that must be nurtured and advanced.” Former Permanent Secretary of UK Department of Justice, Mike Driver, presents notable examples where public-private partnerships have thrived, as well as instances where they have not been as successful. “The essential factor in these partnerships is for the government to take a more active role in directing its strategies and policies. This clarity enables the private sector to engage more effectively, ensuring that its initiatives are aligned with the broader public interest. Without such guidance, private sector entities are likely to continue pursuing profitability as their primary objective, without regard for long-term societal goals.”

The public sector, however, is becoming more adept at navigating this challenge. Driver commends Saudi Arabia’s Vision 2030 as a remarkable example of how a national strategy can effectively integrate public and private sector objectives. “This approach is admirable and it is encouraging to see other countries, including the UK making similar strides in enhancing their public-private partnership frameworks.”

One of the biggest challenges, he argued, is measuring impact—especially on complex issues like climate change. “We face difficulty in reporting both the positive and negative impacts of our actions, particularly when it comes to climate change. It is an issue that has garnered increasing attention, yet for a long time, it was not discussed openly. However, as data and real-world anecdotes begin to emerge, the conversation has shifted. Today, climate change is being openly discussed, and more people are aware of its consequences.”

Driver finds that the real challenge lies in bringing factual, concrete data into this discussion. “People are far more intelligent than they often give themselves credit for. While there are certainly times when we falter in our decision-making, addressing climate change should not be one of them.”

Public demand for transparency is growing, and Driver believes it will soon require genuine, measurable outcomes. “Currently, much of the conversation remains hypothetical, centered on what should be done rather than what is actually being done. This brings us to a critical shift in mindset. Announcements and

declarations are no longer sufficient; action is paramount. We must embrace a concrete bias toward action—one that propels us to make real changes every day. Rather than seeing announcements as the end goal, we must focus on driving continuous, meaningful efforts toward sustainability.”

“To achieve meaningful change, we must embrace a new mindset. If we do not, the consequences will be dire. Expressing this urgency in clear, stark terms makes it easier to understand why these issues are so critical to our future. The time for inaction has passed; we must now commit to tangible solutions that drive lasting change.”

“**The challenge in addressing climate change is rooted in the need for real, concrete facts that are audited. Too often the focus is currently on hypotheticals and what should happen, not what is actually happening. We must establish a bias toward action and embrace a new mindset, rather than relying on announcements alone, to drive meaningful change.**”



**Mike Driver**  
Former Permanent Secretary of the UK Department of Justice, Chairman and Non-Executive Director and President Emeritus of the Chartered Institute of Public Finance and Accountancy

## Sustainability requires decision-making strength

- **Sustainability influences both what decisions are made and how they are made, process is as important as outcomes**
- **Proactive approaches to decision-making cost less than correcting poor decisions later**

Sustainability shapes not only the goals we pursue—but the way we pursue them. James Black from the Defence and Security Research Group at RAND Europe emphasizes the importance of decision-making methodology. “It’s not just about “what” we decide, but “how” we decide. “The ‘what’ is relatively straightforward; we’ve discussed examples of sustainability at national, corporate, or other levels. However, it is equally important to focus on the ‘how’ of decision-making—the methodologies and processes we use to make decisions.”

Black sees cutting-edge approaches in decision-making as those that encourage individuals to step outside their comfort zones. “Often, this involves thinking about risk. While risk is certainly an important concept, there are limitations to focusing exclusively on it.” Risk, he explains, assumes that we understand both the probability and the impact of an event. “However, in many cases, what we are dealing with is uncertainty, not risk. We may not know how probable an event is, nor can we always predict its impact.”

In such cases, Black advocates for a shift in mindset and methodology: “To improve decision-making in the face of uncertainty, organizations can take several practical steps. One such step is investing in future foresight analysis. This helps us better understand what the world might look like in 5, 10, or 15 years. It’s important to recognize that what once seemed like a distant future—such as the year 2025—is now rapidly approaching. Investing in strategic analysis and decision-making methods that account for uncertainty is crucial.”

He also stresses the importance of analytical tools and models that allow organizations to stress-test assumptions, helping them uncover potential weaknesses in decision-making before they evolve into costly failures. “Bringing people together for exercises like board games or pre-mortems can also help identify potential failures in decision-making and develop strategies to mitigate those risks.”

The key point here is that these approaches cost far less in terms of time, money, and effort than trying to undo poor decisions decades later. “By investing in proactive strategies and embracing uncertainty, organizations can make better decisions that will serve them well in the future.”

The goal is not only to solve problems but to improve decision-making processes at the national level. “When sustainability is at the heart of these decisions, the potential for best practices to emerge is significant. Many sustainability-focused projects are already becoming exemplars of effective decision-making, and they provide models that can be applied to other areas of government, policy, and delivery.”

Black concludes with the broader implications: “If we can successfully navigate these challenges, there is a significant opportunity for leadership and competitive advantage. Taking decisive action to address sustainability not only contributes to global well-being but also positions countries as thought leaders. This, in turn, enhances their soft power and can set them up as models for others to follow. This first-mover advantage is crucial in a competitive global landscape, and it’s a benefit that extends far beyond environmental considerations.”



**Instead of fixating on risk, we should make decisions that are resilient across a range of possible futures. By using tools like future foresight, stress-testing assumptions and pre-mortems, we can prepare for uncertainty, making choices that can withstand 30-40 years of change.**



**James Black**  
Assistant Director of the Defence and Security Research Group at RAND Europe



# Risk

## Navigating an interconnected world of uncertainty

In today's world, the risks facing the public sector are increasingly interconnected, and the last twelve months provided unprecedented unpredictability and a stress test to resilience systems. From economic shocks to geopolitical instability and cyber threats, the public sector needs robust strategies to protect their ambitious outcomes. We discussed how regional public sectors can identify, assess, and mitigate the complex risks that arise in a highly connected world. How to plan for the unknown unknowns and build resilience into national strategies by identifying potential blind spots and preparing for unpredictable, high-impact events?

### 2026 reflections

Geo-economic confrontation, economic polarization, and misinformation now rank among the top near-term global risks, confirming the acceleration of fragmentation that we anticipated.\*

Recent financial stability warnings from major institutions highlight how geo-economic fragmentation and trade tensions are compounding fiscal and financial risks, reinforcing the view that uncertainty today is structural rather than isolated.

We cautioned that AI, while transformative, introduces new forms of vulnerability and requires adaptive governance. Regional assessments showing AI-related risks as the fastest-growing cyber threat validate the warning that emerging technologies amplify disruption and demand flexible

\*As listed by the World Economic Forum's Global Risks Report 2026.

# Safeguarding ambitious outcomes in a world of interconnected risks

## Leadership between risk and uncertainty

- **Success in high-stakes decisions relies on diverse perspectives, not single-point forecasting**
- **Understanding the difference between risk and uncertainty can change how we plan for the future, moving from prediction to preparation**
- **Doing a dynamic risk assessment is a strategic choice for public sector bodies to support informed and resilient decision-making**

The distinction between risk and uncertainty is a subtle yet critical concept in decision-making processes. While these terms are closely related, understanding their differences is essential to shaping our approach to complex and high-stakes situations, particularly in environments characterized by rapid change or significant unknowns.

Dr. Andries Terblanche, KPMG's Global Leader for the Dynamic Risk Assessment, formulates the difference as follows: "Risk pertains to situations in which the probabilities and impacts of outcomes can be estimated, whereas uncertainty arises when there is insufficient information to predict outcomes with accuracy. The unknowns inherent in uncertainty present a far greater challenge, especially in high-stakes environments such as finance, government policy, and business strategy."

Elaborating on the methodology of dynamic risk assessments, he invokes a model to not only facilitate the assessment of risk but also provide a framework for navigating uncertainty in a more practical and effective manner. "When this methodology is applied, the process moves beyond reliance on a few individuals to forecast outcomes. Instead, it emphasizes the importance of involving a diverse group of experts who can collectively explore potential risks. The wisdom of many, rather than the predictions of a single individual, is the key to success, and it is within this collective approach that the true value of dynamic risk assessment lies."

Reflecting on his experience applying the methodology more than 500 times, Dr. Terblanche notes its strength lies not in perfect prediction, but in surfacing risks others may miss. He emphasizes that no one individual

can foresee the future alone because success depends on the shared insights of many.

"The distinction between risk and uncertainty is not merely a semantic difference—it represents a fundamental shift in how we approach the future and make decisions. By embracing methodologies such as dynamic risk assessment, we can improve our ability to navigate uncertainty and make more informed, resilient decisions. Whether in business, government, or any other field, understanding this distinction is critical to ensuring that the decisions we make today stand the test of time."



**Agility, trust, and collaboration are crucial when navigating uncertainty. In times of crisis, like the pandemic, it's important to move quickly and adopt innovative solutions to tackle critical challenges. Vision 2030 equips us with forward-thinking strategies and ensures we are prepared to handle unexpected situations.**



**Dr. Andries Terblanche**  
Global Leader for the Dynamic Risk Assessment at KPMG

# Building resilient and anti-fragile systems in a changing world

## Planning for the unpredictable

- **Black Swan events are rare, high-impact, and only fully understood in hindsight—unpredictable by nature**
- **It is important to build anti-fragile systems that grow stronger under stress, not just survive it**
- **AI can drive progress but also amplifies disruption, requiring governance frameworks that are both flexible and ethical**

One of the most critical tasks for public sector entities is preparing for the unpredictable. Stefano Moritsch, Global Geopolitics Leader at KPMG, explains this challenge through the concept of black swan events—rare and highly impactful occurrences that defy conventional risk models and change the course of history. “Black Swan events share three key characteristics: they are extremely rare, they have significant consequences, and they are only fully understood in hindsight.”

Inherent to its definition, black swans cannot be predicted, no matter how advanced our models become. Instead, Moritsch suggests, the focus should be on building resilient systems—systems that can adapt to and withstand shocks. “But resilience alone is not enough. The goal is to have anti-fragile systems that survives crises and unpredictability but grows stronger because of them, much like the way muscles strengthen through resistance training in the gym. Just as stress on muscles leads to growth, stress on systems—when managed properly—can lead to greater strength and stability.”

“In the current geopolitical landscape, where global leadership struggles to address complex, transnational problems, it is becoming increasingly important for governments to focus not on predicting the next crisis, but on building systems that can weather any storm. These systems must be adaptable, able to evolve and strengthen even when faced with unexpected challenges. This requires an understanding that change is inevitable, and that proactive adaptation is the key to long-term stability.”

However, human nature often resists change, and it is only under pressure that societies and systems begin to adapt. “There is a tendency to view certain events

as black swans, even though they might have been foreseeable. This is particularly true in a fragmented world where perspectives vary widely, making it difficult to achieve consensus on what constitutes a risk or a potential crisis.”

Moritsch reflects on major geopolitical events in recent years—Brexit, escalating tensions with China, and the pandemic—as signs of a shifting world order. “These events revealed the growing fragmentation of the world order, with cooperation between nations on the decline. Despite this, there is still potential for growth in certain regions. For example, some nations are well-positioned to capitalize on the changing global

“**How do we create a coherent vision that we can communicate to society so everyone knows what is their role in building a national resilience strategy? The public sector plays a key role here—and it has to be a collective effort.**”



**Stefano Moritsch**  
Global Geopolitics Leader at KPMG

dynamics, equipped with strong leadership, capital, and vision. However, on a broader scale, the world is becoming more complex and potentially less prosperous. As geopolitical fragmentation increases, the ability of nations to work together to address common challenges is diminishing.”

He warns that the public sector must now address risks intensified by inflation, demographics, and transformative technologies, all while navigating a geopolitical environment that offers fewer opportunities for coordinated action. “The increasing influence of AI, as both a driver of innovation and a source of disruption, highlights the need for a balanced governance framework. AI has the potential to drive economic growth and societal advancement, but it also presents significant risks, including misinformation campaigns and the potential for new forms of power and control.”

He adds that other transnational challenges, such as climate change, require coordinated global action. However, with international cooperation at an all-time low, solving these complex problems will be increasingly difficult. Moritsch believes the key to success over the next five to ten years will be how effectively public and private sector entities can develop frameworks that are both ethical and adaptive, enabling them to seize opportunities while mitigating risks.

As the world continues to evolve, it is essential for the public sector to focus on creating systems that are not only resilient but also anti-fragile, capable of growing stronger in the face of crisis. “The future may be unpredictable, but with the right strategies, nations can prepare for the challenges ahead and ensure their long-term stability and success.”

## Understanding black swan events and preparing for uncertainty

- **Many so-called black swans are actually overlooked risks—not truly unpredictable events**
- **Zero Trust principle is critical, especially in cybersecurity and AI—past security doesn’t guarantee future protection**
- **Collaboration between the public sector, industry and academia can enhance comprehensive national strategies**

Dr. Mohammed Aldhoayan, General Manager of National Cybersecurity Risk at the National Cybersecurity Authority, cautions against overusing the term black swan. In most cases, he finds, what people call a black swan is actually just an unlikely event that was wrongly ignored—an oversight in risk management, not an unpredictable catastrophe.

“A black swan is generally defined as an event that is highly improbable and unpredictable, yet has a massive impact. Given their nature, the focus should not be on predicting specific black swan events, but on understanding the broader impact they might have. Risk management should focus on the key assets that need to be safeguarded, identifying the risks that could threaten them, and preparing for them in a meaningful way.”

Dr. Aldhoayan illustrates this with examples from the global shipping industry: “events that seem distant, such as a ship getting stuck in a critical canal, piracy, a cybersecurity breach affecting major shipping companies, or even a pandemic disrupting shipping, might all seem unlikely. However, any of these events

“**It is safe to say that maybe 99 percent of so-called black swans are not actually black swans. Since true black swans have no predictable likelihood, the best thing we can do is to focus on what we are protecting, identify the biggest risks to it, and understand how those risks could disrupt our core responsibilities.**”



**Dr. Mohammed Aldhoayan**  
General Manager of National Cybersecurity Risk at the National Cybersecurity Authority



could have the same devastating impact: goods would fail to reach the consumers. The real risk here is not the specific event, but the impact on the system as a whole.”

Rather than trying to predict which event will occur, he noted, businesses and governments should focus on identifying the type of impact that exceeds their risk tolerance. “Once these high-risk issues are understood, organizations can create mitigation plans to address potential disruptions.”

However, the term black swan itself often leads to confusion. There can be differing opinions about what constitutes a true black swan event versus an unexpected challenge. The distinction is important, as it affects how we approach risk and prepare for uncertainty.

Another crucial principle in managing uncertainty is zero trust. “This principle underscores the need for constant vigilance and skepticism, especially when dealing with systems or entities that have passed tests in the past. Emerging risks, particularly in areas like cybersecurity and AI, highlight that what was secure yesterday may not be secure today.”

Public sector leadership may fall short in addressing these challenges. In many instances, there may be inadequate preparation for major events, for example through a lack of meaningful partnerships and resources to address crises when they arise. “To improve resilience and responsiveness, a collaborative approach involving the public sector, industry, and academia is crucial.”

“Each stakeholder brings unique strengths to the table: governments have a broad, cross-domain perspective, industry offers deep expertise in specific sectors, and academia provides innovative solutions. Combining these perspectives allows for the development of national strategies that address both general and sector-specific risks.”

Preparation, Dr. Aldhoayan concludes, must be proactive. “Governments and industries must work closely together to identify the critical assets they need to protect and understand the risks that threaten them. Moreover, the public sector should act as facilitators, ensuring communication between industry and academia to create effective solutions before crises occur. By investing in collaboration and planning in advance, we can improve our ability to respond effectively when the unexpected happens.”

## From prediction to mitigation: Black swans, AI, and our own biases

- **Planning for inevitabilities is more effective than trying to predict exact timing**
- **Blind trust in AI can lead to serious errors**
- **Decision-makers themselves can be a major risk factor due to cognitive biases and overconfidence under pressure**

Black swans are often framed as statistical outliers—events far beyond the expected probability curve. But as Prof. Bent Flyvbjerg points out, this is ultimately a matter of perspective. “What one person might consider a black swan event, another might not. For example, an event that lies outside of one individual’s probability curve could easily fall within the curve of someone else’s perception of risk. In other words, black swans are about perspective—what seems improbable to one person may be considered probable to another.”

Attempting to predict such events, he argues, is largely impractical, and the focus should instead shift to mitigating their effects. “While we cannot predict when an earthquake, flood, or fire will occur, we do know that these events are inevitable. For instance, earthquakes often follow patterns linked to high-radiation emissions, a relationship that is supported by statistical data. With this understanding, our focus should shift from trying to predict black swans to preparing for them and mitigating their impact. Predicting such events may not be possible, but planning for their occurrence is.”

Prof. Flyvbjerg warns of a more subtle risk: overreliance on AI in areas where decision-makers lack expertise. “While AI can provide answers, it is often prone to making errors. The risk arises when reliance is placed on AI in fields where expertise is lacking, trusting its seemingly convincing responses without fully understanding the limitations, especially when the decisions based on AI are critical. The real risk lies in misjudgments—accepting information as true simply because it sounds plausible. Therefore, it is essential to approach decisions based on AI with caution and to remain vigilant against inherent biases.”

One of behavioral science’s key insights according to Prof. Flyvbjerg is when decision-makers themselves are often the biggest source of risk. “Cognitive biases, misplaced confidence, and poor judgment can all lead to flawed decisions, particularly under pressure. The key to mitigating these risks, he suggested, is to actively reduce biases and remain open to the possibility of error, particularly when dealing with complex topics like AI.”

“In the broader context of resilience planning, it is evident that developing a plan is only one part of the equation. The real challenge lies in ensuring these plans are implemented effectively. Governments, for instance, are often known for making decisions and subsequently reversing them years later. The success of resilience plans depends on ensuring that they are not only developed but also put into action in a meaningful way, despite the inevitable challenges and changes that may arise.”

In summary, black swans highlight the limitations of predictions and risk assessments, urging public sector entities to shift their focus from forecasting to mitigation. While not all events can be predicted, it is possible to prepare for the unexpected by addressing biases and ensuring that resilience plans are both practical and actionable.

“An important thing to note is that what might be black swan to me might not be considered black swan to you. And it is essential that if you’re faced with black swans to not predict, but instead, to mitigate.”



**Prof. Bent Flyvbjerg**  
Professor at the IT University of Copenhagen and Professor Emeritus at the University of Oxford

# The conversation continues

## Our invitation to you

The public sector is not defined by a single challenge or opportunity, but by the interplay of leadership, technology, human capital, and sustainable intent. While all sessions at PSX brought their unique perspectives—from nurturing young leaders to embedding AI in service delivery—the recurring message was clear: transformation is not a destination, but an evolving conversation.

Throughout the discussions, the importance of adaptability in an age of acceleration emerged as a consistent theme. Leaders nowadays are expected not only to set direction but to empower, to make space for experimentation, and to cultivate resilience. These qualities are strategic imperatives for systems navigating uncertainty and complexity.

We realized that if organizations are to lead effectively, they must invest in people, think long before acting fast, and create space for new ideas while building the governance structures that sustain them. Across all themes, a dual mandate is evident: to respond to the present while preparing for the unknown.

This is especially true for governments positioned at the heart of national ambition. Vision 2030 is a living experiment in public sector excellence, and PSX served as a reminder that behind every successful transformation are leaders who choose to collaborate, who trust their teams, and who embrace failure as a path to success.

When we ask what it takes to succeed in a fast-moving, complex, and tech-driven world, there is no single or final answer. Instead, what PSX leaves us with is a

shared responsibility to keep exploring, to remain open to learning, and to ensure that as systems evolve, they remain grounded in purpose and public value.

In that spirit, the conversation continues. Not in future forums alone, but in the everyday decisions made by leaders, teams, and organizations across the Kingdom and around the world. We look forward to this discussion with you.

Relive PSX 2025 and we hope to see you at the next edition [event video](#)

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**Human capability development, technology sustainability, and risk resilience are more than just discussion themes—they are the pillars of a strong and future-ready public sector. Building a platform for public sector leaders and professionals come together to drive a better future has been truly inspiring, and we look forward to building on this momentum in the years ahead.**”



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### Disclaimer

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