



## About us

As part of the Jerusalem Institute for Israel Studies, the Milken Innovation Center's work focuses on developing market-based solutions to Israel's greatest challenges as it transitions from a start-up nation to a global nation. We seek to bridge social, regional and productivity gaps within Israel and between Israel and the world by expanding job creation and access to capital. To achieve this mission, we advance innovative financial and economic policies, programs, and projects that will help finance the future. We also train Israel's best and brightest through the Milken Fellows Program.

## Fellows Program

The Milken Innovation Center Fellows are concluding their internships with the Ministry of Finance, Tax Authority, National Economic Council, Fuel Choices Initiative, Ministry of Environmental Protection and the Ministry of Economy, Office of the Chief Scientist. Their research includes: evaluation and targeting of government guarantees and tax credits, an evaluation of tax benefits as an incentive for private investment, tools needed to encourage green building in residential construction and renovation, innovative tools to finance biomedical commercialization, and how to finance beta site projects for commercializing fuel alternatives.



**Global Fellow Israel Munoz with Ran Charag and Omri Carmon, Milken Innovation Center Fellows at the Financial Innovation Lab**



**Global Fellow Jamie Weisman and Madhyama Subramanian and Milken Innovation Center Fellows Daniel Melzer and Gilad Be'ery at training Seminar by Prof. Ayelet Gneezy**



**Global Fellow Jamie Weisman at training seminar with Yoel Ben-Or, Alumni of the Milken Innovation Fellows Program and currently economist at the Nation Economic Council**

The Fellows were joined by the four Milken Global Fellows in June for a 10 week summer internship as part of the Israel-California Global Innovation Partnership. The Milken Global Fellows are enrolled in master's level studies at the University of California system, including the UC San Diego Rady School of Management and UC – Berkeley. The Fellows, originally from the US, India, Mexico, and China are working on projects at the Israel Venture Network, implementing and documenting social enterprise models for the new Social Investment Fund; Netafim, working on implementation of drip irrigation technologies on commodity agriculture; Our Crowd, evaluating the unique crowd platform, and with the Milken Innovation Center, working on the design and implementation of new financial solutions to achieve sustainable water use in California. The combined fellows program have participated in a wide range of seminars, study tours, and workshops focusing on development finance in frontier economies, co-innovation innovation policy and implementation, and capital market operations and programs.

## Financial Innovations Labs



**Water Innovations Lab July 13**

The Center held a Financial Innovations Lab on New Models for Financing Water Sustainable in California. The Lab was sponsored by The Rosalinde and Arthur Gilbert Foundation, Blum Capital Partners, LP, Jacobs Investment Company LLC, Leichtag Foundation, and the Arison Group, under the auspices of the Ministry of Economy, Israel NewTech., [and the California-Israel Global Innovation Partnership](#). The Lab focused on the following key questions: How to build a system for technology development, transfer, and deployment of sustainable water systems in California and Israel? How to organize program, project, and policy initiatives that will accelerate relevant sustainable water solutions? The Lab focused on the challenges and solutions, including new financial and business approaches for Israeli companies and California cities, farms, and water districts. It also included two days of tours and site visits to research and water management facilities in Kibbutz Sde Boker, Gihon-Jerusalem Water Utility, and desalination and treatment plants. Over 70, Israeli and California government, investment, and technology leaders present, the international visitors included:



Sorek Desalination Plant July 15

Prof. Yoram Cohen, Water Center, UCLA; Prof. David Sunding, Water Center, UC Berkeley; Kathleen Brown, Manatt Phelps and Phillips, Former Head of Goldman Sachs Public Sector and Infrastructure Group, Former California State Treasurer; Scott Houston, West Basin Municipal Water District; Robert Feyer, Orrick; Kristen Victor, Sustainability Matters, San Diego Water Task Force; Prof. James Famiglietti, UC-Irvine, Jet Propulsion Laboratory/NASA; Tim Strobel, Opterra Energy; Dr. Lori Glasgow, Budget Director, Los Angeles County; Lisa Armony, Orange County Hillel; Michelle Moskowitz, Office of the Chancellor, UC Berkeley.

## Events and features

- The Milken Innovation Center hosted a special workshop in June with the US-San Diego Qualcomm Institute on the development of the archeological assets in the Kidron Basin and heritage economic development projects. This project grew out of the converging interests in the Qualcomm Institute's development of cyber archaeology in the Eastern Mediterranean and pressing need for sustainable economic development strategies reported in the Center's past work on [Cultural Heritage and Economic Development in Israel](#). Prof. Levy, who founded the field of cyberarchaeology, described our past Lab reports on building sustainable financing models for cultural heritage conservation as "important documents for archaeological heritage in general, and Israel and the Middle East in particular." This project was funded by the Qualcomm Institute and the American Society of Oriental Research. International guests for the workshop included: Thomas Levy, Distinguished Professor, Department of Anthropology and Qualcomm Institute (QI), UC San Diego; Steve Savage, Ph.D., Scientific Software Engineer, Arizona State University; Mohammad Najjar, Ph.D. Jordanian Landscapes, Amman and Levantine and Cyber-Archaeology Laboratory; Sorin Hermon, Ph.D. Professor Science and Technology in Archaeology Center, Cyprus Institute; Matthew L. Vincent, Universidad de Murcia (Spain) and the Marie Curie Initial Training Network for Digital Cultural Heritage; Matthew Adams, Ph.D., Director, W.F. Albright Institute of Archaeological Research, Jerusalem.
- Glenn Yago participated in special training focusing on "New Tools for Municipal Finance" for 80 Israeli government professionals in Haifa as part of the Wexner Alumni Institute Program.
- Glenn Yago was invited to speak at an upcoming workshop for the Rwandan Capital Markets Authority organized by the Center for Financial Markets of the Milken Institute.



Launching 3-D Mapping Balloon Mar Saba

## A note from research

The key findings from the recent biomedical lab focusing on bridging capital structure gaps in drug development include:

The Financial Innovations Lab focused on measures necessary for Israel to create such long-term, structured fund product and issue the first Research-Backed Obligation (RBO). If successful, this innovation has the potential to transform the Israeli biotech industry and Israel's role as an emerging hub for medical finance technology, giving a broad overview of the problem and a roadmap for feasible solutions in Israel.

The solutions sets focused on five main areas: 1. derisking the investment processes for investors and technology adopters; 2. leveraging financing through the domestic and international capital markets; 3. enhancing the mechanisms in the development value chain to permit all links, including the translation and pre-clinical stages, to benefit financially; 4. Strengthen the market channels for development, partnerships, and sales; and 5. improving the capital structure of business and research transactions, including the design of new tools to leverage equity and debt.

The discussion at the Lab focused on the following stages for moving the roadmap forward: 1. inventory Israeli IP and pipeline flows through the technology transfer offices and identify initial targets; 2. build financial model scenarios for maximum components of value chain; 3. identify what support is needed to sell debt and equity; and 4. identify choices for ownership, management, organization, partnerships, and business model.

The combination of these policy directions with long-term partnerships of private, public, and philanthropic investments will result in a sustainable and scalable financial and business model for technology development in the biomedical sector.

## Coming up

- Our next Financial Innovations Lab in Jerusalem on September 10 will be on Financial Tools for Green Building in Israel sponsored in partnership with the Ministry of Environmental Protection.
- Our 2015-2016 Fellows have started their summer research projects preparing for their fall ministerial assignments. The immersion preparatory course for 2015-2016 fellows commences October 11, 2015.