

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



Seven Milken Innovation Center Fellows continued their internships at the Ministry of Finance, Tax Authority, National Economic Council, Ministry of Environmental Protection, Israel Securities Authority and the Ministry of Economy: Office of the Chief Scientist and Israel NewTech – National Sustainable Energy and Water Program. The daily activities undertaken by the Fellows in their placements at the ministries included identifying models of government support for non-bank lending models, preparing a "High Tech index" for the Office of the Chief Scientist's annual report, and working on foreign trade insurance for Israeli exporters.

Picture: Class of 2015-2016 at Globes Business Conference at Alumni reception

Financial Innovations Labs and policy workshops

The Milken Innovation Center helped to plan and participate in a major policy workshop with the Hoover Institution at Stanford University in January, 2016. The workshop was hosted by the Hoover Institution and included 42 key policy, research, and business leaders from Israel and California as part of the [California-Israel Global Innovation Partnership](#). The workshop featured



presentation of the key policy models from the Financial Innovations Lab on Water held in Jerusalem in July 2015.

The policy workshop, presided over by Former Secretary of State George Shultz, the Chair of the Hoover Institution, included participation by Felicia Marcus, Chair of the California Water Board, Karen Ross, Secretary of Food and Agriculture, Wade Crowfoot, Senior Policy Advisor in the Office of the Governor, and other key figures from California working at the intersection of technology, environment, business, and politics. Glenn Yago led discussions about financial policy initiatives in agriculture, municipal and industry water uses and conservation measures.

Events

- The Milken Innovation Center hosted two panels at the Globes International Business Conference in Tel Aviv in December 2015. The panels focus on global development opportunities and development finance bridges to be built between Israel and Sub-saharan Africa. The panel featured presentations by Steve Mutabazi, Director, Rwanda Development Board; Maurice Kagame, from PivotAccess; Yariv Cohen, Kaenaat Investment Firm; Eugene Kandel, CEO, Start-up Nation Central; Prof. (PhD) Galia Sabar- Chair, African Studies, Tel Aviv University; Neil Corney, Country Corporate Officer, Citi Israel.
- The Milken Fellows Program was featured at the Globes International Business Conference in Tel Aviv in December 2015 with a special panel on New Directions in Innovative Finance: Health and Environment. The panel featured presentations by former Fellows, Netta Linzen and Omri Carmon. Netta presented her research about the creation of an innovative debt-based biomedical fund to attract long-term institutional capital to support early stage R&D. Omri presented his research about the creation of needed financial innovations to incentivize homeowners and residential building investors and contractors to adopt green building technologies. Both Fellows combined their work at their respective Ministerial assignments with Financial Innovations Labs on financing the biomedical sector and green buildings which have become program targets for economic development.
- Shira Eting, a current Milken Fellow at the Ministry of Economy, NewTech led discussions at the LA-Green Tech Incubator launch in January 2016, about the water technology initiatives being developed in conjunction with the Governor's Policy Office and the State Water Board.
- Glenn Yago chaired the Los Angeles City Council Task Force on Water... This meeting of the committee featured a presentation of policy initiatives that came out of the Financial Innovations Lab on Water in 2015.



Applied Research Note

The focus of the global economy has shifted towards the emerging and frontier markets of the developing world. By 2012, the cumulative GDPs of advanced and developing economies stood more or less equal at about USD 42 trillion, and the developing world has since left the developed world behind with more than double the average growth rates through 2014 with hosting half of the fastest growing economies in the world. It is Sub-Saharan Africa that is best positioned to continue this trend of high growth. Economically, at least, the African continent is the next China.

Why should any of this be interesting to Israel? Because Israel's experience as a developing nation has contributed to it becoming a hub of innovative and relevant technologies for frontier markets. Many collaborations between Israel and Sub-Saharan Africa already underway— from the construction of the largest on-grid solar field in East Africa by Gigawatt Global, to ioff-grid home solar installations by Kaenaat, to Israeli venture capital funds specifically oriented to development investments in the region, to affordable housing construction by Vital Capital, to the introduction of drip irrigation to the continent by the Israeli company Netafim – all attest to the natural potential of strategic partnerships.

Despite the natural partnership, Israeli businesses must assemble financing to access the opportunities that Sub-Saharan Africa has to offer. Israeli companies have found that each project is unique, equity is hard to attract, lenders are reluctant, and partners are hard to find. Consequently, Israeli entry to developing markets has been relatively flat, despite the explosive growth potential.

What is needed is a financial infrastructure that creates a capital bridge between Israeli companies and the developing world.

Of course, any finance initiative must assume a capital market that allows companies to gain access to competitive debt and equity and a depth of institutions that support higher education, research and development, and business management. Rwandan representatives, for example, participated in our panel at the International Business Conference sponsored by Globes in December, and highlighted examples of leapfrogging infrastructures in tele-banking, tele-medicine, and business and ICT education partnership with world-class universities such as Carnegie-Mellon University on a new university campus in Kigali.

Our work continues in developing techniques to build-out the Rwandan Capital Markets Authority, which will provide important access to capital markets for east African counties, including Kenya, Uganda, Tanzania, Mauritius. Israel can waste no time in taking the following steps to begin to take leverage its position in Africa:

- Build a competitive capital market - this would leverage the strengths of East African countries and builds on partnerships with established capital markets, such as Israel's, allowing for sharing of deal flow and capital flows to achieve scale and efficiency.
- Expand human resource development – Israel should introduce a training program for talented graduate students in financial innovation and development. This is being done in Israel and can be expanded with African partners. This training can also include an exchange program between Israeli and African students to gain experience solving real-world problems on actual projects in developing markets.
- Create a development financing facility – this will provide financing for Israel companies, in project finance, trade finance, and insurance needed to build sustainable business relationships in these growth markets.

Coming up

- Milken Innovation Center will participate in the annual AIPAC Conference in March, 2016 in Washington DC. Glenn Yago will be featured in a presentation about innovative technologies and financial strategies from Israel which can be deployed to address demands in the US and elsewhere in the world, including water, ag tech, and alternative energies.
- Milken Innovation Center is participating in the 2016 Milken Global Conference in Los Angeles in May. In addition to panels highlight Israeli technology and financial innovations in many projects with policy and business leaders from Israel, the Milken Fellows Program will bring all of the Fellows from the current program to this important business and policy conference.
- Our next Financial Innovations Lab in Jerusalem in July 2016 will be on Financial Tools for Sustainable Agriculture as part of the California-Israel Global Innovation Partnership.