

About us

As part of the Jerusalem Institute, 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

Milken Fellows completed proposals for their research projects and continued their assignments within Israeli Ministries. A few highlights of the Fellows' work include: Alex Kleiner was assigned the task of coordinating Solar PV policy for the Ministry of Energy; Tova Wasser was asked to structure and model the first research-backed obligation for the Israel Innovation Authority; Noam Sonnenberg organized the first Green Building steering committee at the Ministry of Environmental Protection.



2016-17 Fellows in front of the Knesset



Fellows Alumni Event with former Fellows who now serve as Director of the Ministry of Health and Director of Funds, National Insurance Institute

We are implementing the first MBA field seminar course that will take place at the end of April in California with MIC staff and this year's Fellows, as well as students from the Hebrew University. The primary focus of this field seminar is to familiarize Hebrew University MBA students with the entrepreneurial and technology ecosystem in California, specifically in focus areas for the co-innovation teams implementing the California-Israel MOU signed in March 2014, as well as subsequent MOUs focusing on building innovation teams between California and Israel.

The Milken Innovation Center and the Hebrew University Graduate School of Business and the Faculty of Agriculture, Food, and Environment received approval from the Hebrew University's Faculty Curriculum Review Committee, Academic Steering Committee, and University Senate for a new graduate degree program. This new Masters in Development Practice will expand the current Global Fellows Program with California to bring students from developing economies to Israel for two-year master's in science (Msc-DP) degree and offer hands-on, practical training and experience with financial innovations beginning in 2018.

Applied Research and Labs

We issued a final draft of the Financial Innovations Lab report entitled "Accelerating Biomedical Commercialization," as part of the California Israel Global Innovation Partnership. The report includes a proposal for the creation of a mechanism to create a research-backed obligation (RBO) that will attract sufficient funding needed for the commercialization and new biomedical technologies, create synergies among a cluster of therapies, build scale through partnerships between Israel and other markets (including California), and yield a competitive long-term return for institutional investors.

Under our joint venture project with the Ministry of Environmental Protection (MOEP), we began the development and modeling of a program structure for the implementation of the Israeli Government Decisions 1403 and 542 for NIS 500 million for the development of a government guarantee for a platform to provide financing for energy efficiency in residential, industrial, commercial, and institutional facilities. Our continuing work is supported by the MOEP.

Under the Horizon 2020 project with the European Union, we have begun work on case studies to illustrate the use of circular business models that redefine products and services to design waste out, while minimizing negative environmental and economic impacts among companies in Israel and Europe. This project defines how to move beyond the linear "take, make, dispose" economic model to a circular economy that aims to keep products at their highest utility in optimizing resource yields through product reuse and recycling. The project involves case studies and policy proposals for the introduction of circular business models among companies.

Building on our work in the area of financial inclusion and impact investment, we have continued to work with NGOs, loan funds, and others interested in building Community Development Financial Institutions (CDFIs) in Israel, providing expertise in best practices and comparative research to CDFIs in the US and elsewhere.

Events

- We organized and moderated the signing of the Memorandum of Understanding between the University of California Office of the President and the Israel Innovation Authority on March 1. The MOU signing was attended by Israel's past and current Chief Scientist and senior staff of the Israel Innovation Authority, along with executive leadership from the University of California's Office of the President, Berkeley Labs, Engineering, Agriculture and Resource Economics, Berkeley-MDP Program, Haas Business School, and Chancellor's Office. The MOU opens the door for joint development of research and development projects, including innovative approaches to financing and commercialization of new technologies.
- Prof. Yago participated in a program planning workshop at the USAID in Washington DC in anticipation of a training program for the USAID field staff to be provided in May. He also met with MI-IFC Capital Markets Program students who had participated in a Webinar series on our financial innovations labs taught from Jerusalem. The training builds on the innovative financing for developing economies that Glenn has offered through the IFC, UC, and Hebrew University.
- As part of the California-Israel Global Innovation Partnership, we organized and participated in a workshop on Agritech innovations and Precision Irrigation in California on March 30. The workshop was held at the University of California-Davis and included field research presentations on precision agriculture tech transfer in viticulture, almonds, alfalfa, tomatoes and other crops.



California-Israel MOU 2.0



Secretary Ross, workshop on Agritech

Policy Brief – Jerusalem Fiscal Update

Jerusalem is at once a world-class brand, a paradox of every type, and the obsession of about one-quarter of the people on the planet. It is also a city – a municipality to almost 900 thousand people. And it is structurally insolvent.

With a 2016 operating budget of NIS 5.15 billion, Jerusalem has a 10% operating deficit. On its face, such a deficit is a big budget problem. There is not enough money to pay the current bills – and to take care of long term needs and obligations such as infrastructure spending, pension obligations, and other legacy costs. With about one-third of the city's population at or below the national poverty and the high concentration of land use in government and non-profit activities, total property tax exemptions more than double that of Tel Aviv and Haifa. Yet Jerusalem businesses and residents who do pay property tax are burdened with rates at almost twice the amount per square meter than in other cities.

There are development plans underway, and they constitute a robust effort to leverage the region's strengths, attract private investment, and increase the tax base sufficiently to overcome the budget deficit. Joint investment of private, governmental, and philanthropic capital in Jerusalem, along with the corresponding improvements in transportation and access within the city and with other cities on the coast, and the rehabilitation of neighborhoods, will spur economic growth in the city. The influx of municipal revenue from new housing, new commercial activities, and new offices, and, yes, even new residents, even while adjusted for escalated costs of municipal operations over this period, is expected to eventually yield a viable operating margin to support the city's growth and strengthen its financial condition.

But to achieve this fiscal balance, Jerusalem must be able to borrow against this incremental annual cash flow to pay for the needed investments in the city that will make these new sources of revenue possible. This is a familiar fiscal strategy for cities around the world. Our research shows that this is the way cities work, and Jerusalem should not be an exception.

Coming up

- Our next Financial Innovations Labs in Jerusalem on June 27, 2017 will be on Accelerating the Use of Green Building Technologies in Industry, Commerce, and Institutions in partnership with the Ministry of Environmental Protection.