

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.

The new Blum Lab for Developing Economies officially opened its doors at the Jerusalem Institute for Policy Research on September 12. The Lab is a new and exciting collaboration between the Milken Innovation Center and the Blum Center for Developing Economies at the University of California, Berkeley. This pioneering initiative will expand programs in training and research at the Institute's Milken Innovation Center to accelerate economic growth in Africa, Asia and Latin America through sustainable development. This first Blum Lab for Developing Economies outside of the ten Blum Centers established through the University of California system will support the existing Milken Center's programs in Israel, as well as enable us to include graduate students from developing economies as Global Fellows for the first time and accelerate research and development in high-impact technology transfer to meet global challenges in food and agriculture, water, energy, environment, and global health. At the inaugural event on September 12, special guests spoke to launch this initiative included Amb. Gil Haskel, Director of the Israel Agency for International Development (MASHAV); Felicia Marcus, Chair of the California Water Resources Board (who has worked with us on the implementation of the California-Israel Global Partnership Program); Prof. Oron Shagrir, Vice-President of International Programs at Hebrew University; Kayanja Vincent DePaul, Mayor of Entebbe, who led a delegation of Mayors from Uganda, Kenya and Tanzania; and Annette Blum of the Blum Family Foundation.



Inauguration evening of the Blum Lab for Developing Economies-Jerusalem. Photo: Chen Leopold

Fellows Program

Milken Fellows completed their applied research projects within Israeli key economic ministries. The projects included coordinating Solar PV policy for the Ministry of Energy; structuring and modeling the first research-backed obligation (RBO) for the Israel Innovation Authority; planning and implemented a Financial Innovations Lab on the use of green building technology in commercial real estate and the hospitality sector; designing outcomes measures for the Social Security programs; designing an international development financing platform; and assessment of regional technology development programs.

New fellows for 2017-18 have begun their summer assignments and will commence their fellowship placements in October. Placements include Bat-El Naor, the Ministry of Energy; Dina Dizengoff, at the Ministry of Finance, Accountant General; Dror Shvadron, National Economic Council; Anat Carmel at the Prime Minister's Office, Economic and Infrastructure Branch, Shani Dodge, Israel Innovation Authority; Ron Govezensky, Ministry of Environmental Protection; Safa Younes, the Ministry of Social Affairs and Social Services; and Rotem Zelingher at the Agricultural Research Organization-Volcani Institute. The orientation week for the new Fellows begins October 15, 2017.

The Milken Innovation Center and the Hebrew University Graduate School of Business and the Faculty of Agriculture, Food, and Environment received final approval from Hebrew University and the Higher Education Council for a new graduate degree program. This new Masters in Development Practice (MDP) will expand the current Global Fellows Program to bring students from developing economies to Israel for two-year master's in science (MSc-DP) degree and offers hands-on, practical training and experience in innovative finance beginning in 2018. The program was featured as part of our Africa and developing economies Global Innovation Partnership at the Milken Institute Global Conference in May. Glenn Yago also presented the new program at the Global MDP Association's annual conference in Bogota, Colombia. The June conference included over 40 MDP graduate programs around the world sharing information with a featured a keynote presentation by Prof. Yago about our new Israeli-based graduate training program.

Applied Research and Labs

We held a Financial Innovations Lab on June 27 on accelerating the adoption of green technologies in offices, commercial buildings, and hotels in Israel. The Lab, a joint venture between the Ministry of Environmental Protection and the Milken Innovation Center, hosted over 45 representatives from government, industry, technology and finance, and included international experts Martha Amram, Senior Fellow at the Milken Institute (U. S.) and Chairman of WattzOn in California; Paul Bannister, Energy Action and the National Australian Built Environment Rating System (NABERS); Dan Staniaszek, of Building Performance Index Europe (BPIE) of Brussels and London. The Lab highlighted the use of performance measurement as a key ingredient in changing

environmental behavior and reducing greenhouse gas emissions in these sectors. The Lab also included key policy meetings with the Director Generals of the Ministry of Environmental Protection and the Ministry of Energy.

Also in June, we released the final draft of the [Lab Report](#) about accelerating the use of green technologies in residential construction and renovations. The Lab was a joint venture between the Ministry of Environmental Protection and the Milken Innovation Center in 2015-16

Events

- Featured at the 20th Milken Institute Global Conference in Los Angeles was our panel on **Start-up Nations: Creating Laboratories for Developing Economies** and two related working sessions on scaling technologies and implementation of the Cal-Israel MOU. The panel, moderated by Prof. Yago, featured Clare Akamanzi, CEO, Rwanda Development Board; Jeremy Bentley, Head of Financial Institutions and Public Sector, Citi Israel; Richard Blum, Chairman, Blum Capital-Founder, Blum Centers for Developing Economics, University of California, Berkeley; Eli Groner, Director General, Prime Minister's Office, Israel; Angela Homsy, Director, Angaza-Africa Impact Innovation Fund; Sec. Karen Ross, California Department of Food and Agriculture. Two additional sessions covered Scaling Technology for Developing Economies and the California-Israel MOU 2.0: Lessons Learned. Speakers included Former Gov. Gray Davis, Senator Robert Hertzberg, Prof. David Zilberman, Michelle Moskowitz, and MaryAnne McCormack of UC-Berkeley, Naty Barak of Netafim, and Michael Ben-Eli of the Sustainability Laboratory.
- Prof. Yago participated in workshops and training about financial innovations in emerging and frontier markets for the USAID in Washington DC. The training program hosted USAID field staff from around the world.
- The Milken Innovation Center participated in the Israel-Africa Water Cooperation meeting with 12 African country representatives as part of the biannual WATEC Conference in September. Prof. Yago and Steven Zecher participated in the Roundtable on Financing Water, a initiative of the OECD and the World Water Council.



Global Conference panel about developing economies

Policy Brief – Energy Efficiency Guarantees

In partnership with the Ministry of Environmental Protection, we completed a report on financial models to accelerate the energy efficiency technologies. The report identifies best practices to design and implement the use of guarantees from a 2016 Cabinet decision in 2016 to incentivize business investments in green building/energy efficiency solutions.

The research identified key issues and policy and program directions for the use of government guarantees:

1. Efficient leverage - With current collateral and guarantee requirements by commercial lenders, projects are unable to efficiently leverage their equity. The guarantees can be used to lower the demand for pledge of guarantees and cross collateral on other company assets, increasing the leverage capacity and efficiency of the company's equity.
2. Beta sites - While there are breakthrough energy efficiency technologies in labs, there is insufficient capital available fill the financing gap through commercialization or to integrate these technologies into commercial solutions. The guarantees can be used to support additional research and development and beta testing and sites.
3. Technology Efficacy Insurance - There is a resistance to the adoption of new technologies in the energy efficiency value chain – from technology to installation. Along with the use of guarantees, the program should include the development of a certified database and standard qualifications for technologies.
4. Regulatory flexibility - While the main resistance and barriers to the adoption of energy efficiency technologies is found in the market value chain, government approvals are also an obstacle. The research identified ways to streamline processes at all permitting levels, including land use, planning, building, and compliance. This includes integrating vertical (suppliers and customers) and horizontal (competitors) networks with knowledge sharing and throughput.

For the full report: [Structuring Government Guarantees for Energy Efficient Investment to Reduce Global Green House Gas Emissions.](#)

Coming up

Our next Financial Innovations Labs in Jerusalem on December 7, 2017 will be on Accelerating the growth clean, alternative energy businesses and use in Israel in partnership with the Ministry of Energy and Infrastructure and the Israel Innovation Authority and Annual Alumni Event on December 27, 2017.