Spring 2024

To our colleagues:

This year marks ten years since our founding—an anniversary that compels us to take stock of who we are as an organization. In 2014, our staff of one (current Executive Director Michael Stynes) embarked on an endeavor to bring income share agreements into practice; today, JFI-designed programs affect tens of thousands across the world, and JFI research shapes the future of even more large-scale policies. Throughout this decade, we've aimed to realize the most ambitious and promising new social ideas. Indeed, at this point we have to admit that our work spans so many areas that it's a challenge to explain its coherence. In the span of a month this summer, our work on three seemingly unrelated topics appeared in the New York Times, Bloomberg, and the Washington Post, among other outlets. The pieces covered the resumption of student debt repayments, the new wave of state-level Child Tax Credit expansions, and social wealth funds in Brazil. Stepping back to survey our work as a whole, we wanted to offer a sense of where we might be headed next.

In last year's letter, we explained that we define ourselves more through our way of working than through our topics of work. We described JFI as a *platform* for social entrepreneurship. Our team has the capacities in research, operations, and strategy to build out pilots and structure policies, unconstrained by traditional disciplinary boundaries. Partners bring us ideas and funding; we spring into action. We offer "nonprofits in a box," in the words of one of our funders. To our minds, the contemporary political economy demands a flexible methodology such as ours—a rapid response team for the social sciences, ready to tackle any worthy challenge.

To this, it makes sense to ask: How do we choose which projects to take on? We've been fortunate to address that organically thus far, we take on projects we think are on the brink of realization, we might say—projects our team has the expertise to implement.

This year, a decade in, we want to center this letter around defining the distinctive theme unifying our chosen projects: using the tools of finance in service of the public good.

Using the tools of finance for public policy

In the 2010s, against a backdrop of institutional crises, collapsing social trust, rising multipolarity, and the endgame of globalization, our peers in academia and government sought to define what potential frameworks would be most vital and powerful in adapting to our new landscape. Now, with the test and reality of multiple crises—Covid-19, inflation, war, climate shocks—and the sudden lurch towards a new energy system, more important than theorizing and reconceptualizing is the application of financial rigor. Though leverage points of policy seem to shift abruptly, the financial system sits increasingly and resiliently at the heart of the most critical policy crises we face. These intermittent crises require coordinated responses that strain resources, including our fiscal system. And a major geopolitical challenge of the next century, the energy transition, has at its heart a financial question: which sectors, in what combination, make economic sense?

The world is inexorably moving towards new forms of energy that will be cheaper and more plentiful in the long run. However, this transition requires the diffusion of intellectual property, the management of complex and sophisticated global value chains, and rapid international decarbonization across countries with radically different economic constraints. Markets and international financial institutions are crucial to this transition by virtue of being the most strongly integrative international coordinators of resources. And so that is where we are targeting our interventions.

Compared to our peers in the policy ecosystem, we are quant-minded, pragmatic, and staffed disproportionately by expats from the finance world. Our founder, too, has been heavily involved in complex systems in the finance world, and has seen the power of a well-designed financial circulatory system—and the folly of poorly-designed ones. We believe that doing the most good for the greatest number of people requires engaging with the markets that shape all of our lives. This application of the instruments from finance to the issues in policy allows us to define the problems differently, achieving broad and stable change.

Our interventions and applied research include models we've built for social wealth fund management, microsimulations for advising on tax policy, analysis of credit bureau data to understand the student debt crisis, and more. In our early years, we built income share agreement models and contracts; since then, we've used our data and financial expertise to design pilots and policy across our initiatives.

Below, we'll tell you about a major new area of work we began in 2023 which is the exemplar of this finance-for-policy approach—our new initiative which engages capital markets to focus on green technology and infrastructure. In the second half of this letter, we'll go into more detail about our long-term work, and how we are building out our financial methodologies to achieve greater impact.

Our new energy transition initiative

We aim to achieve positive change that is both broad and stable—to create new prosocial equilibria, as we've liked to put it (a little abstrusely) over the past decade. For energy and climate policy, the key question is: how do we shape markets for various energy projects to incentivize the private sector to come online in force? This is the goal of our new Energy Transition initiative. This work focuses on the finance and industrial policy aspects of the green transition.

This project emerged from conversations with the Department of Energy (DOE) over the summer. Thanks to a massive mandate from Biden's Inflation Reduction Act, the DOE has been thinking like an investor, using cost-sharing and subsidized credit to push new sectors like carbon capture and storage, hydrogen, and battery development. The government seeks to catalyze private sector investment, looking to precipitate low enough prices to make the adoption of green technologies the incontrovertible choice.

As we spoke to our contacts in the government, we identified an urgent need for better understanding between government funders of renewable energy and private sector, market-rate providers of finance. These new technologies are challenging because unlike, for example, a new piece of software, a new nuclear reactor may require billions of dollars and many years before it begins to generate revenue. But if the government has invested a large share of that cost (through lending, tax, and co-investment structures), it’s easier for private investors to deploy their own capital, leading to a virtuous cycle of learning, growing infrastructure, and orders, driving the cost down. We’ve seen versions of this play out with solar panels and batteries. Now it needs to happen more quickly, across a more ambitious range of technologies. This requires developing common ground, a need that JFI’s new initiative is addressing by developing modeling tools that can quantify for private investors the benefits of government support programs and pinpoint for policymakers those technologies to which investors are most likely to respond.

We have several streams of work going into this new project. First, we’ve been modeling from the “top down” to predict and explain how supply-side support will interact with private investment within the green technology space. Francis Tseng has been hard at work building agent-based models that account for various investor behaviors and strategies, incorporating and conjoining financial, energy system, innovation, and economic dynamics. This work will help us understand the range of outcomes for various forms of public investment and derisking, allowing us to suggest designs for green subsidies. We are also playing a brokering function, convening decisionmakers from different worlds. Along with our engagements with government officials, we’re conferring with investors from venture capital and private equity who are experts in these emerging technology investments, to understand the challenges and prospects for green technologies, and how such investors interact with public support.

Beyond the US context, we have been building “bottom-up” financial modeling of key metal supply chains such as lithium and copper, so that resource-rich countries in the global South can compare financing options, maximize their benefit—and fund more equitable domestic policies, as we’ve made possible via our Social Wealth portfolio. We’ve also been researching climate migration, where we hope to use our team’s capacities to inform the most equitable policies for the future.

We have three deliverables in sight, focusing on making novel contributions to this field. One, we are supplying wholly new metrics for allocation of capital and policy evaluation with a focus not just on the green ROI, but on the marketability of projects to private investors. Two, we're mediating private markets and public policy which heretofore have been badly uncoordinated. Three, we've built a first-of-its-kind model, Impulse, to evaluate specifically the effect of public policy and public provision of credit on private energy investors and their likelihood to invest in energy technology to clear thresholds of large-scale commercial viability.

We’ve geared up this work over just a few months, thanks in particular to Nolan Lindquist and Jonah Allen, who ported over their skill sets from other projects, and to Sina Sinai, who’s leveled up our data analytics. Over and over, we’re finding that our staff’s depth of knowledge in financial tools has given us a unique role to play in the pressing geopolitical questions of our time—questions that must bring markets, as well as philanthropic and governmental capital, into the fray. Our other initiatives, on guaranteed income and cash transfers, the financing of higher education, and social wealth funds, as well as our political economy publication, Phenomenal World, all grapple with the reality that large-scale change requires engaging with the movers of capital.

To this end, we conduct a wide range of interventions—pilots, research, project design, convening—all driving towards how to make new policy happen, which tends to involve all of the above, and more. We are obsessively results-oriented, which requires a chimerical cross-disciplinary approach. Going forward, you can expect to find us working across multiple initiatives where financial tools can shape global equity and welfare. Ultimately, this way of working is harder to describe but more valuable.

A word of thanks

This year, we are particularly grateful to Robin Varghese, Lauren Carvalho, and Leonard Benardo from Open Society Foundations for their tremendous support for Phenomenal World. With their help, Phenomenal World is growing new teams of editors and contributors throughout Latin America.

And thank you to you, our community of colleagues and supporters. As always, we’d love to hear your questions and comments about our work, and your ideas about what to take on next. We have a spectrum of engagements with outside partners, from initial-stage viability studies on your ideas, to standing up fully new initiatives with your funding. As we pursue our mission of finance for the public good, we hope others see the value and help us accelerate this work.

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Please reply to this email to get in touch. And thank you so much for your support this year—and, to many of you, for your friendship and guidance this decade.

Michael Stynes
Executive Director

Bobby Jain
Founder, Chair

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Our work in 2023

A New Initiative: The Energy Transition

Project Overview

Our practical work in this initiative centers around using the tools of finance to understand the structure of, and the possibilities within, the energy transition. The team is creating a pathbreakin set of modeling tools designed to illuminate the potential paths for subsidies to accelerate the green transition. Our unique agent-based model will capture and predict investor and industry responses to different types of supply-side support across the range of green technology sectors—wind, solar photovoltaics, medium- and long-duration energy storage, decarbonized industrial processes, carbon capture and storage, nuclear power, and hydrogen. To do so, we're leveraging both quantitative data and qualitative interviews to represent the spectrum of investors, both public and private, facing particularized asset classes, constraints, goals, predictive capacity, and decision-making procedures. Additionally, we are conducting detailed policy analysis to quantify the feasibility, utility, and long-term resilience of different subsidy options. By considering individual risk appetites and expectations around the stability of different subsidy types, costs, prices, and technology progress ratios, this model naturally lends itself to both fully-probabilistic and scenario-based analyses, to create maximally robust and interpretable pictures of the likely effects of various subsidy strategies.

This model will, in turn, undergird technical tools to ground research, inform policy, aid planning, and foster public discourse around the design and implementation of green subsidies, while helping scholars and political theorists better understand the role of national subsidization plans in the development of global industrial order.

Parallel to and informing this model development, we are conducting in-depth market intelligence around the green transition. Our team is interviewing a wide range of key investors and other market participants involved in financing investment in new energy technologies. In addition, we are building rich datasets to provide a panoptic view of developments in green technology financing. Insights from this research form the basis of our regularly updated technology-specific analytical briefs, centered around technology-specific levelized cost models, which highlight and explain important trends for policy makers.

At the global scale, we have started a partnership with the Net Zero Industrial Policy Lab at Johns Hopkins to study how emerging green industrial policy plans in the global North will affect the global South. While northern buildout will, in every scenario, be critical to the development and expansion of green technologies, the details—where the links in the value chain are sited, how and by whom projects are financed, the role of subsidies and concessionary lending, and tax, duty, and royalty structures—will determine whether and to what extent green development will equitably distribute benefits to developing and emerging economies and support long-term global security. This is a real threat given current trends: countries in the global North are seeking to reshore manufacturing and processing value-added, which is precisely what developing and emerging economies should aim to capture.

To better understand these concerns, JFI is building scenario modeling tools to map prospective and proposed global value chains central to the green transition. These tools will identify different potential configurations of these supply chains—considering different possible financing, siting, and policy decisions—and quantify the viability and the distribution of potential benefits under each scenario. Once built, we plan to disseminate these tools to key decision makers, stakeholders, and policy analysts, drawing on our strong networks at home and in the global South.

We would love to hear your thoughts on this new initiative. Investors and policymakers—we'd love to speak with you as part of our ongoing survey. Friends and supporters—we're always eager to receive feedback and build on the knowledge of our community. You can reply to this email, or write to michael.b.stynes@jainfamilyinstitute.org.

Phenomenal World

Phenomenal World in Latin America

Phenomenal World publishes research, analysis, and commentary on political economy, broadly construed, from JFI staff and fellows as well as external researchers and writers. We work to cohere conversation around the core issues facing the global economy.

This past year, we've worked to expand our publishing across Latin America. With generous support from Open Society Foundations, we are developing staff and contributor networks across Latin America, linking intellectual and policy communities within the region. Our goal is to identify, support, and expand networks in the global South that can create and disseminate scholarly and political interventions regionally and internationally. We are focusing commissioning on vital financially and geopolitically relevant questions such as Latin American countries' attempts to climb the value chain, Latin American development financing in the context of US-China competition, and transition minerals.

To this end, this fall, we hired three editors based in Brazil and Colombia—Maria Fernanda Sikorski, Hugo Fanton, and Camilo Andres Garzón. We've begun publishing translated texts, including an essay on Brazilian agribusiness by Guilherme Delgado and Sérgio Pereira Leite and a piece on the politics of Brazil's fiscal constraints by Clara Zanon Brenck and Pedro Romero Marques. The latter was the basis for an event examining fiscal rules in Brazil and Europe, featuring the authors, Max Krahé, and Alexandros Kentikelenis. At the end of 2023, we published several analyses of Argentina's future under Milei, including a translated interview with Mercedes D'Alessandro and an essay by Maria Haro Sly on the nation's relationship to the IMF and China. We plan to launch the new Phenomenal World website—with essays available to read in English, Spanish, and Portuguese—later this spring.

Publishing Highlights from 2023

Over the past year, Phenomenal World has continued publishing around urgent political and economic challenges across the globe, covering the distributional effects of sanctions in Iran, private financing for climate, the political economy of Sudan's conflict, and the fiftieth anniversary of the oil price shock of 1973, among many other topics. In April, economist Elham Saeidinezhad launched a new series, "Market Microstructures," featuring interviews and original analysis to examine the underlying factors behind financial instability. In the summer, Poornima Paidipaty's interview with Pranab Bardhan was republished by Indian publication The Wire, and Shreya Sinha's analysis of investment and agriculture in Punjab was republished in Himal Southasia. We also expanded our elections coverage, with Jan Toporowski writing on Donald Tusk of Poland and Matías Vernengo examining Javier Milei in Argentina. In October, we hosted the book launch of Alexandros Kentikelenis and Thomas Stubb's "A Thousand Cuts: Social Protection in the Age of Austerity," featuring Mona Ali, Kate Donald, and Clara Mattei.

The Polycrisis

This series, led by Tim Sahay and Kate Mackenzie, investigates the politics of climate change and development. In October, we hosted a discussion on "Oil and Politics in the Mid-Transition" with Amy Myers Jaffe, Morgan Bazilian, William Oman, Alex Turnbull, and Adam Tooze. The Polycrisis newsletter has covered topics as diverse as BRICS, labor movements, rising protectionism, and global boiling, continuing to be a vital source for news on climate and North-South power dynamics.

Phenomenal World Books

We are launching a new publishing collaboration, Phenomenal World Books, with the University of Chicago Press, aimed at elevating cross-disciplinary investigations in political economy. The editorial board includes Mehra Baradaran, Melinda Cooper, Daniela Gabor, Destin Jenkins, Ndongo Samba Sylla, and Adam Tooze. After receiving many excellent proposals throughout the past year, we have selected the first round of texts for the series, which are now in the drafting stage.

Higher Education Finance

Data Analytics for Policy

Over the past few years, the Higher Education Finance team has distinguished itself as a go-to source for original data analysis for policymakers in and out of government. Our team is known for its expert ability to synthesize a vast array of sources related to the student debt crisis, including credit reports, institution-level data, and geographically-identified public use data. When policymakers, advocates, and the media need data-driven answers to questions about student debt and its impact on borrowers, they come to us.

Marshall Steinbaum and Laura Beamer published an interactive New York Times opinion piece in July, “America’s Student Loans Were Never Going to Be Repaid.” This piece continues to shape debate about the student debt crisis. The Times invited this contribution after the June 2023 release of our report, “The Repayment Pause and the Continuing Crisis of Non-Repayment,” on the repayment moratorium.

In 2022, an interfaith network of DC housing and racial justice advocates sought JFI’s support in a campaign to convince the DC city council to consider student debt cancellation in relation to homeownership policies. Eduard Nilaj and the DC-based Economic Policy Institute worked on a joint report that examined ties between student debt and homeownership in the city. In January, Nilaj’s analysis, Homeownership & the Student Debt Crisis, was referenced in a US Supreme Court amicus curiae brief that discussed the legality of student debt cancellation.

Following the Supreme Court ruling in Nebraska v. Biden in late June 2023, the Department of Education initiated a process of negotiated rulemaking to cancel federal student debt. Senior policymakers in the space asked JFI to help define the meaning of “hardship” as it relates to federal student borrowers, which we did based on Eduard Nilaj's 2021 publication Homeownership and the Student Debt Crisis. The resulting publication, Financial Hardship Among Student Borrowers, was presented to a convening of the negotiating stakeholders in December 2023, and was highlighted in a letter from Senator Elizabeth Warren in January 2024 admonishing the Department for incomplete formulation of rules governing hardship.

Also informing December’s federal rulemaking process, we published Student Debt Relief for Borrowers with Negative Amortization, focusing on the best strategies for helping borrowers who experience ballooning balances over time: canceling all debt above the origination amount and capping interest and fee capitalization such that student loan balances never outgrow the original loan amount.

Shaping Public Discourse

The team's expertise was referenced in nearly fifty news articles, including the New York Times reporting as well as opinion, Forbes, Boston Globe, Vox, Newsweek, Business Insider, MSN, Fortune, The Guardian, Yahoo Finance, and The Nation, among others. Across this range of media, JFI was able to highlight the positive impacts of the student debt repayment pause and emphasize the disparate effects of rising higher education costs.

Two highlights from the year's public events: in May, the Washington Post's Danielle Douglas Gabriel hosted a debate between Marshall Steinbaum and AEI's Beth Akers at a special JPAM event. In the same month, Laura Beamer joined as a panelist for The Chronicle of Higher Education's webinar on Education Deserts.

Many thanks to external organizations and peers for helping further our research and deepen our expertise: Kyle K. Moore and Larry Mishel (Economic Policy Institute); William H. Lamar IV, Celeste M. Bryant, and Alison Dunn Almaguer (The Washington Interfaith Network); Evan White, Dalie Jimenez, Sultana Fouzia, and Jonathan Glater (Student Loan Law Initiative); Steve Price and Jeremy Rosenberg (Experian Information Solutions); Mike Pierce, Persis Yu and Mark Huelsman (Student Borrower Protection Center); Dubravka Ritter and Douglas Webber (The Philadelphia Fed), Jared Bass, Stephanie Hall, and Sara Partridge (Center for American Progress); Taylor Maggiacomo and Jeremy Ashkenas (The New York Times); Michael Ranger and Lauren McGrail (Conference of Board Chairs of Liberal Arts Colleges), and; Satra Taylor, Heidi Gider, and Allison Dreyer (Young Invincibles).

Income Share Agreements

JFI's empirical and field research team completed their working paper "Navigating Higher Education Insurance: An Experimental Study on Demand and Adverse Selection, authored by Sidhya Balakrishnan (Jain Family Institute), Eric Bettinger (Stanford University), Michael Kofoed (University of Tennessee- Knoxville), Douglas Webber (Federal Reserve Board), Dubravka Ritter (Federal Reserve Bank of Philadelphia), Ege Aksu (Jain Family Institute and CUNY), and Jonathan Hartley (Stanford University). The team presented this work at several influential conferences and workshops, including the National Bureau of Economic Research Economics of Education Fall Meeting.

Guaranteed Income

State Policy

The energy and expertise developed in the GI pilots over the past decade are proving invaluable in debates around cash transfers and tax credits. This year, seeing obstructions to improving the federal Child Tax Credit (CTC), we turned to action at the state level. Our research led us to work on improving the design of Colorado's CTC, which led to the passage of a law improving the benefit for 75,000 of the state's lowest-income children. Our work in Colorado garnered extensive media coverage, including both a news article and an op-ed in the New York Times. Colorado Senator Michael Bennet used our report as evidence that expanding the child tax credit was "smart, popular, and bipartisan."

Our Colorado work stemmed from research associate Jack Landry and former VP of public policy Halah Ahmad's summer report on state-level child tax credits, which comprehensively cataloged the eleven states that have adopted some form of guaranteed income for families with children via a child tax credit. The report also points to best practices for states interested in adopting or expanding a credit. This work was the centerpiece of an article on state CTCs in Vox. Route Fifty, a publication for state and local government leaders, also highlighted the access issues we discuss in the report.

Federal Policy

On federal policy, we have long analyzed options that could forge consensus, preserving much of the poverty-fighting power of the 2021 expanded child tax credit while addressing critics' concerns. This year, we further built on that line of work by analyzing IRS data on the incomes of families who received the expanded credit in 2021. We showed that just 5 percent of the benefits of the expanded credit went to families with no earned income, which a Vox headline called "one stat that could spur a compromise on the child tax credit." We briefed Congressional staff on our analysis, and other grassroots groups used these findings to lobby members of Congress.

Early this year, Congressional tax writers announced an agreement to pair a partial restoration of the expanded Child Tax Credit with a variety of business tax provisions. The proposal makes the credit more generous through two changes, one of which we have long recommended and another of which we hope to improve if the legislation passes. We put out an analysis modeling the impact of all the CTC provisions less than a week after the deal was announced, emphasizing how the changes would benefit 90 percent of families who currently do not receive the full $2,000 per child credit. Thanks to Landry, our modeling includes the impact of a unique provision that allows filers to use their prior years' earned income to compute their credit—a detail critical to expanding access, but which was beyond the modeling capabilities of most other organizations analyzing the deal.

With regards to tax-related research, our analyses informed a variety of media coverage, including how the "phasing-in" of tax credits as income rises is a backward approach to fighting poverty and how state-level credits are helping close the gap left by the expiration of the federal CTC. Additionally, JFI research on the employment effects of the expanded Child Tax Credit was the centerpiece of the Center for Budget and Policy Priorities overview of the issue.

Cash for Housing

We have consulted with researchers from the Department of Housing and Urban Development about piloting a program that would offer recipients of government housing assistance a cash transfer instead of a housing voucher. Recently, the department publicized its interest in creating a pilot program and is reaching out to philanthropic funders for support. The initiative was covered in Vox, quoting Jack Landry. Ezra Klein endorsed the effort, saying that, “you can solve basically every problem in the housing voucher system by just giving people money.”

Empirical and Field Research

We are working with the Urban Institute to evaluate a GI project in Austin, Texas. While the initial program was funded philanthropically, the city council recently voted to expand the program with public money. Our recommendations will shape programmatic changes to make the next edition more effective.

This year we also launched The Los Angeles Youth Well-being Study, in partnership with the LA County Department of Social Services. This study will use a combination of surveys and in-depth interviews to examine social and economic well-being outcomes for young LA residents, to inform the policy decisions of Los Angeles County.

Additionally, this year we began work on a paper on the effects of Supplemental Nutrition Assistance Program (SNAP) allotments on food insecurity and well-being. This project traces out the effects of both the large increase in SNAP benefits adopted in response to the Covid-19 pandemic and the subsequent scaling back of these emergency allotments, using state-by-state variation to understand more generally how different aid policies affect well-being and access to food for adults and children.

Two of our most groundbreaking GI research projects started to wrap up this year, with working papers planned for release in 2024. These studies analyze the effects of two different guaranteed income policies: one in Compton, California, and the other in Maricá, Brazil. Together, these will provide unprecedented insight into the effects of cash transfers on the well-being, household finances, labor responses of recipients, and the consequences of different ways of structuring transfers.

In 2023, our empirical researchers received funding from LA County Department of Social Services, Robert Wood Johnson Foundation (RWJF), The Abdul Latif Jameel Poverty Action Lab (J-PAL), and Coleen Curry Consulting for work in guaranteed income and guaranteed income-adjacent projects.

We presented preliminary findings from their work in higher education financing and guaranteed income at the Association for Public Policy Analysis and Management conference, NYU Cash Transfer Lab, RWJF, J-PAL, Northwestern University, Basic Income Earth Network, Center for Economic and Policy Research (UFF, Brazil), Southern Economics Associate, the Allied Social Science Organizations, and the National Bureau of Economic Research.

Many thanks this year to Mary Bogle, Owen Noble, Lauren Fung, and Elaine Maag of the Urban Institute; Melody Webb at Mother's Outreach Network; and Joshua McCabe at The Niskanen Center.

Social Wealth

Social Wealth in Brazil

In a time of global decarbonization, economies focused on natural resource extraction must transform their asset management for an equitable and stable future. We've focused our efforts, so far, on Brazil, where a massive subnational oil royalty boom since 2017 has created new pools of capital in need of infrastructure. JFI's team, led by Paul Katz, worked closely with fund managers and with researchers at the Universidade Federal Fluminense to build this infrastructure, centered on the Forum of Brazilian Sovereign Wealth Funds. Working with the Forum, we've developed custom software to improve risk-adjusted return; a calculator to track and model cash flows; a set of principles, adapted from the Santiago Principles, for self-regulation; and a regular series of convenings for collective decision making—all of which have strengthened the management of more than US$1 billion in public assets.

A central objective for the coming year is to consolidate the Forum as a permanent institution. To that end, on December 15, the members of the Forum agreed to create a permanent association of Brazilian subnational entities which have, or are in the process of creating, royalty funds. The association, to be structured and launched in 2024, represents a major step forward for the consolidation of these funds. This development builds on several important advances in the Forum's work this past year, including admission as an associate member of the International Forum of Sovereign Wealth Funds (IFSWF) and the organization of the Brazilian delegation to the IFSWF's 2023 annual meeting in Madrid, the first such delegation in the country's history.

We are now working with Forum members on developing opportunities to make strategic investments in the real economy and forging relationships with international peers. The Forum's work has reverberated beyond oil-royalty recipients, leading directly to the creation of new funds capitalized from a different source: mining royalties. These funds, currently in construction, represent a major innovation in a country where mining typically accounts for 2-4 percent of GDP.

Thanks to Fernanda Feil and Carmem Feijó for two years of exceptional service to the Forum of Brazilian Sovereign Wealth Funds.

In 2024, we are excited to expand our Social Wealth project into new regions that are dominated by energy-transition critical minerals or legacy natural resources.

Insurance Strategies for Oil Exporters

In September, JFI published a new report assessing the remarkable petroleum hedging strategy that the Mexican Treasury has deployed for nearly two decades. Available in English, Spanish, and Portuguese, the project was led by Social Wealth Fellow Jonathan Calenzani with contributions from Katz, JFI operations associate Klea Kalia, and JFI research associate Sina Sinai. We found that the strategy served as an effective form of insurance against downturns in the price of oil, improving the Mexican government's credit rating and protecting critical public spending while demonstrating cash-flow positivity over nearly twenty years of execution. This insurance-like approach may have application in a wide range of oil-exporting countries, including Brazil, where petroleum export and price stabilization policies are the subject of ongoing debate and experimentation.

Social Wealth Publishing

In late November, Brazil's Cortez Editora published "Renda básica e economia solidária: O exemplo de Maricá" (Basic Income and Solidarity Economy: The Example of Maricá). Organized by JFI's Paul Katz and Fabio Waltenberg of the Universidade Federal Fluminense, the edited volume represents the first print publication to emerge from the Maricá Basic Income Evaluation. Katz and Waltenberg presented the book at a series of launch events in São Paulo, Niterói, and Maricá, along with contributors to the volume, including JFI's Roberta Costa. Further events are planned for 2024.

The book is the latest in a series of publications from JFI's Social Wealth initiative in 2023, including the petroleum hedging analysis mentioned above; an analysis and visualization of Maricá's mumbuca economy; and our Los Angeles report series, detailed below. On November 26, Brazil's Valor Econômico newspaper published an interview with Katz, centered on the complementary currency undergirding Maricá's solidarity economy program.

Municipal Public Banking in the U.S.

In late October, Katz, former JFI VP Halah Ahmad, and Berggruen Institute researcher Yakov Feygin conducted three days of briefings and working sessions with political and civic leaders across Los Angeles to discuss the options for a public bank outlined in the series of reports on municipal public banking published by JFI and Berggruen earlier this year.

The meetings represented an opportunity for the researchers to share their principal findings directly with the officials and specialists responsible for shaping a municipal financial institution for Los Angeles, offering tools and evidence around the potential impacts, and inherent tradeoffs, of an LA public bank. Especially promising was a new dialogue with Los Angeles County, which is well positioned to move forward with several of the initiative's core proposals.

Affiliate Initiatives

Employing our cross-disciplinary capacities, we pioneer policy ideas brought to us by partners in government, industry, academia, and other sectors. We offer research, logistical, and strategic support to our collaborators. Our goal is to foster an ecosystem of organizations advancing innovative approaches to society's challenges.

Center for Active Stewardship

The Center for Active Stewardship (CAS) is a JFI affiliate project developing tools, publishing perspectives, and curating data on the ways asset management firms can use their voting rights to drive improved disclosures, goal-setting, and implementation on climate and energy transition objectives at public companies.

Beginning last year, we've taken on a huge but underdiscussed problem for climate-minded investors: despite funds' identical commitments to green investing on paper, their actions in proxy season diverge widely. There is little scrutiny of the way that large funds, like Charles Schwab and Vanguard, vote their shares. We seek to make this information available to encourage large-scale and constructive change to investor behavior.

This year, CAS released an alpha version of its web portal for viewing historical proxy voting decisions by mutual funds and ETFs. In building this, we noticed that commercially-available data was insufficient, so we began developing our own dataset, drawing directly from SEC filings, along with a robust and scalable data infrastructure to support it. We've now reached coverage of most of the '40 Act funds offered by the top twenty-five asset managers in the US and added additional data fields, and will be rolling these changes out to the public version of our web app later this spring.

On the research side, we've been busy writing about the cost of renewables, dissensus across long-term energy outlooks, and reconciling corporate emissions reporting with data from the EPA's Greenhouse Gas Reporting Program (GHGRP). In December, CAS Executive Director Nolan Lindquist published an essay in Phenomenal World on the offshore wind crisis and the challenges of long-term technology forecasting.

Looking ahead, we're working on a project to decompose changes in corporate emissions and attribute them to underlying drivers (changes in production volume, energy efficiency, grid emissions intensity, etc.), which we will publish as a web-based tool and accompanying white paper later this quarter. Other work includes a taxonomy of climate-focused shareholder proposals and corporate petitions for no-action relief, and a deep dive into the impact of asset sales on reported emissions.

AI for the Public Good

The AI for the Public Good initiative conducts research, supports education, and develops governance systems relating to the use of artificial intelligence at all scales.

Our Work with the United Nations

Alongside colleagues at the UN, we have continued to lead the ethics, legal, and policy work streams for Disha—Data Insights for Social and Humanitarian Action. Disha works to bring ethical data sharing and AI to international development and peace projects.

This year, we presented Disha at the COP28 UN Climate Change Conference in Dubai. The focus of the presentation was Disha's role in responding to emergencies and natural disasters related to ongoing climate change. This follows a similar presentation at last year's AI for Good Global Summit in Geneva. We completed a first draft of a comprehensive risk assessment tool for Disha use cases (both current and future). We are currently preparing a stakeholder engagement session for Disha as part of our role in scaling the SEM (socio-economic mapping) use case to Indonesia. We onboarded new leadership, executed a communications strategy, and completed the technical build on Disha's first use case (SEM) in the Philippines.

Our co-authored paper, "Exploring data as and in service of the public good," has been cited in a report from the UN High-level Committee on Programmes as well as forthcoming academic pieces.

In addition, we are currently beta-testing a mapping tool on artificial intelligence in low- and middle-income countries (LMIC), which will serve as a catalyst for more systematic research on the use of AI in LMICs.

Research from Our Team

David Gray Grant's paper, "Equalized odds is a requirement of algorithmic fairness" has been published in Synthese. Nikita Shepard contributed a chapter, "To Fight for an End to Intrusions into the Sex Lives of Americans: Gay and Lesbian Resistance to Sexual Surveillance and Data Collection, 1945–1972," to the new collection *Queer Data Studies* from University of Washington Press. Lily Hu discussed democracy and AI with Josh Simons at an event co-hosted by Boston Review and The Philosopher.

And for thanks: Caroline Alewaerts (UN Global Pulse); Ekaterina Klinova (UN Global Pulse); Kersten Jauer (Executive Office of the UN Secretary-General); Lucy Harris (UNICEF); Jameson Voisin (Digital Public Goods Alliance); MIchael Pizzi (Debevoise & Plimpton LLP); and Johanna Skrzypczyk (Debevoise & Plimpton LLP).

The Strategic Decarbonization of the European Union

In partnership with the Atlantic Council, we are convening public officials and geopolitics experts across Europe for candid discussions on the challenges and opportunities of the energy transition in the EU.

In October, we published a large report titled "How to strike a grand bargain on EU nuclear energy policy," which argues that nuclear energy is "a crucial part of Europe's energy mix." Fellow Jonah Allen published an article on the EU's energy transition and energy independence from Russia in the New Atlanticist with Francis Shin at the Atlantic Council. Fellow Théophile Pouget-Abadie published a policy memo arguing for a NATO-like spending target for climate finance and an article on Africa and the green transition for Foreign Policy.

What's to come

We are always looking for new potential projects, and our community has been a crucial source of ideas. We would love to hear from you — either about potential projects for us to explore, or your own work that might have points of tangency with ours.

Our collaboration can take the form of a conversation: your suggestions for new JFI initiatives, or consultative dialogues about your own work. It might involve financial or partnering support for our existing initiatives, or JFI as a whole. We can also provide operational and staff support in standing up your own organization; initial research and advice on new organizational scopes of work, or, at the most substantial end of the spectrum, design, research, and program evaluation.

In the long term, we hope to foster an ecosystem of like-minded organizations to amplify and stabilize effective social interventions. We would welcome proposals for any level of engagement.

To receive regular mailings from us, you can sign up for our recommended-reading newsletter, PW Sources, or our regular institutional updates.

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