



Barcelona City Council and 6 local venture-capital funds to invest €50 million in business start-ups

- » Through the “Barcelona Accelera” initiative, Barcelona City Council has contributed €10M to 6 local private venture-capital funds which will increase municipal investment fivefold: Aldea Iberia Tech, 4founders Capital II, SC Growth Fund II Plus, Sabadell Asabys Health Innovation Investment, Invivo Ventures and The Extension Fund
- » This initiative clearly shows the City Council’s determination to increase support for business start-ups in the digital economy, healthcare and other strategic sectors, with new instruments and the help of more experienced private players, which will help to create jobs in coming years
- » This investment will be going to companies in Barcelona’s metropolitan area, with at least €10 million invested in start-ups led by women
- » There were similar investment initiatives involving the City Council in 2000 (Barcelona Emprèn) and 2009 (Nauta III), although this new financial strategy (Barcelona Accelera) is unique and regarded as vital for revitalising the economy in the current context

Barcelona City Council has selected 6 private venture-capital funds to take part in its Barcelona Accelera initiative, with the aim of fostering entrepreneurship and the city’s economy. Out of the 10 funds and business administrators registered in Barcelona that took part, the selected funds meeting campaign requirements are: Aldea Iberia Tech, 4founders Capital II, SC Growth Fund II Plus, Sabadell Asabys Health Innovation Investment, Invivo Ventures and The Extension Fund.

Through these six private funds, the initial €10 million municipal investment in start-ups in the Barcelona area will eventually turn into €50 million. While the target was to at least triple the municipal investment, in the end the forecast is for the initial amount to be multiplied by five and benefit start-ups in Barcelona’s metropolitan area, meaning further economic growth and a sounder basis for overcoming the crisis caused by Covid-19.

Jaume Collboni, First Deputy Mayor for Economy, Employment, Competitiveness and Treasury, and the chair of Barcelona Activa, stressed that “with the creation of this new fund, Barcelona is positioning itself as an entrepreneurial city, with new formulas for fostering economic activity. Although this is not a typical operation in the municipal sphere, Barcelona Accelera offers an unbeatable opportunity for making our innovative ecosystem grow and for creating quality jobs, while reinforcing the city’s digital capital status”.

This fund, included in the municipal economic agenda measure “Barcelona, Entrepreneurial and Digital Capital” is an example of a new financial strategy being undertaken by the City Council, through its development agency Barcelona Activa, and it positions the City Council as an example of a go-ahead authority. In a context of economic paralysis and stagnated investment, this formula will enable approximately 150 city start-ups to gain access to more capital and continue innovating and expanding in local and international markets.

It is worth emphasising that one of the requirements asked of the funds was that at least €10 million of the total amount should go to companies set up by women, or where the CEO is a woman, as a way of fostering city businesses led by women. It also calls for the investments to go to companies in the Metropolitan Area.

Strategic sectors, health and the digital economy

Another requirement was that the start-up activity sectors should be in those referred to in Barcelona’s 2020-2030 economic agenda, known as the Barcelona Green Deal, given their capacity for generating added value, creating quality employment and positioning the city brand in a global context, all with the common aim of speeding up the city’s recovery from the economic crisis. Those sectors include the digital economy, the creative industries, the green economy, Industry 4.0, health and bio, sport and sports tech, food and food tech, and the blue economy.

The current commitment to various venture-capital funds is vital for revitalising the economy in the digital and entrepreneurial universe. Barcelona is regarded as an entrepreneurial and digital capital. Among the

80% of Catalonia’s 1,500 start-ups are in Barcelona’s metropolitan area and provide work for nearly 17,000 people. Actions such as these are regarded as urgent, because the financial structure of these companies is more sensitive to contexts like the current pandemic.

This Barcelona Activa initiative is included in the set of new instruments promoted by the Economic Response Coordination Centre (CECORE), at the centre of the City Council, over the last year. The start-up sector is receiving support on its road to recovery, growth and consolidation, as a driving force for innovation and attracting creative talent and foreign investment, which will enable the city to achieve a better standing in world rankings.

Precedents

Similar measures have been implemented in other European countries as emergency measures, or even as central government policy. In the case of Barcelona, the local authority is leading the way in this sphere and making the most of its past experiences, such as the launch of Barcelona Emprèn in 2000—, a pioneering company in Spain and a benchmark in Europe, or its participation in Nauta Capital’s “Nauta III” fund in 2009.