

## Chapter 4

# Promoting start-ups in Colombia

This chapter presents an overview of policies to support start-ups in Colombia, focusing on changes that have taken place between 2012 and 2016. Like in other Latin American countries, the promotion of start-ups is an emerging and evolving topic in Colombia. In 2012, Colombia launched the iNNpursa programme to promote entrepreneurship. Colombia's pro-startup policy seeks to attract investment from financial institutions in start-ups, as well as to promote a business culture in the country. One prominent feature in the country is the growth of start-ups in cities like Bogotá and Medellín, which are looking to become hubs for start-ups in the country and in Latin America.

## Introduction

Like other countries in the region, Colombia is focusing on start-ups and on designing policies and instruments to promote the creation of innovative enterprises. Promoting innovative entrepreneurship only recently became a priority for the country. The 2010-14 National Development Plan, entitled “Prosperity for All”, introduced the idea, which received fresh impetus when the 2014-18 National Development Plan, entitled “Everybody for a New Country”, included it in the country’s transformation strategy.

This chapter presents an overview of Colombia’s policies to support start-ups, focusing on changes that have taken place between 2012 and 2016 and identifying challenges for the future.

## Start-ups in Colombia: The current situation

Colombia’s science, technology and innovation system performs well below the levels observed in OECD countries. Investment in research and development and private-sector investment in innovation is lower than in more advanced countries. Although access to information and communication technologies (ICTs) has increased and more people are using them, the gaps with emerging and developed countries remain wide (OECD, 2014; Figure 4.1).

However, there is a growing entrepreneurial culture, with more and more start-ups emerging and expanding (Box 4.1). Start-ups in Colombia operate in different sectors. Some successful ones are in high-tech sectors, such as the aeronautical firm NEDIAR, which began operating in 2011 and has provided technology to the country’s main airline, Avianca, since 2014.

Figure 4.1. Comparison of science and innovation performance in Colombia and the OECD, 2014

(normalised performance index relative to median OECD values)  
(OECD median = 100)

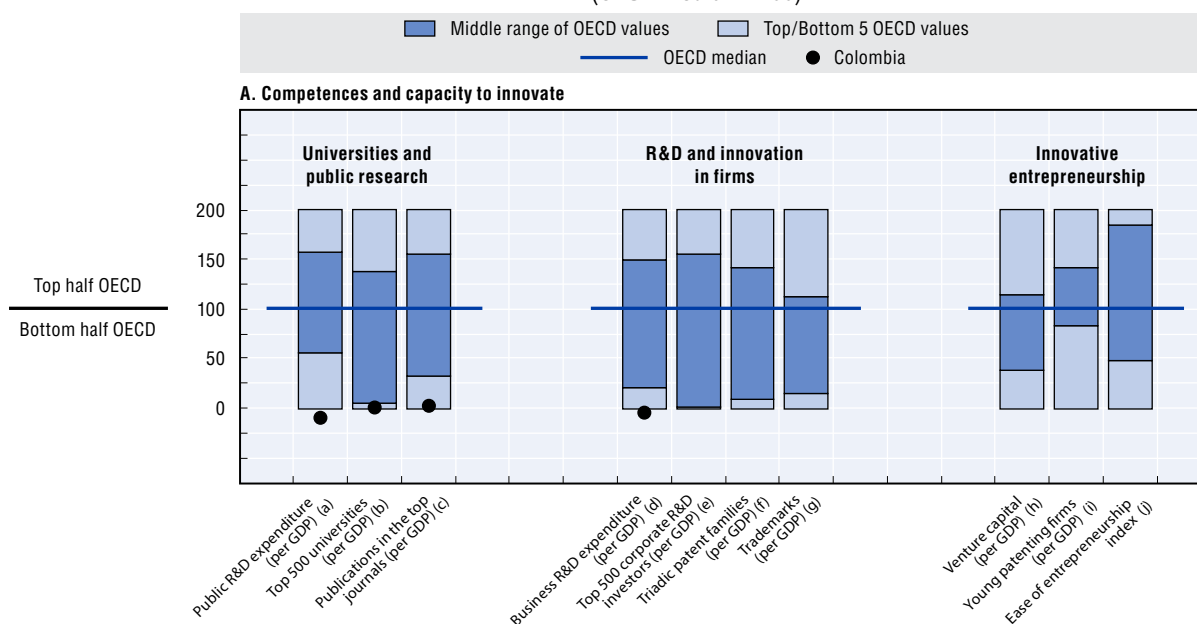
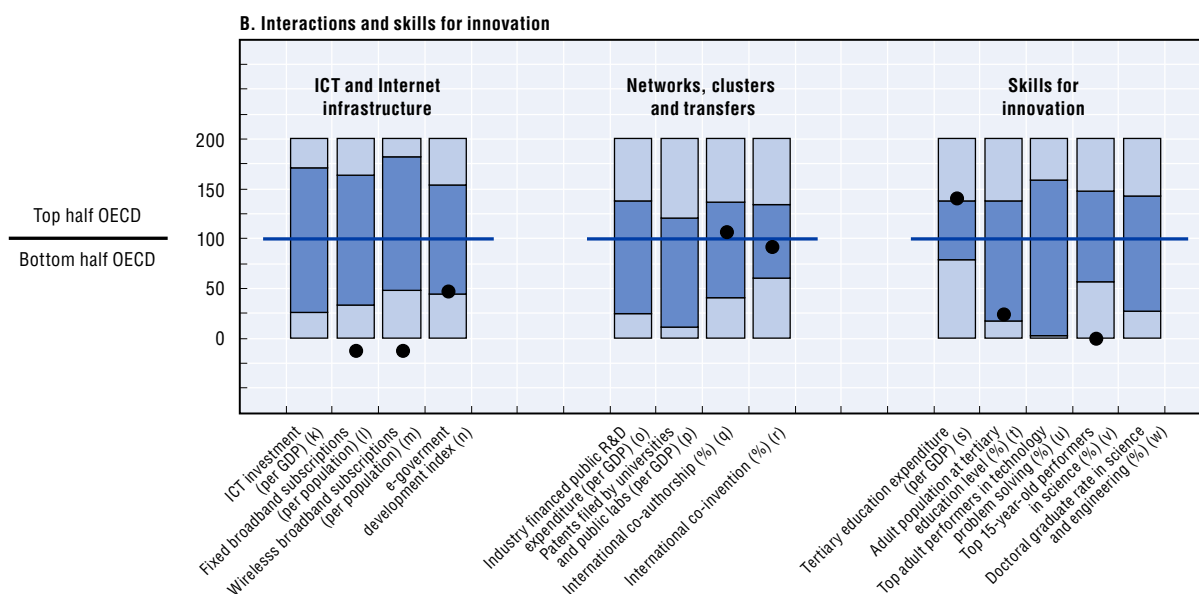


Figure 4.1. Comparison of science and innovation performance in Colombia and the OECD, 2014 (cont.)

(normalised performance index relative to median OECD values)  
(OECD median = 100)



Note: The indicators are adjusted to the size of the country (GDP or population size). The values for Colombia are compared with the median value for OECD countries, i.e. the middle-ranked country of all the OECD countries for which data is available. For more details on the methodology used, see the STI country profiles in OECD (2014).

Source: OECD (2014), *OECD Science, Technology and Industry Outlook 2014*, [http://dx.doi.org/10.1787/sti\\_outlook-2014-en](http://dx.doi.org/10.1787/sti_outlook-2014-en), based on the OECD's *Main Science and Technology Indicators (MSTI)* database, June 2014, [www.oecd.org/sti/msti.htm](http://www.oecd.org/sti/msti.htm).

#### Box 4.1. Start-ups in Colombia: Two examples

Launched in 2009 to develop technologies for accessible education, Aulas AMIGAS sells optical boards, interactive tables and educational platforms at prices that are affordable to educational institutions, including those in remote areas located far away from the country's metropolitan areas. In 2011 and 2012, the start-up won the Innova Award as one of the most innovative companies in Colombia. Today, it sells 15 technology products, has 10 registered trademarks and directly employs 98 members of staff in Colombia, Ecuador and Argentina.

Launched in Medellín in 2011, NEDIAR S.A.S. is a technology start-up in the aeronautical sector. The company develops aeronautical engineering solutions for several Colombian-based airlines, including Copa, LATAM and Avianca. For Avianca, Colombia's leading airline, it developed a flight simulator system for training flight attendants. NEDIAR also develops other products, including electronics and equipment for flight operations. Its team of aeronautical and electronic engineers has more than ten years' experience in the sector.

Source: iNNpulsa (2014), *Dinámicos*.

One of the main developments regarding start-ups in Colombia has been the recent emergence of start-up ecosystems in cities. In the space of just a few years, Medellín has transformed its image and has become a place for founding and growing innovative enterprises. Like other Latin American countries, Colombia does not have precise data on the profile and performance of its start-ups, but surveys are generating

new data. Endeavor Insight, for instance, conducted a study in 2013 on more than 230 entrepreneurs in the ICT sector in Bogotá. The results showed that the ecosystem is growing: between 2009 and 2013, more than 300 linkages (including mentoring, inspiration, entrepreneurship, investment and former employment) were formed and 150 technology firms began operating (Endeavor Insight, 2014).

A similar study conducted in Medellín in 2015 identified 700 start-ups in the ICT sector, 200 of which had a total of 170 linkages with other start-ups in the sector. For instance, the digital start-up accelerator SocialAtom Ventures, founded in Medellín in 2013 with support from Ruta N, has played a key role in creating linkages in Medellín thanks to its mentoring programmes and co-working spaces. Medellín's ICT start-up ecosystem is still young, with most enterprises still in the early stages of development. There is a high level of concentration, with just a tenth of start-ups creating half the jobs. A handful of successful start-ups have allowed Medellín's linkages to grow by an average of 35% per year since 2010, thanks mainly to investments in new ICT firms. The success of some start-ups such as Ubidots and Alcuadrado have helped the local industry to record significant growth through investments, mentoring and spin-offs of former employees (Endeavor Insight, 2014).

### Colombia is restructuring its policy to support start-ups

The 2010-14 National Development Plan ("Prosperity for All") made start-up promotion one of its priorities. As a result, the Bank of Foreign Trade created the Innovation and Business Development Unit and the Ministry of Commerce, Industry and Tourism (MinCIT) launched the iNNpulsa Colombia programme, in both cases, to promote business growth, innovation and entrepreneurship in Colombia. iNNpulsa Colombia issued calls for applications for non-repayable resources in the form of seed capital disbursed to innovative, export-oriented start-ups with high potential turnover. It also provided non-financial support in the form of business training and activities to promote an entrepreneurial culture.

The policy to support start-ups gained fresh impetus in 2015 under the 2014-18 National Development Plan, entitled "Everybody for a new country". Its goals included doubling investment in science, technology and innovation and raising such investment to 1% of gross domestic product (GDP). In 2015, MinCIT reformed Bancóldex to streamline policy implementation, merging iNNpulsa with the Modernisation and Innovation Fund for Micro, Small and Medium-Sized Enterprises and making it an autonomous entity (*patrimonio autónomo*). It also reformed the model under which iNNpulsa supports innovation and entrepreneurship, introducing a voucher scheme in 2016 to run alongside the existing system of calls for applications. Bancóldex launched the Business Hyper-Growth platform (*Crecimiento Empresarial Extraordinario*) to develop the lending market for start-ups and for corporate firms and gazelle companies. Colombia approved the 2016-25 Production Development Policy in August 2016. Drawn up by the National Planning Department, the policy promotes innovation and entrepreneurship as key pillars of the country's long-term vision for production development.

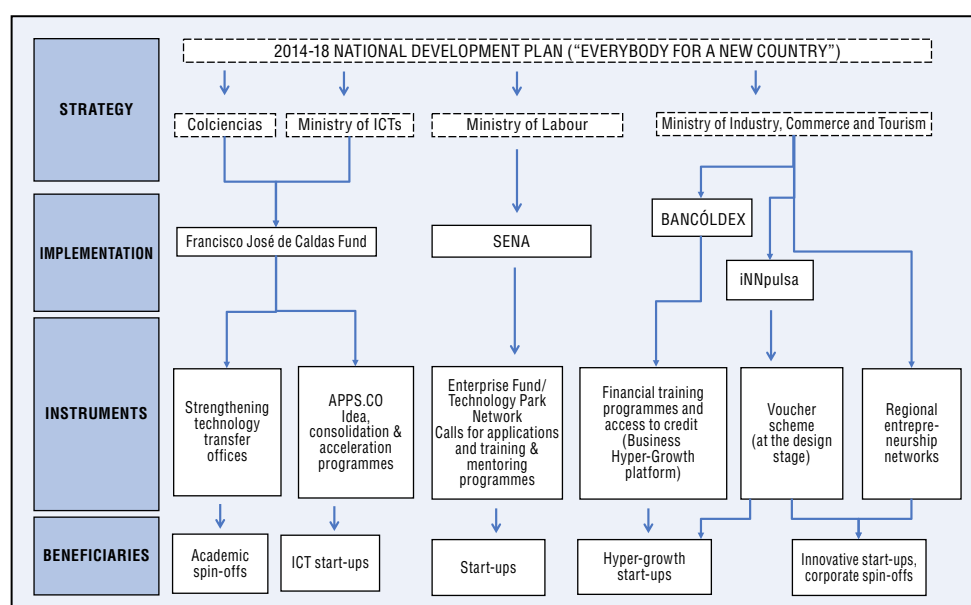
Today, public support for start-ups involves several institutions (Figure 4.2). MinCIT, the Ministry of Labour, the Ministry of Information Technologies and Communications (MinTIC) and Colciencias (the government body in charge of science) draw up policies and implement programmes aimed at different types of start-ups and other stakeholders in the ecosystem.

MinCIT's Vice Ministry of Business Development implements policies to promote start-ups through iNNpulsa Colombia and seeks to link the ecosystem through the regional entrepreneurship networks (*Redes Regionales de Emprendimiento*), which operate

as public-private partnerships responsible for designing strategies and taking action. Bancóldex acts as a second-tier bank and runs various programmes for commercial banks with the aim of ensuring the financial inclusion of start-ups. Furthermore, iNNpulsa Colombia seeks to provide financial support and training to start-ups through a voucher scheme. It also runs programmes to promote an entrepreneurial culture with the aim of changing mindsets in the country.

The Ministry of Labour, meanwhile, promotes start-ups with the potential to create jobs by providing them with seed capital and offering training through the National Learning Service (SENA). MinTIC, in partnership with Colciencias, promotes start-ups with digital content through the APPS.CO programme. Additionally, Colciencias supports academic spin-offs through technology transfer offices.

Figure 4.2. The institutional framework for policies to support start-ups in Colombia, 2016



Note: Since 2015, iNNpulsa Colombia has been an autonomous entity (*patrimonio autónomo*) managed by Bancóldex.  
Source: Authors' work based on official information from Colombia.

Colombia's policy to promote start-ups has a significant territorial dimension. Medellín is an emblematic case. The city has transformed its image in a short space of time, and since 2000 it has made great strides to position itself as a hub for start-ups in the country and the wider region. Medellín promotes start-ups through public-private partnerships like Ruta N (Box 4.2), which aims to increase the density of the entrepreneurial and innovative ecosystem. The city hosted the Global Entrepreneurship Congress in 2016, and in 2013 it was named Innovative City of the Year by the *Wall Street Journal* and the Citi Group. According to the Office of the Mayor, as of 2015, the public sector had invested COP 5 billion (Colombian pesos) in 142 companies to promote high-impact entrepreneurship. The utility company EPM created the USD 40 million private-equity fund *Innovación SP* in 2013. The fund is intended to finance science- and technology-intensive projects that offer innovative solutions to public utilities for energy, water, natural gas, ICTs and solid waste treatment. EPM also spends 0.6% of its income on research, development and innovation. The Development and Innovation Management Office (*Gerencia de Desarrollo e Innovación*) identifies innovative projects and helps develop them until there is a prototype or until pilot tests are ready.

#### Box 4.2. Experimenting to transform cities: Ruta N in Medellín

The Medellín Mayor's Office, UNE Telecommunications and Empresas Públicas de Medellín (EPM) launched Ruta N to promote entrepreneurship and to connect entrepreneurs, businesses, universities and members of public. The corporation provides infrastructure and programmes to support start-ups. Participants can receive training, financing, and support to protect their intellectual property.

Today, 29 companies, 7 high-impact enterprises and 35 social enterprises are benefiting from the corporation's incubation and acceleration services. The Startups Academy programme, supported by Ruta N, provides training to pre-incubation start-ups to help them draw up a validated business model. The programme supported 63 projects and validated 24 minimum viable projects in 2014. Ruta N also has three business development centres that provide specialised support to biotech, digital and high-impact enterprises. The corporation has an integrated support programme, called Development of Innovative Businesses (*Desarrollo de Negocios Innovadores*), for start-ups that can show they have a feasible product and an international plan. Selected start-ups receive financing and mentoring for developing their product, and in gaining access to markets and to private capital. Ruta N financing consists of two parts: one part is non-repayable, and may, depending on the specific conditions of each case, amount to as much as 100% of the project cost; the other part is repayable, and is based on the expenditure to be covered. In 2014, the programme selected 15 projects, which generated turnover of COP 650 million (Colombian pesos) and created 171 jobs according to Ruta N estimates. The corporation also facilitates fundraising to finance high-impact and technology-based start-ups for Medellín.

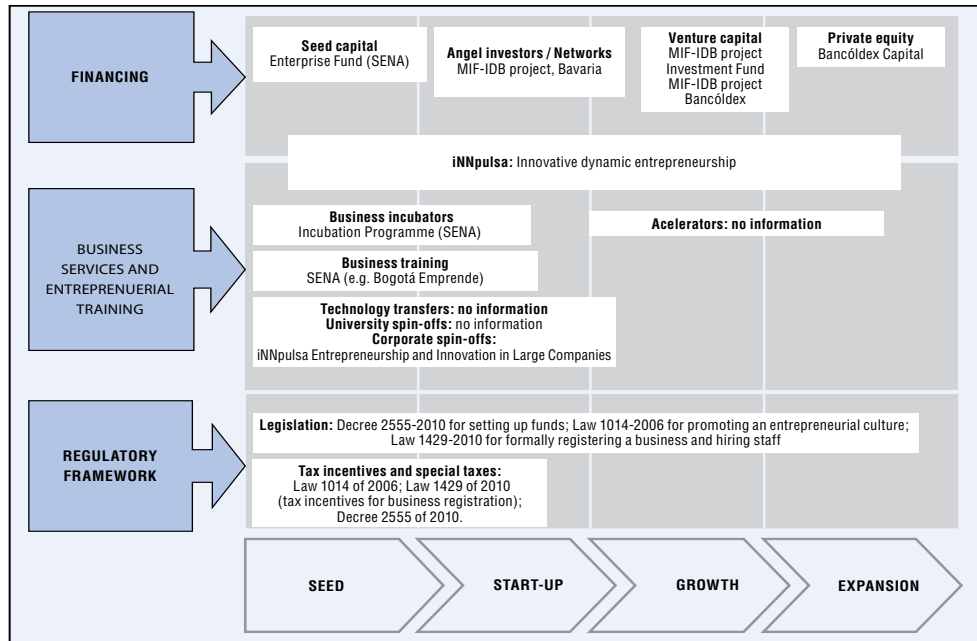
Source: Ruta N (2016), *Informe de gestión 2015*.

### Colombia is reforming its policy mix to support start-ups

Colombia is reforming its policy mix to promote start-ups, shifting towards facilitating access to finance and services (Figure 4.3). To improve access to finance, Bancóldex has introduced financial inclusion programmes and Fundación Bavaria has introduced seed-capital programmes. iNNpulsa Colombia, the SENA and ANDI del Futuro have also introduced business training programmes. Meanwhile, public policy is increasingly focusing on generating a culture of entrepreneurship.

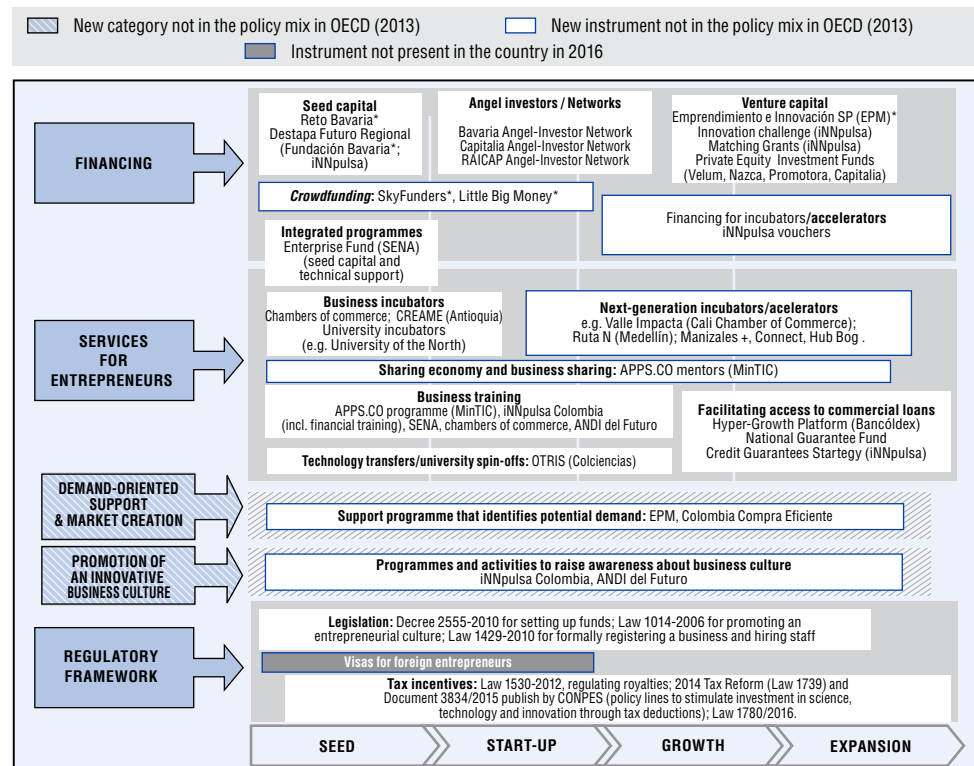
Figure 4.3. Policy mix to support start-ups in Colombia, 2012 and 2016

A. 2012



Source: OECD (2013), *Start-up Latin America Latina: Promoting Innovation in the Region*, <http://dx.doi.org/10.1787/9789264202306-en>.

B. 2016



Note: Items marked with an asterisk (\*) are private initiatives. The diagram shows information available on some programmes as of May 2016.

Source: Authors' work based on official information from Colombia and MinCIT, as well as information in Corporación Ventures (2015), *Documento de caracterización de herramientas, instrumentos y metodologías existentes para el mercado nacional que atiendan las etapas de identificación y validación del modelo de negocio*.

Colombia is advancing in defining start-ups. Each programme defines its targeted beneficiaries according to specific characteristics. The programmes consider factors such as whether the business has conducted market validation, whether it contributes innovative content, and whether it has the potential to grow in the market. Some programmes also take into account the digital content or the business-development stage of start-ups (Table 4.1).

Table 4.1. Definitions of start-ups used by public policy in Colombia, 2016

	Market validation / proven product momentum	Unique market product	Innovative content (unique market product)	Technological/ digital content	Programmes/Tools
Enterprise ( <i>emprendimiento</i> )	✓	✓	✓	---	iNNpulsa Colombia programmes
Early-stage start-up ( <i>etapa temprana</i> )	---	---	---	✓	Ideas APPS.co programme
Consolidation-stage start-up ( <i>etapa consolidación</i> )	✓	---	---	✓	APPS.co Growth and Consolidation Programme

Note: The table shows a selection of the main programmes operating in 2016.

Source: Authors' work based on official information from Colombia, updated in 2016.

### Colombia is looking to channel financing towards start-ups

Colombian start-ups receive financing through different channels. Between 2012 and 2015, the main programme, iNNpulsa, focused on creating incentives for the development of new sources of financing for entrepreneurship and innovation and for creating a venture-capital industry in the country. Colombia also provided non-repayable contributions and early-stage equity. It created three rediscount lines with Bancóldex, which were issued through the first-tier financial sector. It also made banks aware of the potential of new enterprises with high growth potential. Colombia also supported the creation of the National Network of Angel Investors (RNAI, led by Fundación Bavaria) and four private-capital funds (Velum Ventures, Mountain Nazca, Atom Ventures and Capitalia), which invest in early-stage enterprises. iNNpulsa has also sought to generate awareness among risk managers at the country's main banks, and it has a credit guarantee system in place. A number of private, crowdfunding-based support networks also began operating recently, including the Colombian platform SkyFunders, which began providing consultancy services to entrepreneurs in 2015. If the entrepreneur raises the target capital, SkyFunders takes a 5% commission, otherwise it charges no commission.

Through the Business Hyper-Growth platform, Bancóldex is looking to develop a lending market that is inclusive and sustainable for start-ups and early-stage enterprises. To achieve this, it is taking steps to increase the capacity of the banking system so that banks can offer loans that are accessible and attractive to start-ups. As a second-tier bank, Bancóldex provides risk-assessment services to start-ups, as well as training activities to financial institutions to improve their understanding of the financing needs of start-ups. Bancóldex also teams up with banks to offer innovative financial products geared towards the financing needs of start-ups, like factoring, leasing and mezzanine loans.

The SENA, for its part, offers integrated support to entrepreneurs through the Entrepreneurship Fund, which provides seed capital and technical assistance. Created in 2002, the fund supports the founding of enterprises by SENA students or apprentices,



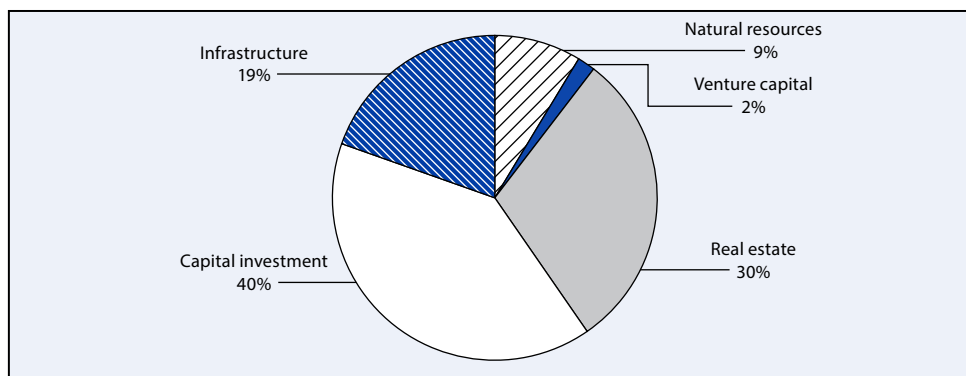
higher-education students, or Colombians who studied overseas before returning to Colombia. The fund finances up to 100% of project costs, depending on the number of jobs created. The technical support includes consultancy services lasting one year to help start-ups to draw up and implement a business plan. Babson College is currently working with the SENA to modernise the fund.

Open-innovation initiatives such as that of the company Bavaria offer seed capital to start-ups. In 2006, Fundación Bavaria's entrepreneur network introduced the "Destapa Futuro" (Uncover the Future) seed-capital programme. In 2015, the foundation decentralised the programme, with support from iNNpulsa and the Valle del Cauca Regional Entrepreneurship Network (Red Regional de Emprendimiento del Valle del Cauca), creating "Destapa Futuro Regional". The new regional programme selects five start-ups to receive COP 200 million (around USD 68 000) in seed capital. It also provides support and mentoring services and organises a mission to Montreal to connect Colombian and Canadian entrepreneurs. In 2014, Fundación Bavaria also introduced the annual "Reto Bavaria" (Bavaria Challenge) competition, which rewards a start-up that can offer innovative solutions to implement the sustainable development policy of the company Bavaria. The winning entry receives COP 100 million (around USD 34 000) in seed capital and expert support from a mentor from the Fundación Bavaria network. Between 2006 and 2015, the foundation supported 380 start-ups and built a network of 140 mentors. It also delivered training to more than 5 000 entrepreneurs.

Angel investors are emerging in Colombia in response to growing demand for funds to support early-stage enterprises. Colombia opened the Angel Investors Network (Red Ángeles Inversionistas) in 2010 with support from Ruta N and the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB). The network is managed by Capitalia Colombia, a fund and investment bank. The National Angel Investor Network (Red Nacional de Ángeles Inversionistas) opened in 2014, with joint support from iNNpulsa Colombia, the IDB and Fundación Bavaria.

Venture capital is expanding in Colombia. The industry has been growing since 2010, when the first fund began operating in Colombia. By 2013 there were four venture-capital funds; by 2015 there were nine, five of which had secured investment commitments for USD 144 million (Bancóldex, 2015). The Colombian Association of Investment Funds, also known as ColCapital, was formed in 2012 from Bancóldex Capital, a programme launched in 2009 to invest in private-equity and venture-capital funds. ColCapital aims to develop the private-equity industry and encourage better practices in Colombia. The association also serves as a meeting point for funds, professional fund managers and professional service providers, all of which are key stakeholders in the industry. As of November 2015, ColCapital had 39 associate members and 47 affiliate members. Venture capital remains small, however, compared to other types of private-investment funds in the country. In 2013, the venture-capital industry's capital commitments accounted for 2% of private investment in Colombia (Figure 4.4).

Figure 4.4. Capital commitments by fund type in Colombia, 2014  
(percentages of total capital commitments)



Source: Bancóldex (2015), *Catálogo de fondos de capital privado*.

Colombia's venture-capital industry is still in its infancy compared to its counterparts in other Latin American countries. According to data published by the Latin American Private Equity & Venture Capital Association (LAVCA, 2016), Colombian venture-capital funds accounted for 3.5% of total venture-capital funds raised in Latin America between 2011 and 2015. Chilean venture capital was slightly higher at 5.1%, but both were well below the levels raised in Mexico (15.3%) and Brazil (57.4%). In terms of investments made, Colombia recorded investments by 34 funds, which accounted for 3.3% of total investment in Latin America. One Colombian fund, Velum Ventures, appeared on the list of the 11 most active funds in the region in 2015, having signed seven investment agreements.

### Colombia is reforming services and support programmes for start-up growth

iNNpulsa is reforming its system of services to start-ups to create a voucher scheme that will operate alongside the system of calls for applications that began operating in 2012. At the time of publication of this report, the instrument is at the design stage. The vouchers should give start-ups access to services provided by iNNpulsa-certified organisations, including collaborative workspaces. There are also plans to offer online services to entrepreneurs, including tools to self-assess competitiveness potential.

Colombia also has business-service programmes for digital start-ups. For example, in the APPS.CO programme, managed by MinTIC in conjunction with Colciencias, certified institutions provide start-ups with mentoring and training services for a period of eight weeks. The start-ups are selected through the Descubrimientos de Negocios (Enterprise Discovery) call for applications. More than 79 000 entrepreneurs in more than 750 municipalities registered for the programme, which helped develop 2 000 apps between 2012 and 2014.

In the private sector, the National Association of Entrepreneurs (ANDI) runs the ANDI del Futuro network of youth-led start-ups, which has 193 members. It offers pre-incubation, incubation and consultancy services to start-ups at the fundraising stage.

In the regions, the chambers of commerce and universities offer incubation and acceleration services. For instance, Cali Chamber of Commerce and Fundación Bolívar Davivienda have co-operated in running the Valle Impacta acceleration programme since 2012. The programme supports the scale-up of dynamic enterprises, providing technical support, mentoring services, workshops and tailored feedback. Another example is CREAME, one of the country's main incubation programmes. Situated in

the Antioquia region, the incubator offers technical support and a workspace for six months and COP 7 million in seed capital. Universities with incubation systems include the University of the North. Its Centre for Entrepreneurship assesses business ideas that connect the university's research activities with the market. The centre then supports the start-ups during the incubation and acceleration stages.

### **Colombia is investing in promoting a culture of entrepreneurship**

The launch of iNNpalsa in 2012 boosted the promotion of an entrepreneurial culture in Colombia. Between 2012 and 2015, iNNpalsa ran a nationwide campaign in which it published stories about inspirational entrepreneurs and provided information about the support programmes available. It created a news agency for the campaign, called Colombia Inn, which sought to raise public awareness via national newspapers. It also arranged for a group of entrepreneurs to tour the country, visiting many municipalities. In 2014 and 2015, iNNpalsa organised the *Heroes Fest* event in partnership with the Medellín Office of the Mayor, the SENA and Colciencias. The purpose of the event was to form networks and an entrepreneurial community (Vesga, 2015). Today, there is a growing entrepreneurial culture in the country. According to the Global Entrepreneurship Monitor (GEM, 2015), more than 70% of Colombia's working-age population (18 to 64 year olds) see entrepreneurship as a good career option and believe that entrepreneurs have a high social status and that entrepreneurship receives media attention (GEM, 2015).

Colombia also promotes an entrepreneurial culture through institutional co-ordination for events that foster networking and circulate information for entrepreneurs. For example, the city of Medellín hosted the 2016 Global Entrepreneurship Congress, which brought together stakeholders from around the world, including regional and national public institutions, international organisations, universities and entrepreneurs. The hosts of the event were the Kauffman Foundation, the Medellín Office of the Mayor, the Global Entrepreneurship Network (GEN) and the ANDI. Another event, the Latin American Venture Forum, took place in April 2016 in the city of Bucaramanga. Jointly organised by the IDB Group's MIF, Bancóldex and the RNAI, the forum connected entrepreneurs with investors.

### **Colombia is updating its legal framework for entrepreneurship**

Colombia began to promote an entrepreneurial culture through the Entrepreneurship Act (Law 1014/2006), which helped to activate regional support for entrepreneurship through chambers of commerce and regional governments. It also introduced the Regional Entrepreneurship Networks, which strengthened the linkages between education and firms. As a result, several regions and universities launched incubation programmes. Colombia has improved its regulations for innovation in firms. Legislative Act 05/2011 and Law 1530/2012, which regulates the organisation and operation of the General Royalties System (*Sistema General de Regalías*), established that 10% of royalties on the extraction of natural resources must go to investment projects involving science and technology. The tax reform introduced by Law 1739/2014, meanwhile, stipulates that investment in technological development and innovation is eligible for a 175% tax break, a measure designed to boost the activities of technology-based start-ups in Colombia. Finally, the National Council for Economic and Social Policy (CONPES) published Document 3834/2015, creating a fast-track scheme for highly innovative firms to access tax incentives for investment in science, technology and innovation. The scheme also allows early-stage firms and small and medium-sized enterprises that generate a net profit to deduct such investment in future innovation from their income tax. Despite these positive steps, risk aversion and the lack of networks among entrepreneurs are still major barriers to the creation of start-ups in Colombia (Vesga, 2015).

## Conclusions and challenges for the future

Since the mid-2000s, Colombia has been committed to transforming its economy and laying the groundwork for inclusive growth. Transforming Colombia into a place to do business and to develop innovative products and services is a major challenge. It requires a change of mindset and the introduction of measures to build confidence among stakeholders in Colombia and abroad. Although there has not yet been a sufficient level of structural change and innovation to close the gap with more advanced countries, in some areas, as in the case of start-ups, there have been discernible changes and improvements.

When Colombia created iNNpulsA in 2012, it was joining the growing region-wide wave of interest in start-ups that began with the launch of Start-Up Chile in 2010. Colombia recognises that start-ups could transform the economy, and is aware that they face gaps in the financing chain (CPC, 2015). The current trend is to promote and support start-ups using a model that is tailored to the country's needs. The model focuses on creating conditions and incentives for private-sector entities to team up with start-ups and to channel support and financing towards these potentially high-impact businesses. Colombia has shown that start-ups are not exclusive to capital cities. They can also develop in other ecosystems, such as that of Medellín, and can contribute to urban renewal and youth inclusion. It is still too early to assess the impact of Colombia's strategy and instruments. However, it is clear that this is a dynamic decision-making process in which Colombia makes improvements and sets new priorities. It is also clear that the private sector has been part of the process since the very beginning.

Colombia's main challenges include:

- Continuing to shape the country's image in line with the national vision for inclusive and sustainable development. Reshaping a country's image takes time. It requires continuous efforts and effective communication with society to build trust among stakeholders.
- Establishing mechanisms to monitor and assess new policies, especially given that the country is introducing new instruments such as the voucher scheme, that would need timely evaluations to identify strengths and weaknesses. Since the country's approach is geared towards mobilising private investment, Colombia needs to create mechanisms to identify the needs of innovative enterprises. By doing so, Colombia will be able to detect gaps in terms of access to finance and services, especially for early-stage enterprises with growth potential.
- Strengthening the exchange of experiences with other countries in the region and with more advanced ecosystems so that Colombia can identify and share good practices. For instance, several OECD countries have introduced voucher schemes, and Colombia could learn from their experiences to identify advantages and disadvantages of such schemes. It is also important for Colombia to continue to encourage its cities and regions to share their experiences so that they can learn lessons from each other on policy and identify good practices.
- Improving the legal framework for starting and winding up businesses and simplifying procedures. One major step forward will be the one-stop-shop set to open in 2017, which should allow people to complete business, fiscal and social security procedures for starting a business on a single technological platform. This reform is expected to reduce the number of procedures needed to start a business in Colombia from 8 to 5 and to reduce the time needed from 11 days to 5 days.

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