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Innovation Center Opens Doors in Downtown Moscow

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A brand new hi-tech co-working space welcomed its first partners on Monday as part of the budding Moscow Technology Incubation Program introduced earlier this year by Acting Moscow Mayor Sergei Sobyanin.

The space, API Moscow, is housed in the arts, media and technology hub that is the old Krasny Oktyabr chocolate factory. Next door are Digital October, another startup incubator, the Strelka Institute and an array of other entrepreneurial outfits making their name on the capital's technology market.

The acronym API stands for application programming interface, a technical term to describe an access point within a software program that allows connection and interaction with other programs.

API Moscow, in this sense, is an interaction point between entrepreneurs and the market,

through business leaders, venture funds, mentors and informal investors.

“API Moscow is a locally designed platform without an equivalent anywhere in the world,” Konstantin Fokin, the program’s CEO, said in an interview.

The project is as beneficial to investors as it is to startups, he said. It will provide a platform upon which investors and business leaders can work together to help small businesses, improve the business climate in the capital and attempt to turn back the tide on the flow of businesses that are leaving the country in search of better conditions.

“Every year, about 400 Russian companies move to the U.S. For American towns this is a positive thing, but for Russia, it is not. Some entrepreneurs leave because they don’t have favorable conditions to develop their companies here in Russia. Overseas, they find themselves closer to the market and able to raise funds they would be unable to get here. If the business conditions in both countries were equal, many of these companies would stay in Russia. Our goal is to create a business environment similar to what business migrants find overseas,” Fokin said.

According to an article in Forbes earlier this year, incubators, accelerators and co-working spaces have become “prowling grounds for venture capitalists looking for new, compelling startups.” These centers have proved so effective that there are more investors looking where to spend their money than available ventures, the article said.

At API Moscow, applications from small business and startups are reviewed directly by a panel of investors and only accepted into the program if an investor is ready to commit funds and provide coaching to the applicant. It is a “dragon’s den” environment, aimed at making Moscow a more attractive place to develop.

API Moscow is part of The Moscow Technology Incubation Program, geared toward the creation of a productive environment and support mechanisms for new entrepreneurs. The program was initiated this year by the Moscow agency for economic development and coordinated by the City Hall’s Department of Science, Industrial Policy and Entrepreneurship.

Startups can submit their applications online through http://tip.msk.ru.

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