



Urban Agenda Platform

*The global platform for sharing progress, action and knowledge on the implementation of the New Urban Agenda to achieve sustainable urban development.*

# Barcelona Activa: The Economic Development Agency of Barcelona City Council - An Inclusive Entrepreneurship Model

Sustainable Development Goals

Goal 11 - Make cities and human settlements inclusive, safe, resilient and sustainable

## Summary

Barcelona Activa works with small businesses and start-ups to promote entrepreneurship and provide employment opportunities in the city.

## Background and Objective

The 1992 Olympic Games hosted by Barcelona led to a seismic change in the city's business and economic direction. Supported by the city council, a shift from an industrial based economy to a service-based economy commenced. As a result, most of the industries located in the Besòs area were moved outside the city boundaries, providing an opportunity to develop services and housing in the vacant land and buildings. In 2000, Barcelona's 22@ project was launched to re-purpose 200 hectares of the industrial area of Poblenou, located in the north-eastern part of Barcelona, into an innovative urban environment. Subsequently, Barcelona City Council formed the Agency 22@ Limited to implement the planning and infrastructure rollout and advance the economic development of 22@. In 2008, 22@ Limited was de-commissioned, and the economic development aspect of the project was assigned to Barcelona Activa. The project now focuses solely on the local economy and promoting knowledge-based services that have created 93,000 jobs in the last 16 years in Barcelona.

## Actions and Implementation

Since it began operation in 1986, Barcelona Activa has offered a wide range of services to small and micro-scale businesses and start-ups, especially in the IT sector. It has allowed business ideas to transform into effective enterprises providing technical coaching, feasibility assessment, tailor-made training and incubation programmes. In 2016, 8,500 people attended Barcelona Activa's welcome sessions for entrepreneurs, and 5,500 participated in the entrepreneurship training seminars. A total of 14,307 people utilized the entrepreneurship support service, which supported 2,566 business projects. Moreover, a team of business experts answers the enquiries of participants, assesses the feasibility of their business projects and coaches them to help find suitable funding. It also provides access to effective online services such as The Online Business Plan tool. Barcelona Activa has 4 business incubators (Glòries Business Incubator, Almogàvers Business Factory, ESA BIC Incubator and Canòdrom Creative Research Park) that provide logistical and administrative services and support, information and training as well as access to business networks and funding for start-ups; 5% of their total budget is dedicated to this work. The Almogàvers Business Factory incubator hosts 38 start-ups in the IT sector, e-commerce & creative industry as of December 2015. ESA BIC, a business incubator for projects using new technologies and a knowledge center for the research on space which opened in November 2014, hosts 23 start ups as of 2016. M-startup-barcelona is a platform that hosts local & international business accelerators. It focuses on IT technologies and social entrepreneurship with high growth potential. In 2016, M-startup-barcelona provided support to 61 start-ups working in the mobile phone, big data, Internet of Things (IOT) and socially sustainable tourism sectors. Barcelona Activa manages two entrepreneurship centres, Glòries and Convent de Sant Augustí. These centres provide classrooms for training activities, self-use spaces with internet access, and coaching spaces.

## Outcomes and Impacts

Barcelona Activa's results for 2016 include: 1) Enterprise 9,515 businesses received coaching support; More than € 35.6 million of funds were raised; 289 companies and business projects were activated in the following incubators: Glòries, Almogàvers Business Factory, ESA BIC Incubator, Canòdrom Creative Research Park, M-startup-barcelona Accelerator and Barcelona Tech Park; € 676,931 was the average turnover of the incubator companies in their 4th year of activity. One year after leaving the incubator, companies have an average survival rate of 81%; 1,700 businesses and 2,700 jobs were created. 2) Entrepreneurship 14,307 entrepreneurs, and 2,566 business projects received coaching support; 617 volunteers participated in tailor-made programmes for specific groups and economic sectors; Barcelona Activa's Entrepreneurship Centre was awarded the Grand Jury Prize in the 2011 European Enterprise Awards organized by the European Commission.

## Sustainability and Scalability



## Urban Agenda Platform

*The global platform for sharing progress, action and knowledge on the implementation of the New Urban Agenda to achieve sustainable urban development.*

The City of Barcelona has been working in the field of entrepreneurship for more than 30 years and regards it as a priority for the city. Its impact on the economy has been positive and has supported the creation of new job opportunities and provided services to help young people enter the labour market. However, incubator businesses and start-ups are often more product oriented than market oriented so new businesses face a struggle to survive. During a peer review workshop organized by UCLG in October 2016, the Mayor of Divinópolis, a Brazilian medium sized city of 230,000 inhabitants, highlighted the fact that “the construction of the technology park with both universities and companies is crucial and Barcelona Activa is a good example of the implementation of employment policies”. Barcelona Activa has a long history of international partnerships through the transfer and exchange of knowledge. Below are some of the examples: In 2008, Barcelona Activa provided technical assistance for the implementation of methodologies and tools to support business creation and business growth for the Brazilian National Network of Business Incubators and Technology Parks ANPROTEC. In 2012, Barcelona Activa provided technical assistance to build a centre to foster entrepreneurship in the city of Bogotá (Bogotá Empreende). During 2008- 2011, Barcelona Activa contributed to the project “Creative Metropolises”. The project goal was to create a flexible and efficient system of public support for the creative industries to contribute to sustainable development at local, national and European level. Participating cities included Riga (Latvia), Helsinki (Finland), Tallinn (Estonia), Vilnius (Lithuania), Oslo (Norway), Stockholm (Sweden), Warsaw (Poland), Amsterdam (Netherlands) Birmingham (United Kingdom) and Berlin (Germany).

## Innovative Initiative

The global economic and financial crisis (2007 – 2012) was a major obstacle for the project. Spain experienced rising unemployment (from 4% in 2006 to 19% in 2009) and negative growth rates. This situation resulted in a decrease in funding contributions from both the Spanish and Catalan Governments to the agency’s budget. To compensate for this decline, the Barcelona City Council has progressively contributed a larger share of funding to the agency’s budget. In 2010, the funding participation of the Barcelona City Council in Barcelona Activa’s budget was 38%, and in 2016 is 81%. In 2017, unemployment has been reduced to 11% in Barcelona, while Catalonia is enjoying a growth rate of 3.5%, one of the highest in Europe.

## Resources devoted to delivery

In 2016 the budget of Barcelona Activa was € 51.7 million. 81% of the budget was provided by Barcelona City Council, 12% from the Government of Catalonia, 0.1% from European Funds. 64% of the resources were allocated to activities in the area of employment and professional skills, 23% to enterprise and entrepreneurship, and 4% to training programmes. Barcelona Activa has signed partnership agreements with banking and financial institutions to facilitate the funding of business projects and microbusinesses with growth prospects. In 2016, € 35.6 million worth of funding was raised for 538 start-ups.

## Conclusion

- UCLG Peer Learning Note no.19, [https://www.learning.uclg.org/sites/default/files/mini\\_peer\\_learning\\_note\\_bcn\\_9.12.pdf](https://www.learning.uclg.org/sites/default/files/mini_peer_learning_note_bcn_9.12.pdf) 2. Barcelona Activa [www.barcelonactiva.cat/entrepreneurship](http://www.barcelonactiva.cat/entrepreneurship) [www.bcn.cat/emprededoria](http://www.bcn.cat/emprededoria) 3. UCLG learning team ([learning@uclg.org](mailto:learning@uclg.org))