

A photograph of three young men standing in front of a brick wall. The man in the center is wearing a light blue button-down shirt and is smiling at the camera. The man on the left is wearing a dark vest over a light-colored shirt and is also smiling. The man on the right is wearing a white t-shirt and is smiling. The background is a brick wall with a window on the right side.

spark

Annual Report 2014

Alau James Vincent
Obi Millers, South Sudan

spark

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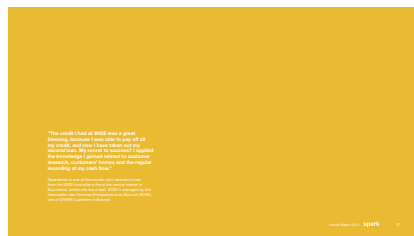
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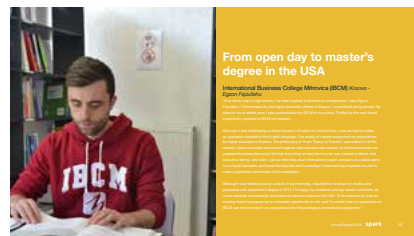
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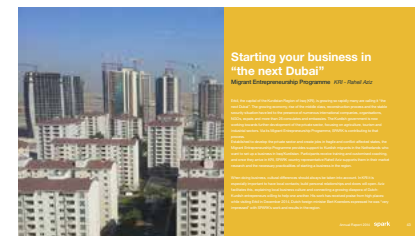
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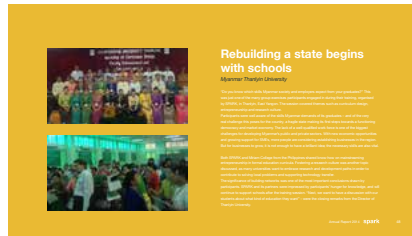


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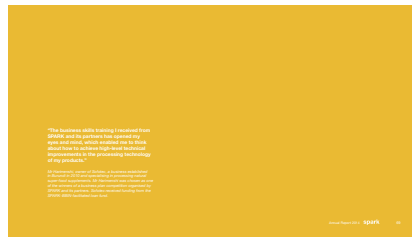
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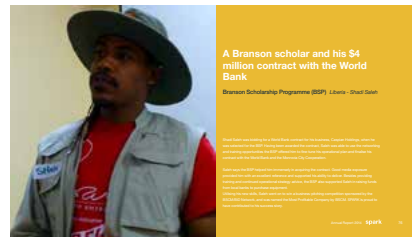
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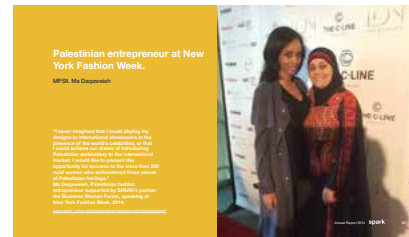
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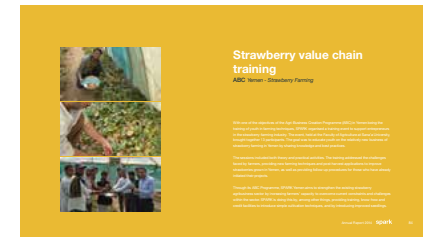
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1. Preface by the Board of Directors

2014 marked the 20th anniversary of SPARK. It was also one of the most successful years in SPARK's history. We were able to reach more beneficiaries in more conflict-affected states than ever before. At the same time, 2014 was one of the most challenging years in our history. Rising violence, armed conflicts and the spread of Ebola seriously impacted our work in affected areas and threatened the societies we work for, our partner organisations and our staff. We had to close our office in Libya and temporarily relocate our staff from Liberia and South Sudan. We also had to momentarily cease operations in the Occupied Palestinian Territories. Our work in Syria has been challenging but rewarding this past year.

Moments of crisis also offer opportunities for individuals and organisations to stand up and deal with critical situations constructively. One of our local partners in Liberia, student organisation Kriterion Monrovia, transformed from a local art-house cinema into a campaign organisation to raise awareness

about Ebola. In Palestine, the premises of the Business and Technology Incubator in Gaza were damaged as result of the 2014 conflict. With the help of SPARK they were quickly rebuilt after the conflict, allowing the incubator to resume its support of local entrepreneurs. These are just two examples of resilience in conflict-affected environments, demonstrations of how our local partners make the best of difficult situations and how we support them in their efforts.

We continue to believe in the power of (small-scale) entrepreneurship and the value of higher education to stabilise and develop fragile societies. Throughout 2014, we trained more than 7,000 entrepreneurs and potential entrepreneurs and supported almost 900 SMEs in fragile and conflict-affected areas. Our activities created nearly 1,500 direct jobs and many more indirect ones. And we helped more than 500 students in Syria, Mali and Kosovo to pursue higher education at various educational levels, from summer university to bachelor's degree.

In order to raise awareness of the relevance of entrepreneurship development in fragile environments, we organised the second

edition of our IGNITE! Conference, titled "Entrepreneurship Development for Stability in Fragile and Conflict-Affected States". More than 250 participants listened to the opening speech delivered by Lilianne Ploumen, Dutch Minister for Foreign Trade and Development Cooperation. Keynote speeches were given by ministers from Liberia, Syria and Yemen, as well as several business leaders engaged in fragile-state environments.

In 2015, two of our major programmes will end (Entrepreneurship Development Programme [MFS II] and Youth Engagement Programme [YEP]), while others will be developed to maturity from ideas conceived in 2014. We will, for example, set up institutes of higher vocational education inside Syria and neighbouring countries to educate young Syrians who otherwise have no access to education. Throughout 2015 we will continue to work with thousands of youth, women and marginalised groups to support them in nurturing their societies.

Yours faithfully,
Yannick du Pont and Michel Richter,
SPARK Board of Directors

SPARK in brief

SPARK ORGANISATION IN 2014



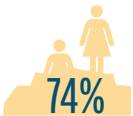
Active in 17 countries
(14 FCAS)



Worked on
18 projects

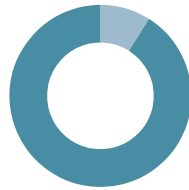


71 employees
(year average)

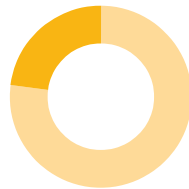


74% of staff
working
in the field (aver.)

INCOME 2014



9% from own fundraising
91% governmental grants



77.46% income from NLMFA
22.54% other income

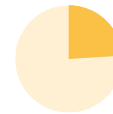
EXPENDITURE 2014



88,5% Spent on objectives
(of total income)



61.74% spent on private sector development
26.95% spent on higher education



24,01% spent on ownfundraising
(income from ownfundraising)



3.86% overhead

OUTCOMES

VISION

RESULTS

MISSION

SOLUTIONS

STRATEGIES

UNDERLYING PRINCIPLES
IN SPARK'S WORK

A demand-driven approach to pinpoint
the needs and priorities of local entrepreneurs

Promotion of local ownership as a
precondition for sustainability

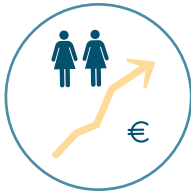
Focus on youth, women & marginalised groups

Conflict-sensitive & inclusive approach

Support of long-term cross-regional and
international cooperation processes

A society-oriented focus

VISION



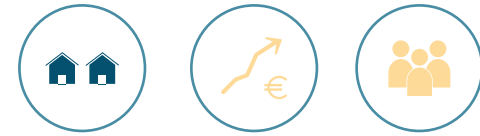
SPARK believes that inclusive economic growth and poverty eradication, through access to education and the creation of decent work for youth, women and marginalised groups, make a major contribution to promoting sustainable peace in fragile states.

MISSION



SPARK develops higher education and entrepreneurship to empower young, ambitious people to lead their conflict affected societies into prosperity.

STRATEGIES



Capacity Building of economic and educational partner institutions

Direct Poverty Alleviation through business growth and employment generation

Policy Making & Advocacy to create enabling business environment & support more effective participation of partners

SOLUTIONS

- **ACCESS TO EDUCATION**

- Higher vocational education institutions support
- Summer/Winter universities
- Curriculum development and e-learning environments
- Scholarships

- **BUSINESS SUPPORT SERVICES & FACILITATION**

- Entrepreneurship and business plan writing courses
- Business plan competitions
- Business skills training courses
- Coaching & mentoring (of entrepreneurs and service providers)
- Training of trainers / capacity building
- Business Support Centres / incubators

- **ACCESS TO FINANCE**

- Facilitated loans with collateral guarantee tools
- IGNITE Fund (private equity)
- Small business loans

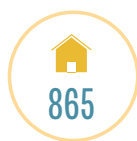
- **ACCESS TO MARKETS**

- Matchmaking
- Trade facilitation
- Business2Business services

- **LOBBY & ADVOCACY**

- Business barrier research
- Advocacy, campaign & media training
- Facilitation of Multi Party Dialogue
- Advocacy for youth participation and decision making
- Coaching & Mentoring

RESULTS



SMEs supported
(all projects)



of trained (potential) entrepreneurs from vulnerable groups (MFSII)



direct loans and loans facilitated with collateral guarantee tools
(since start of loan provision)



Students trained at Summer Schools in Gaziantep (Syrian refugees) & Ségou



entrepreneurs trained
(all projects)



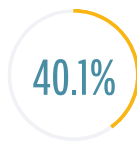
of SMEs started by vulnerable groups (MFSII)



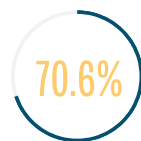
average loan size



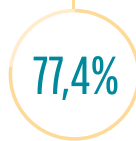
scholarships granted to Syrian students



female



of jobs created in started SMEs taken by vulnerable groups (MFSII)



asset preservation rate



Advocacy plans developed for improving the socioeconomic position of youth



male (MFSII)



active direct loans and loans facilitated with collateral guarantee tools



students enrolled at IBCM



Socioeconomic issues formally tabled at multi-stakeholder dialogue events

OUTCOMES



SMEs started
(MFSII)



SMEs grown
(MFSII)



jobs created
(all projects)



Bachelor diplomas
awarded at IBCM



Academy Profession
degrees awarded
at IBCM



Start-ups supported from
Summer Schools in
Gaziantep (Syrian refugees)
& Ségou



Dutch officials speak to SPARK-supported potato farmers

Cooperatives Support Programme (CSP) Rwanda -
Cooperative Jyambere Muhinzi

On 26 February 2014, a team from the Netherlands' ministry of foreign affairs and the Dutch embassy visited members of the Cooperative Jyambere Muhinzi (COJYIMUI), one of the organisations chosen by SPARK to be part of its Cooperatives Support Programme in Rwanda. The director-general for international cooperation, Christiaan Rebergen, explained that he wanted first-hand experience of what food-security programmes financed by the Dutch government are trying to achieve, as well as to hear directly from local farmers about the challenges they face. The COJYIMUI was designed to produce collection centres for the collective marketing of members' potatoes, where the produce is sorted and graded. The best quality is sold to selected supermarkets and hotels throughout Kigali and Musanze. Two major challenges the cooperative faces are high costs of inputs (such as fertilizers and pesticides) and low market prices for potatoes due to overproduction and lack of proper storage. To tackle these issues, the CSP will provide marketing and financial management skills; add value to farmers' stock through crisps processing; and provide access to the necessary finances to collectively purchase the right inputs.

3. SPARK

3.1 Strategic Approach

Founded in 1994 at the University of Amsterdam, SPARK is an independent, not-for-profit international development organisation that believes sustainable economic growth – including support for small- and medium-sized enterprises (SMEs) – is essential for poverty alleviation and stability, particularly in fragile and conflict-affected states (FCAS). Creating jobs for youth, women and marginalised communities in FCAS and enabling a climate that improves their socioeconomic position are central to this vision.

Mission

SPARK develops higher education and entrepreneurship, so that young ambitious people are empowered to lead their conflict-affected societies into prosperity.

Impact

SPARK is determined to increase the number of sustainable jobs and economic prospects for youth in post-conflict regions through the improvement of higher education and the development of the local private sector, giving special attention to marginalised groups, including women, returning refugees and IDPs.

Strategic Focus Areas

- Direct poverty alleviation through business growth and employment generation
- Capacity building of economic and educational partner institutions
- Policy making & advocacy to support more effective participation of partner institutions

Main Objectives

- Successful implementation of current project portfolio
- Establish a continuously learning organisation for sustained quality, efficiency and sustained growth
- Successful growth of project portfolio; thereby reaching a greater number of institutions and, ultimately, young people

Monitoring and Evaluation

- Utilise SPARK's M&E system to improve and direct programming objectives to ensure implementation is demand driven
- Continuous development of SPARK's online monitoring systems to better support partners in providing services to their beneficiaries
- Ensure M&E findings are translated into the lessons learned for the organisation and also for the broader PSD sector

Communication

- Increase public awareness of the relevance of entrepreneurship development in FCAS
- Ensure constructive and transparent dialogue with all relevant stakeholders
- Ensure efficient internal communications between the different offices

Finance

- Consolidate SPARK's internal financial structures to operate with maximum efficiency
- Anticipation and mitigation of financial risks
- Effective communication between Finance and Programme management to ensure efficient use of donor funding

Acquisition

- Diversify SPARK's funding portfolio
- Decrease dependency upon major donors

Quality Assurance

- ISO and Partos norms implemented for both organisational and programming procedures
- Ensuring beneficiary satisfaction through ongoing evaluations of services provided by SPARK and its implementation partners
- "Six eyes" principle for all programme data collected; three levels of review ensuring data quality

ICT

- Support SPARK's MIS and M&E activities
- Ensure transparent sharing of data (IATI & TranSPARKency)
- Support finance in procuring accurate financial data

Human Resources

- Develop internal capacities
- Maintain staff satisfaction
- Ensure efficient knowledge management
- Implementation of CSR policies

Underlying principles

1. A demand-driven approach to pinpoint the needs and priorities of local entrepreneurs
2. Promotion of local ownership as a precondition for sustainability
3. A society-oriented focus
4. Support of long-term cross-regional and international cooperation processes

3.1 Strategic Approach

In order to achieve its mission, SPARK's strategy focuses on three key areas:

- Direct poverty alleviation through job creation and business support;
- Capacity building of local institutions;
- Policy-making and advocacy to promote an enabling environment for private-sector development.

These are essential ingredients for establishing self-reliance and contributing to increased stability in difficult environments. SPARK collaborates with a range of local partners, such as chambers of commerce, universities, vocational schools, local governments and civil society organisations (CSOs).

Building on this, SPARK develops long-term goals in multiple-year plans so that all relevant parts of the organisation can work efficiently together towards achieving the desired impact. For each year, these strategic goals are translated into attainable but ambitious targets in terms of impact results, project output levels and internal organisation. SPARK's key performance indicators

(KPIs) are based on these targets. The strategy is continuously evaluated and adapted to an ever-changing environment to ensure the sustainable support of SPARK's target group.

Projects

Entrepreneurship and SMEs contribute substantially to a country's overall economy and job creation. For this reason, SPARK's private-sector development programmes contribute directly and indirectly to job creation, advancing the stability of a society. Furthermore, SPARK facilitates capacity building for related institutions to improve the business environment, as business networks and the availability of funds are crucial factors in supporting entrepreneurship. SPARK supports entrepreneurs through building capacity and supporting the activities of (vocational) educational institutions, business organisations, CSOs and governmental agencies.

Acquisition

In the past decade, SPARK has received a substantial proportion of its funding from the Dutch Ministry of Foreign Affairs (NLMFA). To ensure the organisation's long-term financial sustainability, SPARK's acquisition strategy is focused on the diversification of its donor portfolio in order to decrease its dependency on funding from major contributors.

Human Resources

Just as people are at the heart of SPARK's mission, SPARK could not achieve that mission without dedicated, ambitious employees. Thus, a strategic focus lies on the development of internal capacities and a high level of staff satisfaction, through the provision of training and internal opportunities for personal growth. This is strongly linked with knowledge sharing across offices and successions of employees. Turnover in the development sector is usually relatively high, making efficient knowledge management crucial. Furthermore, SPARK aims to work in a sustainable and socially responsible manner, which is reflected in the policies of all its offices.

Monitoring and Evaluation

Monitoring and evaluation (M&E) assesses SPARK's programmes and projects and feeds insights into the adaptation of SPARK's activities and strategy. High-quality implementation, ongoing improvement, transparency and accountability are drivers of M&E work. Result chains are continuously evaluated to ensure that SPARK's work contributes to long-term stability in those countries where it is present. This work would not be possible without a continuously refined management information system (MIS) across all offices. The M&E team translates findings from its work into lessons learned, which are shared with colleagues across the

organisation but also with the wider private-sector development (PSD) community.

Quality Assurance

To ensure that the entrepreneurs, SMEs and students SPARK targets receive the highest quality of support, SPARK continuously evaluates the services it provides and their implementation by SPARK's partners. The organisation has implemented the ISO 9001 norm for organisational and programming procedures, which are also being improved on an ongoing basis. The "six eyes" principle and three levels of review are used to ensure high data quality.

Finance

The finance department ensures the efficient and effective use of donor funding in SPARK's projects and programmes. It ensures clear and constructive communication between financial staff, programme- and country managers and field staff. The department also advises the BoD on the anticipation and mitigation of financial risks

ICT

The ICT department supports finance in procuring accurate financial data and supports the M&E team in collecting and providing relevant project data through SPARK's MIS. The ICT team facili-

tates the transparent sharing of data by linking SPARK's internal databases to external platforms like International Aid Transparency Initiative (IATI) and SPARK's own TranSPARKency.

Communication

The communication team works on raising international public awareness of the relevance of entrepreneurship development in FCAS. It uses storytelling, transparent communication and information sharing, and a multi-channel approach to do so. The team also facilitates SPARK's acquisition efforts and information sharing between all offices.

3.2 SPARK Solutions and Services

For the implementation of its interventions, SPARK relies on a network of partners and a mix of carefully developed instruments: the SPARK Solutions and Services. Through its solutions, SPARK also achieves higher (cost) efficiency. These are adapted to the local contexts in which we operate, and evaluation of their performance is fed back to inform future redesign.

Access to Finance

Providing finance for growth-oriented SMEs is a proven solution for local economic growth, job creation and lifting people out of poverty. Sadly, such solutions often do not exist for SMEs in fragile states where they are needed the most. SPARK's financing instruments are designed to offer such access to finance in complex fragile environments, complemented with local technical assistance for SMEs. All instruments are focused on SMEs that are too large to benefit from microfinance but also too small to secure regular commercial loans in the banking sector.

Business Support Centres

Business Support Centres (BSCs) are physical spaces with well-trained, entrepreneurial staff that both coordinate the activities of the centre and provide direct support to local entrepreneurs. Often, incubation space is provided to entrepreneurs who receive support from BSCs. The overarching objective of the SPARK Business Support Centres is to assist entrepreneurs to start and grow in conflict-affected environments.

Business Skills Trainings

Micro-, small- and medium-sized enterprises (MSMEs) in post-conflict societies experience specific hurdles and challenges. These differ for start-ups as compared to existing businesses.

Norelga Macadamia's path to market-leading position

MFS II / IGNITE Fund *Rwanda - Norce Elysee Gatarayiha*

Rwanda. He was the first Rwandan to start processing macadamia nuts, and soon developed a passion for his produce. Before long, Gatarayiha was able to mobilise his own production facilities, and registered Norelga Macadamia (NM) in 2010, which specialises in macadamia nuts and groundnut production.

The macadamia tree has proven to be excellent for intercropping, as farmers NM employs still earn their regular incomes while the sales of their macadamia nuts serve as an extra source of income. In this way, NM provides an opportunity for local farmers to earn extra revenue and improve their livelihoods.

When Gatarayiha first started his business, he lacked money to purchase the machinery necessary to produce consumable macadamia nuts. Through trial and error – and with several innovative, unconventional machines made by a technically adept friend – Gatarayiha made it work. Eventually, in spite of these unconventional machines, Norelga Macadamia obtained a market-leading position in Rwanda.

After years of rapid growth, the company reached its limits and could no longer meet the market's demand, as its production process lacked the required technology. Bank financing was simply not feasible, as NM lacked the collateral. Now that the market has become more competitive, the IGNITE Fund is supporting NM with a much-needed upgrade, providing modern machinery to secure its competitive edge. In the future, NM plans to increase and professionalise production capacity through investment in new machinery. With the combination of the IGNITE Fund's support, upgraded machinery, branding and the high market demand, NM looks set for a bright, successful future.



SPARK assists both of these categories through tailored, interactive business-skills trainings on topics such as business plan writing, product and service development, marketing and sales, internal financial management and human resource management. Most training is designed for vocational and higher vocation level, although special training for illiterates is available as well.

Curriculum Development

The development of entrepreneurial skills in the education system may increase the supply of future entrepreneurs in a country. SPARK specifically support institutions of higher education that either intend to develop or introduce entrepreneurship curricula or want to improve their pre-existing programmes focused on entrepreneurship. The focus lies on developing curricula that meet the needs of the private sector and the ambitions of individual students.

Higher Vocational Education for Fragile States

In SPARK's view, the long-term stabilisation and development of fragile states depends on educated youth. With the Higher Vocational Institutions Solution, SPARK contributes to improving the quality of education, as well as increasing young people's employability. Schools and universities should not just produce valuable employees; they should produce job creators and entrepreneurs as well.

IGNITE Fund

IGNITE Fund invests in small growing businesses (SGBs) in fragile and conflict-affected states. The fund's focus is on investing in market leaders or potential market leaders in their respective industries that are managed by exceptional entrepreneurs. Priority lies with those businesses with great potential to create jobs and tangible economic benefits to help stabilise their fragile society.

Lobby & Advocacy

Lobby and advocacy components are built into almost all of SPARK's activities and programmes. These lobby and advocacy activities are orientated towards specific subjects concerning private-sector development and the improvement of the socioeconomic position of marginalised groups. SPARK also guides its local partners into a more political dimension, reaching out to political parties, government organisations and relevant interest groups in order to realise better and more inclusive results.

SPARK Solutions and Services are continuously evaluated and refined to address the needs of SPARK's target groups and to achieve SPARK's mission. Staff and local partners receive training in order to implement the services in different countries.

For detailed information on SPARK Solutions, visit: www.spark-online.org/solutions



Yaxye Botan
Botan Car Wash, Somalia

4. Our Work

In 2014, SPARK conducted a total of 18 projects in 17 countries of which 14 are FCAS (see table on page 25-26). These projects can be roughly divided into those aiming at private-sector development and those addressing higher education, although several address both. Most of SPARK's interventions target youth aged 18-35, as this demographic can play an important role in leading crisis-affected societies into stability and prosperity.



Multi-ethnic tourism fair lays path for cooperation in Kosovo

MFS II Kosovo/Serbia - Novi Sad LORISA Fair

“This fair helped us establish contact with our Serbian colleagues from Kosovo as well as with the tourist association of Vojvodina, and we have arranged their visit to the southern region of Kosovo and Prizren in the coming months,” says Ms Medisa Sagtadi from Prizren of her participation at the Novi Sad LORISA Fair.

SPARK organised this meeting of tourist associations from Kosovo, Southern Kosovo and Serbian municipalities, where 24 participants discussed the future of Kosovo’s tourism sector. The opportunity was used to network and lay the groundwork for future multi-ethnic cooperation.

As a direct result, the first Tourism Development Strategy for Northern Kosovo, covering the next five years, has been written, and the Tourism Association of Northern Kosovo has been invited to exhibit at a fair in Pristina in May 2015.

Quick facts – Private Sector Development			
Project Title	# of entrepreneurs trained	# of created jobs	# supported SMEs/businesses
MFSII ³	6832	1032	771
ABC	540	100	64
YEP	305	n/a	n/a
CSP	pending	pending	pending
MEP	40	0	2
Chevron	148	213	13
Branson Scholarship	27	103	15
Total	7892	1448	865

Quick facts – Summer schools & business skills trainings at universities			
University	# of students trained	# of business plans developed	# of start-ups supported
Gaziantep (Syrian refugees)	91	40	10
Ségou	171	62	10

Quick facts – Higher Vocational Education		
Institute	# students enrolled	# students graduated
International Business College Mitrovica	269	47 Bachelor's degrees, 43 Academy Profession degrees

Quick facts – Scholarships for Syrian refugees	
University of Gaziantep (Syrian refugees)	62

Achievement of Targets and Challenges

As the situation in SPARK's project countries is usually fragile and volatile, this sometimes puts unforeseen constraints on the implementation of planned activities. The ongoing conflict in Syria, the emergence of ISIS, the insurgency in Yemen, the war in Gaza, the renewed conflict in South Sudan and the Ebola outbreak in West Africa are just a few examples.

In the following sections, SPARK gives insights into its activities in the programme countries Turkey/Syria and Liberia, as well as two of its major projects – the International Business College Mitrovica (IBCM) and the Entrepreneurship Development Programme (MFS II) – that encompass five different countries. SPARK's activities in the areas of asset management will also be highlighted in this section. This includes a range of funding instruments, among them the IGNITE Fund, which was established in 2013 and began operations in 2014. Brief insight is given into four other projects that make a significant contribution to SPARK's budget, but will be covered in next year's report in more detail. All other projects will be listed in a table at the end of this chapter.

Areas of Activity in 2014

Organisational operations

The Netherlands (head office)

Macedonia (IT)

Serbia (business development unit)

Programme & project countries in 2014

Afghanistan
 Burundi
 Iraq/Kurdistan
 Ivory Coast
 Kosovo
 Liberia
 Libya
 Mali
 Morocco
 Myanmar
 Occupied Palestinian Territories
 Rwanda
 Somalia
 South Sudan
 Surinam
 Turkey (for Syrian refugees)
 Yemen

Past programme & project countries

Bosnia and Herzegovina

Macedonia

Moldova

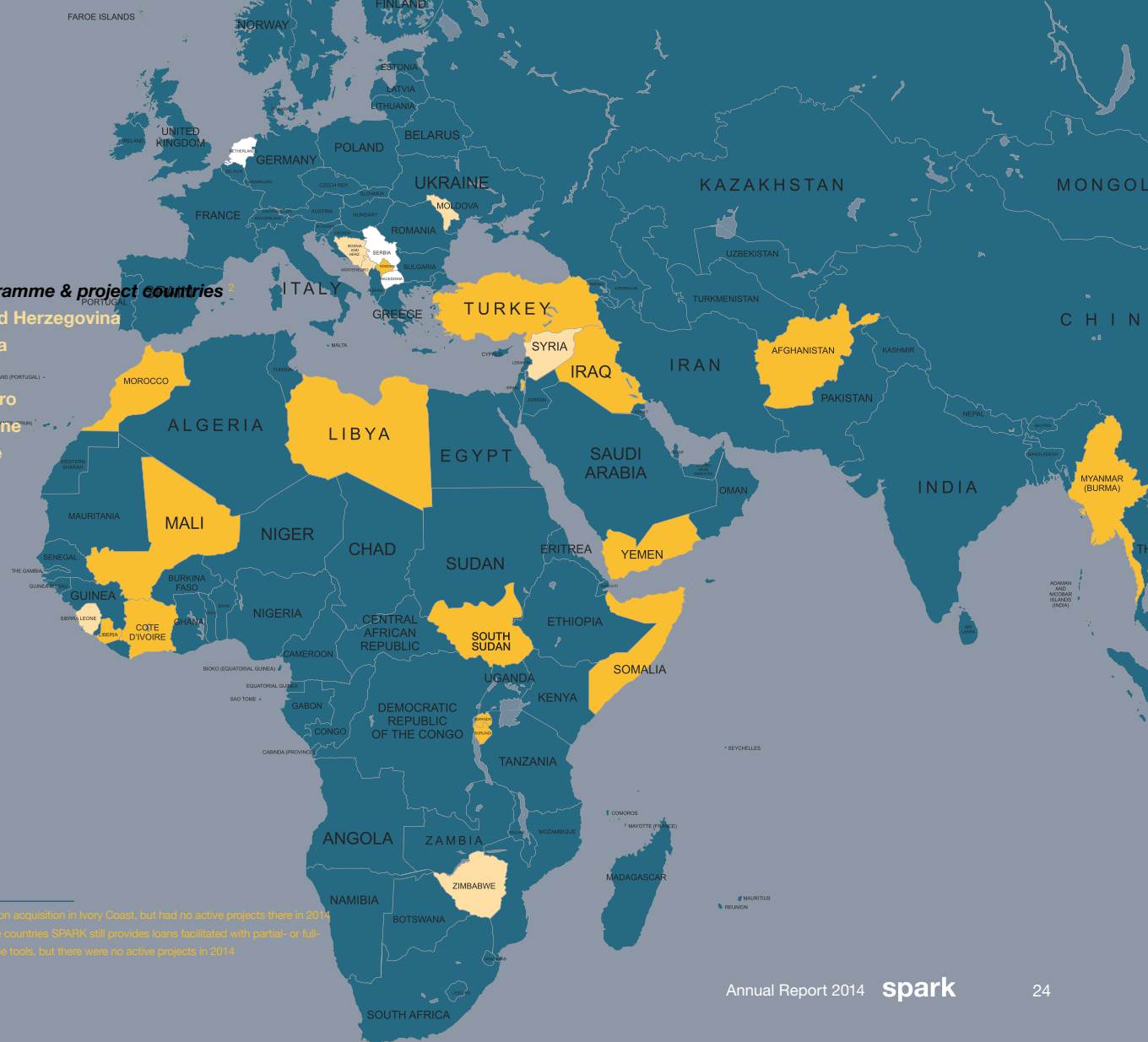
Montenegro

Sierra Leone

Zimbabwe

¹ SPARK worked on acquisition in Ivory Coast, but had no active projects there in 2014

² In some of these countries SPARK still provides loans facilitated with partial- or full-collateral guarantee tools, but there were no active projects in 2014



Overview Projects for 2014

Project/Programme Title	Location	Period	Total Programme Budget	Donor
Private Sector Development				
Enterprise Development Programme (MFS II)	Burundi, Kosovo, Liberia, OPT, Rwanda	2011-2015	€ 21,3 million	NLMFA
Agri Business Creation (ABC)	Burundi, Republic of South Sudan, Yemen	2012-2016	€ 5,8 million	NLMFA
Youth Engagement Programme (YEP)	Burundi, OPT, Republic of South Sudan	2012-2015	€ 1,9 million	NLMFA
UNDP Rural Entrepreneurship Project Burundi	Burundi		BIF 234,531,920 (€ 0,12 million on 31/12/2014)	UNDP
Benghazi Entrepreneurship Centre (BEC)	Libya	2013-2014	£ 0,5 million	DFID
Chevron SME Development Programme	Liberia	2013-2014	\$ 0,2 million	Chevron
Cooperatives Support Programme (CSP)	Rwanda	2013-2016	€ 1,9 million	NLMFA
Migrant Entrepreneurship Programme	Afghanistan, Ghana, Iraq/Kurdistan, Morocco, Somalia, Surinam	2014-2017	€ 1,9 million	NLMFA

Project/Programme Title	Location	Period	Total Programme Budget	Donor
Higher Education Development				
International Business College Mitrovica (IBCM)	Kosovo	2008-ongoing	€ 16 million	SIDA, DANIDA, MEST, DFID, SDC, EU
Diploma Acceptance Project	Kosovo, Serbia	2012-2014	€ 0,15 million	EU
Mitrovica Youth Programme	Kosovo	2012-2014	£ 0,2 million	UK Foreign & Commonwealth Office
International Syrian Summer University in Exile (ISSUE)	Turkey	2013-2014	€ 0,3 million	NLMFA
Benghazi International Summer and Winter Universities	Libya	2013-2014	€ 0,62 million	NLMFA
Course d'ete de l'Entrepreneurism a l'Universite de Segou (CEEUS)	Mali	2013-2014	€ 0,1 million	NLMFA
Branson Scholarship Programme (BSP)	Liberia	2014-2015	\$ 0,17 million	Virgin Unite, Humanity United
Scholarships for Syrian Student Refugees in Turkey (SSRT)	Turkey	2014-2015	€ 0,4 million	NLMFA
Setting up a Higher Vocational Institute for Syrian Students / Higher Vocational Institute for Syrian Civil Responders in Crisis Response & Early Recovery (SYRIN)	Turkey	2014-2016	€ 0,88 million	NLMFA
KBF Phase IV/scholarship database	Europe	2014-2016	€ 40,000	King Baudouin Foundation

First multi-ethnic B2B conference in Mitrovica

MFS II *Kosovo - Nenad Stojakovic*

"I am honoured to be a part of such a unique event, the first of its kind in the past 15 years," said Mr Nenad Stojakovic, Director of Holiday Plus Agency. Mr Stojakovic was speaking at a multi-ethnic business conference for Albanians and Serbians in 2014 – the first in the region since the 1999 conflict. "Events such as this are very important to all businesses from the South and North part of the Ibar River," he continued. "It helped me establish contacts with my colleagues from the southern part of the Ibar River. I truly hope this cooperation will continue and improve significantly." Mr Stojakovic was one of 40 business representatives from North and South Mitrovica who participated in the multi-ethnic business conference. Held on 10 December 2014 in North Mitrovica, the event was organised by SPARK in collaboration with the International Business College Mitrovica (IBCM).

The conference addressed major challenges faced by the business sector in Mitrovica. Three main topics formed the agenda, focusing on obstacles and opportunities regarding the cooperation between businesses in the North and South; the possibilities of import and/or export and development of successful organisational management; and lastly, access to funds.

In order to have clear follow-up goals for future meetings, a survey was conducted during panel discussions, asking participants from the sector to detail their main concerns. Feedback showed dissatisfaction with the level of support provided by the government. Participants also expressed concerns about the political pressures placed on cooperation, institutional inefficiency and lack of knowledge about tax policies and customer regulations. The survey also confirmed widespread support for such a conference to be held at least once per quarter moving forward.



4.1 International Business College Mitrovica (IBCM)

Quick Facts IBCM

Duration	Founded in 2010 (potentially operating for indefinite period once operating independently)
Financed by	Swedish Development Agency (SIDA), Danish Ministry of Foreign Affairs, Dutch Ministry of Foreign Affairs, Ministry of Education, Science and Technology (MEST) in Pristina, Department for International Development (DFID), Swiss Development Corporation (SDC), European Union
Overall budget phase 3	€ 16.0 million
Spent in 2014	€ 2,244,750
Objective	To increase the social and economic stability in northern Kosovo, through cross-community business education and entrepreneurship development
Partners	International consortium, consisting of the Lillebaelt Academy of Professional Higher Education (EAL), the University College Lillebaelt, European educational network, SPACE

Quick Facts IBCM

Students enrolled	269
Graduation	47 students graduated with bachelor's degree (double degree from IBCM and EAL, Denmark) 43 students graduated with academy profession (AP) degree

Project Description and Goal

The IBCM is an internationally registered not-for-profit educational foundation. It is the only regional provider of higher vocational education, offering academy profession degrees in marketing and management, public administration, and environmental and agricultural management, along with bachelor's top-up degrees in international sales and marketing, public service management, and environmental and agricultural management. Courses are integrated into the European Credit Transfer and Accumulation System. Besides catering to regular full-time students, it offers in-service training for public officials and staff of businesses and NGOs. The IBCM is also an "International English Language Testing System" and "English for Speakers of Other Languages" registration centre and testing venue of the British Council.

IBCM's overall objective is to increase the social and economic stability in northern Kosovo through cross-community business education and the development of entrepreneurship. IBCM is at present the only post-secondary inter-ethnic educational institution in Kosovo.

The IBCM aims to improve employability through study programmes with a heavy focus on practice and skills, as well as to facilitate graduates to start their own enterprises. All courses are taught in English by qualified teaching staff. Graduates not only possess the necessary skills needed to work for businesses and public institutions locally, but IBCM's strong international orientation also prepares them for international collaboration and, in time, EU accession.

Developments in 2014

Buildings

IBCM operates on two campuses, one in northern Mitrovica and one on the south bank of the Ibar River, which divides the city. The new 2,000m² North campus building was officially opened on 6 March 2014 by representatives from the British, Dutch, Swedish and Swiss embassies.

“The credit I had at WISE was a great blessing, because I was able to pay off all my credit, and now I have taken out my second loan. My secret to success? I applied the knowledge I gained related to customer research, customers’ homes and the regular recording of my cash flow.”

Gaudence is one of the women who received a loan from the WISE fund after a fire at the central market in Bujumbura, where she has a stall. WISE is managed by the Association des Femmes Entrepreneurs au Burundi (AFAB), one of SPARK’s partners in Burundi.

Construction of the new IBCM South campus was delayed because the municipality of Mitrovica had misappropriated land to a private business that overlapped with the land earlier legally allocated to the IBCM. Meanwhile, the new mayor has compensated IBCM's loss of land with land adjacent to the remaining, unoccupied land. Construction started in November 2014 and will be completed in late 2015.

Students and Alumni

The general intake of new students for the academic year 2014/2015 for both locations was 94 students, which is up from 70 students in the previous year but short of the target of 125. Out of the 94 students, 42 enrolled on the North campus and 52 on the South campus.

March 2010	Sept. 2010	Sept. 2011	Sept. 2012	Sept. 2013	Sept. 2014
15	94	193	257	272	269

In May, IBCM held its first bachelor graduation ceremony, where 47 students received both a bachelor's degree and a double degree from IBCM's Danish partner college, Lillebaelt Academy of Professional Higher Education. In response to this, the student service began a comprehensive database of alumni activities. At eight months post-graduation, 75% of first-generation alumni

were either employed or in some cases pursuing higher education. This represents an especially solid employability rate in light of the general youth unemployment rate of graduates in Kosovo (55.3%; Kosovo Agency of Statistics 2013). Of those who indicated that they were employed, all but one were in full-time positions. A strong majority of alumni reported that they were employed in the same field as their studies at IBCM.

Regarding entrepreneurship, 55% of alumni reported that they plan to start their own business within the next five years. At the same time, 81% either agree strongly or agree somewhat that their studies at the IBCM furnished them with the skills required to start a business independently.

Student Satisfaction

The 2014 alumni survey found that 95% of respondents from the first graduating cohort either strongly agree or agree somewhat that the IBCM prepared them well for the labour market. These represent the two strongest responses on a seven-point Likert scale. 95% of respondents also expressed a strong degree of satisfaction with their experience at IBCM, and 95% agreed completely that they would recommend the IBCM to a friend or family member.

In addition, the freshman satisfaction survey conducted in 2014 explored student attitudes among the new intake. Having been asked to score their agreement with the statement "IBCM has met your expectations during their first month of studies", the new first-semester cohort rated the IBCM with a strong satisfaction average of 5.0 on a six-point scale, where six represents the highest possible rating. This represents a modest improvement from the prior year's result of 4.6.

Evalag Accreditation

In December of 2014, IBCM submitted a report to the Evalag accreditation agency in support of extending accreditation through January of 2018. The report addressed established goals related to both programme and institutional accreditation. In response, Evalag approved the continued accreditation of IBCM on all accounts with an update on matters of financial sustainability requested in December of 2016. The Evalag decision was also validated by the Kosovo Accreditation Agency, offering IBCM local accreditation through the same timeframe.

IBCM Conferences & Business Club

The IBCM North/South conferences were held in July 2014. With a focus on private-sector development, the conferences were designed to be networking events for participants in Kosovo and

beyond. The thematic focus was on agribusiness, with panellists including experts from Sweden, Croatia and the US. Both conferences were attended by 50-60 participants, and provided a good opportunity for IBCM to develop its community and to market itself locally.

The first “Mitrovica Innovations” conference was a non-scientific conference that encouraged participation from local stakeholders in the community. It was held in July 2014 with participation from both the North and South campuses. Roughly 70 people were in attendance for the conference titled “Agribusiness Opportunities Unlimited”, which focused on agribusiness and agriculture as crucial sectors for economic development and job creation in the Mitrovica region. Besides farmers and representatives of the private sector, the conference was attended by local government officials, educational institutions and representatives of international institutions from the US, Sweden, Croatia and Macedonia.

In November 2014, IBCM began organising monthly business clubs, bringing together members of both the Albanian and Serbian business communities. Each edition is themed, with topics including “The Role of Online Marketing in the Community” and “Positioning of new Products in the Market”.

In late 2014, IBCM began planning its first scientific conference, which is to be held in September 2015. Titled “Mitrovica Innovations Scientific International Conference”, the event will focus on issues of sustainable development in the western Balkans and is targeted towards both a regional and international audience.

Success Stories 2014 and Outlook on 2015

In 2014, IBCM students completed many international internship and study-abroad experiences. One student completed an internship with the German embassy in Seoul, South Korea, while another received a scholarship to cover a semester of study abroad in Slovenia.

The first generation of IBCM alumni has also had substantial success. During the 2014-'15 academic year, five IBCM alumni applied for the USAID-sponsored Transformational Leadership Program and all five have been accepted for fully-funded masters' studies in the United States, starting in September 2015. One student is already completing a master's degree in education through the same scholarship programme at the University of Arkansas. For more info visit: <http://usaid-tlp-sp.org/En/lajme/3/launch-of-the-transformational-leadership-program-scholarship-and-partnerships/>

IBCM alumni also found employment with organisations including ProCredit Bank, TEB Bank, the Mitrovica municipality, the Initiative for Agriculture Development of Kosovo, the United Nations Mission in Kosovo, Mercy Corps, Best Marketing (Belgrade), the Advocacy Centre for Democratic Culture, Tutin municipality (Serbia) and the European Centre for Minority Issues.

IBCM continues to support alumni employment through the hosting of regular career fairs, the first of which was held in 2014. The IBCM career centre also continues to develop resources and sign Memoranda of Understanding (MoU) to expand on internship opportunities and build connections with employers. The 2014 Internship Survey found that 84% of supervisors from companies hosting IBCM interns would be interested in hiring the intern were a paid position to become available.

IBCM Lessons Learned

Improved marketing efforts resulted in a student intake of 94 in 2014, falling short of the goal of 125. While this represents an improvement on the previous year's figure of 72, it is still lower than that of a few years previously. Probable reasons for this include the elimination of incentives such as free laptops, an increase in tuition fees and a decrease in the number of free dormitories provided. With these factors in mind, the current, modest upward trend is

both more realistic and more sustainable than the target figures. Despite the progress made in the area of promotions and the consequent development of the student body, contextual factors are negatively affecting growth in student numbers. These include competition from the recently established University of Pristina Faculty of Economics and the complicated nature of promotional campaigns in Northern Kosovo due to the ongoing political dialogue between Serbia and Kosovo.

At the end of 2014, IBCM submitted a self-evaluation to Evalag in application for an extension of the provisional accreditation for the remainder of the period. Evalag extended institutional accreditation until 2018, but requires an additional status report on the institute's financial sustainability at the end of 2016. Consequently, the issues of increasing student numbers and generating revenue continue to be particularly crucial for IBCM moving forward. In the interim, IBCM will continue to focus on areas such as tuition collection, revenue generation, part-time studies and cost reduction in order to ensure that financial targets are met.

In order to attain organisational sustainability, the local IBCM administrative structure needs reform. SPARK's involvement has already been substantially reduced, but this has led to a simultaneous and sharp increase in the number of "donated"

hours spent on the project, as the many priorities demand a far higher level of engagement than was originally budgeted for. To strengthen the management of the IBCM, a management team will be established chaired by the international director.

4.2 Syria

The Syrian conflict reached its fourth year in 2014, while the outcome remains unclear. The numbers of internally and externally displaced Syrians continues to increase, with millions seeking refuge in neighbouring countries. A high percentage of the refugees are youth, whose educational lives have been disrupted by the conflict and who now lack prospects for the future. It is this generation that will play a crucial role in the reconstruction and transition processes of the country. Investing in them lays the foundation stone for the future of Syria and the broader region.

Several initiatives have been launched to bring Syrian students and scholars to Western Europe and North America, which are highly valuable. However, in regard to cost efficiency, sustainability and achieving impact on the ground, SPARK believes that resources should be predominantly invested in neighbouring countries hosting Syrian refugees and inside the war-affected regions of

the country. By investing locally, an initiative not only impacts the selected Syrian students, but also refugee communities. Furthermore, local Syrian organisations are included and their capacities are strengthened through an approach that focuses on the region and contributes to long-term institution building.

SPARK has established a collaborative relationship with the University of Gaziantep (UoG) in Turkey, and aims to involve other regional universities. Since 2003, the UoG has pursued an active internationalisation strategy for Turkish education. As part of this strategy, the UoG had an established partnership with the University of Aleppo, Syria, prior to the conflict. The UoG is interested in further strengthening its constructive role in supporting Syrian refugee students and providing support to the Syrian tertiary education sector.

In 2014, SPARK also worked with the Ministry of Education (MoE) of the Interim Syrian Government and local NGO partners to develop the capacity to deliver education in the region. Many institutions are in the region of Gaziantep, which was a contributing factor to the choice of location for SPARK's activities with Syrian refugees. For all projects, SPARK aims to reach a diverse group of participants, covering all regions of Syria and achieving equal participation by men and women.

International Syrian Summer University in Exile (ISSUE)

Quick Facts ISSUE	
Duration	2013-2014
Financed by	NLMFA
Overall budget	€210,687
Spent in 2014	€191,743
Objective	To offer opportunities for higher education to Syrian students and activists in order to enable them to contribute to the reconstruction and transition of their society
Partners	University of Gaziantep, Civil and Social Relief Organization (CSRO)
Students trained	91
Business plans supported	10

This first collaborative project between SPARK and the UoG was the International Syrian Summer University in Exile (ISSUE), which was initiated in 2013 in order to give students and activists the opportunity to contribute to the reconstruction and transition of their country. Courses offered as part of ISSUE have an applied focus, offering skills and knowledge that participants can immediately utilise to address emergency humanitarian needs or in

Best Business Plan Award (ISSUE)

1. *Alternative Sources of Electrical Energy (Daraa)*
(Solving the problem of lack of electrical current in Daraa Area by supplying batteries that are rechargeable by solar panels)
2. *Hybrid Cattle (Deir El-Zour)*
(Insemination of local cattle aiming at combining local genes with imported ones that have more economic values in terms of meat and milk production)
3. *Satellite Telecom Unification (Deir El-Zour)*
(Setting up a local Wi-Max of 6 square kilometres powered by solar cells in Al-Mayadeen area)

preparation for the phase of transition. A model of co-teaching is applied, and Syrian, international or Syrian professors in exile have been coupled to develop and teach courses together. SPARK's local partner, the Civil and Social Relief Organization (CSRO) provided significant support in the selection process for both programme participants and educators.

Together with the UoG, SPARK provided all stakeholders with access to knowledge and support for institution building and networking. Core among these were Business Skills Trainings

(BST) and Business Plan Competitions (BPCs).

In 2014, a winter course took place from the 17 to 31 March. Five courses were offered:

1. Reconstruction planning, logistics and local economic development;
2. Applied research for transition and social engineering of the conflict society;
3. Utility management in crisis situations;
4. Foundations of entrepreneurship in conflict and post-conflict society;
5. Youth communication in conflict-affected societies.

For the BST and BPCs, SPARK adapted its experience and knowledge to the local context. 40 participants received training, and ten of the resulting business plans were selected for financial support until June 2014. These plans were considered to be income-generating and sustainable; to provide value to local communities and to compensate for the lack of related services in Syria.

Pre-course, interim and after-course evaluations for both students and professors delivered valuable insights: participants appreciate the inclusivity, spread throughout Syrian regions, the freedom of expression and the learning opportunities. The evaluation also raised areas for improvement: participants recommend organising the events more regularly to provide more substantial training and a longer-term learning experience. Furthermore, participants suggested, academic recognition of the certificates should be an objective, as well as the training of trainers inside Syria.

Scholarships for Syrian Students in Turkey (SSRT)

In 2014 there were 2,200 Syrian students in the refugee camps around Gaziantep who followed Turkish-language training in order to apply for Turkish graduate and undergraduate programmes. As the refugees live relatively far from the university and have only limited income, SPARK and UoG initiated a scholarship scheme to support them with their study and living expenses and to enable them to enter higher education. Furthermore, a support desk for Syrian students has been established to provide them with pastoral care beyond the financial scholarship.

Quick Facts SSRT

Duration	2014-2015
Financed by	NLMFA (project contracted by University of Gaziantep)
Overall budget	€434,275 (total for consortium)
Objective	To offer scholarships to Syrian refugee students so they can pursue higher education in Turkey
Partners	University of Gaziantep
Scholarships granted	68 out of 80 (12 scholarships pending at the end of 2014)

The students have the opportunity to work pro bono for the Ministry of Education and to participate in a competition linked to social activities targeting both the Turkish academic community and the refugee communities. This aims at building stronger links to the students' communities and thus alleviating some of the specific needs of the refugee communities. Lessons learnt from this model programme will also be used for similar programmes for students in refugee situations.

By the end of 2014, scholarships have been granted to 68 students out of 80 available scholarships, with the remaining places to be filled by the end of January 2015. 40% of the students are female, which exceeds the target percentage of

30%. Concerning their ethnic background, the students comprise a mix of Arab, Kurdish, Turkmen and Circassian students. As the origin of the Syrian refugees in Gaziantep is mainly Aleppo, this is reflected in the group of scholarship students.

Setting up a Higher Vocational Institute for Syrian Civil Responders in Crisis Response & Early Recovery (SYRIN)

Quick Facts SYRIN

Duration	2014-2016
Financed by	NLMFA
Overall budget	€881,318
Spent in 2014	€15,356
Objective	To give young Syrian refugees an opportunity for higher vocational education and build the capacity of local Syrian institutions
Partners	Ministry of Education (of the Interim Syrian Government), Civil and Social Relief Organization (CSRO)

This project aims at supporting the newly appointed Ministry of Education (MoE), as well as local Syrian NGO partners, in establishing the first Higher Vocational Institute for Syrian Civil Responders –targeting men and women equally, from various

ethnic backgrounds. This allows young Syrian displaced persons to continue their higher education and receive training for a future role during post-conflict reconstruction. Another objective is the strengthening of the (financial) management capacity of the MoE and local Syrian NGO partners.

To achieve the stated objectives, this project follows a stepwise approach. Since October 2014, SPARK has been working to achieve the following plan:

1. Set-up a project office in Turkey that will become the office for higher education in Syria;
2. Conduct a feasibility study of the different options for the establishment of a project office and an educational institute in Turkey/Syria;
3. Implement a pilot project based on decisions made by relevant stakeholders from the previous step. This also encompasses the provision of inclusive education to 100 Syrians for ten months, culminating in student examination and result registration. Besides this, the management capacity of the implementing partners will be developed. This step also involves an audit and evaluation of the project and the development of future higher-education policies on the basis of the lessons learnt;
4. Expansion of the pilot to other areas in terms of other locations and different subjects to at least double the size of

the pilot (200 students). Continued attention will be given to developing the management capacity of the project partners;

5. Preparation for future expansion of higher-education activities beyond the life span of the project, focusing on further institutionalisation. This step will also include a workshop with possible interested external parties that have shown willingness to support Syrian higher education, both inside as well as outside Syria.

Other Activities

Another SPARK activity in Syria was the Observation Mission (OM) of the baccalaureate exam administered by the Syrian Interim Government in June 2014. SPARK observed the examination centres Syrian Guest Urfa City, Haran Refugee Camp – Urfa and Adjakale City – Urfa, focusing on the final stage of the examination process. The OM also included several meetings with stakeholders in the process: the grading centre of the MoE, the International Institute for Education and focus groups of Syrian students, the delegation of the EU in Gaziantep and the NGO Watan Syria. Major difficulties arose due to the lack of teaching materials, stressful examination environments due to heat and dust, delays in grading and the fact that not all students had the opportunity to attend the exams. Moreover, the question arose whether the examination results would be recognised across Turkey.

The recommendations developed on the basis of this OM include an increase in the number of teachers involved in the grading process, the adherence to set deadlines in order to give students enough time to apply to universities after they receive their grades and more support to students during the application process, as they indicated they felt lost during this process.

SPARK also participated in key events concerning education in crises situations, focusing on the Syrian refugees. In order to connect with relevant partners and establish collaborations, SPARK attended:

- The 26th Annual Conference of the European Association for International Education in September;
- The export workshop on “Ensuring Quality Education for Young Refugees from Syria” hosted by the Oxford Refugee Studies Centre and the Asfari Foundation;
- The Hague Institute for Global Justice roundtable on “The Role of Education in Conflict Prevention”;
- The International Conference on “Higher Education in Emergencies” by the Global Platform for Syrian Students.

One of the collaborations resulting from these events is an entrepreneurship programme for Syrian refugees in partnership with the UoG, which will take place in 2015 and is being funded by the Asfari Foundation.



From open day to master's degree in the USA

International Business College Mitrovica (IBCM) Kosovo - *Egzon Fejzullahu*

"Ever since I was in high school, I've been inspired to become an entrepreneur," says Egzon Fejzullahu. "Unimpressed by the higher education offered in Kosovo, I considered going abroad. My plans to move ended once I saw a presentation by IBCM at my school. Thrilled by this new-found opportunity, I applied to IBCM immediately.

Although it was challenging to follow courses in English for the first time, I was excited to obtain an academic standard of the English language. The quality of classes surpassed my expectations for higher education in Kosovo. The philosophy of 'From Theory to Practice' was evident in all the classes, where concepts were framed against real business case studies. In the third semester we prepared business plans and I felt that everything we had learnt so far was needed to deliver and execute a strong, clear plan. I got an internship at an international export company as a sales agent in my fourth semester, and found the theories and knowledge I'd learned had prepared me well to make a significant contribution to the workplace.

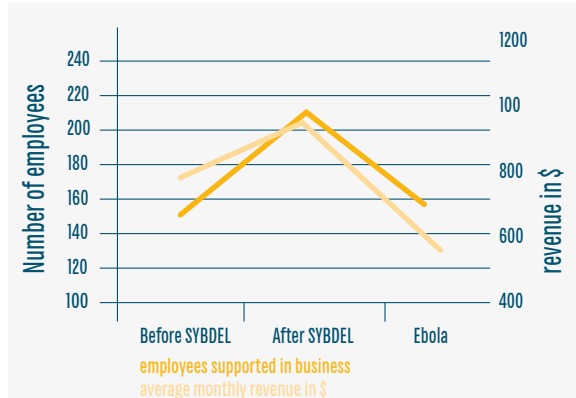
Although I was offered a job as a result of my internship, I decided to continue my studies and graduated with a bachelor's degree in 2014. I'm happy my academic journey doesn't end there, as I have received a scholarship to pursue my master's degree in the USA. To be selected for such an exciting master's programme is a fantastic opportunity for me, and I'm certain that my experience at IBCM was instrumental in my acceptance into this prestigious international programme."

4.3 Liberia

Stimulate Youth Business Development and Employment in Liberia

Quick Facts SYBDEL

Duration	2013-2014
Financed by	Chevron
Overall budget	\$300,000 (\$200,000 SPARK; \$100,000 International Youth Foundation)
Spent in 2014	- \$ 41,793 (\$ 23,106 expenses and - \$ 65,078 correction 2103)
Objective	To build the skills and capacity of Liberian youth entrepreneurs and contribute to an improved business environment in Liberia
Partners	International Youth Foundation, Chevron, Business Support Centre Monrovia
Entrepreneurs trained	148
Jobs created	213
SMEs created	13
SMEs supported	136
Loans provided	13



In Liberia, SPARK began the final phase of the Stimulate Youth Business Development and Employment in Liberia (SYBDEL) programme this year. This project has been conducted in cooperation with the International Youth Foundation (IYF), the Business Support Centre Monrovia (BSCM) and Chevron. Through the SYBDEL programme, a new BSC in Buchanan has been established, contributing to the Liberian SME support infrastructure.

Despite the Ebola crisis, the SYBDEL programme could contribute to an increase in employment, to an improved business environment and to the development of skills and capacity of the respective entrepreneurs. As a result of the programme,

entrepreneurs were able to raise their average monthly revenue and employ additional staff. The Ebola outbreak had a negative impact on these achievements – revenues plummeted below pre-programme levels. Most of the additional employees have been laid off due to the epidemic, but the number of employees still remained slightly higher than before the programme began. The “Passport to Success” training, which focused on life skills and employability and was provided by the IYF, had mixed results, as not all participants completed the course and only a few found employment – which can be explained in part by the Ebola crisis.

Kriterion Monrovia

Quick Facts Kriterion Monrovia

Duration	Ends in 2015
Financed by	Prince Claus Fund, BSC Monrovia
Overall budget	Part of MFS II programme
Objective	To establish a cultural platform in order to build the capacity of local youth
Partners	BSCM, Accountability Lab, Blamasee Production, Prince Claus Fund
Entrepreneurs trained	1
Jobs created	72
SMEs supported	73

Other projects were in full swing at the beginning of the year. Kriterion Monrovia has been working to establish an art-house cinema in order to build the capacity of local youth and to provide training and inspiration to a wider audience. This Liberian NGO aims to be a platform where youth can express themselves and therefore enrich and strengthen Liberia's civil society and democracy. An early highlight was the success of the Film Festival "Image of Liberia" in February, which provided Liberian filmmakers with a great opportunity to present their work. SPARK supported the film festival in collaboration with Young Urban Achievers and the Prince Claus Fund. Other activities of Kriterion Monrovia include free community screenings and film-related trainings offered by professional artists and in partnership with the Accountability Lab.

Branson Scholarship Programme

Quick Facts BSP	
Duration	2014-2015
Financed by	Virgin Unite, Humanity United
Overall budget	\$169,030
Spent in 2014	\$ 93,582

Quick Facts BSP	(continued)
Objective	In order to improve the economic development and youth employment situation in Liberia, this programme supports existing SMEs through training and the facilitation of angel investments
Partners	Branson Centre of Entrepreneurship, Virgin Unite
Entrepreneurs trained	27
Jobs created	103
SMEs supported	15

The Branson Scholarship Programme (BSP) aims to contribute to economic development and youth employment by supporting SMEs with huge growth potential to develop and generate jobs and to help create an enabling environment and access to finance through angel investment. The BSP has been specifically designed to identify and support those SMEs that have the potential to grow substantially and employ a high number of people. As planned, a facilitator and 15 businesses have been selected in the first phase of the project. These entrepreneurs received their first advanced training at the Branson Entrepreneurship Centre in Johannesburg. They also used the trip to the Branson Centre for networking, which was described by participants as "an eye-opener". An "Angel Investment Stimulation" workshop has been developed,

and the Business Angel Network established. The Branson scholars started working on their business plans and participated in mentoring schemes.

SPARK continued to implement the MFS II programme in Liberia, an enterprise development programme that encompasses in total five countries. Section 4.4 describes MFS II in detail.

Working Under Ebola

Unfortunately, all of SPARK's projects have been deeply impacted by the Ebola crisis, which fully reached Liberia in May 2014. The effect of Ebola on SPARK's projects has been substantial, with most planned activities put on hold or adapted accordingly. Local medium-sized and small enterprises in affected countries play a major role both in assisting affected people and enabling markets to resume functioning. By investing in the recovery of their own enterprises and repairing broken supply chains, businesses help to get goods to affected people, reopen lines of credit and enable livelihoods to resume. SPARK recognised the importance of the contribution of local SMEs to the international Ebola emergency response, and therefore enabled SMEs to rebuild the affected lives in their communities with zero coupon debt loans. This programme, called SMEbola: Supporting SMEs in Times of Crisis, was rapidly developed in response to the crisis and provided

capital and technical support to enable SMEs to scale up or modify their current business plans in order to rapidly respond to the needs of Liberia's people during the time of crisis. In doing so, SPARK accelerated the collaboration of SMEs with aid agencies and other actors in the response to the crisis in order to build the resilience of SMEs and enable their recovery. Four entrepreneurs received a loan through the SMEbola programme until the end of 2014. Other Ebola-related activities focused mainly on awareness-raising campaigns, especially through Kriterion Monrovia and the BSCM. Besides this, support for SMEs was adapted in terms of a shift to online communications and coaching.

Kriterion Monrovia

A prime example of adaptability is the Kriterion Monrovia project. Under the leadership of Pandora Hodge, the Kriterion Monrovia team reacted quickly and turned their culture- and cinema-oriented activities around into an awareness outreach campaign called "Together we can STOP Ebola". With a highly context-sensitive approach, they informed communities about Ebola and empowered them to recognise the first symptoms of the virus and prevent further infections. Furthermore, they distributed hygiene and preventive materials as well as food, water and mattresses for quarantined families. Kriterion Monrovia was able to reach remote locations where little to no information had been

provided to villages. The team's capacity, which SPARK helped to develop, enabled the student members to establish contacts and relationships of trust in the communities and allowed them to reach out to remote areas of Liberia. Through an online fundraiser and various other fundraising activities, Pandora's team managed to raise close to \$270,000 for the campaign, including funds from their main donor, the German organisation arche noVa, and others. This made Kriterion Monrovia's Ebola awareness-raising project not only one with substantial impact, but also greatly contributed to student involvement in a time when schools and universities were closed, allowing them to continue youth entrepreneurialism while bringing relief to their country.

Branson Scholarship Programme

The BSP suffered severe constraints due to Ebola. The second planned training in Johannesburg could not take place, which would have provided participants with the opportunity to meet potential investors. The training in Monrovia has been continued, though mainly via means of online communication. Most of the operations of participating businesses had to shut down or be significantly scaled back. Despite the health crisis, the BSP was able to achieve a significant impact and it showed its ability to select high-growth potential SMEs; furthermore, Branson scholars engaged in Ebola awareness-raising campaigns. All supported

enterprises increased their operations towards the end of the year again as the impact of Ebola began to diminish. As SPARK was able to prolong the contract with Virgin Unite, the entrepreneurs can be further supported in 2015 and outstanding activities can be completed.

SPARK's Activities in Liberia Within its MFS II Programme

Quick Facts SMEbola	
Duration	2014-2015
Financed by	NLMFA
Overall budget	Part of MFS II programme
Objective	To support Liberian entrepreneurs in coping with the effects of the Ebola crisis
Partners	BSCM
Entrepreneurs trained	7
Jobs created	24
SMEs created	4
SMEs supported	4
Loans granted	4

The MFS II programme has been heavily affected by the Ebola outbreak. In order to continue to support SMEs and cushion the blow of the Ebola outbreak, the MFS II programme was redesigned into the “SMEbola: Supporting SMEs in Times of Crisis” programme in cooperation with the BSCM. The intention was to cushion Ebola-affected entrepreneurs against the impact of the epidemic and support their recovery. This project has been designed to support SMEs with capital and technical support to scale up their businesses and respond to the needs of Ebola-affected communities. As such, the project also created a positive social impact for vulnerable Liberians, who lack access to basic products and services. It focused on three categories of SMEs:

1. Pre-established SMEs that have businesses in the following key areas: food, medication, sanitation and logistics, with the possibility to expand;
2. SMEs that have contracts (for construction projects – clinics, bridges, etc.) and are in need of financial support;
3. SMEs that have identified a need and are eager to respond to the current crisis, but are in need of in-depth technical assistance, introductions to actors, contract brokering etc.

This project also draws on capacities built with other Liberian projects – for example, the technical assistance follows a similar

structure to that of the BSP. Other partners include the Ebola National Task Force, the Liberian Ministry of Commerce & Industry, USAID and the AFDB. Ten SMEs have received technical assistance and three have received a specific loan from SPARK to grow.

Liberia IT Revolution

Towards the end of the year, SPARK commenced the implementation of the Liberia IT Revolution (LITR) in collaboration with iLab, the BSCM, MercyCorps and Sida. Designed by SPARK following the arrival of fibreglass internet cable in the country, this project was built around the notion that a prosperous and innovative IT sector will create significant spin-off effects for other businesses, linking customers and entrepreneurs together in online market places; but also for government and e-governance developments as well as the health sector. SPARK initiated an IT business plan competition, but as LITR has been impacted by Ebola and the project team had to temporarily relocate to Ivory Coast, it will be properly launched in 2015. Other planned activities include technical trainings and the provision of a platform for inspiration and innovation.

Kriterion Monrovia raises awareness on Ebola in Liberia

MFS II Liberia - Kriterion

"The truth is, we are all tired, but will continue to work, to fight, so that we can live, touch and embrace each other as human relations are meant to be."

Kriterion Monrovia (KM) is an NGO run exclusively by students in Monrovia. Supported by SPARK's Entrepreneurship Development Programme, KM has established itself as an independent art-house cinema focusing on local culture. After the outbreak of Ebola, KM gave its full attention to awareness-raising campaigns and activities.

KM's campaigns have educated the local community about the origins of Ebola, the causes, symptoms and preventive actions to adopt when symptoms arise. Their campaigns reached universities, marketplaces, towns and villages in 15 counties in Liberia. KM also used theatre and documentaries to drive home the point, using real stories of Ebola cases to communicate the reality of the disease.

KM's main achievements have been in generating an increase in the acceptance of the disease and in the reporting of suspected cases. It should also be noted that knowledge of prevention methods are sustained in the long-term, making an outbreak less likely in the future.



4.4 Enterprise Development Programme (MFS II)

Quick Facts MFS II

Countries	Burundi, Kosovo, OPT, Rwanda, Liberia
Financed by	NLMFA (MFS II)
Overall budget	€ 21,347,600
Spent in 2014	€ 4,494,536
Objective	To contribute to sustainable economic development of FCAS through promoting entrepreneurship and job creation
Partners	BiD Network as partner in the United Entrepreneurship Coalition (UEC), MDF, Enclude, NABC, MSM
Entrepreneurs trained	6,832 (3,600)*
Jobs created ³	1,032 (1,730)*
SMEs created	266 (160)*
SMEs grown	505 (160)*
Loans facilitated ⁴	55

Quick Facts MFS II (continued)

Average loan size	€6,819.18
Asset preservation rate	77.4 %
Successful matchmaking sessions	341 (95)*
Percentage of entrepreneurs from vulnerable groups trained	80% (76%)*
	*result (target)

³ The target for job creation was surpassed in the period 2011-2013. During this period there was a greater focus on the support of start-ups, next to the support of existing SMEs. Through SPARK's 2013 tracer study it became apparent that support of existing businesses rather than start-ups would be a more effective focus for SPARK's MFSII activities. Start-ups primarily generate jobs on the short term, part of which recedes as some start-ups go bankrupt or terminate operations. Based on these findings, the programme's strategy was refocused in 2014 towards supporting scale-up and growth of existing businesses in order to accelerate job creation. The programme's strategic refocus is expected to lead to limited or no job creation in the short run due to efficiency improvements in the existing businesses' operations. But the strategy refocus is expected to result in greater and more sustainable job creation in the long run. Further research is being conducted to understand the underlying process better.

⁴ There were 55 active facilitated loans in 2014. Overall, SPARK has facilitated 249 loans since the beginning of the loan facilitation

Project Description and Goal

By promoting entrepreneurship and job creation, this programme aims to contribute to sustainable economic development in five FCAS. It supports a range of private-sector development projects and activities that are carried out by the UEC's local partner organisations, which include BSCs, business associations, chambers of commerce, education and finance institutions. This may happen through technical assistance, through focusing on specific sectors and innovations or through direct financing. Special attention is paid to vulnerable groups such as women, youth and marginalised people or people in neglected regions. The programme rests on three tracks:

1. *Capacity building of local institutions by strengthening local partners*
SPARK offers and facilitates training and coaching by internationally renowned institutions to local partners to improve their (financial) management and their range and quality of services, university curricula or other capacities-benefitting potential and existing entrepreneurs;
2. *Direct poverty alleviation through job creation by promoting and supporting entrepreneurship through local partners*
SPARK works with local partners by financing and supporting them to provide services to entrepreneurs and businesses, organising awareness-raising activities and

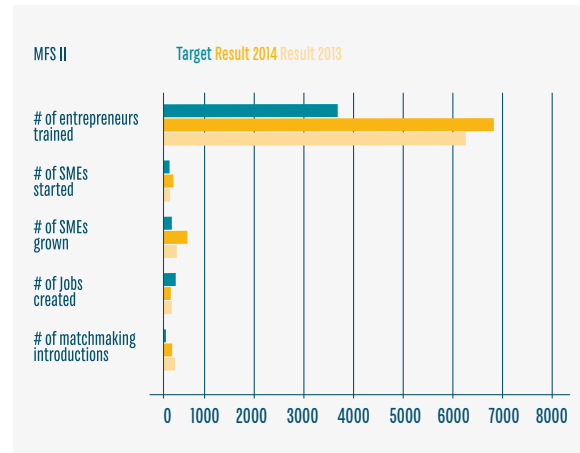
Business Plan Competitions oriented towards potential and existing entrepreneurs, and setting up networking sessions in the private sector to facilitate matchmaking between businesses. Additionally, SPARK offers finance solutions to start-ups and existing businesses that received training by SPARK and its partners. SPARK also manages loans facilitated with partial- or full-collateral guarantee tools and the IGNITE Fund, facilitating loans to high-potential start-ups from the Business Plan Competitions, and offering equity financing to small growing businesses (SGBs);

3. *Removing business barriers through policy making and advocacy, creating an enabling environment for private-sector development*

SPARK works with local lobby and advocacy partners by supporting and financing them in drafting policy strategy documents and organising round-table sessions with stakeholders.

BiD Network, SPARK's coalition partner in this programme, also aims to stimulate entrepreneurship in emerging markets. Within the MFSII collaboration with SPARK, BiD focuses on the bigger SMEs supported by the consortium, and also uses web-based tools in doing so. BiD helps entrepreneurs in preparing to absorb external financing. In addition, BiD facilitates financing through its

matchmaking programme, which includes connections to local business angel networks for competition winners.



In addition to working closely together and with local partners, SPARK and BiD Network cooperate with organisations that contribute to building the capacity of local partners involved in the programme. These partners, including MDF, Enclude, NABC and MSM, provide training in a wide variety of topics, as mentioned above in strategy (1), as well as organising a trade mission for Dutch SMEs in the target countries.

Outcomes 2014

The results of these activities have been positive in terms of the number of businesses started and existing businesses grown. The number of jobs that have been created by these businesses, however, is lower than originally expected.

All SPARK country teams undertook similar activities to promote the starting of new businesses and to improve the development of existing ones, as described by the three tenets above. Each country team has implemented the activities within these tenets in context-specific ways. Moreover, these activities also show that there is increasing interest in SPARK's entrepreneurship development activities. This may happen through technical assistance, through focusing on specific sectors and innovations or through direct financing.

Burundi

In Burundi, SPARK completed a project with the Association des Femmes d'Affaires du Burundi (Business Women's Association of Burundi; AFAB) and their associated microfinance organisation, WISE, to provide loans for businesswomen who were victims of the fire at the central market in Bujumbura – which was not rebuilt – and help them set up their businesses again. The women were



Starting your business in ‘the next Dubai’

Migrant Entrepreneurship Programme *KRI - Raheil Aziz*

Erbil, the capital of the Kurdistan Region of Iraq (KRI), is growing so rapidly many are calling it “the next Dubai”. The growing economy, rise of the middle class, reconstruction process and the stable security situation have led to the presence of numerous international companies, organisations, NGOs, expats and more than 26 consulates and embassies. The Kurdish government is now working towards further development of the private sector, focusing on agriculture, tourism and industrial sectors. Via its Migrant Entrepreneurship Programme, SPARK is contributing to that process.

Established to develop the private sector and create jobs in fragile and conflict-affected states, the Migrant Entrepreneurship Programme provides support to Kurdish migrants in the Netherlands who want to set up a business in Iraq/Kurdistan. Participants receive training and customised coaching, and once they arrive in KRI, SPARK country representative Raheil Aziz supports them in their market research and the necessary practicalities of starting a business in the region.

When doing business, cultural differences should always be taken into account. In KRI it is especially important to have local contacts; build personal relationships and doors will open. Aziz facilitates this, explaining local business culture and connecting a growing diaspora of Dutch-Kurdish entrepreneurs willing to help one another. His work has received praise from high places: while visiting Erbil in December 2014, Dutch foreign minister Bert Koenders expressed he was “very impressed” with SPARK’s work and results in the region.

also provided with training on how to manage their loans and how to run their businesses effectively. This was received well and repayment rates of the loans are high.

SPARK also worked with the Burundi Business Incubation Network (BBIN), who in turn worked closely with the winners of an earlier Business Plan Competition to provide access to finance, training and coaching. The conditions in Burundi are still rather difficult, and it is sometimes hard for businesses to achieve pre-agreed results. But BBIN effectively supports the entrepreneurs in their efforts. SPARK increased its effort to further build BBIN's capacity, enabling it to help businesses to grow and create employment.

Kosovo

In Kosovo, SPARK focused on increasing collaboration between the various business communities and sector associations from different ethnic backgrounds, while still implementing its core activities in order to support local businesses and increase their growth potential. Since one of the major constraints of doing business in Kosovo is the community divide between Albanians and Serbians, SPARK and its local partners organised several events where businesses and sector associations from different communities jointly discussed business and trends and also explored networking possibilities for increased collaboration. One

of these events, a tourism fair in Novi Sad, witnessed the first joint presence of Serbian and Albanian businesses and associations since the war. The second event was the first combined Serbian-Albanian business conference organised in North Mitrovica since 1999.

Liberia

In Liberia, SPARK focused on maintaining its support of entrepreneurs during the Ebola outbreak. Although most institutions were forced or decided to suspend their operations, SPARK did the opposite and expanded its range of activities for entrepreneurs to decrease the potential impact or even to create a positive impact in Ebola-struck communities through entrepreneurs. For more details, please consult the specific chapter dedicated to Liberia (4.3).

Occupied Palestinian Territories

In addition to its regular activities in the Occupied Palestinian Territories (OPT), SPARK began work on specific business start-up generation to encourage innovations in the water, sanitation and resource-management sectors in the West Bank. Together with our existing partners at BirZeit University and CEWAS, a Swiss sector-specific NGO, a pilot group of entrepreneurs has been supported in the generation of business ideas and prototypes, two of which

have already begun operations.

The Israeli strikes on Gaza have also had an impact on SPARK's activities with our local partner, Business and Technology Incubator (BTI). Not only was the incubator damaged, but the entrepreneurs were also unable to implement their business plans and had to postpone business enquiries coming from the market. Nevertheless, when the Israeli strikes ended, the BTI was quickly reconstructed with SPARK's support and was able to continue supporting the businesses, with relatively good results despite the disruption.

Rwanda

SPARK has piloted new programmes and partners in Rwanda this year. An authentic learning-by-doing experience was established on how to start and manage a business practically rather than through classroom-based training. Five students from the Tourism Business University started a snack business using their university restaurant kitchen. The business has kicked off, giving members the chance to build skills for their lifetime. This "Youth Enterprise" SPARK Solution is being refined for further rollout in 2015.

SPARK started supporting Association des Etudiants et Éléves Rescapés du Genocide (Association of Student Survivors of

Genocide in Rwanda; AERG), to assist young survivors with their reintegration into society, restoring their faith after the tragedy of genocide and assisting them to design a better future through entrepreneurship. As a committed new partner, AERG brought about several successes, including helping young people to access finance and grow their businesses.

Furthermore, a loan-guarantee scheme has been established in collaboration with the Kenyan Commercial Bank. Mr Bwanalege Patrick, a resident of the Nyagatare District and winner of the local SPARK Business Plan Competition, received 5 million Rwandan francs through this fund. This enabled him to start a bakery business, where he currently employs eight people.

Lessons Learned

As part of MFS II, Local Advisory Councils (LAC) and Programme Advisory Councils (PAC) are hosted annually to gather direct feedback on SPARK's relationships with its local partners and the direction of programming for each programme country. As it was the fourth year of the MFS II programme, this year's meetings focused on advancing implementation power, better collaboration among local partners and improving the organisational and financial sustainability strategies of local partners. An important discussion point at the PAC meeting was the issue of post-MFS

II sustainability for our local partners. Two notable and illustrative action points from the discussions were:

- Exploring way in which to work on joint fundraising opportunities;
- Working more collaboratively with other local partners so as to avoid fragmented efforts toward the same objectives and thus be more efficient and effective.

Events

As part of MFS II – and funded with MFS II resources – SPARK organised the second edition of its IGNITE! Conference and a series of expert meetings on various aspects of entrepreneurship development in FCAS.

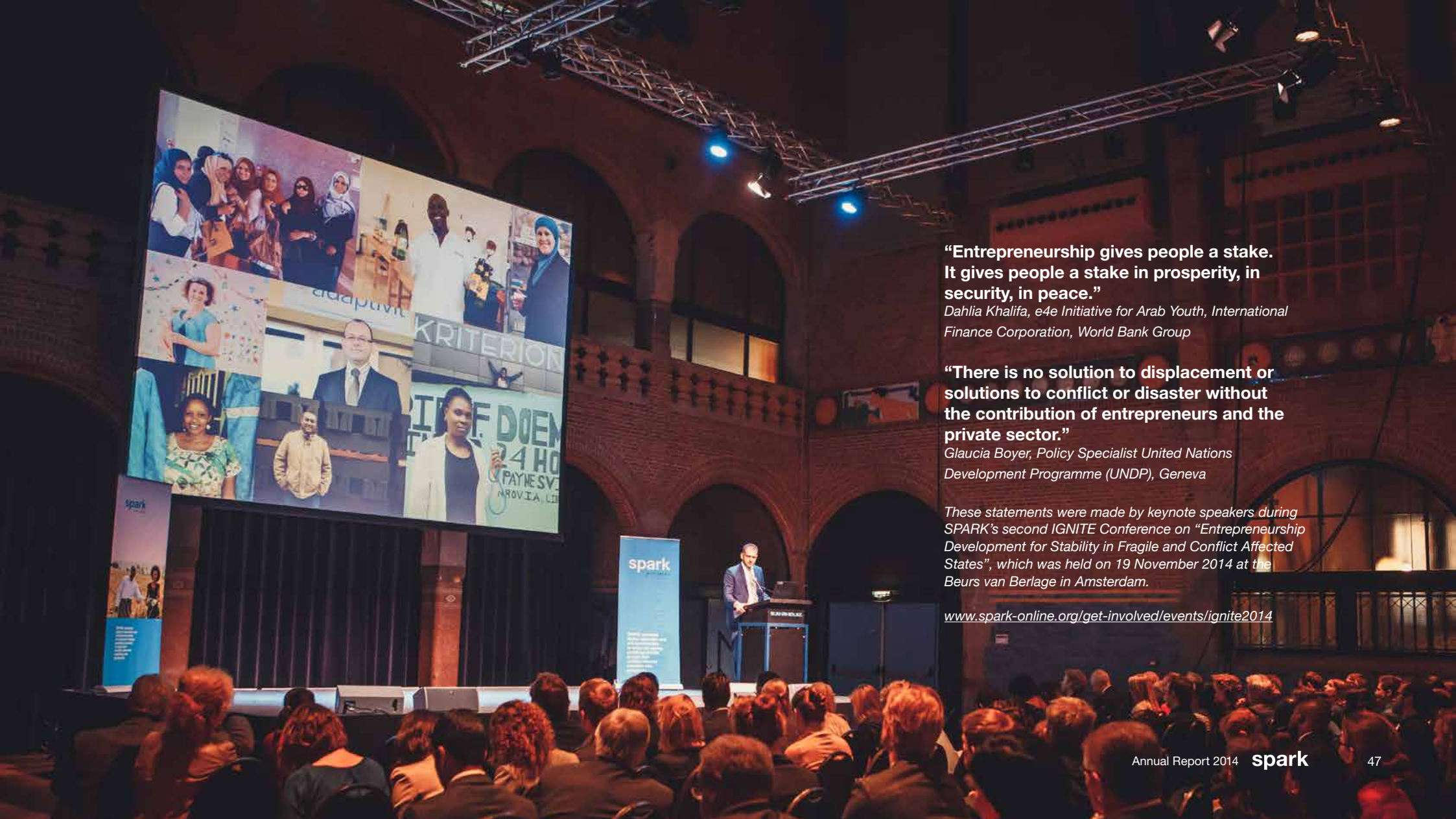
IGNITE! Conference 2014

The second IGNITE! Conference took place on 19 November 2014 and successfully built on the format of the first edition. Under the theme “Entrepreneurship Development for Stability in Fragile and Conflict Affected States”, 256 participants – almost twice as many as in the first edition – gathered in the Beurs van Berlage in Amsterdam to discuss how to best create economic opportunities for marginalised people in FCAS. The participants, ranging from entrepreneurs to NGO professionals, from policy makers to academic

researchers as well as university students, contributed to an intense day of discussions, workshops and presentations.

The Dutch Minister of Foreign Trade and Development Cooperation, Lilianne Ploumen, opened the conference. After her, speakers from UNDP Rural Entrepreneurship Project Burundi, International Labour Organization (ILO), Silatech, Heineken/Brarudi, International Finance Corporation (IFC), Conflict Affected States in Africa (CASA), Clingendael Institute, The Hague Institute, UN Global Compact, Fairphone, Cordaid, SpringFactor, XSM Capital, Netherlands African Business Council (NABC), and PUM Netherlands Senior Experts used the platform to discuss how job creation can contribute to a sustainable economic and politically stable environment.

As part of the IGNITE! Conference, SPARK organised its first research competition. Roxana and Bogdan Romanica authored the winning proposal on “Personal Social Networks Management for Business Development in Conflict-Affected States”. Their research will focus on the importance and stimulation of personal social capital of entrepreneurs. It will be conducted in Kosovo and entail ten case studies of small business started during or after the conflict. The researchers received €5,000 in funding from SPARK and will be coached by the Amsterdam Business School, University of Amsterdam. SPARK is already looking forward to the



“Entrepreneurship gives people a stake. It gives people a stake in prosperity, in security, in peace.”

Dahlia Khalifa, e4e Initiative for Arab Youth, International Finance Corporation, World Bank Group

“There is no solution to displacement or solutions to conflict or disaster without the contribution of entrepreneurs and the private sector.”

Glaucia Boyer, Policy Specialist United Nations Development Programme (UNDP), Geneva

These statements were made by keynote speakers during SPARK's second IGNITE Conference on “Entrepreneurship Development for Stability in Fragile and Conflict Affected States”, which was held on 19 November 2014 at the Beurs van Berlage in Amsterdam.

www.spark-online.org/get-involved/events/ignite2014

third IGNITE! Conference in 2015, when Roxana and Bogdan will present their findings.

For more information about the IGNITE! Conference, a detailed report, recordings of the keynotes and all workshop presentations, visit this website:

www.spark-online.org/get-involved/events/ignite2014

Research competition: www.spark-online.org/get-involved/research-competition

SPARK Expert Meetings 2014

Over the course of 2014 and 2015, SPARK is organising eight expert meetings with a wide spectrum of international partners. SPARK believes that the impact of programmes in these challenging environments can be increased only through multi-stakeholder cooperation. The meetings have been designed to deepen understanding of the role of entrepreneurship in the development of stability in FCAS, to develop concrete tools with key partners and to place entrepreneurship development higher on the international policy agenda. In 2014, three of these expert meetings took place.

The first meeting, in The Hague, focused on the role of advocacy for improving the business environment. The second meeting took

place during The Hague Conference on Business and Human Security in collaboration with The Hague Institute for Global Justice and focused on challenges for businesses in promoting human security and justice in fragile settings. The third meeting in New York City was organised in collaboration with UNDP and focused on the sustainability and quality of jobs created in (post-) crisis contexts. All expert meetings provided valuable insights and strengthened the cooperation of participating organisations.

Lessons Learned

A key lesson drawn from the meeting in The Hague on the role of advocacy in PSD was that entrepreneurship advocacy can indeed lead to a better business environment and thus increased job creation. Moreover, the necessity of political support for a multi-pronged approach to business advocacy was discussed, as was the need for advocacy efforts to incorporate as a targeted objective increased inclusiveness in respective labour markets. The New York meeting with UNDP centred on creating jobs through local entrepreneurship in crisis-affected environments, with a special focus on innovative approaches to doing this and on how to best measure results from such approaches. Practitioners debated vital questions for PSD in fragile states. What is a (sustainable) job? How do practitioners define a job? Can there

be one, universal definition in our sector? It was argued that the importance of knowing how to categorically define such key indicators is fundamental to guaranteeing quality M&E practices across the sector. Similarly, how to measure the impact NGOs have (or do not have) on job creation, the reduction of violence and increased sense of security and stability in fragile states was debated.

More about the programme: <http://www.spark-online.org/projects/entrepreneurship-development-programme-mfs-ii/>



Rebuilding a state begins with schools

Myanmar Thanlyin University

“Do you know which skills Myanmar society and employers expect from your graduates?” This was just one of the many group exercises participants engaged in during their training, organised by SPARK, in Thanlyin, East Yangon. The session covered themes such as curriculum design, entrepreneurship and research culture.

Participants were well aware of the skills Myanmar demands of its graduates – and of the very real challenge this poses for the country, a fragile state making its first steps towards a functioning democracy and market economy. The lack of a well-qualified work force is one of the biggest challenges for developing Myanmar’s public and private sectors. With new economic opportunities and growing support for SMEs, more people are considering establishing businesses in the region. But for businesses to grow, it is not enough to have a brilliant idea; the necessary skills are also vital.

Both SPARK and Miriam College from the Philippines shared know-how on mainstreaming entrepreneurship in formal education curricula. Fostering a research culture was another topic discussed, as many universities want to embrace research and development paths in order to contribute to solving local problems and supporting technology transfer.

The significance of building networks was one of the most important conclusions drawn by participants. SPARK and its partners were impressed by participants’ hunger for knowledge, and will continue to support schools after the training session. “Next, we want to have a discussion with our students about what kind of education they want” – were the closing remarks from the Director of Thanlyin University.

4.5 Other Major Projects

This section briefly describes four projects that are important in terms of financial volume, but will not be described in detail in this annual report. These programmes are either in their last year or relatively new, and thus the choice has been made to highlight them in next year's report. Final results or more meaningful progress reports will be delivered then.

Youth Engagement Programme (YEP)

Quick Facts YEP	
Countries	Burundi, OPT, South Sudan
Duration	2012-2015
Financed by	NLMFA (Political Parties Fund II)
Overall budget	€1,882,500
Spent in 2014	€ 507,362
Objective	To enable youth to advocate for and improve their socioeconomic position through a multi-stakeholder approach

Quick Facts YEP (continued)	
Partners	The Hague Academy for Local Governance, Fontaine Isoko (Burundi), New Generation (Burundi), FOCODE (Burundi), PYALARA (OPT), Matmedia (South Sudan), SUTCO (South Sudan)
Youth in networks	1,070
Networks of senior leaders	5
Advocacy plans developed for improving the socioeconomic position of youth	5
Socioeconomic issues formally tabled at multi-stakeholder dialogue events	8
Youth placed in mid-level decision-making positions in civil society	7
Entrepreneurs trained	305

The Youth Engagement Programme (YEP) was initiated in 2012 with the aim to create an enabling environment for youth in order to improve and advocate for their socioeconomic position.

This includes capacity building for local private and educational organisations, civil society and governmental and political institutions. Youth participation is crucial for the improvement of youth's socioeconomic position, which will help to overcome poverty and contribute to long-term stability and political trust and legitimacy. Programme countries are Burundi, the OPT and South Sudan – the latter two being especially marked by high instability in 2014. SPARK and its implementing partners are well aware of the political sensitivity in the programme countries, which is reflected in strict political neutrality, a high level of inclusiveness and a gradual and careful approach towards democratisation and political agency.

In 2014, YEP was able to achieve good results on output and outcome levels. In all three countries, local partners have been able to develop their campaigns or initiate new ones. Youth networks continue to grow at regional and national levels, reaching out to an increased number of people. Youth are now involved in political processes, and regular exchanges between political parties, leaders and their youth leagues now exist. The political contexts in the programme countries remain challenging, but with YEP entering its fourth year in 2015, SPARK's local partners and the youth involved are better equipped for the challenges they face.

The renewed violent conflicts in OPT and South Sudan and difficulties with a local partner in Burundi severely impacted the achievement of outcome results in 2014. Nevertheless, SPARK aims to achieve strong results on all indicators in 2015, and will continue to strengthen local partner capacities, even with a more constrained budget for the final year of the programme.

YEP has yielded valuable lessons in the realm of youth political participation. Having engaged in the political arena in three volatile countries (Burundi, OPT and South Sudan) over the past year we can conclude that:

- a. Becoming politically involved is a longer, more challenging process than anticipated. This is primarily due to difficulties in gaining formal access to the political debate and process and to youth, as key stakeholders, not being taken seriously;
- b. Political processes in these countries are not transparent and can be detrimentally bureaucratic; often, youth in these countries are hindered from becoming politically engaged by a lack of sufficient education and skills;
- c. Fear: youth are often scared to stand up for their rights and raise their voices in these countries, where political violence and intimidation exist.

To tackle these challenges it is crucial that:

1. Youth are amply prepared before becoming politically active;
2. The right persons – pioneers – in political parties, government and other civil-society organisations are found and engaged, so that they can open doors for youth;
3. Political engagement of youth in fragile regions must be seen as a long-term process that will continue beyond 2015.

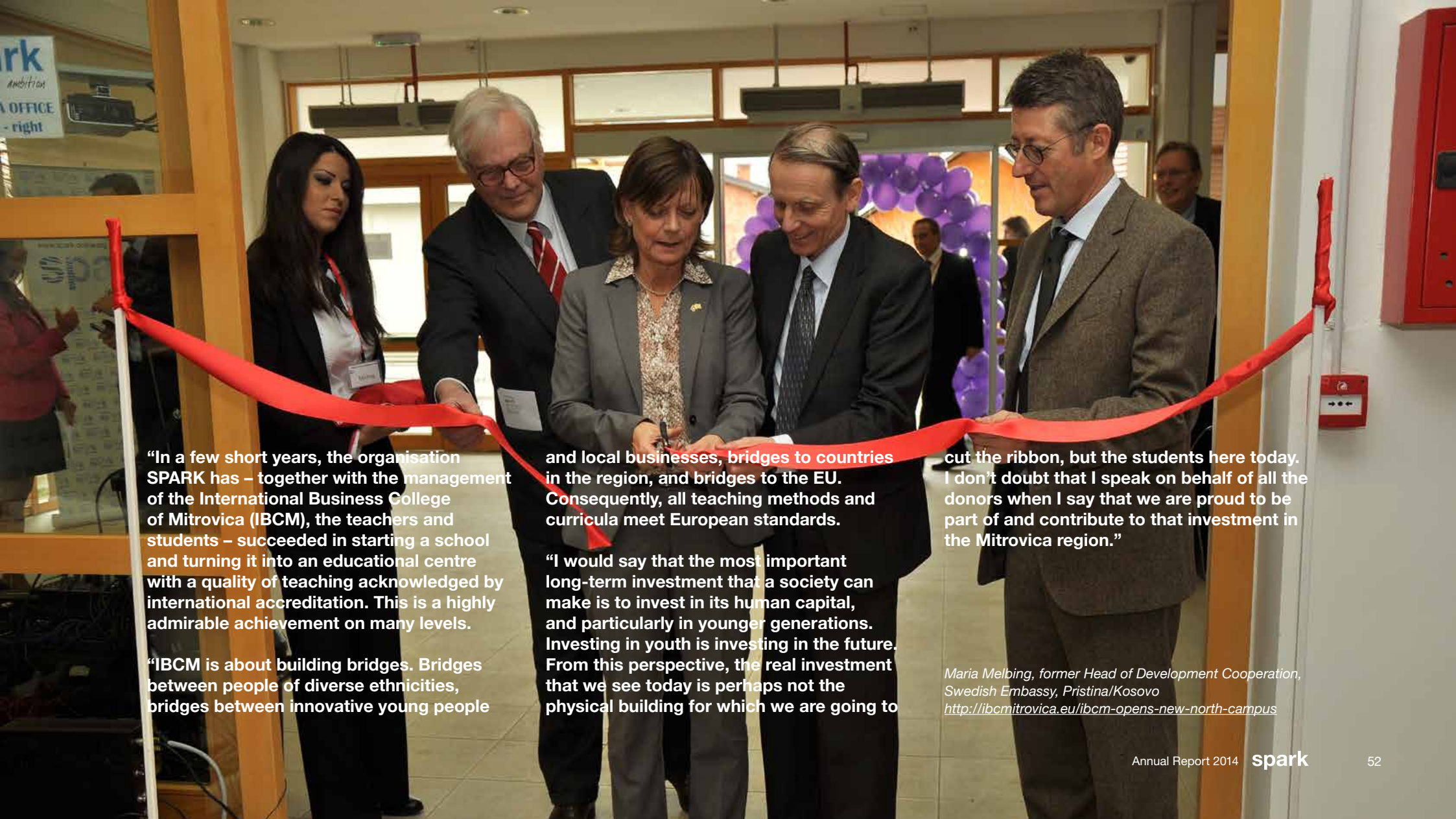
Migrant Entrepreneurship Programme (MEP)

Quick Facts MEP	
Countries	Afghanistan, Ghana, Iraqi Kurdistan, Morocco, Somalia, Surinam
Duration	2014-2016
Financed by	NLMFA
Overall budget	€1,963,625
Spent in 2014	€ 392,767
Objective	To support young migrants who have the ambition to start a business in their country of origin
Partners	BeLink Consultancy, DutchSom Business Council, Kurdistan in Business, Recogin, Intent Morocco, MDF-West Africa, Ministry of Industry of Somaliland (MoU), Horn Rescue Center

Quick Facts MEP	(continued)
Directly reached diaspora	540
Entrepreneurs trained	40
Supported SMEs	2

The Migrant Entrepreneurship Programme (MEP) was instigated in 2014 and encompasses activities in Afghanistan, Iraqi Kurdistan, Ghana, Morocco, Somalia and Surinam. The idea underlying this programme is to activate the potential of the diaspora to engage in business development in their countries of origin. It targets migrant entrepreneurs by supporting them with either setting up a business or a branch of an existing business in their home countries. As 2014 marked the start of this programme, activities last year focused mainly on setting up the programme and promotional activities. Initial Business Skills Trainings and Business Plan Competitions were held and entrepreneurs identified who will receive support in the coming years. For 2015, further promotional activities are planned and SPARK expects to realise scale and become fully operational in both the Netherlands and the programme countries.

A valuable lesson was learnt as a result of MEP activities in Somalia. During the implementation, SPARK noticed tensions



“In a few short years, the organisation SPARK has – together with the management of the International Business College of Mitrovica (IBCM), the teachers and students – succeeded in starting a school and turning it into an educational centre with a quality of teaching acknowledged by international accreditation. This is a highly admirable achievement on many levels.

“IBCM is about building bridges. Bridges between people of diverse ethnicities, bridges between innovative young people

and local businesses, bridges to countries in the region, and bridges to the EU. Consequently, all teaching methods and curricula meet European standards.

“I would say that the most important long-term investment that a society can make is to invest in its human capital, and particularly in younger generations. Investing in youth is investing in the future. From this perspective, the real investment that we see today is perhaps not the physical building for which we are going to

cut the ribbon, but the students here today. I don't doubt that I speak on behalf of all the donors when I say that we are proud to be part of and contribute to that investment in the Mitrovica region.”

*Maria Melbing, former Head of Development Cooperation, Swedish Embassy, Pristina/Kosovo
<http://ibcmmitrovica.eu/ibcm-opens-new-north-campus>*

between diaspora returnees and locals, particularly in the perception that the diaspora has a certain advantage over the locals who had remained in the country. SPARK avoided segregation by including a project to support local students in the programme, and therefore expanding it beyond the (perceived) wealthy diaspora. Now, the project provides young Somali entrepreneurs with the opportunity to connect with more experienced diaspora entrepreneurs.

For an exemplary story regarding the MEP, see page 44. More about the programme can be found here: www.spark-online.org/projects/migrant-entrepreneurship

Agri-Business Creation (ABC) programme

Quick Facts ABC	
Countries	Burundi, South Sudan, Yemen
Duration	2013-2016
Financed by	NLMFA
Overall budget	€ 5,824,085
Spent in 2014	€ 865,911
Objective	To strengthen human security through rapid rural job creation in fragile states
Partners	Burundi: Caritas, Caisse Cooperative d'Epargne et de Credit Mutuel (CECM), Centre de Formation Rural (CFR), Coopérative Solidarité avec les Paysans pour l'Epargne et le Crédit (COSPEC), Mobile Business Incubator (Mobinc), Terrafina Microfinance South Sudan: Agriculture Advisory Organization (AAO), Action for Children Development Foundation (ACDF), Keliko Farmers Association Society (KFAS), Business Support Centre (BSC), COMPASS Yemen: CAC BANK, For All Foundation (FAF), Yemen education For Employment (YEFE), Yemen Microfinance Network (YMN), Yemen Leadership Development Foundation (YLDF)
Entrepreneurs trained	400
Jobs created	100
SMEs created	64

The ABC programme was designed to promote entrepreneurship and job creation in agricultural value chains and is currently being implemented in Burundi, South Sudan and Yemen. The aim is to contribute to stability as well as human and food security by supporting agribusiness development projects. Local partners include business-development service organisations, farming associations, higher vocational schools and financial institutions. The programme rests on three pillars:

1. Capacity-building of local partners and stakeholders in rural value chains;
2. Job creation by facilitating agricultural entrepreneurship and value-chain development with local partners;
3. Increasing government legitimacy through enhancing its role in value-chain development and food-security policy making.

In 2014, programme progress – especially in Yemen and South Sudan – was severely impacted by the volatile situation in those countries. Consequently, activities needed to be adapted or postponed, which has impacted the achievement of targeted results. Nevertheless, selected value chains could be further developed and contributions to stability and security could be made. For example, the Keliko Farmers Association Society (KFAS) in South Sudan received a warehouse for grains from the World Food Programme (WFP), but was not able to fully utilise it

and to deliver on the contracts with WFP. SPARK stepped in and provided a loan to KFAS to enable the association to lend money to its members and thus increase production. Because of this intervention, the KFAS has been able to fulfil the contract with the WFP and to supply two local market buyers. As a result, the WFP does not need to import all its supplies and the KFAS diversified its customer base.

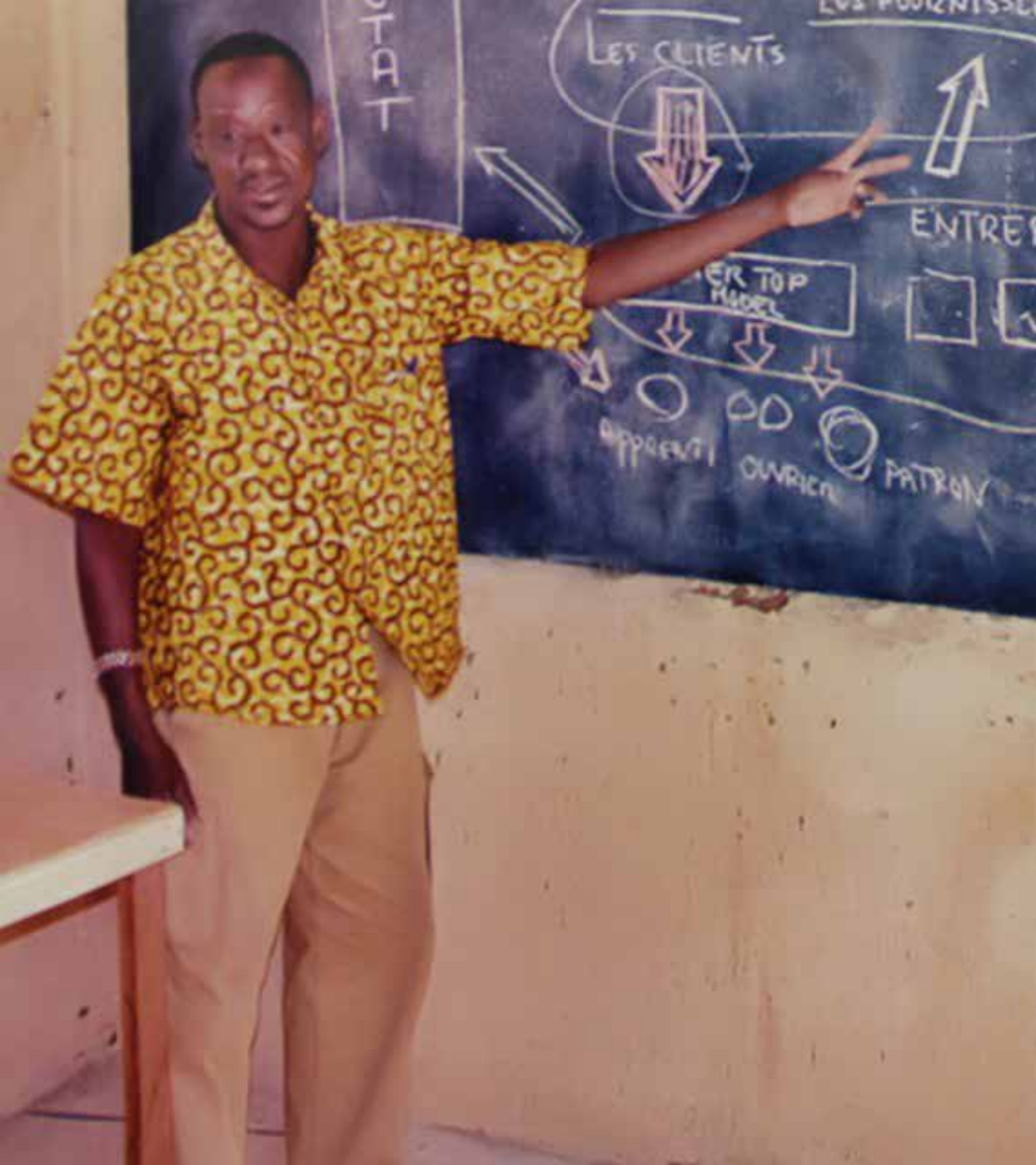
The SPARK story on page 86 gives further insight into the ABC programme. More about the programme: www.spark-online.org/projects/agri-business-creation-abc

Cooperatives Support Programme (CSP) – Rwanda

Quick Facts CSP	
Duration	2013-2016
Financed by	NLMFA through Embassy of the Kingdom of the Netherlands in Rwanda
Overall budget	€1,851,025
Spent in 2014	€ 405,288
Objective	To accelerate agribusiness development by promoting rural economic growth and job creation, thus contributing to food security and stability
Partners	Terrafina Microfinance (TMF), Wageningen University, MINAGRI and Agriprofocus
Cooperatives trained	39 (40)*
Cooperative managers reached	271 (120)*
Cooperatives/businesses provided with financial services	10 (4)*
Percentage of women entrepreneurs trained	34% (50%)*
Market analyses conducted	4 (4)*
Identified market opportunities	6 (8)*
	*result (target)

The Cooperatives Support Programme (CSP) started in May 2013, building on the ABC programme in Rwanda and focusing on four value chains: beans, Irish potatoes, maize and horticulture. The CSP targets on the one hand cooperatives and businesses that have already received technical support, but lack further entrepreneurship capacities. They are offered a business-skills package and training, coaching, mentoring, market and financial linkages. On the other hand, the programme is directed at existing cooperative support networks, which are also provided with coaching and training to improve their business skills. In the longer run, this will help to increase production and foster innovation, while creating jobs in the entire supply chain and strengthening support networks.

The focus in 2014 has been on the development and implementation of a business-driven capacity-building programme for the targeted cooperatives. Additionally, SPARK commissioned market assessment studies to identify promising business opportunities. An initial group of 39 cooperatives received the first tailored training covering five different modules, and tailored coaching materials have been developed. A second recruitment process has been started, which resulted in 131 applications by cooperatives from 12 districts; 60 of those will be selected for support by the CSP.



An Inspiring Encounter In Segou

CEEUS *Mali - Awa Lo*

In search of furniture for our new office in Ségou, Mali, SPARK came across Awa Lo's carpentry shop. An entrepreneur who combines his work with the Centre de Formation Professionnelle et Technique educational centre, Awa Lo trains young disabled people to become carpenters, enabling them to open their own carpentry shops.

The young men who work at Lo's shop are deaf and communicate solely through sign language – “We can do everything except talk,” they proudly express. Classes consist of 20 students, who learn the basics of carpentry and entrepreneurship. During workshops, students assist the carpenter in designing and manufacturing furniture, which ranges from closets and couches to beds and tables. They also learn to sew fabrics used for decorating couches.

Lo explains: “A friend of mine is disabled and he often asked me for assistance. I came to the conclusion that it was better to teach him certain skills to make a living. I convinced him to learn how to make furniture and so he did. Now he is a successful carpenter.”

SPARK prioritises using local resources and suppliers, buying goods and services locally in order to support the local economy, entrepreneurs and initiatives such as that of Awa Lo.

The collaboration with TMF aims at developing a new “access to finance” tool and capacity building for seven local MFIs in order to improve the investment climate for agribusiness cooperatives. SPARK initiated a context-and-needs assessment to design a specific capacity-building action plan for the cooperatives’ service providers. 2015 will be another year of intensive capacity-building activities, especially as some of the budget planned for 2014 could not be realised and has been reallocated to implementing activities in 2015 and 2016.

The SPARK story on page 13 demonstrates the work of the CSP in Rwanda.

More info about the CSP can also be found on the Rwanda country page on SPARK’s website: www.spark-online.org/region/rwanda

4.6 IGNITE Fund

Quick Facts IGNITE Fund	
Launched	2014
Countries	Burundi, Kosovo, Liberia, OPT, Rwanda, Somalia, South Sudan
Part of	SPARK Access to Finance Solution
Objective	Bridging the financing gap for promising entrepreneurs from SPARK programmes, who need < €0.5 million funding but lack collateral required by local banks
Companies screened	73
Letter of Intent sent/Due Diligence conducted	26
Term sheet negotiation started	7
Term sheets signed	5
Financed businesses	None in 2014 (first businesses financed in 2015)

The IGNITE Fund was formally launched in 2014 and is part of SPARK’s Access to Finance Solution (see also 3.2). SPARK

identified a number of promising businesses in its programmes that are in need of less than €500,000 funding, but lack the collateral required by local banks. To bridge this financing gap, SPARK set up the IGNITE Fund.

In 2014, SPARK started building an internal investment management team by bringing in outside investment professionals, with a special focus on local investment expertise and business analysis skills. The main objective was to augment SPARK’s in-house skills and ensure SPARK has the expertise required to manage an equity investment vehicle.

One of the main challenges of designing the investment fund was the question of how to target as many SMEs as possible while being constrained by overall financial-return objectives as well as being realistic about the economics of the investment fund. Overcoming these challenges, the fund is now designed to apply innovative equity investment tools to mitigate difficulties typically faced in valuations and investment exits for SMEs in frontier markets.

IGNITE Fund Investment Criteria

- *Strong management competency*
- *Required for small investments: successful completion of SPARK's Business Incubation Programme with successful track record of loan repayments*
- *Meaningful, measurable and high quality of social impact*
- *Viable and scalable business model*
- *Viable exit strategy and market attractiveness*
- *Value-chain expansion to include marginalised communities*
- *Ethical business without negative environmental or social impact*
- *Sign anti-terrorism/anti-discrimination/anti-corruption pledge.*

IGNITE Fund is designed to tap into SPARK's local technical assistance infrastructure to support portfolio clients to be operationally and financially successful. By marrying SPARK's innovative deal structuring with tailored technical assistance, IGNITE Fund can deliver distinct financial and social-impact returns to its investors.

IGNITE invests in SMEs in FCAS. Through its rigorous investment process, the fund managers identify and invest in market-leading or potentially market-leading companies in their respective industries, which are managed by selected entrepreneurs. Special attention is paid to those businesses operating in agri-processing and light manufacturing with strong business fundamentals and secure cash flows. The IGNITE Fund places high priority on those businesses with great potential to create jobs and tangible economic benefits to help stabilise the fragile societies in which they operate – which contributes to stability and overcoming conflict.

IGNITE Fund Activities and Lessons Learned

The long-term goal of the IGNITE Fund is to be operational in Burundi, Kosovo, Liberia, Mali, OPT, Rwanda, South Sudan and Somalia. In 2014, the fund team focused on starting its investment activities in Kosovo, Liberia and Rwanda. In all these countries, SPARK started with screening the market for potential investees, in particular assessing the companies in SPARK's MFS II network, acquired through its Business Plan Competitions, business advisory services, access to finance and other complementary services. The assessment of SPARK's portfolio was undertaken together with MFS II partners. The businesses skewed on the small side of the

SME spectrum. During the early stages of the fund's due diligence process, many of the targets proved too small to meet the IGNITE Fund's financial and impact-investment objectives.

Over the months, the local investment professionals screened hundreds of SMEs for possible investment. After the initial screening phase, the most promising companies were selected to enter the due diligence process. IGNITE Fund's due diligence is an intensive process where the investment professionals spend a significant amount of time learning about the finances, business strategy and competencies of each company they are assessing. Internally developed competency-assessment, risk-assessment and impact-assessment tools are used to help understand these businesses.

Throughout this process, the sharing of analysis tools and exchange of lessons learned between the investment professionals across continents has been encouraged. By having the different investment teams bring fresh eyes to businesses being assessed, the due diligence process has been significantly strengthened.

The most promising businesses were then presented to the Investment Committee (IC) for approval. The first two deals were approved in the food-processing and agri-processing sectors in

Rwanda. These deals were going through a closing process by the end of 2014.

The lessons learned during the first two deals have been used to improve the internal processes in order to conduct new deals more efficiently. Fund managers have been able to fine-tune the investment model, are now more familiar with the demands of the IC and are able to select and assess potential portfolio companies more efficiently.

The investment team in Liberia had an especially challenging experience. In August 2014, the Liberian government declared a state of emergency due to the rapidly deteriorating public health situation caused by Ebola. Many businesses were forced to operate at reduced capacity or to shut down completely. IGNITE Fund's investment team left Liberia in August and did not return for the remainder of the year. As part of the response to Ebola, the IGNITE Fund team joined colleagues at SPARK for the SMEbola project (see 4.3) to provide loans to small businesses that were positioned to make an immediate impact in Liberia during the Ebola crisis. Those loans were made to companies providing general food security and delivering products and services to Liberia's struggling health sector.

2014 was both a testament to the inherent risk of investing in crisis-affected states like Liberia and a validation of how important those investments can be.

In 2015, the IGNITE Fund could play a special role in Liberia's post-Ebola economic recovery by building on lessons learned in 2014, while continuing to help other FCAS to recover after their respective challenges. Special attention will be paid to the need to take an active role in ensuring that SPARK's programmes are preparing entrepreneurs to start and operate the highly scalable businesses that the IGNITE Fund requires.

Market Outlook

IGNITE Fund is active in countries that are not considered easy environments for investment. These countries are generally underdeveloped, while regulations and processes are not as transparent as in developed economies, and legal enforcements are weak. Navigating in such environments requires strong understanding of the underlying economics and major macro-trends as well as skilful use of various risk-mitigation strategies. Despite these challenges, SPARK's investment team, with decades of combined market knowledge, feels cautiously optimistic about the IGNITE Fund's overall SME investment environment.

Market-specific assessments of the fund's three key markets can be found on the IGNITE fund website: www.ignite-fund.org/post/117505908868/ignitefundreport

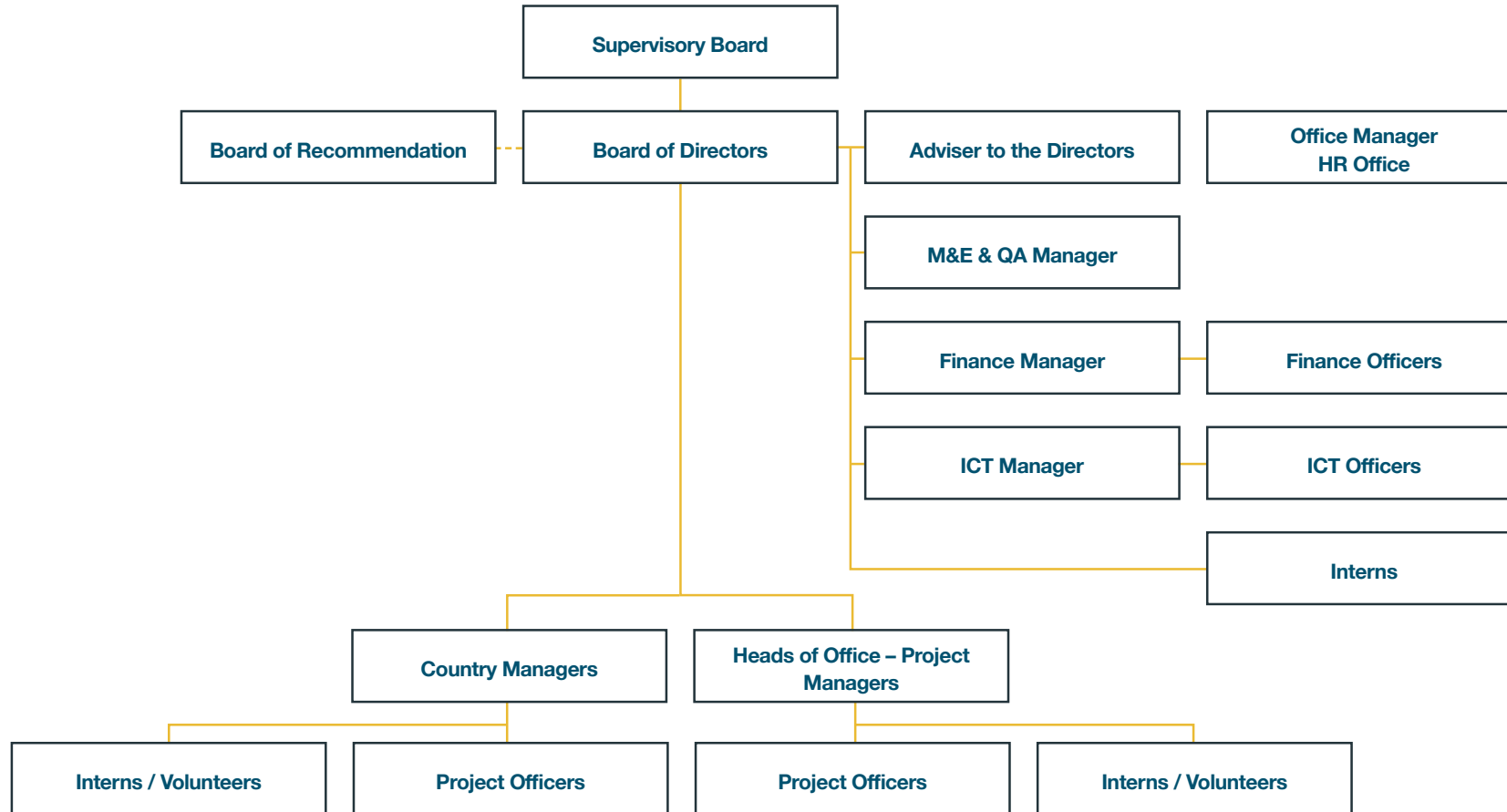


Aisha Mohamed Ahmed
Tea Garden, Somalia

5. Organisation

Management and supervision are clearly separated at SPARK. In order to ensure transparency according to the Centraal Bureau Fondsenwerving (CBF) and Code Wijffels, a Supervisory Board (SB) and a Board of Directors (BoD) are in place. Various staff members report to the directors: the M&E, Finance, HR and ICT managers as well as the Adviser to the Directors. In the headquarters and the field offices, a number of interns further support the daily operations and various projects. For support and internal control reasons, annual operational audits are conducted in the field offices.

5.1 Organisational Actors



Board of Directors

The BoD oversees daily operations and management of the organisation, as well as decision-making regarding policy, project development and innovation. The responsibilities, obligations and tasks of the BoD are stipulated in the SPARK statutes.

Director: Yannick du Pont
Co-director: Michel Richter

Remuneration: the members of the BoD receive salaries based on the Vereniging Fondsenwervende Instellingen guidelines for NGOs with two directors.⁵

The salary amounts are mentioned in the specification of the Statement of Income and Expenditures of the financial report and posted online at the SPARK TranSPARKency website: www.spark-online.org/results/transparkency

Other Affiliations

Yannick du Pont holds three other positions without receiving remuneration for these. He is a board member of the Foundation

⁵ In 2014 the SPARK Supervisory Board approved that Yannick du Pont should receive compensation for a work-related apartment in Belgrade and compensation for two family flights as he worked part-time from the Belgrade Business Development office of SPARK. Both are discontinued in 2015, as his focus of work has shifted in the course of early 2015 towards MENA and East Africa (see chapter 6 on Finance for more details).

Max van der Stoel, member of the advisory board of the Centre for Theory of Change in New York and sits on the steering committee of the Netherlands Knowledge platform Security & Rule of Law. Michel Richter is (unpaid) director of the Stichting voor Bewaring van IGNITE Fund.

Supervisory Board

SPARK's SB monitors and evaluates the BoD. At the end of 2014, the SB consisted of eight members. The members of SPARK's SB complement each other in terms of expertise and background. Each member of the SB needs to be independent, as described in the Statutes of SPARK and in the established general profile for an SB member. Members hold their position for a maximum of four years, with the possibility of reappointment for one more period of a maximum of four years. SB members do not receive any compensation (other than out-of-pocket expenses on behalf of SPARK). Further details on the remuneration of the SB and the BoD can be found in the Financial Report.

An overview about the boards can also be found on the website: www.spark-online.org/about-us/organisation

Report by the Supervisory Board

SPARK's SB supports the organisation in the pursuit of its mission

and its continuous striving for quality, transparency and innovation in all its activities. The SB's main responsibilities are to supervise the BoD and to ensure that SPARK's activities are in line with its mission statement. In 2014, the seventh year of its existence, the SB, the BoD and the Adviser to the Directors met five times to discuss the progress of projects and strategic issues.

The SB adheres to the Code Wijffels, the SPARK Statutes and the regulations of the SB. In line with CBF regulations, the SB established a Supervisory Board Accountability Statement (available at: www.spark-online.org/about-us/organisation). The accountability statement specifies how:

1. The SB executes its supervision of the BoD's work;
2. The SB monitors the organisation's spending of funding in relation to the impact attained by its work; monitoring criteria are cost-efficiency and effectiveness of activities;
3. The SB monitors whether the organisation communicates with and provides information to its stakeholders in a transparent manner. This includes control of SPARK's implementation of recommendations and its complaints management.

In 2010, SPARK introduced an evaluation mechanism for the SB. The board self-evaluates its own decisiveness, its monitoring

performance and the clarity and transparency of its relationship with the BoD.

The members of the BoD are appointed by the SB. The BoD's two current members are

- Yannick du Pont (director)
- Michel Richter (co-director)

The SB conducts annual performance-assessment meetings with the members of the BoD. The assessments review the BoD's performance on organisational targets as well as personal ambitions and management style. In 2014, the assessment meetings took place in November and December respectively.

The SB monitors an efficient and effective execution of the multi-year plan and, based on that, the annual plan. The main targets of the annual plan are approved by the Supervisory Board, while the other activities fall under the supervision of the Board of Directors.

In 2014, the SB approved:

- Annual plan 2015, taking into account the 2011-2015 multiple-year plan and SPARK's mission;
- Budget 2015;
- Annual Report 2013, including a Financial Report.

In addition, the SB and the BoD discussed the developments regarding:

- The management letter and the letter to SPARK's accountancy firm, Dubois;
- Dubois' interim review of SPARK's finances;
- Project development & acquisition;
- Developments in SPARK's three main programmes, the Enterprise Development Programme (MFS II), the ABC programme and YEP;
- SPARK's Syria programme, which is run from the Turkish city of Gaziantep and the registration of SPARK as an NGO in Turkey;
- Developments at the SPARK-founded and -controlled International Business College (IBCM) in Mitrovica, Kosovo;
- The organisation's policy on its financial reserves;
- The staff survey 2013 and the management review 2013;
- The establishment of the IGNITE Fund;
- SPARK's submission to the Dutch Ministry of Foreign Affairs' Dialogue and Dissent tender (the successor of the current MFS II programme, which has been SPARK's main source of income since 2012).

Besides the regular SB meetings, two extraordinary meetings were held:

- With the SB of BiD Network, SPARK's partner in the United Entrepreneurship Coalition (MFS II programme). Topics of discussion were the coalition's progress on financial targets and indicators as well as possible risks;
- With SPARK's SB on the establishment of SPARK's IGNITE Fund.

Yours faithfully,
SPARK Supervisory Board Members,
Amsterdam May 2015

SPARK Supervisory Board

Name	Title	Position	Since	Occupation
Erik Dirksen	MSc	Chairman	2007	Former lecturer at the Faculty of Economics and Business Studies, University of Amsterdam, the Netherlands
Olaf Bartelds	MA	Secretary	2007	Senior Project Manager, Netherlands Foreign Investment Agency, The Hague, the Netherlands
Johan Bogaard	MSc	Treasurer	2013	Corporate Director Group Control at USG People NV, the Netherlands
Mare Faber	MA	General Board member	2008	Advisor/Trainer at Governance & Integrity NL, the Netherlands
Marjolein Lem-Brouwer	MA	General Board member	2009	Managing Consultant, Berenschot International, the Netherlands
Dukagjin Pupovci	Dr	General Board member	2009	Executive Director of the Kosovo Education Centre and Professor at the University of Pristina, Pristina, Kosovo
Janne Nijman	Dr	General Board member	2012	Associate Professor of Public International Law at the University of Amsterdam and owner of NILO
Jok Madut Jok	PhD	General Board member	2014	Executive Director of the SUDD Institute, South Sudan



From small-scale bakery to multi-branch growth

MFS II/ IGNITE Fund *Rwanda - Speciose Byukuseng*

Speciose Byukusenge, owner of small-scale bakery Le Grenier in Kigali, was one of the first IGNITE Fund entrepreneurs. Having initially opened a restaurant for which she did all the baking, Byukusenge's bread was so popular that several local schools began to purchase theirs exclusively from her. With demand rising, over time Byukusenge's baking overwhelmed the restaurant so she decided to focus solely on that, and opened Le Grenier bakery.

Since opening Le Grenier 2013, Byukusenge has seen a rapid increase in demand for her baked goods, and the shop has outgrown the original small retail space. Despite its popularity and the fact that demand far exceeded Le Grenier's capacity, the bakery couldn't expand without working capital and capital expenditure investments.

In 2013, Byukusenge won a business-plan competition organised by SPARK and Rwanda Tourism University College, instantly putting her on the radar of the IGNITE Fund. Le Grenier showed great potential and eligibility throughout the competition. Although her production level was low, the bakery had a high market demand, with secured contracts with schools and other large institutions. Having evaluated Byukusenge's marketing and investment plan, SPARK concluded that her business was worthy of investment. With the help of the IGNITE Fund, Le Grenier has already increased its production capacity five-fold. With improved technology, new machines, the opening of six additional retail locations and funds to meet the current high demand, Le Grenier is set for success and further expansion.

5.2 Staff

SPARK employs staff at the headquarters in Amsterdam but mostly at its field offices in Belgrade (Acquisition), Benghazi, Bujumbura, Erbil, Gaziantep, Hargeisa, Juba, Kigali, Mitrovica, Monrovia, Pristina, Ramallah, Sana'a, Ségou, Skopje (ICT) and Yangon. Most field offices work with local staff and one expat.

On average in 2014, the number of staff employed by SPARK was 71. Nineteen staff members (of six different nationalities) were Amsterdam-based. 74% of staff is working in the field offices. In total, SPARK employed people of 21 different nationalities. 39% of the staff is female, 61% male. SPARK is a young organisation, with 50% of staff being younger than 35.

HR Policy

SPARK's staff is a central factor in the achievement of its mission, and the most important asset distributed over the various field offices and the head office. At any given time, SPARK employs staff from different nationalities and ethnic backgrounds both in the field offices and at the head office.

In 2007, SPARK introduced a Code of Conduct (CoC), which

has to be signed by all employees at the beginning of their employment. It details expected behaviour and emphasises transparency and integrity, so that new employees know what behaviour is expected of them. Regular staff evaluations and assessment meetings are held to discuss staff performance and individual staff, and to get feedback on SPARK's performance as an organisation. In 2014, there was limited capacity for staff training. Whenever these trainings did take place, they were arranged on an individual basis.

To maintain knowledge and skills within the organisation, team meetings are held within offices and across offices on a regular basis. Detailed handover documents ensure a smooth transition if an employee leaves a position.

SPARK employs a range of security procedures and trainings in order to ensure the safety of its staff. Read more about this in section 5.3.

Interns

Knowledge sharing plays an important role in SPARK's daily activities. One aspect of this is to provide young, motivated people with the opportunity to gain working experience in an international NGO, and SPARK therefore offers internship positions. Interns can

assist employees in various functions and their tasks encompass administrative work as well as substantially independent assignments. Each intern has an assigned supervisor, who is the direct contact, evaluates the intern's work and provides feedback during the internship. As interns bring a fresh perspective, SPARK gains from this and the internship programme also ensures a good connection with higher-education institutions in the Netherlands and abroad.

Staff Satisfaction

In 2014, the annual staff survey was held for the eighth time. The response rate was 52%, the highest since its inception in 2006. 39 out of 76 employees provided feedback on topics such as: work space and facilities; collaboration and atmosphere; leadership; secondary working conditions, etc.

In general, the staff survey shows overall satisfaction in working for SPARK. In six out of nine areas the target of 3.5 as a satisfactory score has been met. It can be said that SPARK maintains its strengths as an organisation: good leadership and organisation; clarity of responsibilities; autonomy; and a good atmosphere among staff members.

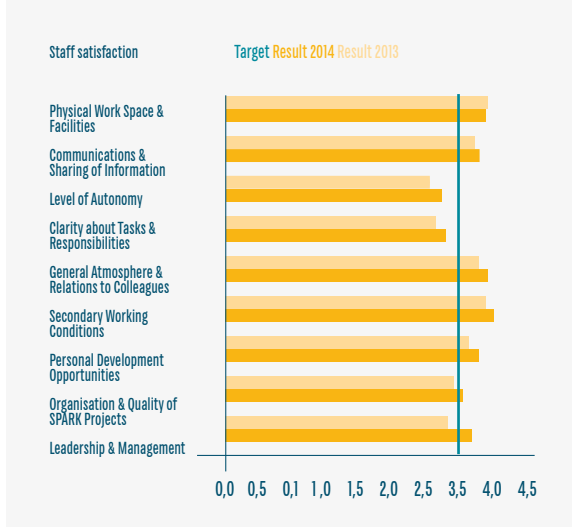
However, the staff survey also identifies three areas that need to be improved. Firstly, staff indicated a wish for greater personal

development opportunities. A second area for improvement is secondary working conditions, especially in the field offices, where the workload is comparatively higher. Improvements in both areas face financial constraints, thus the management emphasises alternative ways to improve on these issues. For example, managers are encouraged to look for training possibilities within the different programmes and staff members are encouraged to take initiative for themselves. Thirdly, staff indicated a need for more attention to the physical workspace, suggesting improvements in regard to chairs, ICT facilities and in some offices noise reduction and air quality.

5.3 Risk Analysis – Responding to a Challenging Environment

The organisation faces a range of environmental challenges. The high-risk environment in FCAS naturally affects SPARK’s work and imposes certain limitations that are less likely to occur in more stable environments. SPARK is experienced in the provision of support to entrepreneurs in FCAS, where it runs pilots upon entering a new country. SPARK built its reputation through a strong track record in countries such as Kosovo, Rwanda and Liberia. This is the basis upon which SPARK can build to further expand its reach. Additionally, donors and local authorities have started to approach SPARK on their own initiative. Nevertheless, SPARK’s working environments pose a number of challenges. Lack of rule of law and good governance and the danger of a renewal of conflicts are often characteristic of the countries in which SPARK operates. In such environments, the implementation of programmes can be severely impacted or even come to a halt. Learning from past experience and lessons learned by others – as well as ensuring a high level of preparedness for the occurrence of such risks – is essential for ensuring the continuity of SPARK’s programmes. SPARK communicates openly about the nature of its work in FCAS and makes it clear to donors and other

stakeholders that working in FCAS carries additional risks. SPARK is aware of the necessity of having responses to such risks in place. The most important risks, and SPARK’s mitigation approaches, are briefly explained in the following section.



Overview of most important risks

Risk	Probability	Impact	Mitigation Strategy
General and Programmatic Risks			
Loss of added value as development organisation	••	•••	Learning, innovation and continuous development of distinctive approach
Broad geographic coverage and limited span of control	••	••	Realistic planning and allocation of sufficient resources
Insufficient capacity of local partner organisations	•••	••	Two-tier approach of implementation activities and capacity building of local partners; rigid selection criteria
Slow start of programme	•••	••	Realistic planning
Financial Risks			
High dependence on a limited number of donors	••	•••	Increase of acquisition activities and diversification of donor portfolio
Fraud within the organisation or among partners	••	••	Rigid implementation of Partner and Sanctions Policy; payments only in instalments
FCAS-Specific Risks			
Unregistered operations	••	•	Open communication and high level of transparency
Staff security – health issues, kidnapping, safety	•••	•••	Security Policy and trainings; adequate response measures; insurance
Organisational Risks			
High staff turnover	••	••	Internal trainings and identification of opportunities for development; handover procedure
Limited fundraising/acquisition capacity	••	••	Business Development Unit in Belgrade; recruitment of staff with respective skills; trainings

• = low

•• = medium

••• = high

General and Programmatic Risks

- Loss of added value*

In recent years, the area of private-sector development has garnered increasing attention and more organisations have started offering programmes in this area. This increase in competition could result in a loss of interest from donors and partners, diminishing SPARK's relevance. For this reason, SPARK not only builds on existing expertise and communicates its track record, it also develops its own expertise, conducts research (e.g. Tracer Studies as described in section 5.6), monitors the development of the sector, invests in learning and searches for new, innovative approaches. These activities allow SPARK to remain a relevant partner in its key thematic area and to distinguish itself from other organisations in the field. SPARK shares and co-develops its expertise with the sector through its series of expert meetings and Tracer Studies. Capacity building through increased staff training is another relevant means, but budget limitations mean SPARK is restricted in this regard.
- Broad geographic coverage and limited span of control*

Extending the reach of SPARK's programmes could mean that in some countries resources become too limited, both

in terms of staff and material components. This could result in a lowering of quality, which would endanger SPARK's reputation with stakeholders in the respective country. There is a tension between the donor's inclination to reduce implementation costs and SPARK's experience of comparatively high implementation costs that are inherent to working in FCAS. Programme activities should therefore be focused, and it is clear that there is a limit to the number of countries in which SPARK can operate. After a period of expansion, SPARK has now adapted its strategy to one of consolidation and concentration of the countries in which it works. Together with realistic planning, it is also crucial to carefully select the staff that will be in charge of implementation and to make sure that adequate financial resources are made available to sufficiently support the programme on the ground and therefore mitigate this risk.

- Insufficient capacity of local partner organisations*

The capacity of local partners in FCAS is generally low and this is a recurring problem across various FCAS contexts. This is an obstacle for SPARK, as the organisation puts great emphasis on collaborating with local partners to transfer skills, knowledge and eventually the responsibility for joint activities. Building local capacity takes time, while funding

partners have an interest in fast job creation to rapidly increase the level of stability. Pledging more resources to capacity building of local partners is an approach that usually meets with success, but is limited by the donor's willingness to provide the necessary funds.

In other contexts, there may be no adequate local partners. SPARK has positive experience with establishing local partner organisations from scratch. When working with existing partners, SPARK adheres to strict selection criteria in order to determine suitable relationships. SPARK follows a two-fold approach: first, implementing activities are conducted while building the capacity of the local partner. This helps to progress projects while initial results are delivered and local capacity is built. Second, a sanction policy is in place – e.g. in case partners fail to meet agreed results or don't do their financial reporting (see section 5.8).

- Slow start of programme*

Sometimes, programmes start with delay and targeted results cannot be achieved within the set time frame. This is for various reasons, including the low functionality of local institutions, the aforementioned lack of capacity of local partners and volatility in the respective environment. While SPARK's communication with donors when establishing a

programme is generally good and frequent, the assumptions underlying programme planning and design could at times be more realistic. All of these factors might impact SPARK's reputation and reliability from the perspective of its donors and local stakeholders; careful and realistic planning and transparent communication are necessary to mitigate this risk.

Financial Risks

- *High dependence on a limited number of donors*
Traditionally, SPARK has received a substantial amount of its funding from the NLMFA. Due to budget cuts, the Dutch development budget decreased by 25% in 2014. Moreover, in future there might be further cuts in the budget for development cooperation or a change in policy focus. This could result in less project funding and fewer tender opportunities from this important donor. Against the backdrop of increased competition in its core competence, SPARK has already increased its project development and acquisition activities significantly, and will continue to do so. An acquisition strategy is in place and the Business Development Unit (BDU) in Belgrade has been supplemented with additional staff. As 76% of SPARK's income in 2014 was sourced from the NLMFA, a wider range of donors is

being approached in order to diversify the support base and decrease dependency on the NLMFA.

- *Fraud within the organisation or among partners*
Due to the low level of rule of law and often-high corruption levels in the countries where SPARK works, fraudulent activities can occur and funds could get lost. This is potentially damaging to SPARK's reputation, might affect the implementation of projects and can complicate the acquisition of future funds. For this reason, SPARK's Partner Policy includes a sanctions clause for fraud cases and organisational checks for major programmes. Moreover, funds are not paid at once but in instalments. With €40 million spent since 2000 and very few incidents of reported fraud, SPARK's current procedures have proved effective thus far. But in renewed conflict situations (for example, in South Sudan), the organisation remains vulnerable to fraud. In 2015, further fraud-prevention measures will be taken. One example is the temporary relocation of funds from local bank accounts to Dutch accounts until the situation in the affected country has stabilised.

FCAS-Specific Risks

- *Unregistered operations*
After a conflict, countries often experience chaotic circumstances and government institutions are seldom fully functional, which makes registration of operations difficult or turns it into a very lengthy process. This could impede the achievement of early results. On occasion, local governments want to see a specific track record prior to official registration, while partner organisations prefer the assurance of working with a registered organisation whose activities are not threatened by sudden discontinuation. Fortunately, the nature of SPARK's work is not of a specifically political bent, so that barriers to registration can usually be overcome. In those cases where barriers are encountered, SPARK openly communicates with donors and local governments about its activities for beneficiaries and partners and its efforts in obtaining formal registration in the respective country. With no incidents reported to date, SPARK's approach has worked well so far.
- *Staff security – health issues, kidnapping, safety*
In FCAS, the security situation is often unstable and conflicts can re-emerge. Besides risks to programmes and potential reputational damage, the life and health of colleagues can

“The business skills training I received from SPARK and its partners has opened my eyes and mind, which enabled me to think about how to achieve high-level technical improvements in the processing technology of my products.”

Mr Harimenshi, owner of Sofotec, a business established in Burundi in 2010 and specialising in processing natural super-food supplements. Mr Harimenshi was chosen as one of the winners of a business plan competition organised by SPARK and its partners. Sofotec received funding from the SPARK-BBIN-facilitated loan fund.

come under threat. In FCAS there's increased potential for employees being mugged, attacked or kidnapped. Beginning with the recruitment process, SPARK emphasises the need for conflict sensitivity and awareness of potential dangers. To mitigate risks, security trainings are conducted with field staff. SPARK's security policy informs employees about what steps to take in case of an emergency, and staff is trained about how to collect the right information in a tense situation. Country managers are in charge of adapting these policies further to the local contexts and revisit them according to changing situations on the ground. In Iraq (Kurdistan) and for its activities in Syria (from Gaziantep, Turkey), SPARK staff furthermore has access to networks such as the International Safety Organisation (www.ngosafety.org) to inform their activities in these very unstable environments. Due to SPARK's focus on volatile environments there is, despite these precautions, no guarantee that an incident might not happen in future.

Organisational Risks

- *High staff turnover*
A high rate of staff turnover can lead to a loss of knowledge and expertise and could ultimately endanger the continuity of programmes. Investment in staff capacity is lost and a

substantial amount of time has to be spent on recruiting and training new staff, which increases inefficiencies. For this reason, SPARK tries to identify possibilities for internal personal development and new responsibilities in order to maintain staff satisfaction levels. In case of a change in staff, a handover procedure is in place to ensure that programmes can continue with minimal interruption. In 2014, staff turnover was higher than desired. As a consequence, SPARK is currently working on a new HR policy, which, among other things, is aimed at increasing staff incentives in order to improve staff retention. There is, however, limited capacity for financial incentives if SPARK is to remain a financially competitive organisation.

- *Limited fundraising/acquisition capacity*
As SPARK aims to diversify and extend its donor portfolio, it relies on the skills of its staff and internal acquisition competencies. This is important for the development of SPARK's project portfolio, to ensure opportunities for growth and to achieve SPARK's mission in the long run. In support of this, SPARK has established a central Business Development Unit (BDU), but also trains country managers and emphasises such skills in the recruitment process. Furthermore, it is important that other operational areas – for

example, the communications team – are aware of their contribution to effective acquisition activities. While the number of submitted project proposals has significantly increased due to improved acquisition capacity, few of these (pending) proposals have so far been converted into contracts.

5.4 Project Design, Development and Fundraising

Quick facts – fundraising

Income from own fundraising	9%
Governmental grants	91%
Income from NLMFA	77.46%
Non-NLMFA income	22.54%

Quick facts – proposals

	Target	Result
Submitted applications	75	63
Acceptance rate of applications	≥ 25%	38%

SPARK's Acquisition Activities

The primary aim of SPARK's acquisition policy is to reach its objective to create 20,000 jobs by 2015. The secondary objective is to become an organisation with a solid and diversified income base in order to be a reliable partner for its beneficiaries. SPARK works with multilateral and bilateral institutions as

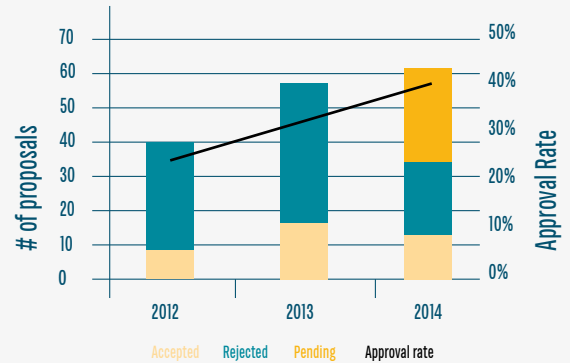
well as private donors. Private donations are mostly focused on humanitarian aid. For this reason, the volume of private contributions to SPARK is limited. SPARK is mainly supported by institutional donors. In 2014, they contributed 91% to SPARK's budget, which was €8.99 million.

In 2014, SPARK's acquisition efforts increased compared to 2012 and 2013. In total, 63 applications were submitted; of these, 13 have been accepted and 21 have been rejected, resulting in an acceptance rate of 38% and 29 proposal decisions still pending.

SPARK has managed to further diversify its funding basis. At the end of 2014, Non-NLMFA funding was 22,5%. Besides support from the NLMFA, SPARK's donors now include the GIZ in South Sudan, UNDP in Yemen, EU in Turkey, SIDA-Mercy Corps in Liberia and EU funding for IBCM. SPARK also participates in two EU-funded technical assistance (TA) projects in Croatia and Turkey. Both projects are implemented by consortia of which SPARK is a member.

SPARK's acquisition achievements in 2014 relied on SPARK's central BDU and a more proactive approach by the field offices. The BDU applies directly for larger EU tenders and supports both field offices and the Amsterdam office in the preparation of

Proposals submitted



proposals and bids. For each field office, a country acquisition plan is in place and SPARK maintains a balanced budget policy for each office, meaning they need to contribute sufficient income to their and SPARK's overall budget. The offices in Rwanda, Burundi, Liberia, South Sudan and Yemen were able to gain substantial contracts in 2014.



Habiba Hanan & Suad Osman
Somalia

5.5 Communication

In order to achieve SPARK's mission and objectives, effective and consistent communication is vital. Donors, stakeholders and (potential) partners need to be informed about how and where SPARK is having what impact and what areas and topics SPARK focuses its attention and funds on. Communications, advocacy activities and promotional material target SPARK's current and prospective network. This network encompasses SPARK's beneficiaries, staff, (local) partners, donors, government officials, consultants, youth and other minorities as well as past and potential employees.

The aim of SPARK's communication activities is to raise awareness of SPARK and its cause in the development sector on the Dutch, European and international levels. The strategy to achieve this focuses on storytelling and results, and can be described as a multi-channel approach. SPARK continues to develop and update its website and is increasingly active on social media. Brochures and reports are spread to communicate SPARK's message, and a variety of events such as expert meetings and an annual conference are organised. SPARK also takes part in debates and seminars worldwide to advocate for the issues at stake. Gradually

SPARK is creating a network of journalists in order to enhance free publicity within and outside the Netherlands.

Events

In 2014, SPARK's communication team successfully organised the second edition of the IGNITE! Conference. In addition to the conference, SPARK also organised three editions of its Expert Meeting series in The Hague, New York City and during The Hague Conference on Business and Human Security. SPARK representatives visited 38 conferences in its areas of expertise, to network with partners and increase its reach.

Please see section 4.4 for more detailed information about these events. More information on SPARK events can also be found on the SPARK website:

www.spark-online.org/get-involved/events

External Communication Website

The use of SPARK's website has been stable over 2014, with only minor changes compared to 2013. The total number of page views decreased by 4%, while the average time per session increased by 2.27% and the bounce rate decreased by 4%. Traffic to the website via social media and also direct access has increased.

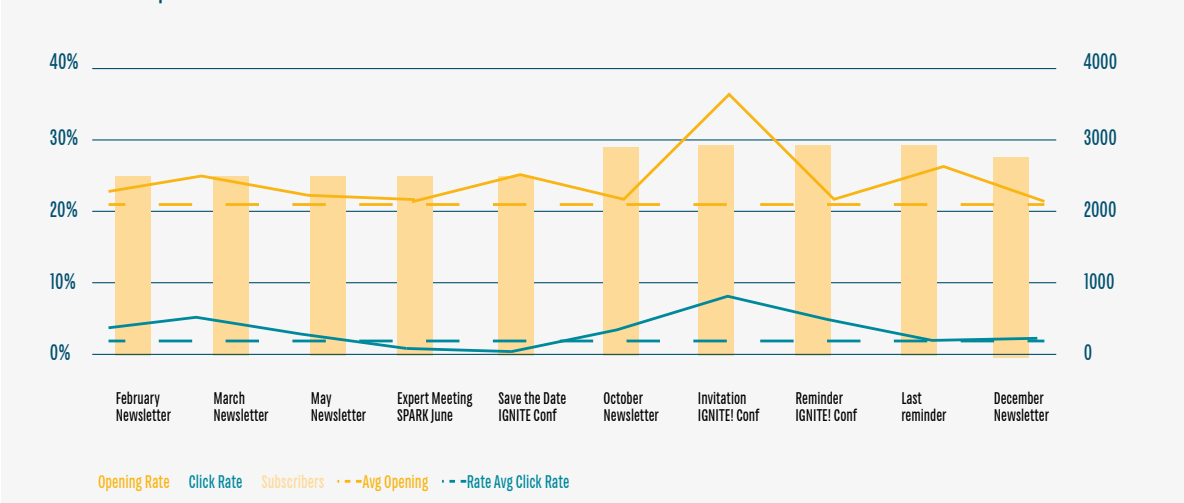
These results can be interpreted as an increase in relevance and thus increased engagement with the website.

For 2015, SPARK aims to further increase website reach as part of its overall communication strategy. There remains a significant potential to increase reach, especially in programme countries. For this reason, country staff should be included more in communication activities. The website content will be revised and updated, in particular the entrepreneurs' stories and the indicators (per programme and per region) to ensure relevance and usability for both donors and stakeholders.

Newsletters

SPARK sends out a bimonthly newsletter to keep its donors and stakeholders informed about the results of its work in programme regions and to share relevant news. The newsletter is distributed via email, with a subscription option offered on the website. This newsletter also informs subscribers about upcoming events, such as the IGNITE! Conference, and engages with them in a more direct way. Furthermore, the newsletter aims at increasing SPARK's reach and generating traffic for SPARK's website.

Newsletter performance 2014

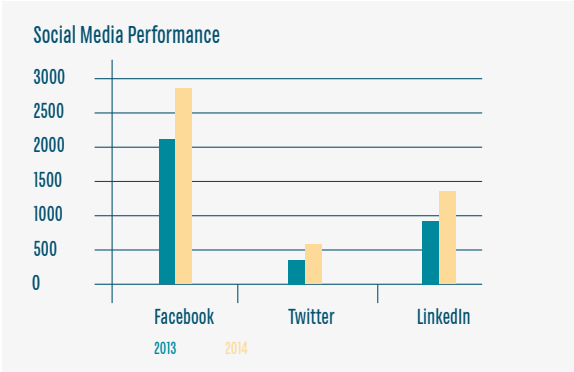


In 2014, SPARK sent out ten newsletters to an average of 2,640 recipients. The opening rate per newsletter campaign exceeds in most cases the average opening rate of 20.8% for the sector (i.e. non-profit organisations). In terms of click rates, SPARK reflects the sector average of 2.4%. SPARK also started to track measures in relation to the newsletter, such as click behaviour and which

topics gained the most attention. For 2015, SPARK aims to further fine-tune the use of such measures in order to improve and tailor the newsletter better to its readers.

Social Media

Facebook is SPARK’s main focus in terms of social-media activities. Here, SPARK shares relevant news items, stories from the entrepreneurs it supports and other reports and pictures of SPARK’s activities. SPARK aims to reach a broad audience across relevant countries and to re-introduce its work and results to its network.



SPARK’s social-media strategy further encompasses Twitter, YouTube and LinkedIn. Audio-visual material about SPARK’s activities and recordings from the IGNITE! Conference are available via the YouTube channel and the website.

Across all social-media channels, SPARK has been able to extend its reach and thus build awareness for its cause among a broader audience. Twitter followers increased by 70%, while on LinkedIn SPARK's direct audience grew by 51% and on Facebook by 28% in comparison to 2013.

For 2015, SPARK aims to further professionalise its social-media strategy, which also entails the inclusion of field offices in social-media activities. A specific social-media strategy is in the making. For the first time, specific targets will be set for social-media activities. The majority of SPARK's social-media followers is still concentrated in the Netherlands, with only a small percentage in the respective countries where SPARK is active. There still exists untapped potential for increased reach. Ideally, all field-office staff will receive social-media training in 2015.

Transparency

The overriding goal of the SPARK ethics policy is to assure, protect and enhance the integrity, assets and reputation of the organisation. Therefore, SPARK considers financial accountability, visibility and transparency to be crucial parts of its Corporate Social Responsibility (CSR) plan. To this end, SPARK has developed the TranSPARKency website for the publication of budget plans and financial reports. SPARK follows the International

Aid Transparency Initiative's (IATI) standards.

In 2014, SPARK published its own page on the IATI platform, the aid transparency website. This page contains programme data from six of SPARK's programme countries (Kosovo, OPT, Rwanda, Liberia, Burundi and South Sudan). Comprehensive project details for each of these countries, including budgets and how those budgets were spent, are now available for anyone, anywhere to view online. Data for SPARK's other countries will be added as soon as possible. As one of the first organisations to sign on to the transparency efforts put forth by IATI, SPARK continues to be in the vanguard of organisations seeking more transparency in regard to how donor funds are spent. SPARK is now joined by over 300 different organisations globally that are participating in this initiative to show the public how donor funds are spent.

The link to TranSPARKency:

www.spark-online.org/results/transparkency

SPARK's IATI page: <http://iati.spark-online.org:90>

Reports

The Annual Report 2013 was published online at the end of May 2014. SPARK decided to no longer publish the report in print, but to make it available for download as a PDF on its website. In

addition to the PDF, the 2014 Annual Report will for the first time be integrated in the SPARK's website.

SPARK submits its Annual Report to the "Transparant Prijs", an award for the most transparent reports in the Dutch non-profit sector. The feedback received from the award committee is used for further improvement of the next Annual Report.

Internal Communication

Communication is an integral part of SPARK's organisation, both at the headquarters and our local offices. With the headquarters in Amsterdam and international offices spread across three continents, SPARK staff members rely on email and Skype to stay in touch on a day-to-day basis. SPARK uses the private social network Yammer to facilitate internal communication between the different locations. Yammer could be described as a corporate Facebook that enables SPARK staff to keep each other informed worldwide and share work-related news items, blogs, reports, ideas, tips and pictures. Introduced in 2013, SPARK's staff makes increasing use of Yammer, and it has proved to be an efficient tool for maintaining contact between diverse offices.

The SPARK Communications Guide was finalised in 2014. It provides staff at all locations with a guideline for internal and



A Branson scholar and his \$4 million contract with the World Bank

Branson Scholarship Programme (BSP) *Liberia - Shadi Saleh*

Shadi Saleh was bidding for a World Bank contract for his business, Caspian Holdings, when he was selected for the BSP. Having been awarded the contract, Saleh was able to use the networking and training opportunities the BSP offered him to fine-tune his operational plan and finalise his contract with the World Bank and the Monrovia City Cooperation.

Saleh says the BSP helped him immensely in acquiring the contract. Good media exposure provided him with an excellent reference and supported his ability to deliver. Besides providing training and continued operational strategy advice, the BSP also supported Saleh in raising funds from local banks to purchase equipment.

Utilising his new skills, Saleh went on to win a business-pitching competition sponsored by the BSCM/BiD Network, and was named the Most Profitable Company by BSCM. SPARK is proud to have contributed to his success story.

external communications that adheres to SPARK's corporate identity. Several templates were developed in order to streamline communications and present SPARK across countries in a coherent design.

In the different offices, regular staff meetings are held to keep everyone informed about the different activities being conducted. More irregularly, meetings with the directors are held to ensure a good flow of information and to enable processes of knowledge sharing and to gain insights from different perspectives. Around conferences and events, staff members from different locations often use the opportunity to get together and exchange ideas and information.

5.6 Monitoring & Evaluation and Learning

As part of SPARK's commitment to learning from past projects, SPARK has recognised the importance and need for continuous research, monitoring and evaluation. This is necessary to develop its capacity to deliver services and to improve SPARK's interventions so that they are more effective and achieve better results. To support this aim, since 2012 SPARK has worked with

a management information system (MIS) to facilitate its M&E activities.

Monitoring of Results

Internally, SPARK's MIS has been consistently improved so that it is more useful to field staff for the evaluation of projects. Using their input on areas in need of improvement, the ICT and M&E teams have worked to further develop SPARK's internal monitoring system. Consequently, programme management teams have access to the latest data in order to better monitor their projects, including identifying outcome targets that demand more attention. Programme teams use the MIS, including enhanced chart functionalities, for meetings with beneficiaries, local partners and donors so that discussions on monitoring are more informed and based on the latest data.

Externally, SPARK continues to rely primarily on mid-term reviews conducted by outside evaluators. However, due to delayed implementation in two key projects, the Agri-Business Creation (ABC) programme and the Youth Engagement Programme (YEP), none were conducted in 2014. SPARK will be conducting reviews for both of these programmes in 2015.

Challenges

In order to continue pushing the rigour of its M&E practices and ensure the organisation is working with the most relevant new research methodologies, SPARK sought to carry out an Impact Evaluation (IE) for its Cooperative Support Programme (CSP) in Rwanda. The results of an IE could have had important policy implications in Rwanda, but also in other similar contexts should the findings have shown a strong, measurable impact.

To perform the IE, SPARK received funding from the International Labour Organization (ILO). With their collaboration it was decided that a Randomised Control Trial (RCT) would be the right approach, as an RCT is often seen as the "gold standard" for IEs. An RCT approach meant SPARK would have a target or treatment group and a control group (untreated group). For SPARK, this entailed finding ways to control variables with both the target and control groups, which took much time and effort but was nonetheless managed. However, after discussing the research design, including the strengthening of its training materials, SPARK – together with the lead research experts – concluded that a sample size of 60 target cooperatives and 60 control cooperatives would be too small to show a statistically significant change.

Consequently, SPARK was not able to realise an RCT for this

project. However, it is building on the work done so far and the expertise of the original principal researchers and colleagues at the ILO to strengthen trainings and training materials. It was also decided to pursue a different IE methodology. As of May 2015, SPARK is now working with a new local lead researcher on a qualitative IE to generate findings on this type intervention with the intention of continuing to contribute to future policy initiatives.

KPI Monitoring

Within MIS, SPARK redesigned the Board of Directors (BoD) cockpit, enabling the BoD to easily monitor data on KPIs as recent as the previous quarter for outputs, and the previous six months for outcomes. The system has been designed so that indicators from different programmes – large, multi-year and smaller ones – roll-up into the KPIs and the BoD, and programme management teams have an accurate snapshot of how the organisation is doing with respect to its overall KPI targets. The directors use this data to help steer the direction of programmes and inform discussions with implementing partners.

More specifically, SPARK measures the efficiency of its programmes through one important KPI – “costs-per-job”. After compiling programme costs spent on activities and implementations, the total costs are divided by the number of

jobs created by the programme to determine the costs per job. This is an important way of monitoring the efficiency of SPARK’s work. The lower the costs (relatively speaking), the more efficient SPARK is in its core work. The actual costs vary significantly from programme to programme, from an average of €557 per job in the (small) Chevron SME development programme to an average of €3,948 per job in the large MFSII programme. The cost per job depends on a number of variables and varies depending on the type of programme. The cost of some programmes is based on aspects like the provision of business support trainings, coaching and access to finance. The cost of in other programmes also includes the introduction of these services at business development organisations. As it is complex to measure the cost per job accurately, SPARK is currently working on a less unambiguous measuring approach. Because costs are difficult to compare within multi-country programmes, costs will have to be differentiated per country in such programmes.

More broadly, the efficiency of the KPIs, at least with respect to budgets, is primarily built into our activity-based budgets. These types of budgets ensure the right proportion of partner budgets is spent purely on implementation and related activities so as to achieve the targeted outcomes as agreed upon with each partner contract.

Business Development Tracker

In 2014, SPARK also continued to develop and improve the Business Development (BD) Tracker, its SME database built on the Salesforce platform. The BD Tracker now includes over 900 supported businesses and cooperatives from four different programmes (MFS I, MFS II, CSP, BSP). With the BD Tracker it is possible to monitor the businesses and cooperatives SPARK and its partners have supported over the years. The BD Tracker allows SPARK’s partners to create business profiles to enable SPARK to better assist them. Through the BD Tracker, partners link their supported businesses with each training/coaching session they have provided in a centralised online database. In this way, local partners can easily see which services a business has already benefitted from and which services they may still require. Partners are also able to keep track of the staffing and administration systems in place at a given business, enabling them to create profile reports and to spot trends. In this manner, partners are able to capture more information on their businesses but also to present their portfolio of businesses in an easier, online format.

Challenges

It remains a challenge to get partner organisations to use new technology and to help them understand how they too can use data in their businesses to identify opportunities for more

tailored trainings, support and investment. Many partners have not had much experience using data as a tool to improve the quality of their organisation and the services they provide to entrepreneurs. This hurdle not only applies to the use of online data, but also to attempts to encourage organisations to operate in a more formalised manner – i.e., by keeping quality records and establishing a good system for means of verification of their activities and implementations. This means that SPARK not only provides the tools to the partners, but also demonstrates how they are linked to the fundamental management of an organisation, which successfully caters to the needs of its beneficiaries.

Tracer Study 2014

In 2014 SPARK conducted a follow-up survey to its 2013 SME Tracer Study. Back in 2013, a panel of SMEs were selected to help us facilitate future longitudinal studies. For the 2014 survey, “Setting a Lobby and Advocacy Agenda for Business-Barrier Removal and Inclusive Employment in FCAS”, SPARK (re)visited over 250 supported businesses from this panel to gather information on the key business barriers they face in their respective countries and which local and international actors they turn to for support in addressing these issues. Additionally, the survey also focused on the issue of (labour market) inclusiveness and how these businesses perceived such issues of inclusiveness

in their communities.

Several conclusions were drawn from the findings: first, both business-barrier removal and inclusiveness are important contributors to sustainable business development in fragile environments and deserve continued attention.

Second, lobby and advocacy actors need further capacity building in order to improve their respective business environments and to promote inclusiveness. These institutions need to raise awareness and build trust towards the entrepreneurs. Recommendations made by survey participants, both in regard to business-barrier removal and inclusiveness, could serve as an entry point to setting a joint lobby and advocacy agenda. Finally, only a third of survey participants employ or would employ someone from a typically/ traditionally excluded group. Thus, the concept of inclusiveness needs to be further discussed and supported for local practices to change.

Challenges

The concept of (labour market) inclusiveness is understood differently depending on the country or region, and it sometimes proved difficult to convey and discuss. Some participants were not used to having discussions on such issues that may relate

directly to their own businesses. In some countries, such as Rwanda, talking about minorities and excluded groups is socially taboo and legally prohibited. In this case, SPARK needed to be very sensitive about gathering relevant information. For this task, local staff that have the confidence of the business owners proved crucial. By conducting separate focus groups for women and men, the local SPARK Rwanda team was able to gather more insightful and useful data on the treatment of minorities and other excluded groups.

In discussing inclusiveness in Liberia, there were different interpretations of minority groups and whether or not business owners felt minority groups were in fact excluded. In Liberia, many business owners are minority-group members – for example, those of Lebanese or South-East Asian descent. In this case, members of the majority group might perceive minority groups as being disproportionately overrepresented among business owners and in rather powerful positions. As this research demonstrated, understanding the local context and nuances in meanings is an essential aspect of SPARK’s work.

SPARK was also able to take away another lesson learned from this lobby and advocacy study. Many of the participating entrepreneurs have had no or only limited contact with SPARK

since the first study in 2013. When SPARK contacted them for the second survey, many of them were not expecting it and wondered where SPARK and its partners had been during the past year. Again, SPARK had to rely on the connections of local staff members with the entrepreneurs, which encouraged them to participate again. Thus, SPARK will try in future to follow up more closely with participating entrepreneurs and to nurture those relationships.

The Tracer Study 2014 can be downloaded at this link:
www.spark-online.org/businessbarrierremoval

Lessons Learned

Quick facts	
4.43 (out of 5)	Satisfaction rate of local partners with partner-led trainings
4.37 (out of 5)	Satisfaction rate of local partners with SPARK-led trainings
95%	Percentage of local partners (in MFS II) indicating that they are better able to provide services to beneficiaries after working with SPARK
85%	Percentage of local partners satisfied with SPARK's efforts to listen to their particular needs

For all of our programming and related activities, SPARK has the consistent aim to learn from the work we and our partners

do on behalf of our beneficiaries, and also from our sector. We recognise we work in dynamic environments where local and regional conditions are prone to change and therefore the ability to make adjustments and make our programming more effective is essential. We also understand our programming always has potential for improvement, particularly once we are fully engaged with local partners, who provide us with a more nuanced understanding of the local context. To ensure learning is ongoing, SPARK takes several important approaches. Most notably, we engage with international experts in the sector and we seek feedback from implementation partners and our beneficiaries.

In addition to reaching out to experts, SPARK also reaches out to our local partners and, through them, to our end beneficiaries to learn more about the effectiveness of our activities. Through customer satisfaction surveys of SPARK-led, partner-led and cooperation partner-led trainings SPARK tries to maintain a clear picture of whether or not our supported trainings are indeed providing the added value to programme participants that drives all of our efforts. Feedback from these surveys confirms our beneficiaries are without a doubt finding value from our training activities, with an overall satisfaction rate of 4.43 out of 5 for partner-led trainings and 4.37 out of 5 for SPARK-led trainings. At the same time, SPARK wants to ensure our relationships with our

local partners is good, reciprocal and constructively enabling their capacity to become stronger, more sustainable organisations. To ensure this, SPARK conducts partner satisfaction surveys so that we have a solid grasp of whether or not our local partners feel their relationship with SPARK is providing the added value we originally promised. Preliminary results from our 2014 survey indicate that partners of the MFS II programme (SPARK's largest) strongly feel their ability to deliver services to their beneficiaries has improved by working with SPARK, with an overwhelming 95% indicating as much. The same survey indicates over 85% of local partners are satisfied with SPARK's efforts to listen to their particular needs.

To complement the above approaches, SPARK's individual programmes partake in particular learning activities specific to those programmes, which are vital to improve that programme specifically but also feed into SPARK's broader lessons learned.

Palestinian entrepreneur at New York Fashion Week

MFSII Palestine - Ms. Daqaweieh

“I never imagined that I could display my designs in international showrooms in the presence of the world’s celebrities, or that I could achieve our dream of introducing Palestinian embroidery to the international market. I would like to present this opportunity for success to the more than 200 rural women who embroidered these pieces of Palestinian heritage.”

Ms. Daqaweieh, Palestinian fashion entrepreneur supported by SPARK’s partner the Business Women Forum, speaking at New York Fashion Week, 2014.

www.spark-online.org/palestinianentrepreneursatnyfashionweek/



5.7 Quality Management

SPARK's assessment of staff satisfaction is linked to its quality management. In order to achieve high-quality impact, SPARK's internal organisation has to function well. As a learning organisation, SPARK continuously evaluates its procedures and tries to find solutions to internal and external challenges. Innovative thinking is highly encouraged and both achievements and failures are openly communicated, which is reflected in the quality management. Performance of staff, programmes and partners is regularly evaluated to identify areas for improvement.

SPARK adheres to international quality norms for the development sector. Following the ISO 9001 standard for quality management, SPARK has developed procedures and requirements for its most important processes. These include the organisation of BPCs, planning and M&E processes. SPARK's complaint management is another example for the application of ISO 9001 procedures. All stakeholders have the right to complain. This can be done via the website, in writing or in person to a member of SPARK staff. In case of a verbal complaint, the respective staff member is also asked to submit it in writing. The complaint form and an explanation of SPARK's complaint policy can be found online and

can be requested from the head and field offices. They are then handled according to the procedure and corrective measures are taken if needed.

Organisational Development

In 2014, SPARK commissioned the organisational accountants Bosman & Vos to evaluate SPARK's organisational structure. As SPARK has grown rapidly in recent years, organisational processes need to be adapted to manage more staff, more countries, more activities and processes. Bosman & Vos critically examined the internal structures in terms of finance, HR, M&E, ICT, internal communication and acquisition to assess potential for greater efficiency. Bosman & Vos also looked at decision-making processes, the application of standard procedures and the functioning of the MIS.

The results reflected the growth SPARK has experienced recently and the organisational challenges accompanying such growth. SPARK's internal structure is changing slowly from a pioneering organisation with central decision-making processes and close communication between all individuals involved to a more differentiated organisation.

In 2015, the feedback generated by the Bosman Report and interviews with senior staff will be used to improve SPARK's

organisational structure. To this end, an international working group will be established to identify concrete and feasible improvements per topic and to develop plans for their implementation. The goal is to implement such changes in 2015 and to take a step towards the decentralisation of the organisation.

5.8 Corporate Social Responsibility

SPARK works daily to protect, respect and fulfil basic economic, social and cultural rights in FCAS through employment creation and vocational education. Nevertheless, there is no room for complacency in the development sector, and it is necessary to strive for further improvement in human rights standards through the organisation's programmes in FCAS. Working in fragile environments, the adherence to social and environmental norms is of the utmost importance. As a result, SPARK implemented a CSR policy in 2013 in order to ensure that its projects do not cause any harm and that all financial contributions do not support activities that might obstruct positive and peaceful development. SPARK's projects target women, youth and marginalised groups to contribute to increased equality and inclusion. Maintaining high standards of ethical conduct requires the active

commitment of all SPARK-related parties – i.e., employees in the head office and in the regions, consultants, volunteers, interns, supported entrepreneurs and students, donors and partner organisations. To safeguard the CSR issues, SPARK has been maintaining and developing documents such as the Staff CoC. Among other issues, the CoC contains clauses referring to prohibition of harassment, discrimination and corruption as well as awareness for environmental protection. It also safeguards the autonomy of local partners and allocates prime decision-making power to them to avoid the dominance of SPARK in their projects.

Moreover, prior to engaging with programmes in any new project location, SPARK implements a context analysis that reflects especially on how activities can be conducted without doing harm. This context analysis is constantly updated.

Partner Policy

SPARK success depends to a great extent on close collaboration with its network of partners, which includes trainers, experts and local development organisations. Through these strong coalitions at local and regional levels, SPARK and its partners reach synergy of ideas and programmes. SPARK values these partnerships for the learning opportunities and the sharing of knowledge, skills and experience that come from them.

The character of each respective partnership depends on the project: at times, local partners receive funding from SPARK; in other cases, they receive funding directly from donors and subcontract SPARK. Additionally, the character of the partners varies; they range from local NGOs specialised in entrepreneurship or education reforms and educational institutions to microfinance organisations, banks, business intermediaries, government bodies and business alliances. SPARK facilitates cooperation between these organisations and encourages the financial independence and capacity-building of its partners.

In congruence with ISO norms, SPARK has developed a Partnership Procedure, which clearly sets out the screening process for prospective local partners. The BoD, the responsible project manager and the head of finance carefully scrutinise the potential partner, which has to share SPARK's mission. The Partnership Procedure also includes a Sanction Policy, which mainly functions as a financial monitoring tool, but also strengthens commitment to the mission.

Building local capacity is often one of the starting points for SPARK's work. SPARK collaborates with a range of actors to offer trainings to its partner organisations. This includes the strengthening of their organisational structures, coaching, trainings

of trainers and curriculum development as well as support in lobbying and advocacy. SPARK's capacity-building efforts rest on three pillars:

1. SPARK gives partners the lead in designing as well as implementing projects in order to ensure ownership, responsibility and opportunities for learning;
2. Each programme has a strong capacity-building component. Thus, resources are made available to support capacity-building measures at the partner institutions. The exact support provided varies for each partner, and ranges from training in project-cycle management and bookkeeping systems to study visits, etc.;
3. SPARK field office staff and project managers are responsible for partner capacity building. During an official evaluation visit, the respective project manager, together with local field office staff, annually evaluates each partnership.



Strawberry value chain training

ABC Yemen - Strawberry Farming

With one of the objectives of the Agri-Business Creation Programme (ABC) in Yemen being the training of youth in farming techniques, SPARK organised a training event to support entrepreneurs in the strawberry-farming industry. The event, held at the Faculty of Agriculture at Sana'a University, brought together 13 participants. The goal was to educate youth on the relatively new business of strawberry farming in Yemen by sharing knowledge and best practices.

The sessions included both theory and practical activities. The training addressed the challenges faced by farmers, providing new farming techniques and post-harvest applications to improve strawberries grown in Yemen, as well as providing follow-up procedures for those who have already initiated their projects.

Through its ABC Programme, SPARK Yemen aims to strengthen the existing strawberry agribusiness sector by increasing farmers' capacity to overcome current constraints and challenges within the sector. SPARK is doing this by, among other things, providing training, know-how and credit facilities to introduce simple cultivation techniques, and by introducing improved seedlings.

Budget

Statement of Income and expenditures

	Budget 2015		Budget 2014	
Income	€		€	
Income from own fundraising	237.433		289.500	
Governmental grants	8.587.231		11.222.361	
Other Income	0		10.000	
Total Income		8.824.664		11.521.861
Expenditures	€		€	
Higher Education	2.680.620		2.874.373	
Private Sector Development	5.573.981		7.960.757	
		8.254.601		10.835.130
Spent on obtaining funds	€		€	
Costs own fundraising	42.608		31.111	
Costs obtaining governmental grants	389.855		412.579	
		432.463		443.690
Management and Administration	€		€	
Costs of Management and Administration		157.742		239.666
	€		€	
Total expenditures		8.844.806		11.518.486
Result		-20.142		3.375
RESULT CLEARED FOR MUTATION ALLOCATED FUNDS		19.858		43.375

Statement of Income and expenditures

	Budget 2015		Budget 2014	
	€		€	
Distribution of result 2015 (2014)				
allocated reserves		0		0
other reserves		19.858		43.375
allocated Guarantee funds		-40.000		-40.000
allocated fund IBCM		0		0
		-20.142		3.375

Statement of Income and expenditures

Objectives	Objective		Costs Fundraising		Management & Administration	Total 2015	Budget 2014
Costs of implementation	Higher Education Development	Private Sector Development	Own funds	Governmental Grants			
Grants and contributions	2.447.756	4.158.903				6.606.659	9.186.257
Obtaining governmental grants			0	231.820		231.820	273.500
Publicity and Communication			10.750	10.750		21.500	55.000
Personnel Costs	193.002	1.157.744	26.323	121.697	130.337	1.629.103	1.565.962
Housing costs	13.042	127.053	1.186	5.483	5.872	152.637	106.000
Office- and General costs	17.238	93.174	2.405	11.119	11.908	135.844	266.000
Depreciation and Interest	9.583	37.107	1.944	8.986	9.624	67.244	65.768
Total	2.680.620	5.573.981	42.608	389.855	157.742	8.844.806	11.518.486

% spent on objectives/total income						93,54%	94,04%
% spent on objectives/total income taking microcredit fund deposits & repayments into account						92,41%	93,17%
% spent on objectives/total expenses						93,33%	94,07%
% spent on own fundraising/income own fundraising						17,95%	10,75%

Percentages: per programme & donor and efficiency indicators

Income & Percentages per donor / origin	Budget 2015	Budget 2015
Income & Percentages per donor / origin	€	%
NLMFA	5.620.827	63,69%
Other cash grants & income	3.203.837	36,31%
	8.824.664	100,00%

INCOME % PER DONOR / ORIGIN 2015



25% other funding obligation MFS:

2015 CALCULATION ON ACCRUAL BASIS IN KIND CONTRIBUTIONS INCLUDED		
Total MFS 2015 grant NLMFA BiD Network part excluded	2.012.222	38,58%
Non - NLMFA grants & contributions 2015 SPARK Total incl in kind	3.203.837	61,42%
	5.216.059	100,00%
Other NLMFA Grants SPARK 2015	3.608.605	
Total income SPARK 2015	8.824.664	

Other percentages of interest	Budget 2015	Budget 2014
	€	%
Overhead %	1,79%	2,08%
AMS organisational (personnel, office, fixed organisation) costs versus total costs	10,49%	9,40%
AMS versus total costs	14,00%	12,60%
AMS labor costs versus total costs	9,03%	7,13%
AMS labor versus total labor costs	49,05%	52,43%
AMS labor + local labor costs versus total costs	18,42%	13,60%
AMS + local office & labor costs versus total costs	25,51%	20,25%
% spent on own fundraising/income own fundraising	17,95%	10,75%
Programme spending ratio	93,54%	94,04%

The programme spending ratio is the percentage of total spending on the programmes divided through total income.

6. Financial Report

Balance sheet

ASSETS	31 december 2014		31 december 2013	
Fixed Assets				
Fixed Assets	91.825		83.488	
Financial fixed assets	1.437.211		1.119.615	
		1.529.036		1.203.103
Current Assets				
Receivables & Accruals	1.558.492		1.352.895	
Cash & cash equivalents	7.051.983		5.444.323	
		8.610.475		6.797.218
TOTAL		10.139.512		8.000.321

Reserves and Liabilities	31 december 2014		31 december 2013	
Reserves				
allocated reserves	0		83.488	
continuity reserve	717.592		720.364	
		717.592		803.852
Funds				
allocated funds		2.749.973		2.419.002
Current Liabilities				
Payables & Accruals		6.671.947		4.777.467
TOTAL		10.139.512		8.000.321

Statement of Income and expenditures

Income	Realisation 2014		Budget 2014		Realisation 2013	
	€		€		€	
Income from own fundraising		881.732		289.500		323.949
Governmental grants		8.988.732		11.222.361		10.204.298
Other Income		2.739		10.000		66.560
Total Income		9.873.203		11.521.861		10.594.807
Expenditures	Realisation 2014		Budget 2014		Realisation 2013	
Spent on objectives						
Higher Education	2.618.993		2.874.373		3.212.507	
Private Sector Development	5.901.851		7.960.757		5.974.094	
		8.520.844		10.835.130		9.186.601
	Realisation 2014		Budget 2014		Realisation 2013	
Spent on obtaining funds						
Costs own fundraising	211.661		31.111		74.844	
Costs obtaining governmental grants	524.272		412.579		490.601	
		735.934		443.690		565.445
	Realisation 2014		Budget 2014		Realisation 2013	
Management and Administration						
Costs of Management and Administration		371.714		239.666		199.640
Total expenditures		9.628.492		11.518.486		9.951.686
Result	244.711		3.375		643.121	
RESULT CLEARED FOR MUTATION ALLOCATED FUNDS	-86.260		43.375		94.214	

Distribution of result 2014 (2013)	Realisation 2014		Budget 2014		Realisation 2013	
Addition to/withdrawal from:						
allocated reserve fixed assets		-83.488		0		-70.820
continuity reserve		-2.772		43.375		165.034
allocated loan guarantee funds		168.978		-40.000		112.071
allocated fund IBCM		161.993		0		436.836
		244.711		3.375		643.121

Cashflow Statement

	2014	2013
	€	€
Cashflow from operational activities		
Result	244.711	643.121
Depreciation fixed assets (incl. cars)	54.113	105.256
Gross cashflow from operation activities	298.824	748.377
Mutation in current assets	-205.597	215.459
Mutation (increase) in current liabilities	1.894.478	191.707
Net cashflow from operational activities (A)	1.987.705	1.155.543
Cashflow from investment activities		
Investment in fixed assets	-62.450	-48.612
Disposal of fixed assets	0	14.176
Investment in financial fixed assets	-317.596	-62.071
Cashflow from investment activities (B)	-380.046	-96.507
Cashflow from financing activities (C)	0	0
Mutation in Cash and cash equivalents (A+B+C)	1.607.660	1.059.036
Cash and cash equivalents 1 January	5.444.323	4.385.286
Cash and cash equivalents 31 December	7.051.983	5.444.323
Mutation in Cash and cash equivalents	1.607.660	1.059.037

Annex C - Statement of division of expenditures

Objectives	Objective		Costs Fundraising		Management & Administration	Total 2014	Budget 2014	Total 2013
Costs of implementation	Higher Education Development	Private Sector Development	Own funds	Governmental Grants				
Grants and contributions	2.273.259	4.392.344				6.665.603	9.186.257	7.313.405
Obtaining funds / governmental grants			51.755	294.257		346.012	273.500	286.711
Publicity and Communication	0	0	0	3.822		3.822	55.000	52.008
Personnel Costs	275.089	1.201.064	124.434	176.016	289.255	2.065.857	1.565.962	1.718.512
Housing costs	28.201	123.128	4.709	6.660	10.945	173.643	106.000	151.067
Office- and General costs	30.356	132.538	22.710	32.125	52.792	270.521	266.000	305.454
Depreciation and Interest	12.088	52.777	8.054	11.393	18.723	103.035	65.768	124.528
Total	2.618.993	5.901.851	211.661	524.272	371.714	9.628.492	11.518.487	9.951.685
% spent on objectives/total income						86,30%	94,04%	86,71%
% spent on objectives/total income taking loan guarantee fund deposits & repayments into account						90,22%	93,17%	87,88%
% spent on objectives/total expenses						88,50%	94,07%	92,31%
% spent on own fundraising/income own fundraising						24,01%	10,75%	23,10%

Explanation Annex C - division of expenditures

Explanation deviations budget

An important cause of the deviation opposed to the budget 2014, is the underspending under the IBCM project compared to the budget 2014. This is mainly due to the fact that the construction of the South building of the College was postponed until further notice due to a dispute over the land. In addition, the difficult situations in South Sudan, Yemen and Liberia caused underspending for all programmes executed in those countries, mainly for direct activities. The underspending did not occur on personnel and office budget lines in these countries, which surpassed the budget due to moving of offices and increase of other general expenses. The shift between Personnel Costs & Office- and General costs occurred due to a change in calculation / allocation method of field office running costs. The current method is more accurate.

Explanation distribution of expenditures

SPARK has one office in Amsterdam (headquarter) and several field offices in the countries where the projects are executed.

SPARK's programmes can be divided into two objectives: **Higher Education (development) (HE) & Private Sector Development**

(PSD).

Under HE SPARK aims to support and strengthen educational institutions, like local universities. This is achieved by (for instance) the organisation of Summer universities and Quality improvement projects at universities.

Under PSD SPARK tries to stimulate entrepreneurship and development in the private sector in post conflict areas / fragile states by, for instance, organising business plan competitions, trainings and some financing facilities for young (starting) entrepreneurs. Coaching and other trainings aimed at partners for local capacity building are other PSD activities. In addition Policy Making activities are undertaken to influence local / regional / national policy makers to facilitate private sector development. In all our programmes local & regional partners are stimulated to work together as much as possible and to contribute to our projects.

Division of the expenditures relevant for SPARK (HE, PSD, Obtaining of own funds, Obtaining governmental grants and Management & Administration) takes place as follows: Expenses which can be qualified as programme expenditures (for instance reimbursements to partners, rent of lecture rooms &

training space, reimbursements to trainers, travel and accommodation expenses of participants and trainers, reading materials, partners activities etc) are directly allocated to the objective HE & PSD. These expenditures are presented under "Grants and Contributions". Operational and organisational costs of the field offices ("Publicity and Communication", "Personnel costs", "Housing costs", "Office and general costs" and "Depreciation and Interest") are also directly allocated to the objectives. If a field office has worked on projects with different objectives, the expenditures are allocated towards the objectives HE and PSD based on the time spent (hour registration) on different programmes. Operational and organisation costs of the Amsterdam office are allocated to the objectives using the time registration of all International (mostly Amsterdam based) Management, Administrative & Support personnel. An exception to this are the promotion expenses occurred in The Netherlands, and direct costs for obtaining governmental grants. These are directly allocated towards the objectives "costs of own fundraising" and "costs of obtaining governmental grants". Project management, Finance and IT hours directly registered on projects / programmes, are allocated to the objectives HE and PSD.

Explanation Annex C - division of expenditures

Indirect hours regarding Finance, IT, Organisation and Personnel are allocated to Management & Administration (=overhead).

Absence days were not taken into account when allocating, except when the total number of estimated working days was determined for the budget. (Indirect) Hours regarding Fundraising Governmental grants are allocated to the objective “Obtaining governmental grants”.

(Indirect) Hours regarding Fundraising Other contributions are allocated to the objective “Obtaining of own funds”, as well as General promotion and advertisement costs.

SPARK’s own funds nowadays mainly consist of various income gathered through consultancy & training services. If these contract are with non-traditional donors/parties and for instance result based, we treat those as “Other income” and not as “Grants” (f.e. Chevron, HU). The costs of fundraising own funds, consist of direct expenses for General promotion & advertising, and newsletters, and attributed indirect costs based on the time spent on fundraising of non-institutional (or “own”) funds.

Accounting principles

General

The annual accounts 2014 have been drawn up according to generally accepted accounting principles in the Netherlands and RJ 650 for Fundraising organisations. The accounts include the financial statements of Stichting SPARK in Amsterdam, The Netherlands, and the regional offices in Serbia, Kosovo, Macedonia, Liberia, Palestine, Burundi, Rwanda, South Sudan, Yemen, Turkey, Mali, Somalia and Iraq.

Principles of valuation

Assets and liabilities are stated at face value unless indicated otherwise. Transactions in foreign currencies are recorded using the rate of the transaction. Assets and liabilities denominated in foreign currency are converted at the exchange rate at the year-end.

Fixed assets

The tangible fixed assets are stated at purchase value minus annual depreciations, calculated on the basis of estimated useful economical lifetime. The depreciation is a fixed percentage of the purchase price:

	NL	Rwanda	Burundi	Liberia	Palestine	South Sudan
furniture	25%	20%	20%	20%	10%	25%
computer hardware	33%	50%	20%	25%	20%	25%
cars	25%	25%	25%	25%	25%	25%
	Kosovo	Serbia	Yemen	Gaziantep	Somalia	Iraq
furniture	20%	20%	25%	25%	33%	46-48%
computer hardware	20%	20%	33%	25%	33%	46%
cars	25%	n.a.	n.a.	n.a.	n.a.	n.a.

The costs of fuel and usage of the cars are allocated to the projects based on a kilometer registration.

Accounting principles

Financial fixed assets

In the period 2007 - 2014, SPARK has signed 14 contracts with local partners to manage loan guarantee funds which benefit the start ups established under the Private Sector development projects. The contributions to these funds in the total period 2007-2014 can be found in the explanatory notes to the balance sheet. The participation is stated at its actual value at year end, taking into account losses on loans and received interest. Costs of fund management are presented as expenditures in the Statement of Income and Expenditures. The loan guarantee funds were originally financed by the Dutch Ministry of Foreign Affairs through project grants (MFS & BSCK). The ownership of the funds has been formally transferred to SPARK during 2011. SPARK pledged to keep using the funds for the same purposes as the original objective. Therefore, the funds are also presented as allocated reserve under the Reserves & Funds. Future losses on loans and costs of funds management will be deducted from these funds through the Statement of Income and Expenditures.

Cash & Cash equivalents

All amounts presented under the Cash & cash equivalents heading, are directly accessible. Foreign currency accounts are valued at the EURO - foreign currency exchange rate per 31 December 2014.

Reserves and Funds

SPARK can freely access the amounts presented under the Continuity reserve. Most of the allocated loan guarantee funds are freely accessible because the ownership of the funds is officially transferred to SPARK. We have chosen to keep presenting them as a fund, since we will continue to use them for the same objective. Loan guarantee funds provided to partners under the MFSII, ABC and Migration Programmes are still owned by the donors. After the project period has ended the donor will decide if their ownership can be transferred to SPARK.

Liabilities - partner obligations

SPARK has signed several contracts with partners, and herewith transferred certain project responsibilities and funds to them. The project grants presented under the income, as well as the expenses, include an amount for obligations towards local partners that SPARK has committed itself to transfer in upcoming years. These partners have the responsibility for the execution of (large) parts of the MFS II project.

Foundation of determining the result

The result has been determined as follows: Grants are recognised as income in the statement of income and expenditure in proportions of the progress of the project as well as project

expenditure. Income and expenditure are recorded in the period to which they relate.

Allocation of general organisational costs to the objectives

Operational and organisation costs of the Amsterdam office have been allocated to the objectives using the time registration 2014 of all Amsterdam personnel. For further clarification, please refer to the explanation provided under Annex C.

Income from own fundraising - Contributions in kind

Other in kind contributions

The municipality of Mitrovica provided SPARK with free usage of land for the purpose of establishing the International Business College Mitrovica (IBCM). SPARK / IBCM has the right of usage for 10 years, until 2019. However, nothing has been presented in 2013 & 2014 due to the dispute over the land with a third party. All (other) in kind contributions (book donations IBCM) have been stated at their fair value. The contributions are presented under Income from own fundraising and under the particular cost sort / activity they relate to in the Statement of Income in Expenditures.

Accounting principles

Related parties and Related party transactions

In 2014 SPARK founded Stichting IGNITE (registered in Amsterdam under KvK number 61189561).

Stichting IGNITE is governed by a separate board / director. SPARK has no power of control over Stichting IGNITE and thus its annual accounts do not have to be consolidated.

The main goal of Stichting IGNITE is to stimulate entrepreneurship and local economies in post-conflict areas by means of, directly or indirectly, participating in or promoting of funds used for collective investments, and / or to make loans or other equity / debt instruments available to local entrepreneurs / small and growing businesses (SBGs).

SPARK works with Stichting IGNITE to channel and monitor new investments / loans. The cash for these investments comes from money returned from previous loan guarantee contracts (repaid loans + interest) under MFSI or other ended programmes. Stichting IGNITE received a grant of € 150.000 from SPARK in 2014 to invest in new entrepreneurs / SBGs. In addition SPARK will cover (part of) Stichting IGNITE's operational costs in 2014 and 2015 with funds from the MFSII programme (€ 34.102).

SPARK also started the IGNITE FUND in 2014. The IGNITE FUND is a mutual investment fund (FGR in Dutch). SPARK is the Asset

Manager of the IGNITE FUND and requested Stichting IGNITE (and other investors) to invest in the fund. In 2014 Stichting IGNITE decided to participate in the IGNITE FUND for an amount of € 150.000.

The IGNITE FUND invests in small and growing businesses (SBGs) in fragile and conflict-affected states. IGNITE FUND utilizes innovative equity investment tools to mitigate difficulties typically faced in valuations and investment exits for SBGs in frontier markets. IGNITE FUND taps into a local technical assistance infrastructure developed by the asset manager, SPARK, and its customized technical support programs are deployed to each investment.

By marrying the FUND's innovative deal structuring with the tailored technical assistance, IGNITE FUND delivers unparalleled financial and social impact returns to the investors. In 2014 the only investor was Stichting IGNITE.

Explanatory notes Balance Sheet

Fixed assets	31 december 2014	31 december 2013
Fixed assets	€	€
Renovations	11.424	0
Furniture	25.368	26.355
Computer hardware	33.869	26.812
Cars	21.164	30.321
	91.825	83.488

	Total 2014	Renovations	Furniture	Computer hardware	Cars
	€	€	€	€	€
Fixed assets					
<i>Bookvalue previous year</i>					
Purchase value	282.448	0	47.441	146.186	88.821
Accumulated depreciation	-198.960	0	-21.086	-119.374	-58.500
<i>Book value 31 December 2013</i>	83.488	0	26.355	26.812	30.321
<i>Mutations</i>					
Purchases	62.450	25.850	11.215	25.385	0
Disposals	0	0	0	-	0
Depreciation	-54.113	-14.426	-12.202	-18.328	-9.157
	8.337	11.424	-987	7.057	-9.157
<i>Bookvalue year end</i>					
Purchase value	344.898	25.850	58.656	171.571	88.821
Accumulated depreciation	-253.073	-14.426	-33.288	-137.702	-67.657
<i>Bookvalue 31 December 2014</i>	91.825	11.424	25.368	33.869	21.164

Explanatory notes Balance Sheet

Fixed assets	31 december 2014	31 december 2013
	€	€
Fixed assets used for operations (furniture & hardware)	70.660	53.167
Fixed assets directly allocated to the objectives (cars)	21.164	30.321
	91.825	83.488
Financial Fixed assets	31 december 2014	31 december 2013
Participation loan guarantee funds	€	€
Balance 31 december 2013	1.119.615	1.057.544
Mutation 2014	317.596	62.071
Balance 31 december 2014	1.437.211	1.119.615
Specification mutation financial fixed assets 2014:		
New loan guarantee contracts and new loans		437.369
Reimbursement and closed contract with banks / participants		-56.349
Interest, provisions and exchange rate differences		-63.424
Total mutation		317.596

The financial fixed assets are directly allocated to the objective Private Sector Development. For the explanation of the usage of these funds, please see the description of the allocated revolving funds, under the Liabilities.

Explanatory notes Balance Sheet

6. Financial Report

Current assets - Receivables & Accruals	31 december 2014	31 december 2013
	€	€
Prepaid Grants for donors	1.058.238	1.020.555
Accounts receivables and pre paid expenses	500.254	332.340
	1.558.492	1.352.895
Prepaid Grants for donors		
Project MFSII - NLMFA	649.498	246.468
Project IBCM - SIDA	166.938	324.514
Project IBCM - Denmark	134.102	134.102
Project IBCM - NLMFA	107.700	167.651
Project IBCM - UK	0	22.677
Project Libyan Stock Market visit	0	22.536
Project Diploma recognition - EU	0	32.533
Project MYP - UK	0	6.238
Project YES Liberia - Transtec	0	29.907
Project Scholarship database - King Badouin Foundation	0	6.756
Project MSP - NLMFA	0	3.001
Project Beekeeping Yemen - UNDP	0	23.822
Project Borlaugh	0	350
	1.058.238	1.020.555

Explanatory notes Balance Sheet

Accounts receivables and pre paid expenses	31 december 2014	31 december 2013
	€	€
Prepaid expenses	24.690	29.461
Receivables from Partners	362.085	213.054
Tuition from IBCM students	68.816	59.443
Other receivables	61.954	50.382
	517.544	352.340
Reserve uncollectable receivables (tuition)	-17.290	-20.000
	500.254	332.340

Cash & Cash equivalents	31 december 2014	31 december 2013
	€	€
Cash Amsterdam	3.540	3.374
Current & savings accounts The Netherlands	6.650.297	4.493.543
Cash abroad offices	17.412	6.991
Transfers between banks	0	120.593
Current accounts abroad offices		
Kosovo	304.575	646.171
Serbia	10.284	6.197
Macedonia	1.821	1.457
Rwanda	24.468	12.153
Burundi	18.418	28.920
Liberia	2.323	9.177
Occupied Palestinian Territories	3.094	3.920
Libya	0	55.878
Mali	0	0
South Sudan	5.151	25.239
Yemen	10.601	30.710
	7.051.983	5.444.323

All liquidities are directly accessible.

Explanatory notes Balance Sheet

RESERVES	31 december 2014	31 december 2013
Specification of General reserves	€	€
Continuity reserve	717.592	720.364
Allocated reserve for fixed assets	0	83.488
Balance 31 December	717.592	803.852

	Continuity reserve	Fixed assets
	€	€
Balance 31 december 2013	720.364	83.488
Mutation 2014	-2.772	-83.488
Balance 31 december 2014	717.592	0

General reserve

In order to assure the continuation of the organisation, a minimum level of general reserve is necessary.

When determining the maximum of the reserve, SPARK takes the “Richtlijn Reserves Goede Doelen” of the Vereniging Fondswervende Instellingen VFI into account (maximum 150% of the annual costs of the working organisation).

SPARK made several calculations during 2012 to determine the needed & desired level of the General reserves and discussed a

policy concerning the reserves with the Supervisory Board.

The main guidelines to determine the height of the reserves are as follows:

- SPARK does not aim for large saving because the focus should be on our final beneficiaries
- SPARK field offices are not part of the annual organisational costs, because they are only relevant for as long as there are projects
- SPARK focusses on acquisition of new projects rather than building reserves

The minimum annual costs of the organisation are calculated at approximately € 685.000 in 2012 / 2013 (with downsized Headquarter operations). After taking into account certain risks (amongst which staff disability), a sufficient level of reserve was therefore estimated at € 785.000 at the end of 2013 (realized € 803.852). Currently reserves have decreased compared to 2013 and are thus insufficient.

Explanatory notes Balance Sheet

6. Financial Report

Allocated Funds

The amount reserved for replacement of fixed assets has been transferred to the general continuity reserve.

Specification of allocated funds	31 december 2014	31 december 2013
	€	€
Allocated reserve for IBCM	1.255.362	1.093.369
Revolving Loan guarantee fund business start-ups	1.494.611	1.325.633
	2.749.973	2.419.002

Allocated fund for IBCM	
Balance 31 december 2013	1.093.369
Addition from received tuition (NLMFA & students) funds	544.470
Addition from received miscellaneous income	15.673
Extraction to cover part of costs for 2014 & bad debts	-398.150
Balance 31 december 2014	1.255.362

Under the IBCM project, tuition fees are charged to students. If the student cannot finance the tuition & possible accommodation expenses on its own, a scholarship can be awarded, consisting of a contribution to the tuition and accommodation expenses. These

scholarships are financed by NLMFA under certain conditions. Income from this NLMFA & student contributions is added to the allocated fund, after deduction of the costs made for student housing. The fund will be used to ascertain future sustainability of

IBCM after current donor relations have ended. It thus can be used for any (future) IBCM project costs.

Explanatory notes Balance Sheet

Revolving Loan guarantee fund Business Start-Ups		
Balance 31 december 2013		1.325.633
Mutation 2014		168.978
Balance 31 december 2014		1.494.611

In the period 2007 - 2014, SPARK has signed 14 contracts with local partners to manage loan guarantee funds which benefit the start ups established under the Private Sector development projects. In addition, SPARK disbursed loans directly to entrepreneurs in 3 locations. The contributions to these funds of € 1.814.467 in 2007-2014 are financed by NLMFA through project grants.

Most of the funds are cash collaterals deposited at local micro-finance institutions or banks for a fixed period. Thus the banks / institutions disburse the loans from their own funds and the deposit minus administrative costs and defaults, plus gained interest on the deposit (or from the entrepreneurs) is returned to SPARK after a certain period. The balance in SPARK's annual accounts therefore does not take into account the disbursed and repaid amounts by entrepreneurs, except for the fund in Liberia. In Liberia, the deposits + expected interest from the entrepreneurs are transferred to a bank account which is both accessible for SPARK and the local institution. SPARK has the contractual possibility to withdraw repaid loans and interest from that account, when quarterly reports have

been approved by both parties.

Total loan guarantee fund mutation since 2007 can be summarized as follows:

Deposits into the funds:	1.814.467
Withheld management costs for banks:	-25.334
Received interest added:	105.893
Exchange rate differences / currency revaluations:	24.957
Deducted bankrupt / delayed loans:	-425.372
	1.494.611

The revolving loan guarantee funds are € 57.400 higher than the counterpart financial fixed assets on the balance sheet. This is due to a € 111.740 reservation made for loan guarantee fund deposits in Liberia which have not been transferred to the local bank. Additionally, the bank in Bosnia & Herzegovina has deposited € 150.660 back, due to ended activities there. This results in a

surplus of € 262.400 over the financial fixed assets. An amount of € 150.000 of that has been transferred to Stichting IGNITE for new loans / loan guarantees. Finally, an amount of € 55.000 of previous returns has been used to finance 50% of a loan under the Migration programme.

Since the start of the fund an amount of € 1.965.109 has been disbursed to entrepreneurs. Of this amount, € 1.344.005 has been paid back at the end of 2014.

The average historical default rate of all loans is 25%; this is including provisions taken for loans that might not be repaid. The entrepreneurs pay interest rates ranging from 5% declining to 15% nominal on unpaid principal.

The Revolving Funds are directly allocated to the objective Private Sector Development.

Explanatory notes Balance Sheet

6. Financial Report

Current liabilities - Payables & Accruals	31 december 2014	31 december 2013
	€	€
Grants	5.242.633	3.341.902
Partner obligations and payables	914.567	1.109.764
Shortterm debts, payables & accruals	514.747	325.801
	6.671.946	4.777.467

Partner obligations and payables	31 december 2014	31 december 2013
	€	€
Programme MFS II 2011-2015	877.627	783.098
Project IBCM -Tietgen	6.000	309.467
Programme YEP	29.292	9.941
Programme ABC	1.648	0
Project YES Liberia	0	7.258
	914.567	1.109.764

Short term debts, payables & accruals	31 december 2014	31 december 2013
	€	€
Creditors & Accounts payable	340.571	226.430
Income tax, social security, pensions, severance	84.011	43.152
Vacation days & allowance	46.865	31.746
VAT	39.313	0
Prepaid tuition from IBCM students	1.072	2.740
Other short term debts and accounts payables	2.915	21.733
	514.747	325.801

The total amount of outstanding holidays 2014 is € 19.700 including field offices.

Explanatory notes Balance Sheet

6. Financial Report

Grants	31 december 2014	31 december 2013
	€	€
Project IBCM - MEST	1.157.210	1.166.973
Project IBCM - SDC	77.145	120.013
Project IBCM - EU	500.000	0
Project YEP - NLMFA	124.677	166.165
Project ABC - NLMFA	1.495.725	492.522
Project UNDP Burundi	0	16.216
Project King Badouin Foundation	8.980	0
Project BEC Libya - DFID	0	219.161
Project Taqweem / IE - ILO	84.183	1.406
Project CSP Rwanda - NLMFA	375.625	260.032
Project Chevron Liberia	42.786	11.353
Project ISSUE - NLMFA	0	175.858
Project Branson Scholarship - Humanity United	53.569	122.352
Project Migration - NLMFA	676.603	400.000
Project BIWU - NLMFA	0	53.443
Project CEEUS - NLMFA	8.296	128.668
Project RESP - NLMFA	0	7.740
Project ABIN - NLMFA	300.000	0
Project SSRT Syria - NLMFA	7.699	0
Project HE Syria NLFMA - University Gaziantep	330.135	0
	5.242.633	3.341.902

OF BALANCE SHEET COMMITMENTS

The following programmes / projects relate to periods exceeding the year 2014:

Name	Donor	Period	project grant
International Business College Mitrovica (IBCM)	SIDA	1/1/2012-31/12/2016	SEK 30.000.000
International Business College Mitrovica (IBCM)	SDC	7/11/2012-31/12/2015	€ 1.000.000
International Business College Mitrovica (IBCM)	MEST	1/1/2012-31/12/2016	€ 1.500.000
International Business College Mitrovica (IBCM)	EU	1/1/2015-31/12/2016	€ 1.000.000
Medefinancieringsstelsel II (MFS II)	NLMFA	1/1/2011-31/12/2015	€ 21.347.600
Youth Engagement Programme (YEP)	NLMFA	1/1/2012-31/12/2015	€ 1.882.500
Agri Business Creation (ABC)	NLMFA	1/7/2012-30/6/2016	€ 5.824.085
Cooperatives Support Programme (CSP)	NLMFA	6/5/2013-6/5/2016	€ 1.940.685
Migration (MIG)	NLMFA	1/1/2014-31/12/2016	€ 1.963.625
Chevron Liberia (extension requested due to Ebola)	Chevron	22/4/2013-21/4/2014	\$200.000
Branson scholarships (extension requested due to Ebola)	HU	1/1/2014-15/11/2014	\$169.030
Scholarships for Syrian refugees in Turkey (SSRT)	Uni Gaziantep	1/8/2014-31/7/2015	€ 54.400
Maintenance scholarship database KBF (KBP Phase IV)	KBF	1/1/2014-31/12/2016	€ 40.000
Setting up a pilot Higher Vocational Institute for Syrian Students (SYRIN)	NLMFA	1/10/2014-31/1/2016	€ 881.318
Burundi Agribusiness Incubation Network (ABIN)	NLMFA	20/11/2014-31/12/2017	€ 2.314.969

MFS II 25% other funding obligation

The MFS II Grant stipulates that at least 25% of the annual organisational income of the MFS II Alliance needs to originate from other sources than NLMFA MFSII. If that percentage is not realized, the Ministry can ask for a refund of part of the grant. As for 2014, SPARK realized a percentage of 37% (excluding Alliance partner BiD Network; see section about Percentages). The 37% is calculated according the rules NLMFA set (all other NLMFA funds need to be excluded for this calculation). On an organisation level the total % of funds coming from NLMFA is 77% in 2014 (65% in 2013).

Rental obligations

As of 11 May 2012 SPARK relocated to another location at the Y-tech building. The total expenses per year are € 33.000. The contract ends on 31 March 2015.

OF BALANCE SHEET COMMITMENTS

6. Financial Report

Loan guarantee Funds / Loan obligations

SPARK signed contracts with the following parties and the following amounts have not been transferred to these parties in 2014:

PARTY	PROGR / PROJECT	CONTRACT AMOUNT	TRF amount in 2014	STILL TO TRANSFER in loc curr	STILL TO TRANSFER in Euro
Mido Dairy (Afghanistan)	MIG	€ 75.000	€ 55.000		€ 20.000
Mido Dairy (Afghanistan) *	own account	€ 75.000	€ 55.000		€ 20.000
Lopogo Farmers (RSS)	ABC	SSP 72.000	SSP 18.600	SSP 53.400	€ 13.153
Bami Farm Enterprises (RSS)	ABC	SSP 50.000	SSP 30.000	SSP 20.000	€ 4.926
Agroplan (RSS)	ABC	SSP 56.700	SSP 36.490	SSP 20.210	€ 4.978
CECM (Bur)	ABC	BIF 120.000.000	€ 20.000	BIF 80.000.000	€ 40.000
COSPEC (Bur)	ABC	BIF 120.000.000	€ 19.348	BIF 80.000.000	€ 40.000

* the loans under the Migration programme are financed for 50% by the donor and for 50% by SPARK.

Explanatory notes Statement of Income and Expenditure

6. Financial Report

INCOME	2014	2013
	€	€
Income from own fundraising		
IBCM - in kind contribution books	797.617	0
Grant King Badouin Foundation - scholarship database	4.350	4.088
WAC Libya	0	21.317
Libyan Stock Market visits	0	17.575
Chevron	-31.433	137.979
Transtec / YES project	0	73.584
MSP	0	16.294
RESP	8.585	17.820
WFP NAFA	0	6.862
IBCM other income (rent & training fees)	14.679	28.430
Humanity United	68.783	0
SSRT	19.501	0
Borlaug	-350	0
	881.732	323.949

Governmental grants	2014	2013
	€	€
Grants NLMFA - MFS, ABC, YEP, IBCM, MIGR, CSP, CEEUS, BIWU, ISSUE, SYRIN	7.619.321	6.887.049
Grant SIDA / SDC / UK / MEST - IBCM	1.067.906	2.638.191
Grants UNDP - Entreprise development Burundi / Yemen	33.162	162.403
Grants DFID / UK - BEC, MYP	222.891	431.423
Grant EU - Diploma recognition	42.964	82.764
Grant ILO - M&E / IE	2.487	0
Grants other donors - miscellaneous projects	0	2.468
	8.988.732	10.204.298

Other Income	2014	2013
	€	€
Other miscellaneous income & private donations	2.739	66.560
Total income	9.873.203	10.594.807

Explanatory notes Statement of Income and Expenditure

6. Financial Report

Most grants still need final approval of the donor. Under the IBCM project an amount of € 167.000 of North building costs has been declared under a budget line meant for South building costs. In addition several individual budget lines for 2014 have been overspent. The donors have been notified of these issues and need to provide their final approval in 2015.

The negative amount for the Chevron project is caused by a correction on 2013 expenses / income. These expenses should have been declared under MFSII. This has been adjusted in 2014.

The grants include an amount of € 414.076 for 2014 obligations towards partners under MFS II. From total income an amount of € 1.713.978 is used for programme management and overhead of SPARK Amsterdam; an amount of € 7.732.326 is used for direct project expenditures (including those partner obligations).

EXPENDITURES	2014	2013
Spent on objectives	€	€
Grants and contributions	6.665.603	7.313.406
Direct costs obtaining governmental grants	294.257	252.187
Publicity and Communication	55.576	86.532
Personnel Costs	2.065.857	1.718.512
Housing costs	173.643	151.067
Office- and General costs	270.521	305.454
Depreciation and Interest	103.035	124.528
TOTAL expenditures	9.628.492	9.951.686

Grants and contributions	2014	2013
<i>Private Sector development programs</i>	€	€
Remunerations 3rd parties involved in projects (partners, experts, trainers, teachers, etc)	451.190	203.668
Project travel and accommodation costs SPARK & 3rd parties	276.108	305.625
Capacity building of partners	981.234	1.526.251
Direct poverty alleviation	2.262.509	2.083.044
IGNITE Fund direct expenses	27.269	0
Policy making / Youth participation / Government legitimacy	226.457	290.774
Monitoring & evaluation costs	169.848	134.075
Own contributions students / participants / trainees	-2.270	0

	€	€
<i>Higher Education programmes</i>		
Summer / Winter courses	227.519	179.299
Establishing International business College Mitrovica	2.149.085	2.740.673
Other Higher Education project costs	3.354	1.325
Own contributions students / participants	-123.989	-194.866
Provision for uncollectable tuition students	17.290	43.538
Total Grant and contributions	6.665.603	7.313.406

Explanatory notes Statement of Income and Expenditure

6. Financial Report

Obtaining governmental grants	2014	2013
	€	€
Feasibility studies and project acquisition	294.257	252.187
	294.257	252.187
Publicity and Communication	2014	2013
	€	€
Amsterdam office - project promotion and advertising	51.755	34.524
Projects - project promotion and advertising	3.822	52.008
	55.576	86.532
Personnel Costs	2014	2013
<i>Amsterdam</i>	€	€
Gross salaries including holiday allowances	833.088	799.052
Social security premiums & Pensions	140.539	108.401
Other personnel costs	97.832	25.421
Staff training (including field office staff)	6.770	8.992
<i>Field offices</i>		
Field office coordinating personnel	987.629	776.646
	2.065.857	1.718.512

In 2014, the organisation had 19 (2013: 16) staff members on average in Amsterdam / Project Management (including interns) and 52 (2013: 34) in the local offices. Personnel operating under the IBCM project (with the exception of SPARK Kosovo field office personnel) is presented under the Direct project expenditures.

The increase in field office personnel and costs can be explained as follows: Additional offices were opened in Gaziantep (Syria projects), Mali (CEEUS), Somalia and Iraq (Migration programme).

Explanatory notes Statement of Income and Expenditure

6. Financial Report

<i>Remuneration directors</i>	<i>Yannick du Pont</i>	<i>Michel Richter</i>
	Director	Co-Director
Employment contract	Indefinite	Indefinite
Hours	40	32
Parttime %	100%	80%
<i>Annual remuneration</i>		
Gross salary	86.988	61.476
Holiday allowance	6.959	4.918
Other fixed/variable remunerations	1.047	0
	94.994	66.394
Social securities employer	9.111	9.111
Pension contribution employer	3.142	2.722
Corrections previous years	12.283	-
Total 2014	119.530	78.227
Total 2013	105.618	77.491

All remunerations within SPARK comply to the WNT (Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector) standards. The Supervisory Board does not receive any remuneration. The other remunerations concern flights for the family of the Director in 2014.

In previous years an additional € 12.282 gross has been reimbursed concerning family flights including taxes. This was not reported and thus a correction is made in 2014. In addition to this additional hous-

ing expenses in Belgrade were paid for the Director. These costs have been assessed (by an external party) as work-related and thus not other income. All these reimbursements have been approved by the Supervisory Board.

Housing costs	2014	2013
	€	€
Rent and utilities - Amsterdam office	40.800	32.695
Rent and utilities - field offices	132.843	118.373
	173.643	151.067

Explanatory notes Statement of Income and Expenditure

6. Financial Report

Office and general costs	2014	2013
<i>Amsterdam</i>	€	€
Office supplies, telecommunication & postage, other office costs	23.702	22.008
IT infrastructure services - maintenance	8.701	9.613
General evaluation and reports (not under direct Programme costs)	10.225	16.261
SPARK support/donations to projects in NL and NL visibility	40	3.982
Organisational fees and memberships	14.390	1.501
Administration and auditing	45.497	42.374
Quality assurance	2.310	3.249
Development of IT infrastructure	6.489	2.238
Insurances	5.150	16.478
Representation	1.685	9.487
Other general expenditures	968	17.635
Contingencies	77.632	8.688
<i>Field offices / projects</i>		
Office supplies, telecommunication & postage, other office costs	47.522	88.862
Project evaluation and reports	0	32.911
Administration and auditing	22.744	25.542
Representation	3.468	4.625
	270.521	305.454

Depreciation and Interest	2014	2013
<i>Amsterdam</i>	€	€
Depreciation fixed assets	29.060	17.323
Bank fees, costs and interest	-19.250	16.079
Interest, costs and default loans microcreditfunds	59.980	62.376
<i>Field offices / projects</i>		
Depreciation fixed assets	10.052	6.609
Bank fees, costs and interest projects	23.193	22.141
	103.035	124.528
TOTAL EXPENDITURES	9.628.492	9.951.686
RESULT	244.711	643.121
RESULT CLEARED FOR MUTATION ALLOCATED FUNDS	-86.260	94.214

Percentages: per programme & donor and efficiency indicators

INCOME	Realisation 2014	Realisation 2014
<i>Project (cash) grants from donors</i>	€	%
Grant Medefinancieringsstelsel II 2011 -2015 - NLMFA SPARK	3.857.811	39,07%
Grant Medefinancieringsstelsel II 2011 -2015 - NLMFA BiD Netw.	810.665	8,21%
Grant ABC - NLMFA	896.797	9,08%
Grant YEP- NLMFA	512.112	5,19%
Grant Migration - NLMFA	389.188	3,94%
Grant Burundi Rural Entrepreneurship - UNDP	29.780	0,30%
Grant IBCM - SIDA	586.160	5,94%
Grant IBCM - NLMFA	420.481	4,26%
Grant IBCM - UK	29.115	0,29%
Grant IBCM - SDC	442.868	4,49%
Grant IBCM - MEST	9.763	0,10%
Grant Diploma acceptance - EC	42.964	0,44%
Grant MYP/MSU 2012/2013/2014 - UK	54.534	0,55%
Grant CSP Rwanda - NLMFA	403.463	4,09%
Grant Taqeeem - ILO	2.487	0,03%
Grant Beekeeping project Yemen - UNDP	3.382	0,03%
Grant CEEUS - NLMFA	120.372	1,22%
Grant BEC - DFID	168.357	1,71%
Grant BIWU - NLMFA	5.415	0,05%
Grant ISSUE - NLMFA	188.174	1,91%
Grant Borlaugh RSS - Agrilife	-350	0,00%
Grant SYRIN - NLMFA	14.843	0,15%
	8.988.382	91,04%

Percentages: per programme & donor and efficiency indicators

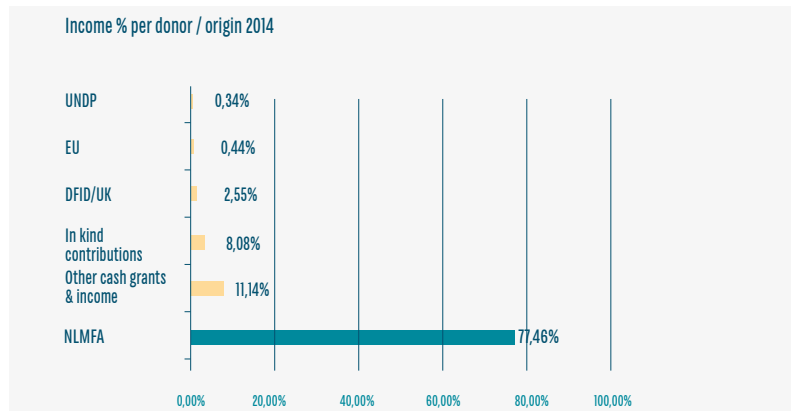
6. Financial Report

Other income	Realisation 2014	Realisation 2014
	€	%
King Badouin Foundation - scholarship database	4.350	0,04%
Chevron	-31.433	-0,32%
Humanity United - Branson	68.783	0,70%
RESP - NLMFA	8.585	0,09%
Grant SSRT - NLMFA (via Uni Gaziantep)	19.501	0,20%
Other miscellaneous income SPARK	2.739	0,03%
In kind contribution IBCM books	797.617	8,08%
Other income IBCM (rent & trainings)	14.679	0,15%
	884.821	8,96%
Total Income	9.873.203	100,00%

Percentages: per programme & donor and efficiency indicators

6. Financial Report

Income & Percentages per donor / origin	2014	2014
	€	%
NLMFA	7.647.407	77,46%
Other cash grants & income	1.100.047	11,14%
In kind contributions	797.617	8,08%
DFID/UK	252.006	2,55%
EU	42.964	0,44%
UNDP	33.162	0,34%
	9.873.203	100,00%



Percentages: per programme & donor and efficiency indicators

6. Financial Report

25% other funding obligation MFS:

2014 CALCULATION (AS DETERMINED BY DONOR) ON ACCRUAL BASIS	2014	2014
	€	%
Total MFS 2014 grant NLMFA BiD Network part included	4.668.476	67,72%
Non - NLMFA grants & contributions 2014 SPARK Total incl in kind	2.225.796	32,28%
	6.894.272	100,00%
Other NLMFA Grants SPARK 2014	2.978.931	
Total income SPARK 2014	9.873.203	

2014 CALCULATION EXCLUDING BiD NETWORK GRANT MFS II		
Total MFS 2014 grant NLMFA BiD Network part excluded	3.857.811	63,41%
Non - NLMFA grants & contributions 2014 SPARK Total incl in kind	2.225.796	36,59%
	6.083.607	100,00%

Percentages: per programme & donor and efficiency indicators

6. Financial Report

Other percentages of interest	Realisation 2014	Realisation 2013
	%	%
Overhead % (Management & Administration Costs / total costs)	3,86%	3,57%
AMS organisational (personnel, office, fixed organisation) costs versus total costs	11,63%	14,09%
AMS & fundraising costs versus total costs	18,02%	19,57%
AMS labor costs versus total costs	9,59%	10,25%
AMS + local office & labor costs versus total costs	30,77%	26,34%
% spent on objectives/total expenses	88,50%	91,95%
% spent on own fundraising/income own fundraising	24,01%	7,33%
% spent directly on programmes (programme spending ration)	86,30%	88,74%

The programme spending ratio is the percentage of total direct spending on the programs divided through total income.

INDEPENDENT AUDITOR'S REPORT

To: the Board of Spark, Amsterdam, The Netherlands.

We have audited the accompanying financial statements of Spark, Amsterdam, which comprise the balance sheet as at 31 December 2014, the statement of income and expenses for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 650 "Fundraising Institutions", and the legal provisions of and in accordance with the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT). Furthermore management is responsible for such internal control as it determines necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing, as well as the Audit Protocol WNT. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Spark, Amsterdam as at December 31, 2014 and of its result for the year then ended in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 650 "Fundraising Institutions", and the legal provisions of and in accordance with the WNT.

Amsterdam, 5 June 2015

Dubois & Co. Registeraccountants

Signed on original:
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Muta Elias
Destiny Enterprises, South Sudan

List of Abbreviations

ABC	Agri Business Creation	Branson scholarships	Liberian Entrepreneurs receiving Branson scholarships	CSRO	Civil and Social Relief Organization	ILO	International Labour Organization
ABIN	ABIN, Burundi Agribusiness Incubation Network	BSC	Business Support Centre	Denmark	The Ministry of Foreign Affairs of Denmark	ISSUE	International Syrian Summer University in Exile
ACDF	Action for Children Development Foundation	BSCM	Business Support Centre Monrovia	DFID	Department for International Development	IYF	International Youth Foundation
AERG	Association des Etudiants et Éléves Rescapés du Genocide (Association of Student Survivors of Genocide in Rwanda)	BSP	Branson Scholarship Programme	DKMFA	Danish Ministry of Foreign Affairs	KBF	King Badouin Foundation
AFAB	Association des Femmes d'Affaires du Burundi (Business Women's Association of Burundi)	BST	Business Skills Training	EC	European Commission	KBF II	Maintenance scholarship database KBF
AFDB	African Development Bank	BTI	Business and Technology Incubator	EU	European Union	KFAS	Keliko Farmers Association Society
Agrilife / Borlaugh	Texas A&M Agrilife research / Norman Borlaugh Institute	CBF	Centraal Bureau Fondsenwerving	EU Aid	EuropeAid	KPIs	key performance indicators
BBIN	Burundi Business Incubation Network	CBM	Community Building Mitrovica	EU Red	EU Support for Regional Economic Development, Northern Kosovo	LITR	Liberia IT Revolution
BD Tracker	Business Development Tracker	CECEM Caisse	Cooperative d'Epargne et de Credit Mutuel	FAF	For All Foundation	LSM	Libyan Stock Market visit
BDU	Business Development Unit	CEEUS	Cours d'été de l'Entrepreneuriat à l'Université de Ségou	FCAS	fragile and conflict-affected states	M&E	monitoring and evaluation
BEC	Benghazi Entrepreneurship Centre	CFR	Centre de Formation Rural	FOCODE	Forum pour la Conscience et le Développement	MEP	Migrant Entrepreneurship Programme
BIWU	Benghazi International winter University	Chevron	Chevron Liberia Limited	HR	Human Resources	MEST	Ministry of Education, Science and Technology in Pristina
BoD	Board of Directors	Chevron Liberia	Stimulating Youth Business Development and Employment in Liberia	HU	Humanity United	MFS	Medefinancieringsstelsel subsidie
Borlaugh	Agri-Entrepreneurship program	CoC	Code of Conduct	IATI	International Aid Transparency Initiative	MFS II	Entrepreneurship Development Programme
BPC	Business Plan Competition	COSPEC	Coopérative Solidarité avec les Paysans pour l'Epargne et le Crédit	IBCM	International Business College Mitrovica	Migration (MIG)	Circular Migration and Brain Gain: supporting migrant entrepreneurs
		CSOs	civil society organisations	IC	Investment Committee	MINAGRI	Ministry of Agriculture and Animal Resources
		CSP	Cooperatives Support Programme	ICT	Information and Communications Technology	MIS	management information system
		CSR	Corporate Social Responsibility	IE	Impact Evaluation		

List of Abbreviations

MoE	Ministry of Education (of the Interim Syrian Government)	SSRT	Scholarships for Syrian Students in Turkey	USAID	United States Agency for International Development
MoU	Memorandum of Understanding	SUTCO	Support the Children Organization	UvA	Universiteit van Amsterdam
MSP	MSP Syria Scholarship 2013, Outreach and selection of applicants	SYBDEL	Stimulate Youth Business Development and Employment in Liberia	WAC	Warriors Affairs Commission (Libya)
MSU	Mitrovica Summer/Winter University	SYRIN	Setting up a Higher Vocational Institute for Syrian Civil Responders in Crisis Response & Early Recovery	WFP	World Food Programme
MYP	Mitrovica Youth Programme (, from exclusion to regional intergration)	TA	technical assistance	World Bank / WB	World Bank
NLMFA	Dutch Ministry of Foreign Affairs	TMF	Terrafina Microfinance	YEFE	Yemen Education For Employment
OM	Observation Mission	UEC	United Entrepreneurship Coalition	YEP	Youth Engagement Programme
OPT	Occupied Palestinian Territories	UK/FCO	United Kingdom Foreign & Commonwealth Office, British embassy in Kosovo.	YLDF	Yemen Leadership Development Foundation
PYALARA	Palestinian Youth Association for Leadership and Rights Activation	UKaid	United Kingdom aid	YMN	Yemen Microfinance Network
RCT	Randomised Control Trial	UNDP	United Nations Development Programme		
RESP	Regional post-secondary education support programme for Syrian Refugees and	UNDP Bur	Burundi Rural Entrepreneurship programme		
SB	Supervisory Board	UNDP II KOS	Enterprise development Northern Kosovo		
SDC	Swiss Agency for Development and Cooperation	UNDP Yemen	Yemen Beekeeping project finance by UNDP		
SGB	small growing business	Uni Gaziantep	University of Gaziantep in Turkey (on the border with Syria)		
SIDA	Swedish International Development Cooperation Agency	UoG	University of Gaziantep		
SME	small- and medium-sized enterprise				

spark

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Phone +31 (0)20 753 0311
Website www.spark-online.org
IGNITE Fund www.ignite-fund.org

Bank account information

Account Holder: Stichting Spark
Account Number: 655131957
IBAN: NL62 INGB 0655 1319 57
BIC INGBNL2A
Place: Amsterdam, the Netherlands

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