

A man with short dark hair and a light beard, wearing a grey sweater, is holding a wooden frame filled with a large number of bees. He is looking directly at the camera with a slight smile. The background is a blurred outdoor setting with some structures and greenery.

# spark

Annual Report 2013



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# 1. Preface by the Board of Directors

Dear Reader,

It is our pleasure to present you the Annual Report 2013.

This year has shown some new developments in our services and approach to the local partners and entrepreneurs, as a reaction to a changing need of our target group. The development of the SPARK Business Support Centre Solution continued in 2013. In addition, after a long period of preparation, SPARK created in 2013 the IGNITE Fund to improve access to finance for small, growing SMEs.

In addition, the Business Tracer Study was introduced in 2013. This large-scale survey was held in the summer of 2013 to give us an indication about the effectiveness of our strategy. The development of this Business Tracer is a consequence of our increasing quality of our Monitoring and Evaluation capacity. In wake of the survey several changes have been made in SPARK's strategy. For example, we expanded our focus from assisting starting business to already established businesses.

As per our long-term goals, SPARK wants to create 20.000 new jobs by 2015. This year we are halfway the time-slot, and doing quite well so far! In maintaining the three-fold strategy of Direct Poverty Alleviation, Capacity

Building, and Policy Making & Advocacy, new projects were started and others continued. The tried-and-proven successful concept of summer and winter universities was started in new countries.

SPARK organised in 2013 several conferences in order to discuss new developments in Private Sector Development and Higher Education. From bankers to NGO professionals and ex-combatants, the IGNITE! Conference brought together an inspiring group of people to focus on creating economic stability in conflict-affected environments.

In terms of acquisition, our ambition is to

increase the number of submitted proposals and to increase the percentage of approved applications thereof. This reflects our ambition to make maximum use of the high donor attention for private sector development and youth employment in fragile states as well as to further diversify our donor basis beyond the Netherlands Ministry of Foreign Affairs. The new SPARK website, launched in 2013, supports our acquisition activities.

In all the productivity it is also important to remember the difficulties that sometimes can arise in the conflict-affected environments we work in. For example, after its approval, the projects in South Sudan had to be put on

hold due to the political unrest in the country. Since December the country has been involved in a civil war. Our thoughts are with those that have been affected by the war and we hope that the situation will stabilise soon.

With optimism we look forward to 2014. New projects are in the pipeline, including a migrant entrepreneurship project, more Business Service Centres and Summer and Winter universities, and the continuation of the International Business College Mitrovica. Let's make next year just as exciting as the last!

Yours truly,  
Yannick and Michel

## 2. Executive Summary

**SPARK is proud to state that much has been achieved in 2013. Large projects that began in 2012 were in full swing in 2013 and have started to show significant results. Many new, smaller projects such as the Chevron SME development programme started in both areas of focus (Private Sector Development and Higher Education in conflict affected environments). SPARK has continued to develop and expand some of its successful concepts such as the Summer and Winter Universities. Also for the coming years, SPARK will continue to find opportunities to aid the development of enterprises.**

Many more achievements were made in the past year. Below are some highlights from 2013. As before, SPARK was active in projects dealing with higher education and private sector development in conflict-affected environments. In addition to SPARK's own projects, the annual report also describes SPARK's internal developments.

### **Private Sector Development Highlights**

Of importance in 2013 was the Business Tracer Survey. SPARK believes in the importance of learning lessons from past experience and therefore evaluates projects in order to be able to apply new knowledge in the future. The survey provided many valuable

insights in the way that entrepreneurs work in the various regions where SPARK is active. The survey allowed for SPARK to engage in fact based advocacy. One of the lessons learned was that already existent and growing businesses generate more jobs than new startups; however startups do show growth over time. This has led to an expansion in SPARK's focus, in order to be more effective in pursuing our goals.

In the Private Sector Development, thirteen projects were active in 2013. The three large projects, MFS-II, ABC, and YEP were in the implementation phase and have shown significant results on all of SPARK's key indicators: jobs created, SMEs started, and people trained. The projects are aimed at

implementing SPARK's strategies: Direct Poverty Alleviation, Capacity Building, and Policy Making & Advocacy.

Especially in Liberia the SME development Programme has been exceptionally successful in terms of the amount of jobs created. With over 1000 new jobs created by this programme alone, the programme is an important part of the various projects that together are working together towards achieving SPARK's long-term goals of creating 20.000 jobs by 2015.

The Benghazi Entrepreneurship Centre in Libya is another important project as it ensures long-term sustainability. Through

the Entrepreneurship Centre, local potential entrepreneurs can receive training, advice, or linkage that can help them through the first steps of setting up a business. In conflict-affected environments the start-up phase of a business can be difficult due to all the instability and uncertainty, SPARK aims to assist wherever it can. In other countries such as Rwanda and Burundi, new Business Development Centres are set up with the same goals. Cooperation with local partners is going well and more responsibilities are being handed over.

The results of the Keystone survey were presented this year. The survey interviewed local partners that SPARK cooperates with. Overall, SPARK scored close to the global

averages of the survey. Partners were satisfied with the capacity building that SPARK provides and recognise the strict monitoring that SPARK implements. A few projects were closed and evaluated in 2013, such as the EU support for Regional Enterprise in Kosovo.

### Higher Education Highlights

In the Higher Education sector, eight different projects have been running in 2013, in various stages of implementation. The biggest project is the International Business College Mitrovica (IBCM). A new campus was completed and several sections of the IBCM moved in. An evaluation was held that led to specific improvements in terms of organisation and contact with students. The staff satisfaction rate at IBCM remains at a high level.

This year, the MENA Scholarship Programme was organised to provide Syrian students with the possibility to study abroad. Syria remains in a political crisis which has caused much damage to the country and especially the education system. By assisting to provide scholarships, SPARK hopes to help students who have the potential to become future

leaders or who can help rebuild the Syrian economy.

Also in 2013, SPARK continued with the Diplomacy Acceptance Programme. The programme has had some hitches along the way due to misunderstandings amongst students, but in all, the programme has provided some valuable assistance to students who hope to continue their studies after completing high school.

### Organisational Development Highlights

The year 2013 saw some important new developments in terms of the organisation of SPARK. First, a new website was launched in May 2013. The new website is used not only to present SPARK to the world but also serves as a platform to provide linkage. For example, students interested in a scholarship can find links on the website to the relevant partners.

Also in 2013 a new internal communications programme was introduced: Yammer. This is an online communication programme that has an interface similar to Facebook. It allows for clear and efficient communication between

the offices in all the countries that SPARK is active in.

SPARK organised an expert meeting and a conference in 2013. The goals of these meetings were to bring together experts, entrepreneurs, development workers, and the like from all over the world to share ideas and work together. The expert meeting was focussed on some dilemmas such as 'how should you balance between short-term and long-term goals?' During the IGNITE! Conference, participants came together to discuss how to best create economic opportunities for young men and women in fragile environments. Due to its success, SPARK will continue to organise expert meetings and conferences in 2014.

### Spark Stories

#### SPARK in the News

Saturday, June 15th, an item on SPARK was published in the largest national Dutch newspaper, the Telegraaf. The article about entrepreneurship in development countries included a large section about SPARK in the annex.

Calling attention to Business Support Centres and how these can be useful for Dutch entrepreneurs, the article weighs in on the importance of equal growth amongst groups such as women, youth and the poorest in order to achieve a profitable and sustainable economy. Due to stabilising economies, a post-conflict society can then undergo successful reconstruction. SPARK is proud to be mentioned as a part of this process. Because of its long standing reputation and activities, SPARK is being noticed by important Dutch media. SPARK can capitalize on this attention by, for example, using it to recruit people for the migrant entrepreneurship project.



# 3. Background and Mission

**SPARK develops higher education and entrepreneurship so that young ambitious people are empowered to lead their conflict-affected environments into prosperity. It does so by building the capacity of local economic and educational organisations and institutions.**

SPARK was founded in 1994 as an independent non-profit organisation, focusing on support to Higher Education. In accordance with its founding principle, SPARK continues to support educational institutions, although the organisation has since then expanded from Southeast Europe to new countries in Africa, the Middle East and Asia. Furthermore, SPARK encourages entrepreneurship through its programmes for business startups, existing businesses and private sector development.

SPARK wishes to uphold its mission so that we can assist conflict-affected environments. It is crucial to understand the political dynamics in these societies and sense how to operate in these sometimes tense conditions in order to make a lasting impact. Areas that are plagued by corruption and renewed conflicts can halt, or even retract, the work we do. Even though the countries we operate in

are very different in terms of culture and the reasons behind conflict, uncertain political climates and weak institutions present problems that all organisations face in these areas.

We work hard to ensure that our projects do not cause harm in the conflict-affected environments; we aim to have our financial contributions not go to activities that might obstruct positive and peaceful development. In Higher and Vocational Education, we work towards our mission by combining activities that support local educational institutions and Universities, and by facilitating Summer/ Winter Universities and other capacity-building educational support programmes.

In Private Sector Development, a series of Business Support Centres funded by SPARK in collaboration with a range of local partners provides important services that encourage

entrepreneurs to take the leap and start their own businesses. We believe it is a combination of efforts that creates value in societies. The total package of competitive elements such as business plan competitions, training of skills, coaching, mentoring and access to finance makes a great difference. It is often difficult for organisations that help the young individuals to connect with financial actors. Investors are looking for good business plans, but lack the recourses or tools to identify and support them. SPARK works to fulfil this need.

We have the belief that sustainable economic growth, particularly through strengthening relevant local partners, facilitating entrepreneurship, and creating an enabling environment for private sector development, is essential for creating self-reliance and thereby poverty alleviation in the least developed countries and fragile states. We undertake this work together with a range of local partners

such as chambers of commerce, universities, vocational schools, local governments and CSOs, to ensure that this enabling environment is created and added to.

Our mission stipulates that we work towards this vision by supporting people in conflict-affected environments to create or grow their own business, or to provide their own socioeconomic security by reinforcement of the local economic and educational institutions. Special attention is paid to a target group of 18-35 year olds, as SPARK believes that empowering them offers them the capacity to play a unique role in leading their post-conflict societies into prosperity

We work on three strategic levels to accomplish this:

1. Direct Poverty Alleviation through business growth and employment generation.
2. Capacity Building of economic and educational partner institutions.
3. Policy Making & Advocacy to support more effective participation of these partner institutions.

#### Key principles for our work are:

- A demand-driven approach that pinpoints the needs and priorities of local beneficiaries
- The promotion of local ownership as a precondition for sustainability
- A society-oriented focus that ultimately benefits society as a whole
- The support of long-term cross-regional and international cooperation processes.

#### Evaluation of Strategy

The overall strategy of SPARK is open to evaluation and change, whenever necessary. For this reason, program and project evaluations are used to verify if the current strategy is still the most effective way to create jobs in conflict-affected environments.

Especially the Business Tracer survey implemented in 2013 is used for this purpose.

From the Business Tracer Survey it turns out that existing businesses are better at creating jobs than startups, though startups also show growth over time. For this reason we expanded our focus from newly start-up businesses to existing businesses. Another outcome of the survey was that all of the top 5 business barriers (lack of access to electricity, lack of access to credit, lack of adequate tools and machinery and attracting investors) could be removed with better access to finance. Our new to be started Ignite Fund will help to support this. The Ignite fund is aimed at creating access to larger-scale finance for small growing businesses (SGB's) in fragile and conflict-affected states where SPARK works. The funds to set up a business are sometimes unavailable so SPARK wishes to close that gap.

Another evaluation, the MFS II mid-term evaluation, proved that lobby and advocacy are difficult to realise, so the project placed extra emphasis on the capacity building of partners in this area.

To ensure that our activities contribute to stability for the longer term, we constantly evaluate our result chains (e.g. all participants in production). In 2014 we will build in the following result chains in our programs:

SPARK will help young people to start and improve their small agri-businesses in agricultural value chains. This way, we will see increased stability and food security for both rural and urban populations. This is because young people, especially young men, will increasingly find employment throughout the chain, raising income levels and providing youth with future perspectives beyond engaging in violence and risky behaviour.

SPARK will also help value chain actors to work together across divisions of ethnicity and region to address value chain and food security concerns. This way, we will see social trust between these value chain actors improve and stability increase. This is because economic and business interactions will be created between actors, and they will see that addressing bottlenecks and gaps in value chains in a constructive and cooperative manner is effective and economically advantageous to all actors.

#### Long Term Goals

SPARK has a multiple year plan in effect for the period 2011-2015. This plan stipulates SPARK's vision and strategy and sets out targets in annual growth in impact results, project output levels, but also takes in internal organisation. This 5-year plan also describes expected developments that may affect SPARK both globally and in national environments.

On the impact level SPARK expects the number of new/starting registered businesses to increase with 10% per year. The number of jobs created (amongst others via training, startups) should also grow by more than 10% on average per year. The number of youth trained by SPARK and its partners that finds employment grows by 10% on average per year, as of 2013. The average participant satisfaction score is consolidated at 4.5 as of 2013. Also the average satisfaction score for local partners and their clients consolidates between 3.5 and 4 between 2013 and 2015. Income generated by BSCs, compared to programme funding, grows to 50+% by the end of 2015. The number of created businesses that survive after two years should increase from 8% in 2012 to 25% in 2015.



## Spark Stories

### Visit Islamic University of Gaza to Serbia and Kosovo

On project output level the number of businesses supported grows by 10% on average per year, the number of youth trained per year grows by 15% on average per year. To achieve this, the number of consultancy & coaching hours provided should continue to grow by 10% on average per year. The growth of supported partners and institutions stabilises at 5% in 2013. According to the multiple-year plan the number of courses/ training reformed/introduced increases from 10% in 2012 to 20% 2013, then 5% in 2014 and 2015.

As of 2014 our programmes will make an effort to measure also indirect jobs (jobs created in other businesses in value and supply chains of started businesses) created. Current multipliers estimate that up to 3 additional jobs may be created indirectly (per job created in start-up business).

SPARK will work in new programs with indicators that will measure job quality, such as security of contracts, living wages and occupational safety and health standards.

One of SPARK's partners, the Islamic University of Gaza, visited Serbia and Kosovo in April 2013 with the aim to establish connections with successful incubators from the Western Balkans. With this know-how the University could strengthen their own Business and Technology Incubator.

Introduced to 5 business incubators and a SPARK-initiated Business Start-up Centre, the delegation's found new ways to improve their own incubator services by discovering new

possibilities for cooperation, with well known and successful incubators, and their tenant companies.

The Business & Technology Incubator in Gaza is founded by the University, so a special component of this visit was devoted to exchanging experiences in how incubators attract students and fresh graduates from universities and explore different cooperation models between universities and incubators.

There were many ideas from both sides on the prospects for further engagements and cooperation and implementation of joint initiatives which visiting incubators are expected to realize in the coming months.





# 4. Targets and Objectives 2013 and 2014

## Main targets 2013

SPARK's mission was translated in the following targets set for 2013:

- 230 businesses supported
- 1435 jobs created (in started SMEs)
- 25% of partner organisations equalling or surpassing 50% revenue from domestic resources, as compared to total revenue
- > 3,5 score (on a 1-5scale) direct participant satisfaction score

### Project development & Fundraising

- Acquire non-NLMFA funding on existing and new projects
- Surpass 40% benchmark imposed by MFS II and in view of donor diversification
- Increase "SPARK awareness" in Dutch development sector, and on a European level through active involvement in Dutch development sector debates and initiatives;

### Finance, Administration and Reporting

- Consolidate overhead at 6%, maximum 7%
- Own equity grows to 800.000 Euro by 2013, sufficient to run operations to survive 1 year without funding.
- 70% from total of all project/programme budgets will be spent in target areas.
- 

### ICT, Knowledge management and transparency

- Further refinements and expansion of the Management Information System (MIS).
- Develop a new website, use social media and other online services to reach present and new networks of stakeholders.
- Be the first Dutch NGO meeting the ISO 9001 Partos norm for development organisations.

### Internal organisational development

- Further financial sustainability of the field offices though project acquisition and fundraising at country level. Train field office staff.
- Development of SPARK solutions: have first SPARK developed business skills training modules available early 2013.
- In 2013 communication needs to contribute substantially to SPARK's mission and objectives. This means that SPARK as a brand has to become better known, within our professional environment and beyond.

## Results 2013

### Higher Education

Project title:	Students educated:
International Business College Mitrovica	282
Mitrovica Youth Program (MYP)	264
Libyan Stock market visit	7
International Syrian Summer University in Exile	32
MENA Scholarship Programme	140
<b>Total:</b>	<b>725</b>

### Private Sector Development

Project title:	# trained	# created jobs	# supported SMEs – created and/or grown
Enterprise Development Programme (MFS II)	6116	1100	519
Agri Business Creation (ABC)	78	24	12
Youth Engagement Programme (YEP)	210	0	0
UNDP entrepreneurship (UNDP BUR)	0	520	78
YES	250	1243	
Young, employed and independent	120	0	23
M&E tools for Youth Empowerment Programme	5	0	0
Benghazi Entrepreneurship Centre Libya (BEC)	23	0	40
Chevron	251	23	3
Cooperatives Support Programme (CSP)	0	0	40
Trade facilitation Project	0	0	1
Beekeeping project	28	0	0
<b>Total:</b>	<b>7081</b>	<b>2910</b>	<b>716</b>

## Reflection on targets 2013

Overall, the targets that had been set for 2013 have been met. SPARK planned for 1435 jobs to be created through 230 new businesses. In all, 2910 Jobs were created, of which the most (1243) have been achieved in Liberia through the YES project. The target of 230 businesses created: 716 SMEs were supported. A lot of entrepreneurs were trained, 7081 in the entrepreneurship programmes and 725 in the higher education programmes.

### Project development & Fundraising

SPARK's fundraising capacity and services development has been extensively addressed in work plans, courses of action and fundraising strategies for 2013 and further. SPARK surpassed the 25% benchmark imposed by MFS II improving donor diversification—official MFSII calculation shows 49% coming from other donors. From the seventeen successfully submitted proposals in 2013 ten are non-NLMFA

The SPARK awareness in the Dutch development sector was improved by staff attending debates and giving interviews in Dutch media. More importantly, SPARK organised an expert meeting in September

that brought together experts from all over the world in order to bring together ideas and improve international cooperation. In addition, SPARK organised the IGNITE! conference, which brought together an inspiring group of people to focus on creating economic stability in conflict-affected environments.

### Finance, Administration and Reporting

The financial monitoring of both SPARK and partners are in place. Amongst other control measures, SPARK works with independent external auditors and has regular meetings with partners to verify financial information from partners and our own organisation. The consolidated overhead for 2013 was 2% and thus well below our target of 6%, maximum 7%.

General / continuity reserves have grown to an almost sufficient € 805.000 (see our financial statements for more information). Almost 85% from total of all project/ programme budgets was spent in target areas / not in the Netherlands.

### ICT, Knowledge management and transparency

SPARK has become IATI compliant in 2012. The Management Information System (MIS)

was implemented and is still undergoing improvements. In 2013, the new website was launched which includes several Key Indicators such as the number of jobs created per programme. Through the MIS, results can be entered from projects in every country and presented in an orderly manner on a website.

SPARK has been the first organisation that was audited towards this specific application of the ISO 9001 norm.

No non-conformities were found. For some of the requirements, (non)conformity could not be objectively assessed because these requirements, as currently formulated in the Partos 9001 standard, contain value judgments that are subjective of nature.

### Internal organisational development

The development of fundraising capacity within SPARK is ongoing. Staff in the field office takes the lead in writing the proposals, supported by an acquisition team. In 2013 the so-called SPARK solutions (SPARK specific activities and services) were further developed focussing on a SPARK Business Support Services and SPARK Finance Solution, the Ignite Fund.

The SPARK Business Skill training modules

for starting and growth oriented businesses in conflict-affected environments were piloted and implemented in 2013 in various countries. In addition, SPARK introduced an intra-office communicating site, Yammer, in order to streamline communications between various offices. This new method of communication is not meant to replace email, but is meant as a way to keep the different offices up-to-date in a formal manner.

## Main targets 2014

SPARK's ambitions and plans for 2014 are based on the results SPARK expects to deliver in 2014 as well as on SPARK's Multiple Year Plan 2011-15.

### Targets for 2014

- 490 businesses started/existing businesses supported
- 2370 jobs created (in started SMEs)
- 3700 individuals trained and found formal employment
- 25% of partner organisations equalling or surpassing 50% revenue from domestic resources, as compared to total revenue
- >3.5 score (on scale 1-5) direct participant satisfaction score



### Project development & Fundraising

- Acquire non-NLMFA funding on existing and new projects
- Surpass 30% benchmark imposed by MFS II and in view of donor diversification
- Increase “SPARK awareness” in Dutch development sector, and on a European level through active involvement in Dutch development sector debates and initiatives;

### Finance, Administration and Reporting

- Consolidate overhead at 6%, maximum 7%
- Own equity grows to 785.000 Euro by 2014, sufficient to run operations to survive 1 year without funding.
- 70% from total of all project/programme budgets will be spent in target areas.

### ICT, Knowledge management and transparency

- Further refinements and expansion of the Management Information System (MIS).
- Use social media and other online services to reach present and new networks of stakeholders.

### Internal organisational development

- Further financial sustainability of the field offices through project acquisition and fundraising at country level. Train field office staff.
- In 2014 communication needs to contribute substantially to SPARK’s mission and objectives. This means that the SPARK should become better known within our professional environment and beyond.

## Spark Stories

### MFS-II, Burundi *Olisco Kayea*



Internal water transport has been seen as unsafe for many Liberians in so many years. Olisco Kayea is a Liberian who seeks to improve water transport. Olisco is a very good welder, and he’s building boats from vehicle engines and using other parts of scrapped vehicles. He has built several boats and tested same on the waters in Monrovia. Olisco has obtained his safety license from the Liberia Maritime Authority. He started his company ‘National Water Transport Service’ in January 2013, helping people by safely transporting them across water. Olisco: “At first, it was all about taking ride and having fun with families and friends, but with the demand for transportation across the waters for

most people living especially in the WestPoint community, we have decided to turn this to a full water transport service. We are trying as much as possible to gain the trust of the Liberian people, so that they can see this as a formal type of transport.”

Olisco has benefited from Spark’s business coaching and mentoring and he also has the courage to be a part of the coming business plan competition. He is one of the promising entrepreneurs who participated in the Liberia MSMEs conference and he won the “Most Innovative Business” title.

## Spark Stories

### Advocating Female Rights in Burundi

Burundian girls in rural areas are often married by the ages of 15-16. As a result, they are not able to finish their secondary education. Widows, unmarried women with kids and divorced women are seen as outcasts. There are reported cases of widows who are persecuted for not having given birth to children or for giving birth to only girls. Those who are fortunate enough to have a job end up getting paid less than males. Women have no right to inherit property and married women are obligated to hand over money they earn to their husbands as it is culturally appropriate. Men have the final word in all land and income related matters.

August 2013, SPARK conducted a gender study which shed some light on the situation and today we are glad to announce that SPARK is launching a new project to advocate for women's property and succession (inheritance) rights in Burundi. SPARK will partner with "Ligue Burundaise des Droits de l'Homme Iteka" which is also the first Burundian human rights organization in advocacy and human rights defence. The overall objective of the partnership is to help women access agricultural properties through a project promoting women's rights in the rural provinces. 350 women will be trained in law, so that they can learn to advocate their own rights!





# 5. Our Passion

When rebuilding conflict-affected environments, it is crucial to develop education and entrepreneurship. SPARK aims to contribute to this in different parts of the world through a range of programmes and projects, and in cooperation with a wide variety of partners. Most of our interventions are aimed at youth aged 18-35 as they can play a particularly important role in leading their society into stability and prosperity. SPARK aims to make a difference in two ways: through Private Sector Development and Higher Education. In 2013 the various projects, programmes, and future plans can be divided into these two broad groups.

## 5.1. Private Sector Development Objectives

Promoting entrepreneurship is crucial to the reduction of poverty and to spurring economic development in fragile states. SPARK is devoted to empowering young people so that they can create businesses and increase their employability and position on the labour market.

By acting on market opportunities, entrepreneurs create and develop businesses that drive economic growth and provide necessary jobs. Job creation is crucial in conflict-affected areas, since large numbers of underemployed people increase the fragility of a society. Poor governance and deficient economic institutions in fragile

states can result in a climate where neither state nor society is able to escape from poverty and conflict. Indeed, economic insecurity is one of the main reasons that states remain trapped in a climate of poverty and conflict. In such environments, several crucial links in the entrepreneurship development chain are often defunct or even missing. It is important to adopt a full chain approach as key to entrepreneurship development. A full chain approach includes a focus not only on the entrepreneurs but also on the environment such as business networks and availability of funds. SPARK works on these chains by supporting relevant (vocational) educational institutions, CSOs and governmental agencies, so that each can

perform their respective role in the creation of an enabling environment for private sector development. Through our Business Support Centres (BSCs) and local partners, we directly tackle poverty alleviation by offering business-skills training, coaching and consultancy, and access to finance for young entrepreneurs.



## Results

Table 1: SPARK's Private Sector Development Projects and Programmes 2013

Project / programme title	Location	Period	Total Programme Budget
Enterprise Development Programme (MFS II)	Burundi, Rwanda, OPT, Liberia and Kosovo	2011-2015	€ 21,3 million
Agri Business Creation (ABC)	Burundi, Republic of South Sudan, Yemen	2012-2016	€ 5,8 million
Youth Engagement Programme (YEP)	Burundi, OPT, Republic of South Sudan	2012-2015	€ 1,9 million
EU Support for Regional Economic Development (EU RED)	Kosovo	2010-2013	€ 0,5 million
UNDP entrepreneurship (UNDP BUR)	Burundi	2012-2013	\$ 293,950
YES	Liberia	2012-2013	\$ 150,000
Young, employed and independent	Serbia	2011-2013	€ 206,960
M&E tools for Youth Empowerment Programme	OPT	2012-2013	\$ 40,000
Benghazi Entrepreneurship Centre Libya (BEC)	Libya	2013-2015	£ 499,905
Chevron	Liberia	2013-2014	\$ 199,050
Cooperatives Support Programme (CSP)	Rwanda	2013-2016	€ 1,9 Million
Trade facilitation Project	Kosovo, Serbia	2013	€ 100,720
Beekeeping project	Yemen	2013	\$ 36,890
Migrant Entrepreneurship (NEW in 2014)	Afghanistan, Iraq, Somalia, Ghana, Surinam, Morocco	2014-2017	€ 1,960,625
Technical assistance to SME project, Libya (NEW in 2014)	Libya	2014	€ 313,000
Agri-Entrepreneurship Program (NEW in 2014)	Bor, RSS	2014	\$ 294,553 + \$ 300,000

Enterprise Development Programme (MFS-II)

**Target group:** Existing and potential entrepreneurs, startups, and established SMEs. Secondly; business support organisations, educational institutions and lobby & advocacy agencies.

**Financed by:** Dutch Ministry of Foreign Affairs (MFS-II)

**Partners involved:** BiD network

Project Description and Goal:

By promoting entrepreneurship and job creation, this programme aims to contributing to sustainable economic development of 5 conflict-affected countries. It supports a range of private sector development projects and activities that are carried out by the coalition’s local partner organisations, which include Business Startup & Support Centres, business associations, chambers of commerce, education institutions and (micro) finance institutions. Special attention is devoted to vulnerable groups such as women, youth and marginalised people or neglected regions.

The programme rests on three pillars:

(1) Capacity building of local institutions by strengthening the local partners. SPARK and

BiD, also through our cooperation partners, offer and facilitate training and coaching by international renowned institutions to the local partners to improve their institution ((financial) management) and their range and quality of services, university business curricula or other capacities in favour of potential and existing entrepreneurs. This year’s addition a new partner, Infodev, has introduced capacity training courses in business incubation management for all our local partners.

(2) Direct poverty alleviation through job creation by facilitating entrepreneurship through local partners. SPARK works with the local partners by financing and supporting them with their services for entrepreneurs and businesses, organising awareness raising activities and business plan competitions towards entrepreneurial students; and setting up networking sessions in the private sector. Additionally, SPARK facilitates loans to high potential startups from the business plan competitions, through a Loan Guarantee Fund. This year’s new development is the direct financing tool for small growing businesses, the IGNITE Fund. The inclusiveness of the programme is built-in by focussing on vulnerable groups and collaborating with local partners that focus on

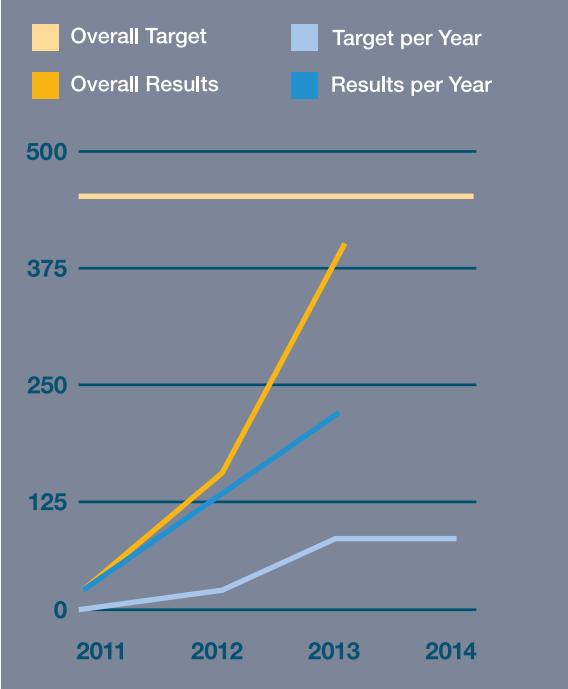
specific (under-served) regions. The results of which have reached their targets.

(3) Removing business barriers through lobby and advocacy towards policy makers, aiming at creating an enabling environment for private sector development in general and for small growing businesses in particular. SPARK works with local lobby & advocacy partners by supporting and financing them in drafting regulation changes and policy strategy documents, as well as organising round table sessions with stakeholders in order to promote these improvements to the business eco-systems..

BiD Network, SPARK’s coalition partner in this programme, also aims to stimulate entrepreneurship in emerging markets. It focuses on small and medium sized enterprises, supporting entrepreneurs in writing their business plans through coaching and providing feedback. The best entrepreneurs gain access to investors in BiD’s network. Within the first strategy, SPARK and BiD Network, in addition to our own capacity building efforts, cooperate with internationally renowned organisations that contribute to building the capacity of the local partners involved in the programme. These

organisations are Enclude, MDF, Infodev, MSM, and NABC.

Outcome 2013: Number of businesses that have started operating, over 80% of the entrepreneurs are part of a vulnerable group:



The enabling environment of the small and growing businesses that SPARK works for has a specific context as to what the strategic and concrete improvements can generate. SPARK focuses on these, through the local partners, to be changed and contributing to

improving the business environment. Taxation of supplies, local registration regulations, and access to various forms of financing are examples of issues that SPARK and its local partners have successfully improved. In terms of implementation, SPARK successfully created a joint effort by all partners within a country, instead of having various chattered strategies and activities. This also resulted in a more comprehensive focus. All partners, in addition, show SPARK that their services to the businesses are an essential part of the businesses' eco-systems. Business development services, financing, business/market information, etcetera are all issues which accessibility is often constraint and create barriers to growth.

### Burundi

In Burundi, MFS-II focused on specific areas of capacity building of our partner organisations, as to assist them in developing services that will be beneficial to promote entrepreneurship and create businesses, particularly among women and youth, and to ensure that they have the skills and preconditions to be successful. Different trainings such as Business Support Centre, M&E, Lobby & Advocacy, Training of Trainers

and Business incubation trainings were organised by SPARK in collaboration with partners

For Direct Poverty Alleviation, the local partners made an important outreach in the number of potential and young/women entrepreneurs trained. One local partner put in place a mobile incubator with the main objective of reaching youth unemployed in rural areas. More than 300 young unemployed from Makamba & Rutana have completed entrepreneurship modules.

To tackle the issue of access to finance, a local partner established a loan guarantee fund in collaboration with SPARK in order to help young entrepreneurs with bankable business plans to access to a bank loan in order to create and expand their businesses.

In the area of the business enabling environment, the advocacy focus was on women's rights to land property, especially the inheritance. A pilot project was thereupon started to help women have access to land as a way of financial empowerment through an awareness campaign to an audience of around 2.000. In addition, together with

its partners, SPARK organised roundtable discussions and meetings to advocate for the establishment of a loan guarantee fund specifically for women entrepreneurs. To enable the removal of constraints, SPARK supported the start of such a fund (see success story below).

### Success story

SPARK in collaboration with AFAB has allocated funds to help women entrepreneurs who lost everything during the fire of the central market in January 2013. A small loan guarantee fund was established for the women entrepreneurs to have a start capital. Thanks to the loan guarantee fund, a local IMF (WISE) has granted more than 100 loans to help the women restart a business and AFAB facilitated those women to register their businesses and to open a bank account.

### Brilliant Mistake

The local partner COPED had proposed a kitchen incubator to SPARK in 2012: a small scale food processing and production facility for entrepreneurs with new processing ideas. In 2013, SPARK conducted a feasibility study to measure the local community's interest in the facility. The study showed a lower interest

in the facility than expected by COPED, in relation to the high investment to build the facility. Had the subsidy been approved directly back in 2012 it would have been a huge waste. Instead, COPED will draft a smaller version of the facility, concentrated to the actual local demand for specific processing needs. The success of that facility will allow us to consciously decide to invest in the full fledged facility.

### Kosovo

The Kosovo programme mainly focused on supporting entrepreneurs with building quality business plans to start and grow their businesses, thereby creating jobs. Most significant are the efforts directed at strengthening the business development services (BDS) and establishing links to financial institutions.

An extra effort in 2013 was invested in removing the divide between communities that functioned as a constraint for business development. SPARK started a trade facilitation project between Serbia and Kosovo, in order to connect Serbian companies with their business colleagues from Kosovo (from both Albanian and Serbian backgrounds), streamline cooperation



between them, and increase the amount of goods exchanged. The inclusiveness of these businesses in the market system is essential for their survival and sustainability of the employment that has been created. The first contacts have been already made and several negotiations are still ongoing.

Still, the big obstacle in providing better opportunity for potential and existing entrepreneurs is the undeveloped finance market for starting SMEs in the formal banking sector and limited alternative financing facilities. SPARK is making more efforts in order to sustain better providers of loans for beneficiaries in North Kosovo. SPARK lobbies at financing partners to increase their inclusiveness and brings in new ideas to enable this to happen.

SPARK has reached almost all its targets and exceeded many of the targets set for Kosovo in 2013. These results were partially achieved through a good system of monitoring and evaluation of previous beneficiaries and their development, and partially because of good partner's performances in 2013. Other efforts on the business enabling environment have been done by local partners such as BSC Strpce and the BSC Kosovo.

### Occupied Palestinian Territories

In order to achieve its first strategy SPARK has focused on capacity building of local partners: new round of trainings for the staff of local partners were delivered and a study trip to Serbia for Gaza BTI staff to visit business incubators was organised.

The results in OPT have been a challenge in terms of starting and supporting businesses, due to the many 'competing' programmes at other institutions. 2013 has been a much better year, after consecutive intervention from SPARK in the strategies of the local partners. SPARK kept working on the second strategy by delivering training programmes for young entrepreneurs, organising business plans competitions. The most successful candidates were awarded with coaching and mentoring, business space in the incubator, and loans through SPARK's Guarantee fund. The support and loans have been improved in terms of inclusiveness by providing services more outside of Ramallah, which in addition improved the results of the programme. A group of successful business women participated in the international fair and conference in Jordan. One partner has successfully enabled a PSI investment from

the Dutch government for the start of a new innovative printing business.

In relation to the interventions aimed at improving the business environment for young entrepreneurs, there have been several activities in Palestine. The 'Empowering Future Technology Entrepreneurs' project has held public discussions to formulate proposals to be submitted to government officials in charge of youth policy, surrounding the issue of barriers and conditions of youth involvement in business. Furthermore, the 'Getting Started: Supporting Palestinian Entrepreneurs to Start their Businesses' project has held 5 roundtable meetings with various stakeholders from NGO's and the educational and private sector to formulate advocacy strategies to try influence and engage policy makers.

### Rwanda

In 2013 the main emphasis of the Enterprise Development Programme in Rwanda was twofold. First, it was to increase the managerial and technical capacity of local partners to facilitate support to their entrepreneurs within their institution and the outside community. SPARK arranged a number of exciting training packages

including business incubation centre management; training of trainers; and results based management and advocacy. In addition, partners also arranged their own training for staff including Fundraising, Customer Care and Service Delivery, and Communication and Marketing.

SPARK partners secondly directly worked with and supported their entrepreneurs (students, members and the business community) to access to business information and effective business services for the creation and improvement of their businesses. Partners' Business Support Centres have been established and/or reinforced. In addition, all partners except PSF have organised a Business Plan Competition and best business plans have been awarded with access to loans and vouchers for BDS. However, PSF provided Business Development Services to the existing businesses, and helped them do study tours and attend regional exhibition. As results, new SMEs have started and existing ones grown, hence almost 80 new jobs were created. One new partner was taken on in 2013 in order to increase the outreach to neglected regions and improve the inclusiveness of these businesses into the markets.

To enhance the business environment for young entrepreneurs, local partners have increased their services to entrepreneurs in terms of business/market information sharing, resource management and advocacy for a conducive business environment; and partners have conducted baseline studies, developed position papers and organised conferences to share findings with other stakeholders and decision makers.

**Success story:** Good examples are followed! RTUC, one of SPARK's partners, organised a conference with theme "Promoting Entrepreneurship among High Learning Institutions in Rwanda: Challenges and Opportunities" in line with the government policy of promoting entrepreneurship. It was attended by ministers, representatives of other universities, and the media, where it featured heavily in the news. The SPARK-funded RTUC Entrepreneurship Centre was one of the main focuses. Inspired by their story a few months later Kigali Health Institute, one of the high learning institutions that participated in the conference opened a Business Incubation Centre within the campus.

**Liberia**

Local partners have seen a great year with routine as well as many new innovative activities. The capacity building strategy has been implemented on various levels and accelerated as compared to last year. A work plan and gap assessment for entrepreneurship development at universities' curricula has been started with implementation and dissemination. With the selected education institutions, SPARK has organised Training of Trainers for the Entrepreneurship Awareness Workshop and Business Idea Generation Workshop. BiD and SPARK, through the local partner BSC, started developing three new Entrepreneurship Centres. For this, several site visits were undertaken and MoUs were signed with the respective institutes. Through these centres, the outreach and inclusiveness of the programme will increase substantially.

The expansion of the entrepreneurship centres also developed an exponential growth in BPCs organized in each of the three new Entrepreneurship Centres. The new SPARK solutions BSC Advisory Board and BSC Academy were successfully piloted last year. The BSC Academy now has 12 very

*Spark Stories*

**'Youth Now' Dialogue**

Supported by SPARK, two local partners engaged in YEP organised the first 'Youth for Now' Dialogue in July 2013. With emphasis on encouraging youth to youth dialogue, 35 young people participated in a dialogue that focused on identifying key capacities and potential young people in South Sudan, with the aim to apply their skills to the rebuilding of South Sudan. Participants recognised that there are many opportunities available, but the issue remains with the fact that too many young people are not benefitting from these opportunities, and many participants remained sceptical as to whether their voice would actually be heard in any decision making process. A lack of networking, representation, and commitment &

unity amongst the youth themselves were seen as major obstacles to the position of youth in South Sudan.

The participants started to put into action what they identified as hurdles to their economic progress. As a result of the dialogue opportunities were announced in the forum and followed up with discussion. Secondly the participants agreed that they want to take a practical step by forming a volunteer youth committee who will start organizing events to campaign and rally the public on issues such as youth unemployment. A motto has already been drafted for the upcoming campaign: SOUTH SUDAN YOUTH TO WORK! and a campaign song to inspire young people for years to come.

entrepreneurial participants going on monthly excursions to be introduced to new emerging markets in Liberia. The BSC Advisory board has some very strong local SME experts taking part in the initiative, amongst one the former chairman of the National Investment Committee. SPARK and BiD and our local partners made

a fabulous impression at the Micro, Small and Medium Enterprises Conference that they co-organised with the Ministry of Commerce, and other implementing partners. The BSC has also successfully implemented, tested and fine-tuned the new SPARK solutions BSC Academy and BSC Advisory Services. The ALU – the university's association –

built a strong case at the conference for increasing government (financial) attention on entrepreneurship at the university and its curricula and services.

Furthermore in terms of influencing policy making and advocacy SPARK and BiD is relying strongly on the partnership with the umbrella organisation of local BMO's. The first contract is now finally signed – the delay of which was caused by administrative challenges with their parent organization IFC and their transition to become an independent body. In 2014 the collaboration will go in full speed, with an extra collaboration in the Special Economic Zone for Social Enterprises project, which SPARK has supported for three years in Liberia now.

### Success story

In a survey conducted by one of SPARK's local partners a ToT workshop revealed that out of the 105 students randomly surveyed, 91% expressed a strong desire to own a business sooner or later. Only 9% expressed that they have no intention of owning a business now or later. The 91% of students said that crave for financial independence and

the need to provide jobs for others are the basis for wanting to start and own a business.

### Brilliant mistake

The mistake here is that we collaborated far too long with the bank we have the guarantee arrangement with for the business plan winners. They were never easy to work with but eventually started blocking new winners until their new (out of the agreement) demands were met. This caused a huge bottleneck in our operations and has resulted in numerous (12 at the moment) entrepreneurs not receiving their loans. The brilliant thing that came out of this that it inspired us to reinvent our access to finance, which has resulted in a significant contribution to the Ignite Fund, which resulted in work on a SPARK led Ignite Alliance, a collaboration with a local partner and new negotiations with other newly arrived professional banks in Liberia. These are banks that not only offer lower interest rates but also are also a more client centred approach towards the entrepreneurs.

### Agri Business Creation (ABC)

**Full Project title:** Strengthening human security through rapid rural job creation in

fragile states (ABC)

**Target group:** farmers, agri-businesses (to be), unemployed youth, business service providers and financial institutions, and local authorities  
**Financed by:** Dutch Ministry of Foreign Affairs

### Project Description and Goal

SPARK's context analysis in Burundi, Republic of South Sudan and Yemen has shown that agriculture, the main engine of economic development, is underdeveloped. Organisations and (state) institutions that should ignite and stimulate growth are incapable of doing so. Populations grow at a faster pace than (agricultural) production, thus leading to a high level of food insecurity. By including groups of people who pose a threat to stability in the economic development, the chances of them entering into conflict again will diminish and thus a peace dividend will be created. SPARK's goal is to contribute to the reconstruction of selected countries through a unique, integrated approach.

In SPARK's Agri Business Creation (ABC) programme, economic development, besides reducing poverty on its own, is used as a tool for peace building. The programme's central

objective is to strengthen the agricultural value chain (the economic chain of farms, businesses, banks, suppliers, etc.) by supporting the capacity of business service providers and financial institutions and local authorities in the creation of jobs and growth in the agricultural sector, and the formulation of inclusive agricultural development policies, that will contribute to restore stability and enhance human - and food security.

### The programme's objectives are

- 1) To strengthen capacity of partners and stakeholders in the selected agricultural value chains.
- 2) To support job creation and enterprise development with a focus on youth and groups that may endanger stability if excluded from economic participation.
- 3) To increase the legitimacy of government authorities and enhance their role in economic and food security.

SPARK works with the “peace dividend value chains” concept: SPARK stimulates communities in a conflict area to become involved in the same (agricultural) value chain. In such a chain, micro, small and medium size enterprise development programmes are



## *Spark Stories*

### **MFS-II, Kosovo** *Valbona Thaqi-Bajcinca*

Following her studies in Education Faculty, Valbona found little opportunities for employment in her town and began considering opening up her own business. Due to a lack of childcare in her town, Valbona saw a chance to open a private kindergarten that would provide families the service they lacked and provide her with the opportunity to be self employed. Now the owner of, Kindergarten “Brillantet”, Valbona’s kindergarten provides comprehensive care for children that includes an early childhood education curriculum. Educating and caring for 42 children, with a staff of five teachers, two cooks and a doctor, Brilliantet is the first private kindergarten in Kosovo. With the aim to continue improving the conditions and educational facilities for childcare services in Kosovo, Valbona plans to open another kindergarten in the neighboring town where she was born.

Valbona: “My personal ambition is to be the first successful business women in Kosovo and serve as a role model to other women in Kosovo. I love taking care of the children and I will continue to do this as it is very inspiring!”



supported to create jobs in the rural areas. This should have an immediate positive effect on pressing issues of economic and food insecurity. But just as importantly, a second effect will be that cooperation along the value chain between businesses and farmers and government agencies and civil society partners will increase trust in societies. Also, in South Sudan and possibly in Burundi the programme will consider cross border opportunities. Shared economic interests among neighbouring countries provide an excellent platform for the promotion of peace.

#### Activities and results

In all three countries where SPARK is active, conflict sensitive assessments and selection of value chains have been done. Also, detailed Value Chain Analyses were performed with the specific aim of identifying market and business opportunities for micro, small and medium sized enterprises with job creation potential for youth. In South Sudan, the edible oil seeds and horticulture chains will be the main focus of the programme; in Burundi the chains for white sorghum and tropical fruits will be further developed; and in Yemen the emphasis will be on strawberries. In all countries meetings were organised where

participants from government, the private sector, and the financial sector attended and shared challenges and solutions for improving the chains at large. These meetings aimed at bringing actors together that have the ability to make agreements, build trust and legitimacy, and ignite change. From the value chain analyses and partner and stakeholder meetings, a process of partner selection for implementation is nearing completion in all three countries. Various BDS staff has been trained in specifically developed SPARK business skills training modules. Loan products were developed enabling SME entrepreneurs to access finance to startup or existing businesses to expand. Entrepreneurs were identified and trained along the selected value chains and will be further supported through coaching and accessing finance. Finally, for the strategy of increasing government legitimacy, engaging with government stakeholders and departments in the process of Value Chain Analysis has already been an important first step in highlighting government roles.

- Youth and entrepreneurs trained in 2013: 78
- Jobs created in 2013: 24
- SMEs created in 2013: 12

The programme changes people's lives in that employment and income opportunities are increased in the agricultural and rural areas because value chains are better integrated. As firms and farmers interact more, trust is built and societies become more stable. Food or income to purchase food becomes more readily available, and governments taking a proactive and supporting role in value chain development gain legitimacy. This improves overall human security for people living in post-conflict environments.

#### Threats

The programme faces risks as a result of renewed conflict or increased instability. In Yemen, partial up-flare of hostilities and a general increase in insecurity in Sana'a, has delayed programme implementation considerably in 2013. In South Sudan, a new conflict started at the end of 2013 that will cause major delays in 2014 along with a semi-restructuring of programme implementation areas and activities, creating challenges in reaching defined targets.

#### Success story

At the end of 2013, the Ministry of Investment in South Sudan organised an investment

conference with over 1000 international investors. SPARK and the BSC Juba were able to secure a prime location right at the conference entrance. SPARK and the BSC displayed investment posters for 7 of its entrepreneurs that had been selected to receive training, coaching and finance. Several investors had approached the entrepreneurs, some finding companies that agreed to demo their machines at their business and others finding investors which were interested in making small impact investments into their businesses. Sadly due to the conflict this is currently on hold.

#### Brilliant failure

In South Sudan, value chains do not really exist and supply chains are rudimentary. Initially, SPARK began going about scouting entrepreneurs, business ideas and ideas for value chains from the youth themselves through agribusiness processing business plan competitions. However, SPARK realised that their impact and ability to create numerous businesses to build a value chain was low, as out of about 20 entrepreneurs no more than 5 successful businesses were found at a time. However, once the value chain analysis was completed, SPARK



was forced to find new ways of scouting entrepreneurs that would lead to greater results. SPARK had to go on the word of local informants. In this way more entrepreneurs along specific chains could be scouted that are able to develop the peace dividend value chains. Local information helps!

### Youth Engagement Programme (YEP)

**Full Project title:** Youth Engagement in political parties, movements and interest groups; Fostering the socioeconomic position of young people in Burundi, Occupied Palestinian Territories and South Sudan (YEP)

**Target group:** Young people between 18-35 and stakeholders in the field of youth engagement and entrepreneurship

**Financed by:** Political Parties Fund II / Dutch Ministry of Foreign Affairs

**Partners involved:** The Hague Academy for Local Governance, Fontaine Isoko (Burundi), PYALARA (OPT), Skills for South Sudan and Mat Media (South Sudan).

#### Project description

YEP's overall goal is to reduce instability in three fragile state environments (Burundi, OPT, South Sudan) by improving the

socioeconomic position of young women and men.

More specifically, YEP focuses on creating an (enabling) environment for youth to advocate for and improve their socioeconomic position, by strengthening relevant organisations from the private and education sector as well youth focused civil society. YEP also aims to involve government institutions, interest groups and political parties in this process, and to strengthen their capacity to increase youth participation and formulate and develop their ideas, agenda, policies and governance practice in relation to the socioeconomic position of youth.

Socioeconomic development reduces poverty and equally important, it also increases citizens' confidence, trust and involvement with state institutions, further leading to stability. Young women and men need to be at the heart of this process. They need a future perspective in order not to return to criminal activity, rebel networks or other violent structures.

YEP focuses on three strategic levels. The first level (1) of YEP concerns capacity building of local partner organisations, interest groups and political parties advocating for improvement of the socioeconomic position

of young men and women. At the second level (2), the programme intends to increase youth participation in political processes by supporting local partner organisations in providing leadership and advocacy training to young women and men and by building networks of youth among political parties, political movements, and/or relevant interest groups including business associations, unions, et cetera. Finally, the third level (3) focuses on encouraging multi-stakeholder dialogue and advocacy activities on improving the socioeconomic position of youth by involving organisations representing the public sector, civil society and the private sector.

#### Activities and results

This second year of YEP marked an increase in capacity building of the local partners, youth and stakeholders, and the start of project implementation by SPARK's local partners under strategies 2 and 3. Capacity building by SPARK and our partner The Hague Academy focused in particular on ToT, leadership, communication, campaigning, advocacy and results based management. After organising youth mapping activities early in 2013 and launching their local projects and campaigns under YEP, called 'Youth

Aware & Active' (Burundi), 'Manarat' (OPT) and Youth Now! (RSS), our local partners' focus was directed at (i) reaching out to youth and stakeholders such as political parties and private sector organisations, (ii) creating networks and (iii) initiating the first multi-stakeholders dialogue activities. The partner's output included a diversity of capacity building trainings and awareness activities, youth and multi-stakeholder events such as round tables meetings, radio broadcasts focusing on the socioeconomic position of young people, and digital media engagement through Facebook and a website. The first advocacy results have been achieved as well in 2013: for example the first MoU in Burundi has been signed by 30 selected and trained youth and 18 youth organisations on socioeconomic issues to advocate for and push them on the agenda of political and private sectors. However, despite these results, our ambitions to enter the political domain have not been entirely fulfilled. As expected, establishing contact with and gaining commitment from political parties proved to be a challenge. In all three countries politics are a highly sensitive matter and the threshold to approach politicians and their assistants is

high. In particular for young people, politics is rather inaccessible. With older men and corruption dominating the political sphere, it is challenging for young people, with few skills and little experience, to fully participate in the political and public arena.

However, through the Youth Engagement Programme, the first steps have been made in 2013 to improve participation of young people in their societies. YEP and its local partners received support across all levels. We now have to start focusing on a limited amount of socioeconomic issues for advocacy purposes and steer towards direct collaboration with political parties, the private sector and other stakeholders.

### EU Support for Regional Economic Development (EU RED)

Target group: Minority SMEs, local authorities, minority communities of targeted areas, Startup businesses

**Financed by:** European Union managed by EC Liaison Office to Kosovo

**Partners involved:** Fractal

### Project Description and Goal

This project aims to increase the economic potential of communities in Kosovo by

### Spark Stories

#### MFS-II, Burundi Nina Kabayabaya

Business owner Nina Kabayabaya began the Champion Restaurant and Catering company after gaining experience in the food industry, first as an intern and then as an employee. With only traditional sit-down services in the area, Nina recognised a gap in the market for food delivery services, and set up a business plan for her restaurant to offer catering services to businesses and schools in the area.

With most professionals working around the clock, Nina's catering service has begun delivering lunches to busy professionals as well as clients such as the UNHCR. Champion's popularity is growing so quickly, that the UNHCR mission which she works with, has offered her a larger work space since her orders are quickly becoming more than she can deliver at any one time.

Among creating jobs for people in her town, Nina would like to expand her services and begin opening school canteens for the schools in the area. With most children returning home for lunch, school canteens provide kids with a nutritional regular meal that they may not otherwise have. These meals have also proven to improve concentration in the classroom!



This will be achieved through different strategies:

- SPARK provides the local municipal officials with the knowledge needed to support SMEs in their area: identifying existing SMEs, highlighting sectors of development, and identifying high potential business areas.
- Two BSCs were founded to support existing and new entrepreneurs through coaching and mentoring, enabling them to increase efficiency of their operations and their revenue.
- Yearly a networking event is organised for grantees. A large number of businesses and municipal representatives from Kosovo are invited, providing networking opportunities for business people from the whole region.

### Activities and results

Much of the project was already implemented in 2012, but due to its success and local demand, the project was extended to March 2013. During its last phase, a Sustainable Strategy for the BSCs was developed. In March the project was closed with a regional Entrepreneurship Fair held in Brezovica. After completion of the project the total results



included: Registration of local business (SME or micro-enterprise) is now free of charge, registration is simple and demands only an ID card and a completed form for business opening, a favourable tax policy for startup businesses was established, 4 Business plan development trainings were delivered, 14 SMEs were supported through the granting scheme, 47 new businesses were established, 45 new jobs and 106 seasonal jobs were created by business we have supported, in agriculture, service sector and light industry, and 80 business plans were developed under the Business Plan Competition. Most of these results were achieved in 2012.

### Project evaluation

At the end of 2012 an evaluation was held, focused on the achieved efficiency, effectiveness, impact and sustainability of the project. The overall grade for relevance, efficiency, effectiveness, impact and sustainability was good. Several recommendations were made as well: for the planning to be more comprehensive, systematized and summarized; the work with municipalities on SME development strategy implementation should be intensified, especially with those that show less outputs

achieved than other targeted municipalities; there should be increased efforts in work on horizontal issues such as gender equality and environmental protection. Interviewed project stakeholders see environment as a field to be more worked upon in future. These recommendations have been taken in account and will be used in future plans.

### Success story

Dejan Ristic is a small entrepreneur from Ranilug municipality, living and working in village of Ranilug, where he runs a wood shop and produces wooden furniture. A graduate of Industrial Management, Dejan started manufacturing wood furniture after receiving in 2002. With some help from his father, a former employee at a furniture production company himself, Dejan was able to establish EURO STIL.

With little to start with, his experience and ambition allowed him to position himself in the market quickly and today he has up to 600 clients in total. In order to keep up with clients' needs, Dejan needed to modernise quickly and got the opportunity to do so in 2012, following a Best Business Plan competition, where he was awarded financial support.

Quickly thereafter, Dejan was able to expand his services to provide bedrooms, kitchens, children's rooms, etc; as a result he increased his overall production by 15%. Along with financial support, Dejan also received a donation for the purchase of machines. Dejan now employs two new workers and has begun preparations to open the first store and showroom in Ranilug, as well as to increase his staff capacity.

Beneficiaries like Dejan, are committed to improving quality, in order to meet the clients' needs. "I will continue to make efforts to expand and develop my business, so the largest possible number of people could hear about my small enterprise."

### UNDP Rural Entrepreneurship project Burundi

**Full Project title:** création et encadrement de petites et moyennes entreprises dans les provinces de Bururi, Makamba et Rutana (UNDP BUR)

**Financed by:** UNDP

**Partners involved:** EU, BBIN

### Project Description and Goal

The project is aimed at improving the capacity of already existing informal local

organisations. These organisations concern 104 non-agricultural organisations, operating within the following 10 sectors: baking, restaurant, barbershops/beauty salons, soap making, palm oil production, carpentry, mechanics, welding, production of enriched flour and sewing.

The goal of the project is to improve and diversify productive systems by introducing an entrepreneurship culture in order to strengthen social and economic reintegration of the population affected by political crisis. Secondly the goal is to contribute to solving land and unemployment problems.

This project is the result of the Burundi Government policy aimed at social and economic integration of people who suffered from political crisis; e.g.: returning refugees, ex-combatants, unemployed youth and landless people. SPARK's assignment from UNDP aims at (1) transforming progressively the local organisations into profit oriented SMEs, legally registered and (2) to implement a capacity building programme to make them well managed SMEs, operating with good professional standards.

### Activities and Results

In 2013 various phases of the project were

implemented: After the management structure of the project was organised, the various production organisations were identified. Through training and assistance, these organisations were transformed into SMEs as companies with limited liability. Additionally, management tools and a monitoring and evaluation system were put in place. All in all 520 jobs were created by supporting the creation of 78 local SMEs.

It is nice to see the impact that SPARK has been able to have in the region. In the words of the team leader, “when you offer someone a chance to master a skill which permits them to work and earn income, know that you have just given an irreplaceable gift.” Furthermore, with or without income to start up a small business, mastery of a skill and acquiring knowledge on how to run a small business places these returnees in a better position to get employment. In a nutshell, that is the heart of this project.

### Brilliant Failure

On the first day of training, the beneficiaries were served a delicious meal at lunch time. The following day, the team was greeted by a sentence that changed our perspective on hospitality. A frustrated mother breastfeeding

a child spoke on behalf of two thirds of the trainees who were present (one third was absent) and said, “We appreciate the training but we cannot eat and spend a whole day without working knowing that we’ve left our children at home. They are waiting for us. They will be hungry when we get home and we will have nothing to feed them.” Despite the SPARK no per diem policy for trainees, catering was halted and a sum of the allocated money was distributed amongst the participants as transport and lunch money. This permitted the participants to eat cheaper meals during the lunch breaks and to have money to buy food to cook for their children on the way home. We called this lesson: “poverty management” and it was a good lesson to learn as one cannot compare a working professional with a guaranteed salary at the end of the month with an entrepreneur who solely relies on everyday transactions to earn a living. As well we had not kept in mind that each association/organisation had sent their most skilled workers to be trained so that they may train others. In other words, the absence of certain participants meant that no work was being done. Lesson learned.

## Yes Liberia

**Target group:** Liberian owned SMEs; unemployed and/or underemployed groups of women and men between 15 and 35 years of age.  
**Financed by:** World Bank through Transtec  
**Partners involved:** Business Support Centre Monrovia & Building Markets for the database of SMEs for selection

### Project Description and Goal

By training business owners in becoming more professional, seizing opportunities and better managers, we will help small businesses that are already operating in the market, grow. Through growing, these businesses will generate more sales and therefore increase their workforce. Financially sustainable businesses offer more secure jobs and are able to pay employees better salaries. On the other hand, successful businesses depend significantly on the team involved, how committed, skilled and professional it is. Businesses will tend to employ a workforce who fulfils these characteristics, which we will be developing with the training modules.

### Activities and results

The main activities in 2012 were the selection of SMEs to be trained and the designing of

the training programme that started in 2013. After the preparatory phase in 2012 the actual training began in 2013. In all, 250 SMEs were selected and trained in professionalization. This includes increasing their access to finance, helping them to expand their workforce, and increasing their revenue.

### Evaluation

The Business Development Services-programme is expected to have a big impact on the performance of the SMEs and will make them better at expanding their business and increasing their workforce. According to a tracer study, 1243 new jobs have been created through the training of the 250 SMEs (each SME added on average six employees in 2013). The status of these jobs will be monitored over the coming time to find out what the survival rate is. Due to its success, a Business Development Service without finance is now considered in combination with the Business Support Centre set up by MFS-II.

### Success story

It was quite a challenge finding the right SMEs that had the right indicators, this was done in collaboration with Building Markets,





*Spark Stories*

**Interview with Ayah Mlatat, Founder Alokhwah sheep farm**

My early interest in agriculture was sparked not by milking cows or shearing sheep but by watching Arabic cartoons about farmers on TV. During a chance meeting with Cherie Blair, wife of the former British prime minister I was asked a very simple question: “What is it that you wish to accomplish?” In that moment I knew that I wanted to help my people by starting a sheep farm based on the latest principles of scientific agriculture.

I wanted to build a successful business that would create jobs on the West Bank. I also hoped that my work would set an example of harmony and brotherly cooperation for all Palestinians.

I enrolled in a training course for women seeking to launch small businesses organised by SPARKs local partners, the Small Enterprise Centre and Tomorrow’s Youth Organization. I wrote a five-year strategic plan and raised \$7,000 in seed capital. I obtained my first 11 sheep as a prize when I won a business-plan competition sponsored by the local chapter of the YMCA.

Three years later, I operate two small farms in Beit Fariq, the village where I grew up. I am currently raising 40 sheep. I have so many dreams for the future. This year I plan to finish building my second farm and pay off all the financial obligations. I want to create a new marketing program that combines individual and group sales, and expand my business to other Palestinian cities. I would like to start an e-commerce operation for Al-Ikhwa Farm and perhaps even a foreign subsidiary. Someday I would also like to establish a nature reserve for the Palestinian people.

None of this will be easy, but I have a strong will and determination that cannot be contained. I am looking to reach my goals, and am focused on nothing but them.

which opened up possibilities for future collaboration. Also doing the trainings in these remote locations was a challenge but went well due to the timeline and professional planning of the local partner BSC Monrovia.

### Young Employed and Independent

**Target Group:** young unemployed in Serbia; small start-up entrepreneurs in Serbia.

**Financed by:** EU

**Partners involved:** Lead Partner: Business Support Centre Kragujevac.

Other partners: Regional Chamber of Commerce, Regional Agency for Spatial and Economic Development

### Project Description and Goal

While SPARK headed several projects in 2013, for this project it took on the role of partner; providing assistance in the form of advice, proposal writing and assisting in implementation. SPARK promotes local ownership of projects, which is essential for continuing support beyond SPARK's presence in that region. SPARK focuses on wide impact, linking local, regional and international partners to build strong networks of support, resources and services for members of various societies.

**The specific objectives of the project are to:**

- Promote entrepreneurial spirit, business initiative and self-employment among the young unemployed in Serbia.
- To provide practical training and micro loans for young entrepreneurs and existing SMEs. This should increase their competitiveness and economic results.

Research conducted for the project showed that job seekers recognise the importance of training and the necessity of acquiring new skills. Existing training courses lacked linkage to actual company needs though. Due to the lack of quality standards, the level of the training was often too low.

Consequently, awareness sessions and training workshops were designed to develop business ideas. The participants researched how these ideas can be converted into practical actions leading to the creation of new business ventures or to the expansion of the horizons of existing ones.

### SPARK's Involvement

The services provided in this project included the following:

- SPARK provided the credit facility for financial support to young entrepreneurs winning the Business plan competition.

- SPARK helped recruiting an EU expert to give workshops and develop brochures.

### Project results

The project's aim was to increase the level of entrepreneurial awareness among young people. Concrete, it has done this through four interactive workshops where 120 participants attended. A brochure, 'Seize your destiny' was published and distributed in 1000 copies. And a study on young people's attitudes towards entrepreneurship has been conducted and distributed in 500 copies.

Also, the competitiveness of the existing and startup businesses run by young people has increased. SPARK has carried out two circles of 'Best Business Plan Competition'. Through the competition, 25 businesses have been awarded with favourable macro credits and consulting services in critical areas of business.

Business skills and the capacity of young people to improve themselves has been provided through the coaching of 11 local trainers in holding business skills trainings. In addition, 80 business skills trainings have been held at 4 project locations; over 1000 people attended the trainings.

SPARK has been occupied with the development of the financial mechanism for providing financial assistance in the establishment and development of enterprises run by young people. A financial mechanism created which has granted 23 micro credits up till now.

And lastly, the project has enhanced the capacity of project partners to actively support young entrepreneurs, with the improvement and of self-employment projects implementation. Seven employed people from our partners and seven stakeholders were trained for provision of business skills trainings.

### Monitoring and Evaluation solution for Youth Entrepreneurship Programme

**Target group:** staff & students of the Birzeit University IT Centre for Excellence

**Financed by:** Silatech, the World Bank, ILO YEN, Jacobs foundation, Birzeit University, SPARK

**Partners involved:** Birzeit University IT Centre for Excellence

### Project Description and Goal

Institutions of higher education are becoming



more entrepreneurial. They want to contribute to local economic development and to the international competitiveness of their economies. Birzeit University is trying to create an environment in which their students are able to establish successful business startups. In this project Birzeit University is supported by SPARK to find the best ways to monitor the success of young entrepreneurs (participants to Birzeit's entrepreneurship curriculum) and develop the technology to do so. A Salesforce-based Business Development Tracker (BDT) was developed that allows monitoring of potential entrepreneurs, started business, their subsequent performance and employment gains, and remaining business development challenges.

The focus of the M&E project is to improve the monitoring of the success of young entrepreneurs, including developing and implementing an ICT based programme to substitute the paper-based monitoring forms; and developing and using video-registration-tools to see whether the entrepreneurs put their skills into practice. In 2013 a monitoring project was started in order to track the performance of Business startups.

### Activities and results

In 2013 the BDT was finalized and put into place. This tracker will increase knowledge of results based monitoring with partners and SPARK. Thus better evaluations of businesses can be made. These lessons can then be applied in future projects. And secondly there is increased understanding of measuring attribution in programmes.

In 2013 it was decided to defer the implementation of a concept note for an impact evaluation using a different strategy. SPARK will wait until a later stage, when the number of entrepreneurs starting has been scaled up and interventions have become proven and uniform, making an evaluation more effective. In 2014 an evaluation will be held to see whether this concept note can be implemented or not.

Since its inception the project has achieved:

- The development of 3 tools for the monitoring of SMEs
- 1st concept plan for the impact evaluation was developed
- 5 staff members were trained in M&E

SPARK developed an ICT monitoring tool that can be used in all its entrepreneurship-programmes. It helps to closely follow the

entrepreneurs that were trained and their businesses. The project makes SPARK and its partners more capable of monitoring and evaluation and more capable to better show results.

In 2014 an evaluation by ILO YEN, the main donor, will be conducted.

### Benghazi Entrepreneurship Centre (BEC)

**Target group:** young Libyan women and men aged from 18 to 35 years old with special focus on women and at-risk-youth (ex-combatants)

**Financed by:** DFID / UK aid

**Partners involved:** University of Benghazi

### Project description and Goal

Establishing new and growing existing businesses is vital for Eastern Libya: to create new jobs and economic opportunities for young people, to provide new products and services to the market, and to make the Eastern Libyan economy stronger.

SPARK believes that in cooperation with local actors and institutions, Business Entrepreneurship Centres (BECs) can make an

important contribution to creating economic perspectives for youth and the success of Small to Medium Enterprises (SMEs) in Benghazi and Eastern Libya.

### The Business Entrepreneurship Centre:

- Promotes entrepreneurship and strengthens private sector development to increase job opportunities for Libyan youth.
- Provides Business Skills Training and Business Development Services to starting and existing businesses.
- Encourages investment of capital into promising businesses and economic development in Eastern Libya.
- The project beneficiaries will be trained on SPARK business skills course, the material is adapted with Libyan business environment in Arabic Language, and be presented by local trainers certified from the BEC master trainers.

The project engages in two distinct interventions to generate rapid employment opportunities. Firstly, a Business Acceleration programme assists 40 existing SMEs to grow and hire new people. Business with the most promising expansion plans in terms of short-

term feasibility and job creation potential are selected for a trigger grant to unlock investment capital and promote employment growth. Secondly, a Youth Entrepreneurship programme sources aspiring young entrepreneurs with promising business ideas through regional Business Plan Competitions. The 45 winners receive intensive Business Skills Training, a seed capital grant and targeted assistance to access investment loans for their Startups.

#### Activities and Results

In 2013 a total of 60 businesses participated in the Business Plan Competition, of which 45 won a fund to realise their plans. 32 businesses participated in the Business Growth Competition, of which 18 won a grant. The winners of these competitions will receive coaching and consulting in 2014. In addition, 23 Libyans were trained to present training to BEC beneficiaries. The SPARK business skills training material had to be adapted to the Libyan environment by adding local examples and improving the business plan template to reflect more advanced concepts in business and finance. In 2014, at least 15 more trainers will be trained.

#### Evaluation

The BEC project has had the following impact on the local situation in Libya:

- Increased awareness of the importance of business plans in establishing and developing projects and existing businesses.
- Involvement of governmental organisations in supporting the entrepreneurs by establishing partnership with BEC beneficiaries in its business incubation centre through the Libyan Enterprise project.
- Realisation of the importance of NGO contribution to the economy.
- An external evaluation will be held in 2014, following the end of the project.

#### Evaluation

Plan and Adapt! The project took a lot of time (6 months) to take off and understand the local context and customs. A prior and better understanding and knowledge of the local context where the project will be implemented (local customs, local staff, working habits, etc) is crucial to the success of a project. Plan activities by giving sufficient time to implementation and take into account possible red tape.

### Chevron SME development programme

**Target group:** Ambitious entrepreneurs and students

**Financed by:** Chevron

**Partners involved:** IYF and BSC Monrovia

#### Project Description and Goal

In cooperation with its partners, SPARK has engaged in a number of activities to improve the entrepreneurial climate of Liberia. These activities include establishing a satellite desk and a new entrepreneurship centre and organising business plan competitions. The project provided training to youth in business development and employability skills and provided other support services to youth establishing their own businesses. More specifically, the project seeks to contribute to the development of the SME landscape in Liberia that will lead to increased youth employment in Liberia. The project will enhance the job search, employability and business skills of Liberian youth in order to make them fit for the job market. Also it will promote and create awareness on entrepreneurship among youth through workshops, business plan competitions and other activities implemented by the

BSC Monrovia, the satellite desk and the Entrepreneurship Centre. Creating job options for youth leads them away from potentially destructive alternatives.

To contribute to the development of the SME landscape in Liberia.

#### Activities and results

In 2013 the Entrepreneurship Centre was opened and the first Business Plan Competition was launched. Also, Business Skills Training and 'Passport To Success' training for youth were conducted. In all, over 250 students were awarded a certificate, of which 3 started an SME. Overall, this led to the creation of 23 new jobs.

The effect of the programme has been to create an entrepreneurial environment and a rising interest of youth to start an SME. Young people in the region realised the benefits for starting their own enterprises and creating their jobs and for others.

#### Evaluation

The project has been evaluated by students through feedbacks on activities, not as a whole. These evaluations showed that more aggressive promotion of the programme is required to target other beneficiaries.

Furthermore, timelier implementation of fundraising is required. These results were clearly aligned to objectives. New strategies have been developed in reaching out to other districts and communities in the region as a way of promotion. One example of a new strategy is the organisation of Palava-hut discussions and awareness campaigns

**Success story**

Organising the Business Plan Competition went exceptionally well, business ideas were generated from ambitious entrepreneurs and business men and women. Training was organised and facilitators provided the requisite knowledge and skills for participants guide in developing their business plans. The jury was able to identify four winners to be linked to SPARK guarantee fund to get access to finance. A launch event was organised to display the winners of the competition and participants of the Passport To Success employability training.

**Cooperatives Support Programme (CSP)**

**Target group:** Cooperatives and Agri-businesses.

**Financed by:** Embassy of Kingdom of Netherlands in Rwanda  
**Partners Involved:** (none)

**Project Description and Goals**

The Co-operatives Support Programme is a three year programme, funded by the Dutch Embassy in Rwanda that builds on the Agribusiness Creation (ABC) programme in Rwanda. Its goal is to alleviate poverty, reduce food insecurity and contribute to the overall economic development and stability of Rwanda. This is done by accelerating agri-business development and so to generate growth and jobs in the agricultural sector. The project is aimed at two groups:

First, SPARK targets 100 cooperatives and agribusinesses. These cooperatives, organised in legal entities, have reached a medium level of professionalism, and have potential and motivation to explore and improve their market linkages. The majority of these cooperatives already have received technical support in improving their production methods (through ABC) and have a surplus available for marketing but lack adequate capacity to do this effectively. SPARK will provide a package of business skills and value addition to cooperatives

**Spark Stories**

**MFS-II, Liberia** *Pandora Hodge*

Not afraid to use opportunities and turn them into successful business ventures, Pandora Hodge is one entrepreneur to look out for. Among the diverse projects she runs is Kriterion, a nonprofit organisation that provides a platform for culture and the arts for the community where she lives. Pandora host events and inspires young talented people by screening art house movies and organizing cultural events. Pandora's vision of Kriterion includes providing new opportunities for youth in Liberia; Kriterion is not only a cinema but a space for youth to express

themselves. By being independent and innovative, Kriterion Monrovia also enriches and strengthens Liberia's civil society and democracy, and promotes local filmmakers. At the moment, the main activity is the organization of the Film Festival "Image of Liberia", which will take place in January 2014. Pandora: "My personal ambition is to see students taking ownership of this project and making it into something that will not only benefit them but also enable them to contribute to filling the gap that we have been feeling due to the lack of culture and social platforms.

and SMEs, value addition of products and services, and most importantly: training, coaching and mentoring of this target group. The second target group consists of an existing cooperative support network in the programme's target districts that are already in place (through government or other NGO structures). SPARK will attempt to motivate, train and coach cooperatives in improving their business skills, reaching 1000+ cooperatives.

- In short, the programme goals are to:
- Improve the capacities of cooperatives and agribusiness in positioning themselves in the value chains they are intervening in and at the same time create more jobs as their income increases.
  - Improve the capacities of cooperative service providers at local level.

**Activities and Results**

In August 2013 a call for applications was published to which SPARK received 148



applications from cooperatives growing maize, beans, Irish potatoes, and horticulture products. Through a competitive selection process, 40 pilot cooperatives were identified. A training needs assessment and baseline survey was carried out for each of the selected cooperatives. In December 2013 the inception phase was concluded and the process of recruiting agribusiness coaches was launched.

In the future the programme aims to achieve the following:

1. Existing Cooperatives and other new and existing agribusinesses are increasing production and developing (new) products and/or services.
2. Employment is generated in cooperatives, in new and existing agribusinesses in the selected districts, as well as in their supply chain and distribution networks.
3. Food security is increased
4. Local cooperative support network is strengthened

### Trade Facilitation Project

**Location:** Kosovo, Serbia

**Financed by:** SPARK, MFSII

### Project Description and Goal

This project aims to improve the relations and boost trade between Kosovo and Serbia through the enhancement of economic cooperation between their SMEs. SPARK has been engaged in (economic) diplomacy between Kosovo and Serbia since 2005 and will facilitate firms that have already indicated a wish to increase trade between Kosovo and Serbia.

Relations between Kosovo and Serbia, although having slightly improved due to the EU facilitated dialogue, are still poor at best. A strong culture of distrust between state authorities and communities exists. Due to these strained political relations, the economic (trade) potential between Serbia and Kosovo decreased and is far under its economic potential.

Unemployment and poverty rates in Kosovo are amongst the highest in Europe and in Serbia unemployment is high and on the rise as well. Increased trade will create additional job opportunities in both Kosovo and Serbia. As such, it is an area in which relatively little political interference is expected. Strengthening mutual interest in good relations between the business communities, will contribute to the improvement of political

relations between the two as furthered by the ongoing EU facilitated dialogue. The business communities will urge the political leadership to moderate their political stance. The project objective is to increase awareness among the SMEs and producers in order to increase their capacities to sell products in new markets for both sides. SMEs and producers in agricultural sector have limited capacities to invest on market research and they are not aware of the activities in other markets. Due to the fact that Kosovo and Serbian markets are currently still quite closed for each other, they have great potential to absorb new products from the region. Producers can reach new markets through the Business to Business (B2B) meetings that can be organised through the visits to fairs in Kosovo and Serbia.

### Activities and Results

In 2013 SPARK was in the startup phase of the project. Much planning and setting up has been done (such as identifying partners for cooperation) and the first few results have been achieved. SPARK has organised a business fair and several B2B meetings in 2013. The first contract between Kosovar and Serbian SMEs was signed. Also, SPARK

facilitated the participation of a Serbian delegation to the Kosovo Agricultural Product Fair in Kosovo. It was the first time that Serbian companies were invited to join the Fair by the Kosovo Chamber of Commerce.

Since the project is in the initial phase its impact on the people's life is still small. However, with the new agreements achieved and others still in the pipeline the potential to have impact on the population is there. As the SMEs open new markets new jobs will be created. A current example is that Kosovar agricultural producers have agreed to produce paprika for the processing company from Serbia. This will allow them to involve more man power in the business and enables them to identify Serbia as a market for the future cooperation.

The project faces a few risks that could complicate the situation: due to political tensions borders are sometimes closed for commercial traffic. Furthermore, inter-ethnic incidents make businesses reluctant to attempt vulnerable agreements. And corruption, as ever, remains persistent throughout the region. Regardless, plans for 2014 are to organize at least one more trade

fair in Belgrade, planned for April 2014. Also, 7 new contracts will be signed between the producers and buyers in the targeted markets of Serbia and Kosovo. New agreements between SMEs should also be achieved.

Beekeeping Project Yemen

**Target group:** potential entrepreneurs, members of the community with low chance of finding work; specifically those who are able to work with bees.  
**Financed by:** Dutch Ministry of Foreign Affairs

**Partners involved:** UNDP

Project Description

The inhabitants of Maqbanah live on small-scale trade, raising livestock, subsistence farming and producing few crops, which makes them vulnerable to shocks of all kinds. To alleviate living conditions and improve the situation of youth a low risk, high revenue activity is needed that will provide them with additional revenue.  
The UNDP Youth Economic Empowerment

project aims to socially and economically empower disadvantaged youth and women in market oriented technical, entrepreneurial and managerial skills, confidence building and empowering skills necessary to improve their access to productive resources and sustainable earning potential. Training is complemented with interventions such as access to markets, appropriate technology, microfinance, entrepreneurship development and follow-up technical assistance and advisory services.

practical training sessions in the locality of the selected entrepreneurs. It is decided to break the 28 entrepreneurs in smaller groups in order to have a more intense interaction between the experts and the trainees. SPARK conducted an additional training based on the evaluation and mentoring to reinforce youth’s skills application learned as well as field visits and mentoring sessions. The training ended with a closing ceremony where all the youth that participated were handed certificates of completion.



Next destination: MALI

Mali was once a donor darling, an example in Africa of good governance and democracy and where a diversity of peoples from the Sahara, Sahel, nomadic tribes and sub-Saharan Africans lived in harmony together. Then the country was struck by a military coup, secession, and influx from jihadists. Today, Malian society is disrupted by conflict, mistrust between people, weak governance, corruption, lack of rule of law and hardly any perspectives for young Malians. However, there is momentum now with the new president and the Malian government rebuilding the country. The nation is eager to rebuild their

conflict-affected society. Yet basic facilities, state-services and institutions, and the private sector are still struggling to recover from the crisis. This is where SPARKs strengths come in. SPARKs main focus will be assisting in strengthening existing (fragile) institutions, mainly for Private Sector Development. The ‘Summer University’, funded by the Dutch Embassy in Mali, will be the first activity of SPARK in Mali, starting this February. Not only the Summer University, but also business plan competitions, coaching of new entrepreneurs and creating favourable credit-facilities are main focus areas of SPARK. In short, SPARK is optimistic and ready to get started!

Activities and results

Maqbanah is rich in trees and diversified plants, which makes it very suitable for beekeeping and honey production activities. SPARK developed this proposal to support youth in Maqbanah through a small-scale project as a first step to unlock the untapped potential for strategically investing in beekeeping, as a viable alternative means of income for the most disadvantaged families in Maqbanah. SPARK has provided technical support in the implementation of business plans developed by 28 youth. The role of SPARK is to oversee the trainings and educational sessions in partnership with local experts. The interventions started with

Migrant entrepreneurship (NEW in 2014)

**Target group:** Migrated young nationals who have the ambition to start a business in their country of origin.  
**Financed by:** Dutch Ministry of Foreign Affairs  
**Partners involved:** Pending

Project Description and Goal

SPARK offers training and coaching packages for migrants with ambitions to start a business (or SME owners who want to open a branch) in their home country. The packages are aimed at supporting migrant groups with concrete ideas to start a business in their country of origin. SPARK offers support in The Netherlands as well as on the ground

in the country of origin. Anyone with a profitable business concept aiming to start operations thereby contributing to their home societies can apply and receive the support needed to realise their ambitions to set up a business. SPARK believes that this small-scale but crucial economic development is the backbone of peace and stability.

The project objective consists of two distinct parts that are related. First, SPARK promotes circular migration so that migrants who live in the Netherlands increasingly contribute to development in their countries of origin. Secondly, SPARK works towards sustainability of interventions by strengthening migrant organisations from target countries in the Netherlands as well as partner BSOs and FIs, and governments in these target countries.

#### Project activities and results

In 2013 this project was still in the inception phase. After the project proposal was approved, research was done on the project and its components (the countries where it will be implemented, activities, the training that will be required, etc.) and tenders have been written.

### Technical Assistance Programme Libya (NEW in 2014)

**Full Project title:** Technical Assistance Programme to the Libyan Programme for Reintegration and Development, SMEs development project (Tumuh)

**Target group:** ex-combatants registered with Tumuh Project

**Financed by:** Libyan Programme for Reintegration and Development (LPRD)

#### Project Description

The Tumuh Project of the Libyan Programme for Reintegration and Development (LPRD) aims to support around 70,000 ex-fighters in the Libyan Revolution to reintegrate into civilian life through entrepreneurship and private sector development. This will be done by empowering them economically and supporting them in establishing their own businesses. The latter will be possible through a diverse set of activities including awareness raising, entrepreneurship trainings, business coaching and mentoring, business development services via business centres and access to financial support. SPARK will provide Technical Assistance and support to the LPRD's Tumuh Project development and implementation.

The overall objective of the Technical Assistance Program is to increase the Tumuh Project team's capacities on project planning, management and monitoring. SPARK will assist the Project team in strategic planning, content development, implementation and monitoring of the programme activities on the ground.

More practically, SPARK will:

1. Develop the Entrepreneurship Awareness Campaign (EAC) and select the LPRD potential trainers;
2. Train and certify 50 trainers on the awareness campaign and SPARK Business Skills Training (BST);
3. Support LPRD in the implementation of the EAC and the BST to at least 5,000 ex-combatants.

In 2013 the project was still in its startup phase. The needs of the Tumuh Project in economic reintegration support were assessed and identified. The proposal was prepared and the cooperation between LPRD and SPARK was formalised.

### Agri-Entrepreneurship Program (NEW in 2014)

**Target group:** Students and John Garang

University and other Youth in Bor Town

**Financed by:** USAID

**Partners involved:** Norman Borlaug Institute

#### Project Description

SPARK will support the Norman Borlaug institute at the John Garang University in Bor town by providing students with the opportunity to utilize the skills they learned in their academic agriculture programme for self-employment. This is done by enabling them to start their own agri-enterprises. This project is only for one year during which SPARK will run two Agribusiness Plan Competitions and set-up a Business Support Centre in support of the one at the John Garang University.

The project is to compliment the Agribusiness Creation Programme and will utilize the guarantee fund to capitalize the BPC winners. The aim of this programme is also to increase the entrepreneurial spirit in Bor Town and to provide some example of youth enterprises as there are very few businesses in the town initiated by South Sudanese.

The objective of the programme is to assist potential entrepreneurs to start their own business through a training scheme combined with a competitive element (resulting in access

to finance, training, coaching and mentoring) and thereby increase business skills and entrepreneurial spirit of young potential and existing entrepreneurs. The project's aim is to train 80 youth in Business Skills and Business Plan Writing. This will lead to approximately 20-25 businesses run or managed by young entrepreneurs started or grown

Activities and results

In 2013 the project went through the planning phase. After the project proposal was signed the project was due to start in December 2013. Sadly, due to the outbreak of violence in the country the project has been set on hold. It is currently not clear when the project will continue; this depends on the political stability of the country.

5.2. Higher Education

Young people in fragile states are facing a lack of (or low quality of) vocational or higher education and a high unemployment rate, which makes them a vulnerable and potentially volatile group within society. SPARK wants to actively engage them in the development and strengthening of the economy. A challenge, as often a low level of entrepreneurial understanding exists among the youth.

In the areas where SPARK operates, it aims to help local actors and institutions to provide the education that the youth within these societies deserves. This way they are given the chance to become the young professionals every society needs: from skilled labourers to lawyers, doctors and business professionals. SPARK actively supports curriculum building and quality assurance at these educational institutions.

The International Business College Mitrovica enrolled new students in 2013 while the IBCM north campus completed its move from its old two-story location on Kralja Petra to a new 2000 square meter facility. Furthermore, SPARK continued to implement and even expand the successful Summer/Winter University concept. New countries are now hosting universities where guest lecturers and students are able to enjoy a few weeks of useful courses in various topics, ranging from education to agriculture to business. SPARK is also a partner to the Basileus project. The project consortium consists of 10 EU universities and 10 universities in the Western Balkans. Basileus V provides funding for academic mobility from Bachelor to staff from Western Balkan institutions and

EU universities. Through its network, SPARK brings Basileus to the attention of students and professors of the education projects it is involved in. Higher education has always been

at the heart of SPARK. In 2013, SPARK was involved in a variety of programmes aimed at strengthening academic institutions.

Table 2: SPARK's Higher Education Projects and Programmes

Project / programme title	Location	Period	Total Programme Budget
International Business College Mitrovica	Kosovo	2008-ongoing	€ 15,5 million
Diploma Acceptance Programme	Kosovo and Serbia	2012-2014	€ 150,000
Mitrovica Youth Program (MYP)	Kosovo	2012-2013	€ 100,000
Libyan Stock market visit	Netherlands	2013	€ 22,535
International Syrian Summer University in Exile	Syria	2013-2014	€ 257,804
MENA Scholarship Programme	Syria	2013-2014	€ 16,293
Regional Educational Support Programme	Syria	2013	€ 31,950
Benghazi International Summer/Winter University	Syria	2013/2014	€ 62,820
CEEUS(NEW in 2014)	Mali	2013-2014	€ 145,470





## MFS-II, Burundi

*Jean Pierre Ndenzako*

While in employment at a low-paying business, Jean Pierre realised that he had the potential and the skills to be a self-made man. Disappointed with the insufficient salary he was taking home, and with little means to properly support his family, Jean Pierre began saving monthly to build up capital for his own business. Although the prospect of starting his own business was risky, Jean Pierre realised the potential for success outweighed the risk of failure.

Dedication and hard work paid off, as Jean Pierre quickly saw the fruits of his labour and his small shop in the suburbs of Bujumbura quickly grew from one employee to nine. Providing services in steelwork, windows, doors and other housing and construction materials, Jean Pierre aims to expand his space and provide a more professional service in the near future.



International Business College  
Mitrovica (IBCM)

**Target group:** Youth in Kosovo aged 18+  
**Financed by:** SIDA, DANIDA, Netherlands  
Ministry of Foreign Affairs, MEST in Pristina,  
DFID, SDC

**Partners involved:** International consortium,  
consisting of the Tietgen Business College,  
the Lillebaelt Academy of Professional Higher  
Education (EAL), the University College  
Lillebaelt, the European education network  
SPACE.

Project Description and goal

The International Business College Mitrovica is an internationally registered not-for-profit educational foundation. It is the only regional provider of higher vocational education, offering programmes on Academy Profession (AP) and Bachelor level in Marketing and Management, International Sales and Marketing (ISM), Public Service Management (PSM), and Environmental and Agricultural Management. Courses are integrated into the European Credit Transfer System, ECTS. 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. As

all courses are taught in English by qualified teaching staff, the network created will pay-off when graduates enter the labour market, both the private and public sector. Graduates not only possess the necessary skills needed to work for businesses and public institutions locally; the strong international orientation as the college prepares them for EU accession. The project’s overall objective is to increase the social and economic stability in northern Kosovo, through cross-community business education and the development of entrepreneurship. This project is at present the only post-secondary inter-ethnic educational institution in Kosovo and one of the most successful international efforts to include the Kosovo Serbian community in North Kosovo, leading to gradual normalisation of relations.

Besides catering to regular full-time students, it offers in-service training for public officials and staff of businesses and NGOs. The college promotes equal opportunities for all communities and has an active gender policy. An English Preparation Course prepares students from socio-economic disadvantaged groups to meet entry-requirements and scholarships help them financially to enrol in the programme.

Activities and results

In 2013, teaching at the IBCM began in earnest. Between January 2013 and December 2013 the IBCM completed both its winter term and summer term for the academic year 2012-2013, and started with its new winter term for the academic year 2013-2014 in October. In all, 282 students were enrolled at the IBCM in 2013.

The number of students enrolled at IBCM has steadily been increasing:

#Students Enrolled at IBCM				
March 2010	Sept. 2010	Sept. 2011	Sept. 2012	Sept. 2013
10	96	145	167	282

As of December 2013, 30% of the International Sales and Marketing and Public Service Management graduates have already found employment before the completion of their education at the IBCM. This is an extremely high rate compared to the general youth unemployment rate of graduates in Kosovo (55.3%; Kosovo Agency of Statistics 2013). The education at the IBCM has been a key factor to the success of these future young professionals in the labour market.

- Over the last four years, a total 720 students enrolled.
- 26 graduates are working in formal jobs.
- 3 IBCM graduates funded a company.
- More than 40 people are employed at IBCM as teachers and administrative staff.

In 2013 the English Preparatory Courses which the IBCM offers to the local community has grown from 50 participants in January 2013 to a total of 171 in Mitrovica (south of the Ibar river) and Leposavic (situated in the north of Kosovo) in December 2013. Since May 1st 2013 the IBCM is an “International English Language Testing System, (IELTS)” and “English for Speakers of Other Languages, (ESOL)” registration centre and testing venue of the British Council. In order to prepare interested candidates for participating in British Council exams, the IBCM offers specialised English language courses. The exams will be conducted by the IBCM and double graded by the British Council;

On January 31st, 2013 IBCM has been accredited by the German Evaluations Agentur Baden-Württemberg. The six programme accreditations and institutional accreditations are valid from February

2013 onward and will be prolonged to 2018 provided the IBCM meets specific follow-up criteria until January 2015.

During the Christmas holidays of 2013 the IBCM north campus completed its move from its old two-story location on Kralja Petra to a new 2000 square meter facility in the Bosniak mahalla. From January 2014 onward the building will be in use by the IBCM and the SPARK office Mitrovica. The official opening is planned on March 6th, 2014.

### Evaluation

Two semester-wise student sophistication evaluations indicate students are moderately satisfied with the IBCM in general and the education the IBCM offers including the diverse courses and their respective lecturers. However, they indicated less satisfaction with supportive services, particularly the communication flow between services/ management with the student population and the financial aid administration. To counter student's dissatisfaction with the financial aid administration an administration policy has been developed that ensures transparency in the application process and a

reasonable timeframe for the communication on the amount of tuition fee students are required to pay (within a month of the start of the new academic year). As a result of student dissatisfaction with communication flow, which was also mentioned by staff, the IBCM management team has begun to implement a series of changes in its internal communications and tasks allocations amongst administrative staff. The centralization of tasks between the north and south student services has begun, firstly on student attendance, and working towards additional tasks in the coming months. Planning has also begun to begin doing regular internal quality checks and putting in a place a system of quality controls to avoid error.

The two main risks for the project are the continuing tensions between the communities north and south of the Ibar River, as well as an unresponsive community to the study programmes and secondary benefits the IBCM offers. Counter measures that will be taken are the development and implementation of a new marketing and promotion strategy.

### Success story

IBCM students proof to be strong competitors for international competitions: in 2013, one student continued with her exchange year with the scholarship she won in June 2012. In June 2013, two more IBCM students have been awarded with the same scholarship to study abroad for an entire academic year in the USA, within a competition of over 5.000 participants. One the IBCM's first generation of Bachelor graduates received the highest score (straight A) out of 28 European candidates with the Day at the Office competition of the SPACE network.

### Diploma Acceptance project

**Target group:** Graduates from Kosovo and Serbia that have been issued diplomas from an accredited or licensed Kosovo University and Higher Education Institution or an accredited or licensed Serbian University and Higher Education Institution.

**Financed by:** European Commission

**Partners involved:** European University Association (EUA), Ministry of Education Science and Technology of Kosovo

### Project Description and Goal

An agreement on diploma acceptance

between Kosovo and Serbia was reached in 2011 in a dialogue facilitated by the EU. It establishes that the European University Association will certify diplomas issued by accredited higher educational institutions in Kosovo to be accepted in Serbia, diplomas issued by accredited higher institutions in Serbia to be accepted in Kosovo.

SPARK is working as a partner in the implementation process. Through offices in Belgrade and Pristina, SPARK oversees the diploma verification, support applicants, and facilitate in the certification process, carried out by the European University Association.

The EU wants students to make best use of their knowledge, skills, experience and talents regardless of political and / or ethnic considerations. In this light the Diploma Acceptance Project wants to make it easier for Serbian graduates to have their diplomas recognised in Kosovo and vice versa. It will enable further studies, public employment, and career progression in and outside of Kosovo and Serbia as the diplomas issued are compliant with the standards of the European University Association.

Activities and results

- Assist, advice and gather applications from potential students in Kosovo and Serbia;
- Gather and verify documents submitted by applicants in Kosovo and Serbia, submit at EUA;
- Mediate between EUA and applicants;
- Mediate among students, government institutions in Kosovo and Serbia, EU and EUA;
- Conduct two surveys on the level of acceptance of the diploma in Kosovo and in Serbia;
- Held two Certification Committee Meetings ( January 2013 and June 2013)
- So far 305 diplomas from Kosovo were certified. The near future will show the handling of Serb documents as well.

Total number of applications SPARK received	436
Total number of applications approved by EUA	369
Total number of returned app's (to be modified)	79
Total number of permanently returned applications	28
Total number of distributed EUA certificates	305

The project has helped the employability of the graduated and hence improved their and their family's lives. From the first round of certifications many are employed. The project has helped the acceptance of the graduates' diplomas in their respective countries

Evaluation

On November 2013 SPARK has conducted a survey on the level of Diploma Acceptance in Kosovo and Serbia with all EUA certificate holders from the 1st and 2nd Round. Based on the survey done with the students of the 2nd round of certified diplomas by the EUA, SPARK concluded that the level of diploma acceptance is very low. Students indicate that there is still a lot to be done on this project. The general outcome and conclusion from the survey by SPARK is that applicants were not aware that they had to have their diplomas recognised by a European university even after receiving an EUA certificate. They had wrongly considered an EUA certificate as equivalent to complete diploma acceptance. Findings of the survey show the need for discussion and clarity on the acceptance of diploma in Kosovo and Serbia, and for further improvement. The survey results lead to serious discussion among partners.

Adjustment and /or changes are expected in the second phase.

Mitrovica Youth Programme (MYP)

**Target group:** Students and Academics in Mitrovica

**Financed by:** DFID (British embassy in Pristina)

**Partners involved:** University, Student

**Parliament:** Centre for Community Development;

Project Description and Goal

Under the Mitrovica Youth Programme (MYP) the Mitrovica Winter and Summer Universities (MWU, MSU) are organised. Local and international students and academics spend two weeks together exchanging knowledge, experience and culture. In this way the students and professors of Mitrovica University are introduced to recent developments in European higher education. The wider aim is to build capacity to a level where the University of Mitrovica can organise and run the Mitrovica Winter University / Mitrovica Summer University independently. In addition to the Mitrovica Winter University and Mitrovica Summer University, the MYP offers a Leadership Weekend: a weekend full

of seminars on organisational and leadership skills, sharing of knowledge and training in leadership competencies.

The main focus of project in 2013 was to make University of Mitrovica (UM) a leader in the promotion of EU integrations and the EU concept amongst student community and contribute to regional stability through facilitation of the recognition & regional integration of the UM in Southeast Europe and the EU.

Mitrovica Winter University impact goes beyond the actual event: students from different educational and ethnic backgrounds share learning experiences. In the process they meet their peers and improve their inter-ethnic relations.

This project has a major effect on local students, since very few local students participate in international student exchange programmes per year. By bringing international students to Mitrovica, they get the chance to share knowledge and experience. Local academics meet their peers from Europe and expand their networks. All this contributes to UM integration into the European Higher Education Area.



### Activities and results

In 2013, the project continued to promote MSU and MWU, organising the attendance of students and professors, and organising leadership weekends. In all:

- 111 and 104 students participated in the MWU '13 and MSU '13, respectively.
- 49 people participated in the two leadership weekends organised.
- An assessment was conducted of the educational needs and interests of the university students, the determination of the course subjects and the selection of professors.

This resulted in increased knowledge and awareness of EU processes by students and professors; increased communication possibilities for both UM students and professors with SEE and EU counterparts; and raised awareness of UM students' challenges. Also, the Winter/Summer University is embedded into the university's overall programme of activity that will ensure long term sustainability.

### Evaluation

Suggestions from the External Evaluator Report from MWU in 2010 and 2011 were adopted. Some of its suggestions were

implemented in 2013: more transparency in the selection of students; increased quality of extracurricular activities; improved criteria for translation selection; the course selection was more transparent and local students were involved in the decision-making.

It is SPARK's goal to have the University of Mitrovica take over the project in the near future. However, so far the UM has not been able and willing to take over the organization, implementation, and evaluation of the MSU/MWU. The main problem is that there is limited funding for this project. Further complicating factors are the risks that are always present in post-conflict countries. These include uncertainty over political goodwill and security issues.

### Libyan Stock Market Visit

**Full Project title:** Corporate Governance Workshop

**Target group:** Senior managers active in the Libyan Stock Market (LSM)

**Financed by:** SPARK, Libyan Stock Market  
**Partners involved:** none

### Project Description and Goal

After the revolution, reinvigorating the Libyan economy is one of the country's

prime challenges. Over four decades of state-run economy left the country with a relatively underdeveloped private sector and an insufficient regulatory framework. A major challenge lies in designing, building, and optimising transparent and independent institutions, which can support and accelerate the growth of private enterprises.

The Libyan Stock Market can expect to become a key platform for attracting and allocating capital, both domestic and foreign, towards productive investment.

In order to have a more transparent way of working, a good governance code needs to be put into place. As of now a code for corporate governance does not yet exist in Libya, while there is great potential in terms of political will and resources. Libyan government policy will likely seek to promote Private Sector Development, as the engine for sustainable growth. The ability to raise investment capital on the LSM to fuel the growth of high-potential Small and Medium Sized Enterprises will be a vital component of a better business environment in Libya.

The Libyan Stock Market is aiming to play a central and constructive role in the development of the Libyan economy

and regulatory framework. To enhance its operations, economic footprint and involvement in policy and regulatory issues, the LSM is seeking to enhance the knowledge and skills of its staff in key areas – both in theoretical and applied sense - to learn from and about experiences and current dynamics in financial markets internationally, and to establish international connections with relevant actors in the European Union.

### Activities and results

For this workshop a total of 7 participants were present in Amsterdam, all of them were part of senior management in their respective companies. The programme was designed in order to view different topics within corporate governance from different angles. In the end, the delegation was presented every day with a different perspective on corporate governance.

The days were filled with academics and theory provided by professors from the Business University Nyenrode and the Amsterdam Business School, a roundtable discussion, and a visit to the Dutch development bank



### Spark Stories

#### MFS-II, OPT Ahmad & Hassan

Ahmad Ramahi and Hassan Jaddes are known for their ambition and enthusiasm over the newest technology tools and trends. It was no surprise then that the two friends jumped at the opportunity to participate in a Business Plan Competition announced by the new BSC in Ramallah. Seeing this as an opportunity to create something on their own, Ahmad and Hassan, with a team of 8, submitted their business plan and won third place

in the July competition.

Following the competition, Ahmad and Hassan were able to register their company, Concepts Ltd, and begin offering services that include: e-marketing, graphic design, 3D

Animations, web hosting and domains, etc.

Concepts is currently catering to local, regional and international customers in the Gulf States and Europe. In early 2012 Ahmad became a regional celebrity when he appeared on the satellite TV

station MBC in a programme for Arab inventors.

This enabled he and his Concepts team to secure more contracts for his business and gain the promotional recognition they deserve.

Ahmad and Hassan understand the challenges of not only having to prove themselves to senior competitors, but to ensure they are constantly adopting the latest technological trends in order to always provide the highest quality products and services.

### Evaluation

The members of the delegation were all very satisfied with the content of the workshop. Most parts of the program scored very high, especially the second day was seen as a great success. During the final day there were even speculations on having another workshop in the nearby future in order to continue the capacity building programme for the Libyan Stock Market. 83% of the participants indicated that the visit helped them very much in their current position. Due to its success SPARK will continue to host visits from the LSM the coming years.

### Syrian Summer University in Exile (ISSUE)

**Target group:** Syrian students wishing to continue their studies.

**Financed by:** Netherlands Ministry of Foreign Affairs

**Partners involved:** Teachers and Students Unions, Universities in Raqqa, Academic Community

#### Project Description

Educational institutions in opposition-run Syria are few and under severe strain. The potential number of students by far outstrips

the region's ability to absorb them. However, Syrian students continue to play a crucial role in managing emergency and humanitarian needs and after the conflict has ended their contribution to reconstruction and transition of their country will be indispensable. Crucially, they play a key role in defending civic values in an increasingly vicious sectarian conflict. The institutions supporting them, i.e. the universities that continue to function, the teacher and student unions and local councils are struggling themselves. It is therefore crucial to create more opportunities for those who are actively involved in civic

initiatives inside Syria by providing them on the ground assistance and support the local institutions that are important to them and struggling to survive.

The project goal is to contribute to interim civilian administration in Syria and political and economic transition by upgrading skills and knowledge of moderate Syrian young activist leaders in subjects with immediate relevance for dealing with emergency and transition in Syria.

In particular, ISSUE 2013 aims:

- To support the effective management of

emergency and humanitarian aid in Syria by building human resources in key areas of operational management and thus help prepare the ground for sustainable transition and reconstruction;

- To promote international institutional support to the post-secondary educational institutions still operating in the opposition areas, i.e. two universities, the Free Teachers and Students unions in the Raqqa region.

#### Activities and results

From 24 to 28 June 2013 the Pilot event of ISSUE 2013 took place. The main objective of the Pilot event was to provide the participants with skills, tools and knowledge with an applied focus and immediate relevance for dealing with emergency and transition in Syria. Most importantly, the Pilot event proved the feasibility of organising this kind of event in spite of the precarious situation in Syria and in particular the challenges involved in reaching out to the target group and their transfer from inside Syria to Turkey.

After the Pilot a more comprehensive course will be offered in 2014 for 90 participants. For this project, three directions of intervention will be implemented: courses offered at the

Winter University; assistance with building networks and sustainable relations for the selected Syrian partner institutions; and support to the Action plans that will be selected based on the participants' existing activities and linked to the content of the courses together with the skills development trainings.

#### Evaluation

The winter university will be evaluated through three types of evaluations to ensure the quality of the activities and project delivery: A Participant evaluation--this leads to an internally prepared evaluation report; A Mid-term evaluation--this evaluation focuses on the professors; and an External Evaluation.

### MENA Scholarship Programme (MSP)

**Target group:** Syrian students with the potential to study abroad.

**Financed by:** Netherlands Ministry of Foreign Affairs

**Partners involved:** NUFFIC

#### Project Description:

The MENA Scholarship Programme (MSP) offers around 140 scholarships a year to

professionals. The scholarships can be used for selected short courses in the Netherlands. The Dutch government has taken up the plan to provide Syrian students, who cannot continue their academic studies in Syria due to political instability, the opportunity to follow short courses or Master programs at Dutch higher educational institutions. The scholarship disbursement is managed by NUFFIC. SPARK has been asked by the Netherlands Ministry of Foreign Affairs (MFA) to carry out the promotion of the programme among potential applicants in Syria and to assess the applications.

#### Activities and results

SPARK has promoted the call for applications to potential participants in Syria in cooperation with Syrian Civil Society Networks. In all, 800 applications were sent, which SPARK has analysed with as criteria the applicants potential for the reconstruction of Syria. About 10% of the applications selected as potentials for NUFFIC. SPARK additionally has provided advice to NUFFIC and MFA on the preparation of material and to comply with conditions 'on the ground' and maintain appropriate contact with involved parties as required for coordination.

SPARK has maintained contact with NUFFIC and the Dutch government and has evaluated the project by sharing points of observation with the two partners. These points can be taken into consideration when a future project is started. Currently the MENA project is closed for Syria due to EU policies. It is not yet clear if the project will start again in the future. This depends on the main sponsor and the political situation in Syria.

### Regional Educational Support Programme

**Full Name:** Regional post-secondary education support programme for Syrian Refugees and Syrians still resident in Syria

**Target group:** Syrian students

**Financed by:** Netherlands Ministry of Foreign Affairs

**Partners involved:** University and Municipality of Gaziantep

#### Project Description

Availability of well educated professionals is crucial in the reconstruction and development of Syria after the conflict has ended. Moreover, it is such young professionals that keep many services operational during the conflict. However, the demand for such

education by far outstrips the offer. Given that, to date only states such as Libya, Qatar and Saudi Arabia has substantially supported educational efforts in opposition areas, western engagement is crucial to promote inclusiveness and avoid Islamisation of the educational curricula.

### Activities and results

In 2013 SPARK developed several ideas into a comprehensive programme that would structurally support the post-secondary educational opportunities of Syrian refugees as well as Syrians still resident in opposition areas. This would come together in a programme proposal to the NL MFA and other interested parties and would include the following two key elements:

1. Establishment of a Free Syrian University branch in South East Turkey
2. Capacity building and networking of the educational institutions in Northern Syria

The local response was very enthusiastic, including positive responses from local stakeholders such as the Union of Free Syrian Students, the Union of Free Syrian Academics, and the Turkish Governor on Syria. Based

on the positive outcome of this research a new proposal has been written to engage in achieving the abovementioned goals on a larger scale. This proposal is currently pending.

### Benghazi International Summer and Winter Universities

**Target group:** Practitioners and students in Benghazi

**Financed by:** Dutch Embassy in Tripoli, Libya

**Partners involved:** Benghazi University and Benghazi University Research and Consultancy Centre  
University of Benghazi Research and Consulting Centre

### Project Description and Goal:

Following on the success of the Benghazi International Summer University in 2012 (BISU 2012), SPARK and the University of Benghazi have expressed their great interest to follow-up on the initiative. SPARK Summer and Winter Universities serve the triple objective to (1) offer students courses that are not in the regular curriculums of their Universities and, (2) to promote academic renewal and curriculum reform, and (3) to contribute to sustainable and inclusive economic

development in east-Libya by improving youth employability. In post-conflict situations, Summer/Winter Universities also offer the opportunity for students with different backgrounds to meet and get to know each other and establish longer-term contacts.

Benghazi International Winter University in 2014 will offer two intensive two-week courses, roughly equivalent to 4 ECTS each. Course content, work forms and teaching materials are defined in consultation and cooperation between the international Visiting Professors and the local 'co-professors'. The Winter University is aimed to familiarize students, graduates and practitioners with current thought and practice in Entrepreneurship, SME Development and (international) Business Management.

### Activities and results

In 2013 the preparatory work for the BIWU was started. Professors were approached and enrolment for BIWU was opened. The Dutch embassy and SPARK have signed an agreement over the funding. Assistance has been provided for the education and curriculum reform at the University of Benghazi Economics Faculty. Also, SPARK has made sure that 20 participants of

BIWU will participate in a Business Plan Competition.

Based on evaluations of the past Summer University, in the future the following lessons are applied:

- In future editions translators and interpreters should be involved more closely in preparations.
- The practical and applied focus of courses has been identified as an important factor: participants are not necessarily interested in deepening their academic understanding, but are eager to learn concepts and skills they can apply in practice.

### Cours d'été de l'Entrepreneuriat à l'Université de Ségo (CEEUS)

(NEW in 2014)

**Target group:** students and academics in Segou

**Financed by:** Ministry of Foreign Affairs (MFA)

**Partners involved:** MFA, University of Segou, ANPE, Ministry of Development

### Project Description and Goal

CEEUS 2014 is a pilot project that intends to promote the spirit of collaboration among



communities and help them on the path to reconciliation, recovery and development in Mali in a context of Private Sector Development. It will run for six months until June 2014 and is supported by the Dutch Embassy in Bamako. CEEUS aims to promote resilience, food security and improve youth's economic opportunities by developing their entrepreneurial skills.

The project will bring together 400 youth from local communities in the Ségou area (north-east of Bamako) to participate in several lectures on business skills and entrepreneurship with (inter)national experts and Malian role models. These lectures will involve potential entrepreneurs from the university and displaced community youths. At the end of the first phase, 20-30 promising participants will be selected to participate in a business-plan-competition. They will participate in a two-week long intensive Business Skills Training program. They will receive further coaching in writing their business plans in the third phase of the program following the approach of SPARK Solutions. Additionally, university professors will be teamed with trainers in order to expand their teaching skills on entrepreneurship and sensitised to the opportunities that

entrepreneurship offers for university students and local youth.

In 2013, the inception phase of the project begun. After the project proposal had been approved a network was established in Mali in order to identify potential partners. Once these had been found the organisation of the summer school commenced with contacting professors and inviting students. In February 2014 the first group of students will start their courses.

### 5.3. SPARK approach

SPARK is constantly looking for new approaches to support our mission. In 2013 the organised Expert meeting and Conference provided input for this. The SPARK Solutions were further developed and implemented and the Business Tracer was developed to even better monitor our results.

### Conferences

Two conferences were held in 2013, the SPARK expert meeting and the IGNITE! Conference. The meetings, part of a series of advocacy activities organised by SPARK, were aimed at connecting various members of the private and public sector including experts,

entrepreneurs, educators, and contractors in order to come to solutions and agreements that improve the way in which youth entrepreneurship can be stimulated.

### SPARK Expert Meeting

On 18 September, 2013, SPARK, in cooperation with the Clingendael Institute and the Knowledge Platform Security & Rule of Law, held its annual expert meeting on Youth Entrepreneurship Development in Conflict Affected Environments. The purpose of the expert meeting was to discuss dilemmas in the field from different perspectives and to jointly develop practical approaches to address them. The event brought together 40 experts in the field of youth entrepreneurship development in conflict affected environments including development practitioners, private sector representatives, policy makers, academics and entrepreneurs. Two special guest speakers were part of the programme: Mr. Magdi Amin, Principle Economist at the IFC / Worldbank Group and Mr. Tarik Yousef from Silatech.

SPARK shares the belief that the creation of economic opportunities for young women and men in fragile environments can contribute to social cohesion and peace. Lessons learnt in

its various programmes in different conflict affected regions add to the growing evidence that youth entrepreneurship can act as a driver of trust within local communities and legitimacy for governments.

During the event a number of questions concerning theories of change were discussed, such as: 'Who are the (future) entrepreneurs who bear the most potential for economic success?' And 'How can much needed "quick wins" interventions for youth in the immediate aftermath of violent conflict be linked to sustainable and inclusive private sector development?' The input from the expert meeting was also used for the preparation of the IGNITE! Conference.

### IGNITE! Conference

On 20 November 2013, SPARK launched the first platform for cooperation on entrepreneurship development in conflict affected environments with the IGNITE! Conference. From bankers, to NGO professionals, to ex-combatants, IGNITE! brought together an inspiring group of people to focus on creating economic stability in fragile states. IGNITE! highlights Global Entrepreneurship Week, the world's largest

celebration of entrepreneurs, job creators and startups around the world.

8 guest speakers from ILO, Chevron, IFC/ CASA, Rabobank, WAC, UT/MSM, Anoud Company, Liberty & Justice) spoke about and discussed how to best create economic opportunities for young men and women in fragile environments. With 120 participants from the civil society sector, NGO sector, the Dutch government and the private sector, the day consisted of interactive workshops, case study sessions and more.

Concluding that creating a culture of entrepreneurship is a key factor for sustainable success, the IGNITE! Conference marked the beginning of a diverse community consisting of people from the private and public sector that will shape the future of youth entrepreneurship in conflict-affected environments.

Due to the success of the two conferences and the perceived added value, SPARK will continue to host conferences in the coming years. In 2014 another Expert Meeting and conference are planned. We hope that the coming years SPARK can continue to construct useful connections between

diverse members of the public and private sector in order to improve the entrepreneurial perspectives of young people in conflict-affected societies!

In 2014 we will embark on a series of expert meetings worldwide, in cooperation with partner organisation. In November we will organise the second annual IGNITE Conference.

### SPARK Solutions

The development of the SPARK solutions started in Diever, during a staff meeting in the summer of 2012. It was decided to focus on two solutions to start with: the Business Support Centre concept and the Startup Finance. One of the services of the Business Service Centre Solution is the Business Skills Training for startup entrepreneurs in conflict-affected areas. The development of this training as a SPARK training started in 2012 and was piloted and implemented in 2013. The element of Faculty Enrichment was added to SPARK solutions. SPARK staff is trained to implement these services in the different countries, as a service to the partner organisations we work with. SPARK Solutions contain a variety of trainings

and coaching for entrepreneurs and local partners, including, curriculum development for schools and universities, a youth academy for entrepreneurs, business plan competitions and more. A loan guarantee fund, an equity fund and Islamic banking products have been developed to provide access to finance to entrepreneurs in our countries of operation. In 2013 some new trainings were developed and the development will continue in 2014, including training of staff to deliver those services. In 2013 the first academy for entrepreneurs was organised (in Liberia) and this will be continued in 2014. Another new development are the “business in a box” packages. These boxes give all the technical and business information to start up a specific business, for example making soap. These developments should further facilitate project acquisition and thereby contribute to the financial sustainability of our field offices.

#### ***Fund Management: IGNITE Fund***

In 2013 SPARK started the setting up the IGNITE Fund, aimed at creating access to finance for small growing businesses in fragile and conflict affected states where SPARK works. In the past years, SPARK had already supported over 250 small/starting businesses-

-in coordination with the local partner banks-through loan guarantee programs of up to 15,000 Euros in each promising business. Those few who successfully completed the loan guarantee programme often require additional larger funding to scale their growing businesses. The local financial market is usually not ready or willing to provide the necessary funding to support these businesses that have thus far developed a good track record. Therefore the IGNITE Fund is created to close that ‘pioneer gap’.

The IGNITE Fund is aiming to be an impact investment vehicle operating in, but not limited to, Liberia, Rwanda, Burundi, South Sudan, Palestinian Territories, Kosovo, and Afghanistan. IGNITE Fund will provide loans, convertible debt, equity and quasi equity investments of up to 250.000 Euros to promising businesses which are looking to scale its operation and impact. Performance of invested businesses would be measured in financial and social impact objectives. Through IGNITE Fund technical assistance and mentoring will be provided by SPARK and its local partners, in addition to financial investment with the ultimate goal of supporting today’s fledgling innovator who

just might create the next great, scalable innovation while offering investors strong risk-adjusted financial returns.

SPARK has set-up the Stichting (foundation) IGNITE Fund to channel investment capital to an independent vehicle where donors can trust their capital (in forms of donations or soft loans) to be invested at small and growing business in fragile states. The capital will typically be invested through one or more mutual funds (FGR structure in Dutch law). This structure will be optimal to enable other impact investors to join into the investments and increase the scope of the funds to invest in as many businesses as possible. SPARK will be the fund manager of the mutual funds. This will enable SPARK to optimize the combination of the pipeline of the SPARK's enterprise development programmes, the fund and the need for finance and technical assistance at the invested businesses.

### Tracer Study 2013

"In 2103, SPARK published "Opportunities and Challenges to SME Development in Conflict Affected States", presenting key findings of a tracer survey implemented by SPARK in the summer of 2013. The rationale

behind this survey was to learn more about the effectiveness of SPARK's Small and Medium Enterprise interventions. The survey interviews were conducted with almost 900 business owners that have been assisted through one of many SPARK programmes in 9 project countries since 2006.

The survey showed that businesses that receive SPARK support generally do well in terms of profitability and job creation. These businesses also reported positive change in sales after involvement with SPARK. It turns out that existing businesses are better at creating jobs than startups; however startups do show growth over time. Businesses led by young people create fewer jobs on average than other businesses. The more recent SPARK programmes have been doing better at reaching youth and women, two important vulnerable groups in the labour market in conflict affected states; however, more should and could be done to serve those groups. For instance, female led businesses create more jobs for women, a lesson that is important to note when developing private sector interventions that provide jobs to women.

Information on the most important business

obstacles informs SPARK's lobby and advocacy agenda. Almost all of the top 5 business barriers (lack of electricity, lack of credit, lack of adequate tools and machinery, and difficulty attracting investors) could be removed with better access to finance. The skills and investment needs indicate that a technology upgrade is needed by business owners in order to become more resilient and competitive. Even though political instability at a macro level is not a barrier in the top five, entrepreneurs do see themselves as actors in a conflict affected environment. They associate themselves with conflict mostly on community and household level, confirming the relevance of SPARK's strategic orientation towards conflict affected states. The survey yielded useful market and business information that in fact will reduce risks in future interventions, such as accessing finance, research into what is needed and what works at business level needs to be continued.

The survey results provide baseline information that can grow into a longitudinal data set that enables tracking and analysis of businesses over time. The personalized dataset also allows SPARK to maintain close relations with the entrepreneurs and

get instant up-to-date information through panels of entrepreneurs. Moreover it provides pointers for future interventions, such as trainings, business services, as well as for the lobby and advocacy agenda.

### 5.4. Project Development and Fundraising

#### Fundraising policies

The primary aim of our acquisition policy is to reach our objective to create 20.000 jobs by 2015. The secondary objective is to become an organisation with a solid diversified and sustainable income base as this is essential to being able to perform as a sustainable and stable partner towards our beneficiaries. A dedicated three person project development unit has helped to streamline project development processes, identify more funding opportunities and has efficiently supported project staff in drafting project proposals and bids for tenders. Whilst in 2012 we produced 40 proposals, the number has risen to 56 in 2013. On the other hand, the acceptance rate of these proposals has risen from 3.6% in 2012 to 9.52% in 2013. We will expand this unit and improve its approach following an evaluation of its 2012 results in 2013. These developments should further facilitate project



### Spark Stories

#### MFS-II, Burundi *Jean Etienne Niyibitegeka*

Etienne's interest in photography began after he bought a camera and began taking wedding photos for people on the weekends. What started as a means to pay his tuition fees, turned into a passion and inspired him to register at the art institute of Gitega, where he graduated in 2009. Following graduation, a teacher who believed in Etienne's talent and drive, invested in him and helped him finance the start-up of his own workshop. Once established, Etienne realized

there was a lot of competition in his town of Gitega, and moved to the town of Rumonge where he contacted a business incubator and was able to receive a number of trainings and professionalise his business. His business of portrait photography and drawings is called UMUCO, meaning 'light' in Kirundi. His future wish is to become a professional photography studio and meet the growing demand for digital photography, while still providing painted portraits to the general public.

acquisition and fundraising in general and focus more specifically at country level and thereby contribute to the sustainability of our programmes in the field. This will prevent sudden interruption of support provided to the beneficiaries we serve.

### National and international institutional donors

In 2013 the development budget of the Dutch government was further reduced and further cuts have been announced. As in previous years, SPARK managed to attract additional funding from various donors. The government's budget cuts have once again not negatively affected our programmes. In fact, unlike most development organisations in the Dutch Aid Sector we have moderately grown further. For 2014, our budget is 11,5 million. Our budget for 2013 was approximately € 12,7 million (incl. IBCM construction) and we realised 10,5 million as compared to approximately 8,3 million (realisation) in 2012 and 6 million (realisation) in 2011.

### Threats

Recent austerity measures in the Netherlands result in a cut in the aid budget of over 25% in

2014. With these budget restraints in mind, it is possible that even our running Netherlands funded programmes are going to be cut. The MFS II entrepreneurship programme is especially vulnerable in this respect as the announced successor programmes will no longer allow support directly to beneficiaries but will focus on lobby and advocacy work. Although SPARK has strong lobbying and advocacy programmes, its elements dealing with direct support for SME development can no longer be financed through this channel. Furthermore, the NLMFA will offer less tender opportunities than in previous years, and with lower budgets, which could slow down the inflow of NLMFA funding. It is safe to assume that future tenders will be opened up for non-Dutch applicants, which will greatly increase competition in an already declining market. Reform and modernisation of other Dutch development organisations pose another threat. SPARK has observed that with the increased attention for youth and private sector development in fragile states, an increasing number of (international) development organisations have suddenly started competing in the market or are planning to do so. In anticipation of further budget cuts and in view of a possible MFS III





## ***Spark Stories***

### **MFS-II, Kosovo Mileta Pitulic**

Coming from Zvecan village in Kosovo, Mileta Pitulic first started his business as glass repair services for vehicles including changing windows and windshields and installation of dark plastic foil. He quickly expanded it into a bigger business by providing diagnosis, recharge of batteries and air conditions services. Mileta's future vision is to own all the materials himself (as he is currently renting equipment).

Pitulic: "Being the only car service repair in the area with affordable prices, I have built loyal customers. Also I am contributing in the local economy by reducing the unemployment rate."



era, SPARK invests in project development and acquisition even more than ever before.

Opportunities

Responding to recent developments in Burma, Syria, and Mali SPARK started to develop activities in these locations. In some cases, especially Syria, engagement will remain light until the situation on the ground will improve. Starting with early pilots, however, remains the preferred SPARK way of operating. We are experienced in providing (limited) foundational support to the pioneers in conflicted affected areas, who with their activities often provide the basis for stronger subsequent involvement. SPARK has built its reputation in several countries we have built. Through strong track records with our operations in countries such as Kosovo, Rwanda, Burundi and Liberia, SPARK has built a strong reputation in the sector. Donors and local authorities have started to approach SPARK on their own initiative. In seeking out financing for programming, SPARK prioritises funding sources other than the Netherlands Ministry of Foreign Affairs in order to progressively decrease our dependency on this main donor of SPARK.

Private donors

Through the website, newsletters and social media SPARK asks private donors to make a donation. Although SPARK receives donations, the volume compared to institutional donors is limited. This is likely partly due to the nature of our activities (economic development) and the lesser humanitarian nature.

Overview fundraising

	Results 2013	Results 2012	Results 2011
# proposals submitted	56 total, 17 approved, 17 pending	39 total, 8 approved, 13 pending	22
NLMFA* income in Euros	6,921.162	5,865,891	4,204,727
% of income of NLMFA	65.33%	70.62%	66.52%
Non NLMFA donor in Euros (excl EU & in kind)	3,673,645	2,440,378	2,116,010
% of cash income of non NLMFA donors	34,67%	29,37%	33,48%

*\*Since 2009, the NLMFA donor conditionality obliges SPARK to annually raise 25% of the contributions on SPARK's largest grant.*

# 6. Organisation

SPARK is a growing, young, dynamic development NGO with 104 staff members in 2013 in offices in Amsterdam, Belgrade, Benghazi, Bujumbura, Juba, Kigali, Monrovia, Mitrovica, Pristina, Ramallah, Sana and Skopje (see the map below). SPARK develops higher education and entrepreneurship, so that young ambitious people are empowered to lead their conflict-affected societies into prosperity.

SPARK is achieving its mission by organising business plan competitions, business skills training, SME coaching & mentoring, business incubation, SME financing, intensive higher vocational summer courses, curriculum development and quality assurance at universities and higher vocational education institutions.

## Areas of responsibility

## SPARK HQ: Amsterdam

## Current Areas of Responsibility in 2013

## Kosovo (Mitrovica and Pristina)

## Serbia

## Macedonia

## Palestine Territories

## Liberia

## Burundi

## Rwanda

## South Sudan

## Libya

## Yemen

### Near future areas of responsibility

## Iraq/Kurdistan

## Morocco

### Previous areas of responsibility

## Moldova

## Zimbabwe

## Sierra Leone

FYR Macedonia

## Montenegro

## Bosnia and Herzegovina

## Afghanistan





6.1. Organisational Actors

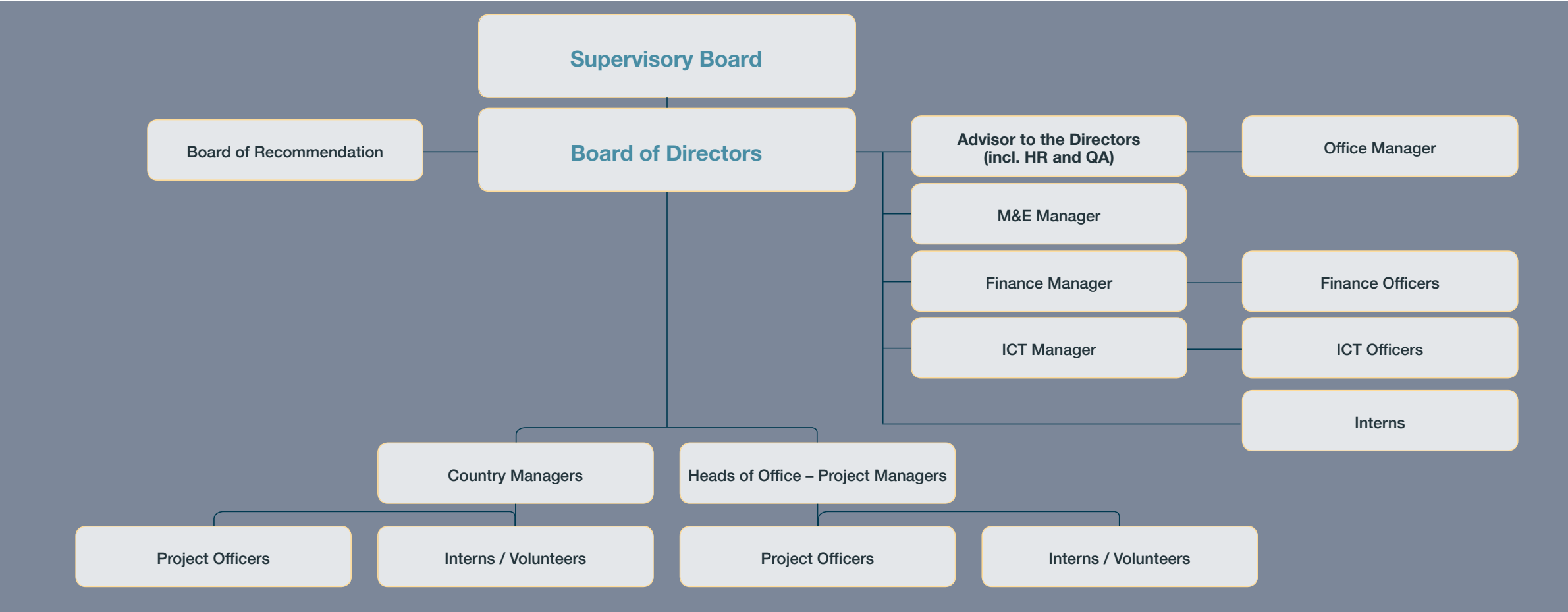
Since 2007, SPARK has clearly distinguished between supervising and managing the organisation. A Supervisory Board (Raad van Toezicht) and a Board of Directors (Bestuur) are in place to help improve the level of transparency at SPARK, a criteria for Centraal

Bureau Fondsenwerving and Code Wijffels. Both Boards have developed codes for good governance.

SPARK has a logical organisational structure, whereby the directors receive input from

various staff members. M&E, Finance and IT managers all report to the Directors, as does the Advisor to the Directors, and each can work closely together with the officers in their departments. Both head office and wfield offices enjoy the support of a number

of interns that assist in the smooth operation of day-to-day work and help on a variety of projects. The head office in Amsterdam conducts annual operational audits in the respective field offices for support and as an internal control measures.



6.2. Board of Directors

The Board of Directors 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 Board of Directors are stipulated in the SPARK statutes.

**Director:** Yannick du Pont  
**Co-director:** Michel Richter

Remuneration: members of the Board of Director receive salaries based on VFI (Vereniging Fondswervende Instellingen) guidelines for NGOs with two directors. 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.

Other Affiliations

Yannick du Pont: Member of the Steering Group of the Netherlands Knowledge Platform “Security & Rule of Law”

6.3. Supervisory Board

The Supervisory Board of SPARK monitors and evaluates the Board of Directors. By the end of 2013, the Supervisory Board consisted of eight members, with its newest members, Johan Bogaard and Jok Madut.

Chairman: Erik Dirksen, MSc	Former Lecturer at the Faculty of Economics and Business Studies, University of Amsterdam, The Netherlands.
Secretary: Olaf Bartelds, M.A	Senior Project Manager, Netherlands Foreign Investment Agency, The Hague, The Netherlands.
Treasurer: Johan Bogaard EMFC, MSc	Corporate Director Group Control at USG People NV. Has joined the Supervisory board in 2013.
General member: Mare Faber, M.A	Advisor/trainer at Governance & Integrity NL, The Netherlands.
General member: Marjolein Lem, M.A	Senior Consultant International Development, Berenschot, The Netherlands.
General member: Dugajin Popuvci, Dr.	Executive Director of the Kosovo Education Centre (KEC) and Professor at the University of Pristina, Pristina, Kosovo.
General Member: Janne Nijman, Dr.	Associate Professor of Public International Law at the University of Amsterdam and owner of NILO.
General Member: Jan Marinus Wiersma, Drs.	Former member of the European Parliament Has left the Supervisory board in 2013.
General Member: Jok Madut, PhD	Executive Director of the SUDD Institute Has joined the Supervisory board in 2013.

Report by the Supervisory Board

In 2013, the sixth year of its existence, the Supervisory Board (SB) met five times with the Board of Directors and Advisor to the Directors to discuss projects, progress and strategic issues. The Supervisory Board supports SPARK in its mission and continuous aim for

more quality, transparency and innovation. The main responsibilities of the Supervisory Board are to supervise the Board of Directors and to ensure that SPARK’s activities are in line with its mission statement.

The Supervisory Board functions according to the “Code Wijffels”, the SPARK Statutes and the regulations of the Supervisory Board. In line with the CBF regulations, the Supervisory Board has signed a Supervisory Board Accountability Declaration explicating:

1. How it executes its supervisory role vis-à-vis the steering and management responsibilities of the Board of Directors.
2. How the monitoring of costs relates to the impact attained, which is cost-efficiency and effectiveness of activities.
3. Monitoring of transparent communication and the provision of information by the organisation vis-à-vis its main target group and stakeholders (including the implementation of recommendations and handling of complaints) with the purpose of developing optimal relations with partners, donors and target groups *(please find a copy of the accountability statement enclosed).*

An evaluation mechanism for the Supervisory Board was introduced in 2010, whereby the Board can self-evaluate its decisiveness, implementation and consider the openness of its relationship with the Board of Directors.

The Supervisory Board appoints the members of the Board of Directors (BoD). The current members of the Board of Directors, Mr. Yannick du Pont and Mr. Michel Richter, hold the positions of Director and Co-Director respectively. The BoD is responsible for organisational planning, policy making, project development and fundraising, daily management including quality management of projects and the organisation as a whole. Performance Assessment meetings with the members of the Board of Directors took place in 2013 and addressed performance on organisational targets as well as personal ambitions and management style.

The Supervisory Board 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 2013, the Supervisory Board

approved, amongst other issues, the following:

- The Annual plan 2014, taking into account the 2011-2015 multiple year plan and how this relates to the mission
- Budget 2014
- The Annual Report including the Financial Report for 2013

In addition, the Supervisory Board and the Board of Directors discussed the developments regarding:

- Management Letter Dubois & Co. Registeraccountants (SPARK's controlling accountant)
- Project Development / Acquisition
- The progress of the Enterprise Development Programme (MFSII), Agribusiness creation (ABC) and Youth Engagement program (YEP)
- The progress of the International Business College in Mitrovica (IBCM)
- Policy on own reserves
- SPARK staff survey 2013 and management review 2013
- SPARK Solutions development

Presentations were given by staff to provide the Supervisory Board with more information (for example by giving a presentation about the new website, or about the Summer

University for Syrian students).

Besides the regular SPARK SB meetings, also two Supervisory Board meetings took place with the SB of BiD, the coalition partner in the United Entrepreneurship Coalition (MFSII program). Discussed were the progress on targets (on indicators and financial targets) and possible risks and concerns. The Supervisory Board decided to follow up on the concerns.

SPARK communicates on various platforms with all our stakeholders to ensure that our work is transparent. In 2013 a new website was launched. The SPARK website is continuously updated with the latest developments. Furthermore, evaluations from projects are presented on the website and the TranSPARKency website, where all the financial information is disclosed. SPARK became IATI compliant in 2012. The importance of a functioning feedback structure is ensured by the ISO-certified complaint procedure, which enables anyone to post a formal complaint directly via the website. The complaints are handled according to the procedure and corrective actions are taken when needed.

Overall, the members complement each other in terms of expertise and background relevant for SPARK. Each member of the Supervisory Board needs to be independent, as described in the Statutes of SPARK and in the established general profile for a Supervisory Board member. A member holds his/her position for a maximum of four years and can be reappointed only once for another period of a maximum four years. The Supervisory Board members do not receive salaries. Further details on the remuneration of the Supervisory Board and Board of Directors can be found in the Financial Report. Sincerely yours,  
SPARK Supervisory Board Members,  
Amsterdam April 2014

# Accountability statement SPARK

April 2014

## Introduction

The Supervisory Board and the Board of Directors of SPARK endorse the “Goed Bestuur voor Goede Doelen (“Code Wijffels”) and act in accordance.

In-line with the Centraal Bureau Fondsenwerving (CBF) regulations, the Supervisory Board has signed this Supervisory Board Accountability Declaration

The accountability statement will be part of the annual report conform “Richtlijn 650 Fondsenwervende Instellingen”.

The Supervisory Board and the Board of Directors endorse the following principles:

1. The “supervisory” role (approving plans and monitoring of organization and results) has to be separated from the “steering” role.
2. An continuous attention for the relation between costs and impact attained, that is cost-efficiency and effectiveness of activities
3. Transparent communication and the provision of information by the organization to its main target group and stakeholders, including the implementation of recommendations and handling of complaints, with the purpose of developing optimal relations with partners, donors and target groups.

## 1. Separation of supervising role and steering/management role

### Organization and execution of internal monitoring on steering/management tasks

In the statutes of SPARK a distinction between supervising and steering/managing is made. SPARK is managed by the Board of Directors and the Supervisory Board supervises the Board of Directors and ensures that SPARK’s activities are in-line with its mission statement. The Supervisory Board functions according to the “Code Wijffels”, the SPARK Statutes and the regulations rules of SPARK

The Supervisory Board monitors the execution of policy by the Board of Directors and provides advice if needed. The approval of the Supervisory Board will be required for Board of Directors meeting to adopt the annual plan, the annual budget, the annual accounts and the annual report, the multi annual policy plan and the financial multi-annual forecast.

The Supervisory Board and the Board of Directors will meet at least three times a year at a joint meeting to discuss the outlines of the policies pursued and to be pursued.

The Board of Directors is responsible for organizational planning, policy making, project development and fundraising, daily management including quality management of projects and the organization as a whole within the framework of statutes and policy as translated into (multi) year policy, plan and budget. The Board of Directors will provide the Supervisory Board in time with all the information that it needs to exercise its duties and authorities and will further provide each member of the Supervisory Board all information that he or she may require with respects to the affairs of the Foundation.

### Composition of Board of Directors and Supervisory Board

The Board of Directors consists of one or more natural persons. The members of the Board of Directors have an employment relationship with the Foundation for an indefinite period of time.

The members of the Board of Directors are appointed by the Supervisory Board.

The Supervisory Board will consist of at least three natural persons. The Supervisory Board will appoint a chairperson, a secretary and a treasurer from its midst. The members of the Supervisory Board will be appointed for a period of up to four years. Retiring members will be eligible for reappointment for a period of up to four years after their retirement, not more than once.

The members of the Supervisory Board will not be paid any compensation directly or indirectly. “Compensation” will not be deemed to include a reasonable allowance at the expenses that they occur on behalf of the Foundation and the work that they carry out for the Foundation.

The members of the Supervisory Board will be appointed by the Supervisory Board upon a non-binding nomination to be prepared by the Board of Directors, all in accordance with the policy “Filling of Vacancies on the Supervisory Board” applicable at the time, adopted by the Supervisory Board and approved by the Board of Directors.

### Conflict of interest between Board of Directors and Supervisory Board

Members of the Supervisory Board cannot sit on the Board of Directors

Within the Supervisory Board, within Board of Directors and between members of Supervisory Board and members of Board of Directors no close family or similar relations will be allowed.

Other positions of Members of Supervisory Board and Members of Board of Directors are published in the annual report and should not be contrary with the interests of the Foundation.

### Evaluation of performance of Board of Directors and Supervisory Board

The members of the Board of Directors will bi-annually be evaluated by two representatives of the Supervisory Board. These assessments will address performance on organizational targets as well as personal ambitions, management style etc.

Once a year a self-evaluation of the Supervisory Board takes place.

## 2. Optimal resource allocation

The Foundation’s object as stated in the statutes is: to develop higher education and entrepreneurship so that young ambitious people are empowered to lead their conflict-affected societies into prosperity. It does so by building the capacity of local economic and educational organisations and institutions. In doing so, it seeks active support within the Dutch community and among economics and educational institutions in particular.

In the (multi) year plan key performance indicators are adopted. Every quarter the results are compared with these expectations. The quarterly report will be discussed with the Supervisory Board and based on this discussion policy adjustments take place if needed.



Besides this, results of the Foundation are evaluated by:

- Evaluation of every course (teachers and participants) (all can be found on the website)
- External audit of Ministry of Foreign Affairs and other donors
- Two times per year audit by accountant of the financial and administrative processes
- ISO 9001 yearly internal and external audit.

2

By connecting financial information with evaluation results, costs per indicator are visible on the website.

### 3. Optimal relations with stakeholders

For SPARK the following are considered the main stakeholders:

- Entrepreneurs/students
- Partners
- Donors
- Media
- Staff
- Supervisory Board
- General public

Communication with stakeholders takes place via:

- SPARK website / TranSPARKency
- Quarterly newsletter
- Annual report
- Quarterly reports

SPARK does the utmost to ensure that the information it provides is true and reliable. SPARK's external communications is guided by its communications policy. Overall the organization ensures that essential information regarding its functioning, such as the annual and program reports are available on the website ([www.spark.org](http://www.spark.org)).

In general, publications are made available electronically for free on the website. The communications department ensures the relevance, accessibility and readability of information through the website.

The organization has established an official complaints procedure, which is available on the website.

Signed on behalf of SPARK Supervisory Board,

Erik Dirksen, date 28-04-2014

A handwritten signature in black ink, appearing to be 'Erik Dirksen', written over a horizontal dotted line.

## 6.4. Committee of Recommendation

These ambassadors share their knowledge, experience and network promoting and consulting SPARK.

Dr. Andris Barblan	Consultant Magna Charta Observatory. Former Secretary General of the Magna Charta Observatory on the Universities' Fundamental Values and Rights. Former Secretary General of the Association of European Universities.
Prof. Dr. Wolfgang Benedek	Co-founder and Chairman of World University Service (WUS) Austria. Professor of International Law at the University of Graz. Director at the Institute of International Law and International Relations and European Training and Research Centre
Mr. Daan Everts	Former NATO Senior Civilian Representative in Afghanistan, Former Head of the OSCE Mission to Kosovo and Deputy Special Representative of the Secretary General for the United Nations.
Prof. Dr. Hans J.A. van Ginkel	Former Rector of the United Nations University Centre, Tokyo. Knight in the order of the Netherlands' Lion.
Richard J. Goldstone	Director of the International Centre for Transitional Justice, Human Rights Watch, the Centre for Economic and Social Rights, the Institute for Transitional Justice and Reconciliation and Physicians for Human Rights. Former Justice at the Constitutional Court of South Africa, Former Chairperson of the Commission of Inquiry regarding Public Violence and Intimidation "Goldstone Commission," Former Chief Prosecutor of the United Nations International Criminal Tribunals for the Former Yugoslavia and Rwanda, and Chairperson of the International Independent Inquiry on Kosovo.
Mr. Tadeusz Mazowiecki	Former Prime Minister of Poland, Former United Nations Human Rights Rapporteur. Mr. Mazowiecki passed away in 2013.
Prof. Dr. P.W.M. de Meijer	Former Rector of the University of Amsterdam, The Netherlands. Former Chairman National UNESCO Committee of the Netherlands. Has left the Committee of recommendation in 2013.
Drs. Ad Melkert	Former Representative of the Secretary General for Iraq, Former Vice-Secretary General and Associate Administrator of UNDP, Former Netherlands Executive Director at the World Bank in Washington, Former Netherlands Minister of Social Affairs and Employment.
Drs. Jan P. Pronk	President of Society for International Development. Former Chairman of IKV – Inter-church Peace Council - The Netherlands, Former UN Special Representative for Sudan, Former Netherlands Minister of Housing, Spatial Planning, and Environment, Former Netherlands Minister of Development Cooperation, currently Professor at the Institute of Social Studies, The Hague, The Netherlands.
Dr. Elisabeth Rehn	Member of the Global Leadership Foundation. Former Minister of Defence in Finland, Former United Nations Special Rapporteur for Human Rights in the Former Yugoslavia. Has left the Committee of recommendation in 2013.
Dr. Carl Tham	Former Swedish Ambassador to Germany, Co-Chairperson of the International Independent Inquiry on Kosovo, Former Secretary General of the Olof Palme International Centre, Former Minister of Education and Science of Sweden, Former Director General of Swedish International Development Agency (SIDA).
Prof. Drs. Ed van Thijn	Chairman Dutch Advisory Board Humanity in Action, professor at the University of Amsterdam. Former Mayor of Amsterdam, Former Netherlands Minister of the Interior, Former Coordinator for International Monitoring (CIM) in Bosnia & Herzegovina. Former member of Netherlands Senate of the Dutch Labour Party.

6.5. Staff

SPARK employs staff at the headquarters in Amsterdam but mostly at their field offices in Belgrade, Bujumbura, Skopje, Mitrovica, Ramallah, Kigali, Juba, Pristina, Monrovia, Benghazi and Sana. Most field offices work with local staff and one international employee.

In 2014 all current SPARK field offices need to operate on a financially sustainable basis. On average in 2013, the number of staff employed by SPARK was 104. Nineteen staff members (of 8 different nationalities) were Amsterdam based, five of which were interns. In total, SPARK employed people from twenty four different nationalities. 46% of the staff is female, 54% male.

It is interesting to note that SPARK is a young organisation. Looking at the age groups 25 to 30 year, 30 to 35 year, 35 to 40 year, and older than 40 you will find the following percentages:

- < 25: 7%
- 25-30: 31%
- 30-35: 37%
- 35-40: 19%
- >40: 9%

75% of SPARK staff is younger than 35.

Interns

SPARK believes in sharing knowledge. Regularly SPARK provides internship opportunities for young and motivated people that want to gain experience working in an international NGO. The interns assist SPARK employees in a variety of functions and bring an enthusiasm that helps make SPARK a fast moving and vibrant organisation. The tasks and responsibilities of the interns range from minor administrative tasks to substantial independent work. Each intern has a supervisor that evaluates and gives feedback during the internship period. The interns are valuable to SPARK as they bring a fresh perspective and help to maintain good relations with higher educational institutions in the Netherlands and abroad.

**Paulina, intern Amsterdam office:**“SPARK is a dynamic and fast-paced environment where things don’t just settle down into routine. As an intern, I had a list of seemingly set-in-stone assignments, but challenges were easily at hand with my supervisor not minding my taking on board the beyond-usual tasks. Consequently, I enjoyed an ownership of exciting projects such as drawing up a CSR policy, co-operating with a brilliant consultant

on partnership and organizing an annual conference for SPARK partners from the regions. With SPARK Amsterdam headquarters numbering at that time fewer than 15 staff, it was possible to touch upon the work of every department and keep on top of their agenda. Having been a general intern, I got an idea of the quality management procedures, basic monitoring and evaluation, partnerships in the third sector and technical assistance. And it is only when you move to the next job in the social sector that you see how useful it is to be familiar with these areas. SPARK does not have a prescribed plan for interns to stick to from the outset. It lets you make of your time at the organisation what you possibly dare to. Be daring to spark it up!”

**Dianne, Migrant Entrepreneurship Project Intern, Amsterdam office:** “After living for six months in the poorest country of Central America I travelled a lot through Asia, other parts of Latin America and Africa. I met a lot of really poor people who lived in unimaginable circumstances but surprisingly they inspired me with all their innovativeness and creativity. Those experiences made me

realise that those people have the ability to lead their society to prosperity, they only need a chance and some support. And that is exactly what SPARK is offering. Therefore I feel grateful to have the opportunity to work here. I am working for the new Migrant Entrepreneurship programme and in addition to my work I write my thesis for the master Policy, Communication and Organization. It is very instructive to be involved in the process of setting up a new project because you need to deal with a lot of different aspects. If I have doubts or questions I can always go to one of my experienced and highly skilled colleagues what makes me learn a lot about project management and international development. At this moment the first migrants are signing up for the project and it’s really nice to see that a lot of people are really enthusiastic. My personal goal for the rest of my internship is to set up the best possible programme so that we as SPARK can help a lot of migrants by setting up their own business in their country of origin and thereby create chances and stimulate prosperity.”

**Thomas, MFS-II Intern, SPARK Amsterdam office:** “I am currently one month into my 6 months internship as an M&E intern on the





## Egezon Agushi – honey entrepreneur

With a goal to provide a sustainable source of income for himself, Egezon Agushi chose honey as a commodity to produce. With training and consultancy support from SPARK's Business Startup Centre Kosovo in Pristina, Egezon was able to purchase beekeeping machinery and equipment in order to set up honey production and a selling point in his house.

In short, his business has been booming. Since 2012, eighteen new employees have joined the company, which has experienced an annual growth of 70%. With the aim to expand to more markets and potentially export, the honey is marketed and sold at promotional events. Valuing the environmental benefits of beekeeping

and the role beekeeping plays in currently helping the pollination of wild bees, Egezon hopes to be a role model throughout the Balkans in the production of all natural products. And his ambition does not end there; in his own words: "my ambition is be present in every market chain in Kosovo, as well as export to neighbouring countries such as Macedonia, Albania and Serbia."

SPARK is proud to have been able to play a role in helping entrepreneurs like Egezon start their businesses and thus become not only valuable economic players in the region but also be a role model for potential new entrepreneurs.

## 6. Organisation

MFS II project. Even though I have only been here a relatively short time, I have settled in and feel like a member of the team. My main duties and responsibilities are to analyse both qualitative and quantitative data and portray it in a way that is accessible, comparable and measurable to see whether the project indicators are being met.

My background is in issues of migration and ethnicity. I am currently studying at the University of Amsterdam a Masters of Sociology specializing in Migration and Ethnic studies. SPARK has provided me with the practical knowledge of implementing projects and policies rather than just learning the academic literature and theory.

So far, the SPARK experience has been highly interesting and rewarding and would recommend it to anyone interested in gaining experience in a young and dynamic NGO, especially in the subject areas of migration, development and project management."

### Volunteers

Most foreign teachers and experts that participate in the Summer/Winter Universities are volunteers, meaning that they do not get paid for their work and that we only pay for

their travel and accommodation. Furthermore, in the organising of these events, student volunteers aid us in facilitating all the necessary logistics to make day-to-day running of events smooth and successful.

A SPARK Volunteer Reference document stipulates the tasks that volunteers can perform, ranging from logistics, to promotion and administration, such as the registering of participants and arranging of booklets and promotional material. Volunteers are asked to evaluate their experiences for the benefit of SPARK staff. A lot can be learned from their insights and recommendations.

In 2013 two Dutch volunteers worked in Liberia. They took unpaid leave from their jobs and dedicated two months of their lives to a project in Liberia. They provided valuable assistance in setting up the first BSC Academy and organising the pilot Advisory Board. SPARK is very grateful for their input.

### HR policy

To realise SPARK's mission, staff is indispensable and is our most important asset. With our growing activities, the number of staff is also growing, divided over different

field offices and HQ. It is important to ensure the high quality of staff in recruitment and selection procedures.

SPARK does not have an official diversity policy regarding the hiring of personnel, but in practice diversity is reached through an active informal policy. Attention is given to the balance in the current make-up of employees such as the male-female ratio and the number of local staff members employed in the field offices. SPARK believes in employing local staff as a means of empowering local professionals.

Once staff is working for SPARK it is important to maintain knowledge and skills. This is discussed during staff evaluation and assessment meetings (organised twice per year). The major focus of internal developments in 2013 remained on building SPARK's capacity for project development in combination with the development of so called SPARK solutions (see 5.3). This requires the development of advanced external communication and marketing strategies and training of staff to deliver those services.

SPARK introduced a Code of Conduct in 2007 that is signed by all employees as part of their

SPARK employment contract. The purpose of the Code of Conduct is to make staff aware of their expected behaviour when working for SPARK. Transparency and integrity are central in the Code of Conduct

### Staff satisfaction

The Staff Satisfaction Survey was held for the seventh time in 2013. SPARK staff members are generally satisfied with their tasks and responsibilities. The sections Quality and Organization and Communication and Information Sharing showed a slight improvement in satisfaction compared to last year.

There are points that the staff value that remain to be further improved. The score of Secondary Working Conditions is on average lower compared to other questions. Given the lack of finances to change this, SPARK finds it important to make sure appreciation is shown during meetings but also in daily activities as this is also a form of (non- materialistic) reward and encouragement.

Staff has also indicated a wish for more sufficient training opportunities. For this, knowledge exchange between staff is



### Spark Stories

#### Celebrating Youth Entrepreneurship Day in Libya

On the 20th November 2013 SPARK Libya celebrated Youth Entrepreneurship Day. During this day, high school students competed in a Business Plan Competition after attending a workshop conducted by SPARK trainers on the basics of entrepreneurship. Some of the notable business plans included a cinema display project; a furniture transportation company; and the winning project: a glass recycling business. Later during the day, the Libyan Debate Club held a debate on the Contribution of the Entrepreneurship to the development of Libya.

In the course of the debate, one of the teams decided that “entrepreneurs may have some difficulties in implementing their projects regarding the security issues.” The proposing team remarked that “entrepreneurship will contribute to building the country and stability of the security situation.

An NGO worker who attended the event concluded about the students: “they returned hope for me, these are the real investments.”

encouraged. In addition, SPARK is open to a degree of independence that invites one to take initiative. Ways are sought to enhance training for staff. In this, managers are encouraged to look for possibilities for staff to participate in trainings that are organised within their programmes.

Within IBCM a separate staff satisfaction survey was organised for the second time in 2013. In total, 30 out of 35 staff members responded to the survey questions, leading to a response rate of 85.7%. In general, the IBCM staff is reasonably satisfied with the IBCM. The general satisfaction average rate is 4.64, which is considered satisfactory. Two sections scored below the 4.50 target set by the IBCM: Secondary Working Conditions (4.19) and Communication and Information Sharing (4.28). Recommendations have been made for improvement.

### Risk Management

As SPARK is working in fragile state environments, risk management is given special attention in SPARK. Risk occurs on various levels. First of all, the environment our staff operates in is leading to physical threats to our staff in terms of kidnapping,

mugging and armed attacks. To mitigate this risk, in 2013 the Country Managers and Head of Offices were again trained in security in Amsterdam. The training started with a simulation of a crisis situation in which was practiced how to deal with a situation like this and how to act. This was followed by workshops in which the Country Managers were supported to further develop the Security policy for their countries and most of all raise their awareness about the risks involved and how to minimize these risks. Moreover, all offices have active security measures in place which vary per location as based on the local context. For example, the Yemen office as a security guard, whilst the Benghazi office has both a guard and even several additional measures in place.

Risks also occur in terms of fraud. In 2013, two fraud cases were discovered at partner organizations. This led to external (forensic) audits and money has been re-claimed and penalties put in place. All finance staff is routinely trained in detecting and responding to fraud and new fraud cases are used as case studies in our internal training programmes. The SPARK partner policy stipulated clearly how SPARK deals with

prevention and detection as well as response to such fraud.

The loan guarantee fund as well as the ignite investment fund also carry risks. This has both to do with potential default on loans and investments as well as risk of fraud and difficulty to address both in the problematic rule of law environments we work in. Learning from our day to day operations in such environments since 1994, as well as drawing on lessons learned by others in operating such funds, an elaborate risk control system has been designed to reduce the likelihood of investing in bad firm, as well as preventing and detecting fraud.

In a broader context it is important SPARK communicates clearly to its donors and other stakeholders that working in the type of complex fragile state environment context as we do, carries additional risks. That we explain that inevitably things go wrong, fraud from time to time is bound to occur and physical threats and defaults in our loan portfolio occur. It is our challenge and responsibility to have optimal systems in place to mitigate such complexities and risks to the best of our ability.

### 6.6. ICT

SPARK's IT investments are important since they enhance transparency, minimise opportunities for fraud and make our work more measurable. IT systems also reduce labour intensity in our programmes and facilitate management transfer to local partners, which is essential when making them financially sustainable. Sharing know-how by using and adapting what someone else has already learned is one important way to achieve more efficiency and effectiveness within SPARK. The importance of intensive knowledge-sharing with support of user-friendly and tailor-made IT solutions is more crucial than ever as SPARK continues to grow.

SPARK's IT department is located in Macedonia and communicates with the head office mainly through email and Skype. Locating the IT department in Southeast Europe is in line with SPARK's ambition of empowering local professionals.

### 6.7. Corporate Social Responsibility

SPARK works daily to protect, respect and fulfil basic economic, social and cultural rights in the post-conflict regions through



employment creation and vocational education. Nevertheless, we acknowledge that there is no room for self-complacency in the development sector and we need to strive for further improvement in human rights standards through the way we run our organisation. Working in post-conflict, fragile environments we realise the importance of adhering to social and environmental norms. In 2012 we developed a SPARK Corporate Social Responsibility (CSR) policy that was further implemented in 2013.

Maintaining high standards of ethical conduct requires active commitment of all SPARK-related parties, i.e. employees in the HQ and in the regions, consultants, volunteers, interns, beneficiaries, donors and partner organizations. SPARK has therefore been maintaining and developing documents such as the Staff Code of Conduct to safeguard the CSR issues. The Code, among other issues, contains clauses referring to prohibition of harassment, discrimination and corruption.

The overriding goal of SPARK ethics policy is also to assure, protect and enhance the integrity, assets and reputation of the organization. Therefore, we consider financial

accountability, visibility and transparency a crucial part of the CSR plan. To this end SPARK has developed the TranSPARKency website for the publication of budget plans and financial reports. To add to our efforts in this area, we follow the International Aid Transparency International standards. You can read more about this in SPARK for improvement (chapter 8).

#### **Environmental issues**

The SPARK office in Amsterdam is isolated well and has double-glazed windows. To save electricity usage we put emphasis on turning off computers as well as other electrical devices for the night and fitting electricity-saving light-bulbs. SPARK is recycling paper as well as using default double-sided printing. The majority of SPARK employees in Amsterdam cycle to work or use public transport. SPARK shares its canteen (that offers seasonal products) with a dozen other companies. SPARK does not use plastic cups or plates.

### **6.8. Partners & Stakeholders**

The success of SPARK's project has always depended on its close collaboration with partner organisations. SPARK has an

extensive network of partners that include experts, trainers, and international and local development organisations. In 2013 we have managed to continue building strong coalitions on local and regional levels looking for synergy of ideas and programmes. The partnerships differ from project to project. In some cases partners receive funding via SPARK, in other cases partners receive funding from other donors directly and may sub-contract SPARK. Regardless of the type of partnership, each case and each relationship provides a valuable learning opportunity for all parties involved. Knowledge is exchanged and skills and experiences are shared, all contributing to the development of all parties involved. SPARK works generally with local NGOs that are specialised in entrepreneurship and education reform promotion, and educational institutions such as universities. But SPARK also works with local microfinance institutions and banks, business intermediaries, local and national government institutions, chambers of commerce, and business alliances. SPARK aims to facilitate cooperation between these organisations so that they can together provide an interlinked "chain" of interventions that promote entrepreneurship and SME

development.

In 2013 new partners were sought and found for various projects such as MFS-II. Extensive research was done to find suitable partners, to assess their needs, and build the capacity of the local partners and of political parties, political movements and/or relevant interest groups. In 2013 local partners increased their independence by developing their own proposals. Most projects include a substantial amount of capacity building training in order to increase the relevance of local partners. **Partner policy related to capacity building** In conflict-affected societies and fragile states, the capacity of the partner organisations is often limited. Building their capacity is in those cases the starting point of our projects. SPARK works together with a range of development organisations such as the World Bank's InfoDev that offer training to the partners.

The sustainability and independence of partners is important to SPARK. We aim to strengthen their organisational structures as well as offering services such as coaching, the training of trainers and curriculum development. Furthermore, we support our partners in lobbying and fact-based advocacy.

Three main approaches can be identified in our capacity building efforts:

- SPARK gives Southern partners the lead in designing as well as implementing projects. We believe that the best way to learn is to assure ownership and responsibility with the partners, and let them learn – and build their capacity – by doing.
- Each programme has a strong capacity-building component. Under these components, resources are made available to support capacity-building measures at the Southern partner institutions. The exact support provided varies for each partner, and ranges from training in project cycle management, upgrading of the paper bookkeeping system to an automated system, study visits, etc.
- SPARK field office staff and project managers have a key responsibility to support Partners' capacity building. Annually, the respective Project Manager, together with local field office staff, evaluates the partnership with each Southern partner in an official evaluation visit.

At the end of 2012 we welcomed a Regional

Finance Manager in Africa, Middle East that has made serious headway with training most of our (African) partners in financial project reporting during 2013. In addition we trained our local Finance personnel in various practical bookkeeping matters and in giving trainings to partners. We will evaluate the effectiveness of all the efforts done in 2013, and take this into consideration when making our capacity building plans for 2014. The main preliminary lesson is that not all partners are interested in the more advanced trainings, but there seems to be enough general interest in more practical matters such as financial project reporting training and / or assistance and coaching in (the purchase and set-up of software for) bookkeeping.

### Keystone Evaluation by partner organisations

In 2013 Keystone held a large-scale survey with SPARKs local partners. The purpose of Keystone is to provide tools to learn and improve the performance of Dutch NGOs in their cooperation with their Southern partner organizations. The Keystone partnership survey was administered externally and anonymously to SPARK partners from November 15 to December 19, 2012.



### Spark Stories

#### MFS-II, Rwanda

Jerome Sikitu

Jerome initially opened Blue Star Urmuri restaurant in response to the needs of employees working at a nearby estate construction project. Quickly after, however, employees began living in the compound, which Jerome saw as an opportunity to add more services and attract more clients.

Following a business training program, Jerome sought out a bank loan, after which he was able to invest in his business and add an entertainment centre to the restaurant, which included a fitness centre and a health spa. Jerome hopes to expand

his centre to include a banquet hall, so that he can begin hosting large events. Now that his business is underway, Jerome is positive about being able to provide young people in his area jobs, and also gives them the chance to attend business trainings themselves; he believes in developing the skills of his employees and helping them generate a sustainable monthly income, in order to support their families. Today, the Blue Star Urmuri restaurant is flourishing and will soon open up two branches of the business in neighboring communities in Kigali.

The survey requested that partners rate their satisfaction with different aspects of their partnership with SPARK. Of the 17 partners invited, 8 completed the survey, which at 47% can be considered to be a high response rate. SPARK's partners are especially pleased with the capacity building support they receive, in contrast with the findings of the rest of the Dutch Cohort.

### Results

SPARK's overall satisfaction rates are close to the global averages. Partners see us as a "wise aunt" and SPARK is portrayed as "an organization that maintains respectful relationships with partners and brings real added value to them – although there are a number of areas for improvement". Our partners have expressed dissatisfaction particularly at our long contracting procedures, strict monitoring, and the limited core funding we make available.

### Follow-up actions

SPARK has discussed the report at board level, as well as the main findings with staff and partners to verify and analyse and demonstrate that feedback is valued. The focus of this discussion was on two main

issues:

- i) areas of improvement for SPARK, namely in relation to contract approval time, availability of core funding and M&E workload;
- ii) questions that arose from the findings that need more time for interpretation; such as the requested support in fundraising. Opportunities and constraints are examined in collaboration with partners in order to identify specific actions for improvement.



## Spark Stories

### Social Impact Tour

The Accountability Lab and SPARK-supported BSC Monrovia are pleased to announce a partnership to develop social impact tours of Liberia. The tours will provide visitors to Liberia with alternative perspectives on Liberian society which go well beyond traditional tourism; generate a learning experience with important insights into developmental projects that work; and build relationships with Liberians for positive economic change.

Participants on the tour will visit a variety of social entrepreneurs in Monrovia through tailored one or two day itineraries. The tours will include a boat ride with Olisco Kayea and his team of mechanics who build water taxis out of scrap metal and disused vehicle engines; discussions with Thomas Tweh and his community justice team who are resolving disputes in Monrovia's largest low-income neighbourhood; a visit to James Mulbah's Green Centre- Liberia's first recycling and composting business; and a trip to Alfred's Daily Talk- a citizen journalism project that uses chalk billboards to disseminate information to citizens. Future tours will include visits to the Accountability Lab's Film School and Mahmud Johnson's Peace Kernel-which aims to revitalize Liberia's palm kernel oil industry.





# 7.SPARK Communications

Effective and consistent communications contribute to SPARK's mission and key objectives. We know it is important for stakeholders and (potential) partners to be informed on the impact we are making, where we are making that impact and where our attention and finances are focused. Communication and advocacy activities and promotional material are intended for SPARK's current, existing and prospective network. This includes SPARK staff, (local) partner organisations, donor organisations, government officials, consultants, youth and other minorities, past and potential employees.

SPARK is firmly focused on transparency. We maintain a TranSPARKency website ([transparkency.spark-online.org](http://transparkency.spark-online.org)) which publically details all project finances, reports and evaluations. SPARK is the first Dutch NGO to fully implement the International Aid Transparency Initiative, the latest international standard in aid transparency. We are always open to ideas and feedback from stakeholders, and are committed to responding accordingly.

## 7.1. External communication

SPARK communicates on various platforms with stakeholders to ensure that our work is transparent. Information is published externally on our website ([www.spark-online.org](http://www.spark-online.org)), in our bi-monthly newsletters, Facebook,

Twitter, LinkedIn, and SPARK brochures and reports. We share regular updates from the regions in which we operate – success stories, challenges and events, as well as those of our partners. Since internet is not always reliable across all SPARK countries, we publish in print as well. SPARK also communicates directly with its stakeholders by organising events and advocacy activities in and outside the Netherlands.

### Strategy

SPARK's external communication strategy consists of three pillars:

1. Stories and entrepreneurs: storytelling is priority in our communication in order to make our stakeholders and (potential) partners understand what we do, how

we do it, with whom we do it and who benefits from it. With storytelling we aim to make our work more accessible and approachable.

2. Results: in order to be transparent and to show that SPARK is an effective development organisation, we communicate our results directly on our website and other communication materials as well.
3. Multi-channel approach: using a variety of traditional and new media channels gives SPARK the best opportunity to communicate its mission, goals, stories and activities to a growing, diverse and international audience.

With these strategies at hand SPARK aims to inform and broaden its network of stakeholders and (potential) partners on a regular basis, in transparent and accessible ways. In particular to improve our acquisition results. Moreover, our communication also contributes to acquisition in another way: our plans and proposals continue to look more professional and up to date – in design and presentation. By communicating our stories, SPARK also raises awareness about our core issue – the relevance of entrepreneurship development in conflict-affected environments – within and outside our target groups.

***New website and social media***

The communication strategy above resulted in May 2013 in a newly designed website. Our website focuses on entrepreneurs and results. By doing this we want to reach into the heart of SPARK's mission and work. Each region where SPARK is active has its own page on our website, making it possible to read about our projects and activities on a more local level. The performance of our website is improving gradually: while the number of visitors has declined, the traffic has a higher rate of engagement as we continue developing our website and its content. This can be concluded from a decline in bounce rate, increase in page views per visit as well as the average time on a page. Direct traffic to our website has increased, in particular via Facebook.

SPARK is most active on Facebook. After the launch of the new website, we initiated a 30-day campaign on Facebook called 'Entrepreneur of the Day'. This enabled us to share the most successful entrepreneur stories online and re-introduce our work and results to our network. This proved to be an effective way to introduce our new website. Now Facebook is used for sharing relevant

SPARK news items, the Entrepreneur of the Month, reports and pictures of activities. A clear strategy on social media still needs to be developed, including Twitter and LinkedIn, in order for SPARK to benefit more from these efforts.

***Public Affairs***

Public affairs work combines government relations, media communications, issue management, corporate and social responsibility and information dissemination. We aim to maintain a strong reputation and find common ground with stakeholders. SPARK invested in and improved on its relationship with its stakeholders in 2013. Informing and engaging our stakeholders more adequately leads, in our view, to new business opportunities, new donors and new partners. In particular we have invested in working together with a professional Public Affairs agent and lobbyist in The Hague in order to nurture and expand our network in the public and private sector. This included updating our database, a round of talks with Members of Parliament, introduction to new potential partners and a continuous stream of updates and news from relevant sectors and government.

***Conferences***

Due to the success of the two conferences (see 5.3) and the perceived added value, SPARK will continue to host conferences in the coming years. In 2014 several Expert Meetings and a conference are planned. We hope that within the coming years SPARK will continue to construct useful communicative connections between diverse members of the public and private sector in order to improve the entrepreneurial perspectives of young people in post-conflict societies!

**7.2. Internal Communications**

Communication is an integral part of SPARK's organisation, at headquarters and our local offices. Now our website and our social media tools are in place, our corporate design has been developed and SPARK's communication is almost ready, internal communication has been professionalised as well. With headquarters in Amsterdam and international offices spread across three continents, SPARK staff members rely on e-mail and Skype to stay in touch on a day to day basis. The SPARK Online platform is another way of keeping in touch, this custom-designed intranet database is used by SPARK staff to exchange information and

documents. In 2013 SPARK experimented with online tool Yackstar, but eventually shifted to another tool called Yammer which proved itself to be much more effective concerning communication in between the offices. Yammer resembles Facebook in many ways and is therefore easier to use. It enables SPARK staff to keep each other informed worldwide and share news items, blogs, reports, ideas, tips and pictures – all work related – in accessible ways. In 2013 SPARK continued to experiment with the use of Yammer as an international communications media through which the members of various offices could maintain minute-to-minute contact with each other. If successful, Yammer will be used to spread information about new projects, to pool suggestions and ideas for projects.

# 8. SPARK for improvement

SPARK continuously develops its standards of quality and transparency. This is exemplified by our evaluation procedures and the publication of these, along with all financial records, online. It is important for SPARK to not just have a positive impact in foreign countries where SPARK has partners and offices. One of SPARK's key assets is our flexible and creative staff and our ability to find innovative and original solutions to tackle internal and external barriers. SPARK focuses on an international quality norm for the development sector, but more examples include the development of the SPARK Solutions (see 5.5) , IATI and the TrankSPARKency website.

## 8.1. Quality

SPARK believes that, for its activities to be of the highest standard, an optimal functioning of the internal organisation is a prerequisite. Furthermore, an atmosphere is created in which learning is encouraged and both achievements and failures are openly communicated. The implementation of a quality management system further emphasises our devotion to quality. Maintaining such a system requires a streamlined human resource policy that establishes proper task delegation among staff, thereby improving overall efficiency. Staff performance is evaluated and assessed regularly. Past, ongoing and future impact studies and external evaluations provide us

with an accurate view on attained results within our programmes.

We aim to be as efficient an organisation as possible, because by doing so we can ensure that our work has the impact we desire. Being (cost) effective is important, as we hope to make the most of the grants we have available to us and are under the rightful scrutiny of both donors and the public at large. Our financial indicators are as follows:

### Financial indicators

	2009	2010	2011	2012	2013
Overhead % (management & administration / total expenses)	3.31%	2.80%	3.06%	3.57%	2.01%
% spent on objectives/ total income	85.25%	85.51%	88.53%	88.74%	86.71%
% spent on objectives incl MCF /total income	92.21%	89.94%	83.73%	88.53%	87.84%
% spent on objectives/ total expenses	93.59%	93.19%	95.62%	91.95%	92.31%
% spent on own fundraising/income own fundraising	2.32%	8.29%	13.64%	7.33%	23.10%

### ISO certificate

SPARK holds a number of markers of quality including the ISO 9001:2008 quality management label. The ISO 9001 certificate rewards the Quality Management System of an organisation; one that enhances stakeholder satisfaction and demonstrates continuous learning (improvement). SPARK's Quality Management System involves procedures and requirements for our most important business processes such as the organisation of summer courses and business plan competition, as well as handling of complaints, and planning, monitoring and evaluation process.

### Partos Quality Committee(Quality standard for development sector)

SPARK is a member of Partos Quality Committee. ISO 9001 is not specifically tailored to the development sector, which makes it difficult to apply to civil society organisations with a large number of different stakeholders and partners. In 2012, through the Partos Quality Committee SPARK has contributed to the development of guidelines and the formulation of minimal quality standards for the implementation of ISO 9001 relevant to various sector specific aspects of

development cooperation. SPARK was the first organisation which was audited towards this specific application of the ISO 9001 norm. Although no non-conformities were found, for some of the requirements, (non)conformity could not be objectively assessed because the Partos 9001 standards contain value judgments which are subjective of nature.

### ANBI

SPARK is also registered by the Dutch Tax Administration as an entity with General Benefits Objectives (Algemeen Nut Beogende Instellingen, ANBI), making donations tax deductible.

### CBF

SPARK holds a "CBF certificate", which evaluates the principle of good governance and reliability of spending funds by non-profit funding organisations. CBF (Centraal Bureau Fondswerving) is a member of the International Committee on Fundraising Organisations.

### Complaint procedure

SPARK has a formal ISO-certified complaint procedure and the right to complain is open to all partners, final beneficiaries and the

general public. Expression of disapproval or discontent can be made via the website, in writing, or in person (verbal) to a member of SPARK staff. In case of a verbal complaint, this has to be written down by the staff member. The complaint form, as well as SPARK's complaint policy and an explanation of the policy, are externally easily accessible through the internet and can be requested by anybody in hardcopy from head and field offices. The complaints are handled according to the procedure and corrective actions are taken when needed.

## 8.2. Transparency TranSPARKency

A key value at SPARK is transparency. We believe that being open about the work we do, the impact we achieve, and the means by which we achieve this is beneficial for partners, stakeholders and beneficiaries alike. To illustrate our openness, SPARK maintains a separate website called TranSPARKency on which we publish all financial information per project, as well as all relevant evaluation reports, down to the receipt level. Through the TranSPARKency website, which was launched in 2009, an insight is given into the inner workings of our organisation.

SPARK believes that it is important to be transparent about how funds received from donors are allocated, as well as allowing people to find anything from the salary of the Board of Directors to the percentage of funds we spend on maintaining our own organisation.

Publishing the numbers online greatly improves our transparency; however, we realise there is yet more that could be done. SPARK aims to further improve and utilise the Management Information System (MIS) that incorporates impact data into TranSPARKency, thus integrating these with financial data. This could further improve transparency, including detailed information on overhead costs to our organisation. Much of this information can be directly accessible through our website and will be presented in an up-to-date manner.

### IATI

SPARK then aims to present its data in accordance with the standards that have been set by the International Aid Transparency Initiative (IATI), which proposes a common system of categorising and presenting information, including a



standardised XML documentation system. In early 2012 SPARK complied with the IATI standard. SPARK was the first Dutch NGO to be certified at such.

### Brilliant Failures

SPARK believes in sharing experiences and discussing how to learn from unintended mistakes. Development organisations, in particular, can gain much from dialogue, due to their continuous engagement with complex, unclear or unexpected situations.

Despite good intentions things may often not go as planned, sometimes resulting in outright failure. Inevitably, such a failure may be aggravating for an organisation, but it should not have to result in embarrassment or denial. Lessons need to be learned. Only by engaging in a constructive dialogue about mistakes made is it possible to prevent similar mistakes in the future. Not all mistakes are negative for an organisation. Even if the expected outcome has not been achieved, the attempt made by an organisation may result in other unexpected positive outcomes. A mistake can therefore turn out to be a brilliant mistake, or a brilliant failure.

The brilliant failure awards ceremony is organised by SPARK and the Institute for Brilliant Failures, an initiative that originated from a project initiated by ABN AMRO. It was originally established to create learning opportunities in business development and is based on the experience of entrepreneurs who failed to achieve the desired results from their business. SPARK applied that very idea to development organisations specifically.

The Brilliant Failure Award 2013 for the best learning moment in International Development for Dutch NGOs was presented to the winner Plan Nederland during Partos Plaza - an annual conference for development organisations. Workshops were held around 3 key 'brilliant failure' themes. In addition to the winning case by Plan Nederland, cases were presented by Woord en Daad and NICE International. Participants at Partos Plaza voted for the case which they thought was the best 'brilliant failure': a project which despite good intentions and proper preparation failed, leading to a learning moment.

### 8.3. Learning

As part of SPARK's desire to learn from the past SPARK has recognised the importance

and need for research. To develop its own capacity to deliver services and to improve SPARK's interventions in order to be more effective and reach better results.

The Business Tracer Survey and various project and program evaluations serve this goal.

SPARK has concentrated (and will continue doing so) a lot of its knowledge. The fruits of years of experience with supporting entrepreneurship are now being bundled in the development of SPARK Solutions. These standardised but tailored packages make it easier to share knowledge with partners within and outside of The Netherlands and experience and show the expertise of SPARK. Through Solutions SPARK works e.g. on being more (cost) effective in setting up BSCs or financial support for starting SMEs. SPARK will further implement a more directed agenda for organizational and programme learning in 2014. For the ABC programme, the Action Learning and Research component implemented will lead to improved implementation, especially in Burundi and South Sudan. Also in 2014, SPARKs active participation in two Working Groups under the Knowledge Platform Security and Rule

of Law of the ministry of Foreign Affairs will continue, with contributions to and learning from employment for stability programming.

# Budget 2014

## Statement of Income and expenditures

	Budget 2014		Budget 2013	
	€		€	
<b>Income</b>				
-Income from own fundraising		289.500		685.000
-Governmental grants		11.222.361		11.994.584
-Other Income		10.000		10.000
<b>Total Income</b>		11.521.861		12.689.584
<b>Expenditures</b>				
<b>Spent on objectives</b>				
-Higher Education	2.874.373		5.471.021	
-Private Sector Development	7.960.757		6.598.227	
		10.835.130		12.069.247
<b>Spent on obtaining funds</b>				
- Costs own fundraising	31.111		42.505	
- Costs obtaining governmental grants	412.579		337.515	
		443.690		380.020

	Budget 2014		Budget 2013	
Management and Administration				
-Costs of Management and Administration		239.666		250.100
Total expenditures		11.518.486		12.699.367
Result		3.375		-9.783
RESULT CLEARED FOR MUTATION ALLOCATED FUNDS		43.375		30.217
Distribution of result 2014 (2012)				
Addition to/withdrawal from:				
- allocated reserves		0		0
- other reserves		43.375		30.217
- allocated microcredit funds		-40.000		-40.000
- allocated fund IBCM		0		0
		3.375		-9.783

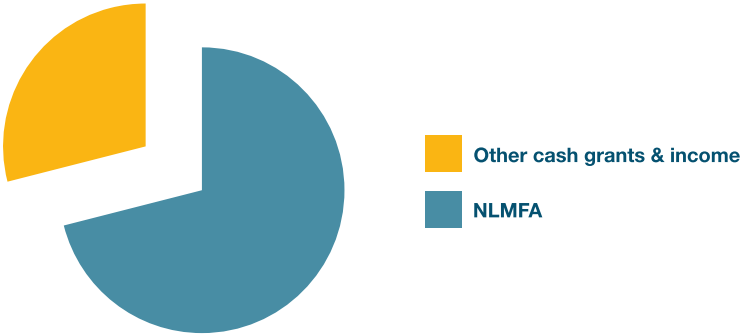
## Annex C - Statement of division of expenditures

Objectives	Objective		Costs Fundraising		Management & Administration	Total 2014	Budget 2013
Costs of implementation	Higher Education	Private Sector	Own	Governmental			
	Development	Development	funds	Grants			
Grants and contributions	2.685.299	6.500.958				9.186.257	10.572.172
Obtaining funds / governmental grants			0	273.500		273.500	300.000
Publicity and Communication			27.500	27.500		55.000	30.000
Personnel Costs	146.816	1.159.721	2.640	81.572	175.212	1.565.962	1.096.695
Housing costs	10.868	83.756	116	3.577	7.683	106.000	98.000
Office- and General costs	25.275	175.629	662	20.468	43.965	266.000	552.500
Depreciation and Interest	6.114	40.694	193	5.962	12.805	65.768	50.000
<b>Total</b>	<b>2.874.373</b>	<b>7.960.757</b>	<b>31.111</b>	<b>412.579</b>	<b>239.666</b>	<b>11.518.486</b>	<b>12.699.367</b>
% spent on objectives/total income						94,04%	95,11%
% spent on objectives/total income taking loan guarantee fund deposits & repayments into account						93,17%	92,94%
% spent on objectives/total expenses						94,07%	95,04%
% spent on own fundraising/ income own fundraising						10,75%	6,21%



Percentages: per programme & donor and efficiency indicators

Income & Percentages per donor / origin	Budget 2014	Budget 2014
	€	%
NLMFA	8.183.776	71,03%
Other cash grants & income	3.338.085	28,97%
Total income	11.521.861	100,00%



25% other funding obligation MFS:

2014 CALCULATION ON ACCRUAL BASIS IN KIND CONTRIBUTIONS INCLUDED		
Total MFS 2014 grant NLMFA BiD Network part excluded	3.421.764	50,62%
Non - NLMFA grants & contributions 2014 SPARK Total incl in kind	3.338.085	49,38%
	6.759.849	100,00%
Other NLMFA Grants SPARK 2014	4.762.012	
Total income SPARK 2014	11.521.861	

	Budget 2014	Budget 2013
Other percentages of interest	%	%
Overhead %	2,08%	1,97%
AMS organisational (personnel, office, fixed organisation) costs versus total costs	9,40%	9,34%
AMS versus total costs	12,60%	12,45%
AMS labor costs versus total costs	7,13%	6,85%
AMS labor versus total labor costs	52,43%	67,97%
AMS labor + local labor costs versus total costs	13,60%	10,08%
AMS + local office & labor costs versus total costs	20,25%	16,75%
% spent on own fundraising/income own fundraising	10,75%	6,21%
Programme spending ratio	94,04%	95,11%

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

# 9. Financial

Stichting Spark, Amsterdam

## Balance sheet

ASSETS	31 december 2013		31 december 2012	
<b>Fixed Assets</b>				
Fixed Assets		83.488		154.308
Financial fixed assets		1.119.615		1.057.544
		1.203.103		1.211.852
<b>Current Assets</b>				
Receivables & Accruals	1.352.895		1.568.355	
Cash & cash equivalents	5.444.323		4.385.286	
		6.797.218		5.953.641
<b>TOTAL</b>		8.000.321		7.165.492

## Reserves and Liabilities

Reserves and funds	31 december 2013		31 december 2012	
<b>Reserves</b>				
-allocated reserves	83.488		154.308	
-continuity reserve	720.364		555.330	
		803.852		709.638
<b>Funds</b>				
-allocated funds		2.419.002		1.870.095
<b>Current Liabilities</b>				
Payables & Accruals		4.777.467		4.585.759
<b>TOTAL</b>		8.000.321		7.165.492

## Statement of Income and expenditures

	Realisation 2013		Budget 2013		Realisation 2012	
	€		€		€	
<b>Income</b>						
-Income from own fundraising		323.949		685.000		134.169
-Governmental grants		10.204.298		11.994.584		8.173.484
-Other Income		66.560		10.000		19.618
<b>Total Income</b>		10.594.807		12.689.584		8.327.270

<b>Expenditures</b>						
<b>Spent on objectives</b>						
-Higher Education	3.212.507		5.471.021		2.243.722	
-Private Sector Development	5.974.094		6.598.227		5.145.996	
		9.186.601		12.069.247		7.389.718

<b>Spent on obtaining funds</b>						
- Costs own fundraising	74.844		42.505		9.830	
- Costs obtaining governmental grants	490.601		337.515		350.467	
		565.445		380.020		360.298



## Statement of Income and expenditures

	Realisation 2013		Budget 2013		Realisation 2012	
	€		€		€	
<b>Management and Administration</b>						
-Costs of Management and Administration		199.640		250.100		286.538
<b>Total expenditures</b>		<b>9.951.686</b>		<b>12.699.367</b>		<b>8.036.554</b>
<b>Result</b>		<b>643.121</b>		<b>-9.783</b>		<b>290.716</b>
<b>RESULT CLEARED FOR MUTATION ALLOCATED FUNDS</b>		<b>94.215</b>		<b>30.217</b>		<b>14.489</b>
<b>Distribution of result 2013 (2012)</b>						
<b>Addition to/withdrawal from:</b>						
-allocated reserve fixed assets		-70.820		0		81.373
-continuity reserve		165.034		30.217		-66.884
-allocated loan guarantee funds		112.071		-40.000		-63.505
-allocated fund IBCM		436.836		0		339.732
		<b>643.121</b>		<b>-9.783</b>		<b>290.716</b>

## Cashflow Statement

### Cashflow from investment activities

	2013	2012
	€	€
<b>Cashflow from operational activities</b>		
Result	643.121	290.716
Depreciation fixed assets (incl. cars)	105.256	42.274
<b>Gross cashflow from operation activities</b>	<b>748.377</b>	<b>332.990</b>
Mutation in current assets	215.459	-569.992
Mutation (increase) in current liabilities	191.707	1.505.222
<b>Net cashflow from operational activities (A)</b>	<b>1.155.544</b>	<b>1.268.220</b>
<b>Cashflow from investment activities</b>		
Investment in fixed assets	-48.612	-130.417
Disposal of fixed assets	14.176	6.771
Investment in financial fixed assets	-62.071	120.047
<b>Cashflow from investment activities (B)</b>	<b>-96.507</b>	<b>-3.599</b>
<b>Cashflow from financing activities (C)</b>	<b>0</b>	<b>0</b>
<b>Mutation in Cash and cash equivalents (A+B+C)</b>	<b>1.059.037</b>	<b>1.264.620</b>
<b>Cash and cash equivalents 1 January</b>	<b>4.385.286</b>	<b>3.120.665</b>
<b>Cash and cash equivalents 31 December</b>	<b>5.444.323</b>	<b>4.385.286</b>
<b>Mutation in Cash and cash equivalents</b>	<b>1.059.037</b>	<b>1.264.621</b>

Accounting principles

General

The annual accounts 2013 have been drawn up according to generally accepted accounting principles in the Netherlands and RJ 650 for Fundraising organisations (fondsenwervende instellingen). 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 and Mali.

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
furniture	25%	20%	20%	20%	10%
computer hardware	33%	50%	20%	25%	20%
cars	25%	25%	25%	25%	25%

	South Sudan	Kosovo	Serbia	Yemen	Gaziantep
furniture	25%	20%	20%	25%	n.a.
computer hardware	25%	20%	20%	33%	n.a.
cars	25%	25%	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.*

Financial fixed assets

In the period 2007 - 2013, SPARK has signed 9 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 2007-2013 were € 1.407.192. In 2013 € 174.618 was deposited. 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 microcredit 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 2013.

Reserves and Funds

SPARK can freely access the amounts presented under the Continuity reserve and the Allocated reserves, provided that deductions from the allocated reserves are in line with the objective of the particular reserve. The allocated microcredit 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.

### 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 2013 of all Amsterdam personnel.

For further clarification, please refer to the explanation provided under Annex C.

### Income from own fundraising - Contributions in kind

#### *Professors/experts*

As of 2005, the contribution by professors and experts in kind is demonstrated in the annual report. Only if the professor or expert was paid by his employer during the period he taught for SPARK, the contribution is calculated as income. The contribution is thus in effect a contribution of the institution or company the person works for. The calculation of the contribution is based on standard day rates for non-profit organisations (MATRA), taking into account the average salary and overhead of a university professor/expert, or if lower at fair value.

#### *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. A donation for 1 year has been presented in 2012. Nothing has been presented this year due to the dispute over the land. All (other) in kind contributions 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.



## Explanatory notes to the Balance Sheet Statement

Fixed Assets	31 december 2013	31 december 2012
Fixed assets	€	€
Furniture	26.355	24.926
Computer hardware	26.812	98.483
Cars	30.321	30.899
	83.488	154.308

	Total 2013	Furniture	Computer hardware	Cars
	€	€	€	€
Fixed assets				
<i>Bookvalue previous year</i>				
Purchase value	248.012	38.196	135.792	74.023
Accumulated depreciation	-93.704	-13.270	-37.309	-43.124
Book value 31 December 2012	154.308	24.926	98.483	30.899
<i>Mutations</i>				
Purchases	48.612	9.245	10.394	28.974
Disposals	-14.176			-14.176
Depreciation	-105.256	-7.816	-82.064	-15.376
	-70.820	1.429	-71.671	-578

	Total 2013	Furniture	Computer hardware	Cars
<i>Bookvalue year end</i>				
Purchase value	282.448	47.441	146.186	88.821
Accumulated depreciation	-198.960	-21.086	-119.373	-58.500
<i>Bookvalue 31 December 2013</i>	83.488	26.355	26.812	30.321

Fixed assets	31 december 2013	31 december 2012 €
	€	€
Fixed assets used for operations (furniture & hardware)	53.167	123.409
Fixed assets directly allocated to the objectives (cars)	30.321	30.899
	83.488	154.308

Financial Fixed assets		
Participation micro credit fund		
Balance 31 december 2012	1.057.544	1.177.591
Mutation 2013	62.071	-120.047
Balance 31 december 2013	1.119.615	1.057.544

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.

Current assets - Receivables & Accruals	31 december 2013	31 december 2012
	€	€
Prepaid Grants for donors	1.020.555	1.118.413
Accounts receivables and pre paid expenses	332.340	449.942
	1.352.895	1.568.355
<b>Prepaid Grants for donors</b>		
Project MFSII - NLMFA	246.470	0
Project IBCM - SIDA	324.514	0
Project IBCM - Denmark	134.102	857.867
Project IBCM - NLMFA	167.651	0
Project IBCM - UK	22.677	0
Project Bridging the Divide - NLMFA	0	186.863
Project Libyan Stock Market visit	22.536	16.703
Project Diploma recognition - EU	32.533	54.171
Project Summer University Romania - Corona / EU	0	140
Project MYP - UK	6.238	0
Project YES Liberia - Transtec	29.907	0
Project Scholarship database - King Badouin Foundation	6.756	2.669
Project MSP - NLMFA	3.001	0
Project Beekeeping Yemen - UNDP	23.822	0
Project Borlaugh	350	0
	1.020.555	1.118.413

	31 december 2013	31 december 2012
<b>Accounts receivables and pre paid expenses</b>	€	€
Prepaid expenses	29.461	7.792
Receivables from Partners	213.054	351.902
Tuition from IBCM students	59.443	93.524
Pensions	0	20.232
Other receivables	50.382	25.671
	352.340	499.121
Reserve uncollectable receivables (tuition)	-20.000	-49.179
	<b>332.340</b>	<b>449.942</b>

<b>Cash &amp; Cash equivalents</b>	31 december 2013	31 december 2013
Cash Amsterdam	3.374	186
Current & savings accounts The Netherlands	4.493.543	3.292.748
Cash abroad offices	6.990	8.649
Transfers between banks	120.593	0
Current accounts abroad offices		
Kosovo	646.170	994.637
Serbia	6.197	5.212
Macedonia	1.457	1.728



Cash & Cash equivalents	31 december 2013	31 december 2013
	€	€
Rwanda	12.153	26.943
Burundi	28.920	17.073
Liberia	9.177	13.341
Occupied Palestinian Territories	3.920	18.457
Libya	55.878	0
South Sudan	25.239	6.313
Yemen	30.710	0
	5.444.323	4.385.286

All liquidities are directly accessible.

RESERVES AND LIABILITIES	31 december 2013	31 december 2012
Specification of General reserves	€	€
Continuity reserve	720.364	555.330
Allocated reserve for fixed assets	83.488	154.308
Balance 31 December	803.852	709.638

	Continuity reserve	Fixed assets
	€	€
Balance 31 december 2012	555.330	154.308
Mutation 2013	165.034	-70.820
Balance 31 december 2013	720.364	83.488

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 foscus 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 is therefore estimated at € 785.000 at the end of 2013. Currently reserves are over € 800.000 and thus sufficient.

Allocated reserves

An amount of € 83.488 is reserved in fixed assets.

	31 december 2013	31 december 2012
	€	€
Specification of allocated funds		
Allocated reserve for IBCM	1.093.368	656.532
Revolving Loan guarantee fund business start-ups	1.325.633	1.213.563
	2.419.002	1.870.095

Allocated fund for IBCM		
Balance 31 december 2012		656.532
	Addition from received tuition (NLMFA & students)funds	653.687
	Addition from received miscellaneous income	25.203
	Extraction to cover part of costs for 2013 & bad debts	-242.054
Balance 31 december 2013		1.093.368

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.

### Revolving Loan guarantee fund Business Start-Ups

Balance 31 december 2012	1.213.563
Mutation 2013	112.071
Balance 31 december 2013	1.325.633

In the period 2007 - 2013, SPARK has signed 9 contracts with local partners to manage microcredit funds which benefit the start ups established under the Private Sector development projects. The contributions to these funds of € 1.581.613 in 2007-2013 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:	1.581.613
Withheld management costs for banks:	-19.586
Received interest added:	91.300
Deducted bankrupt / delayed loans:	-327.695
	1.325.633

The revolving microcredit funds are € 206.019 higher than the counterpart financial fixed assets on the balance sheet. This is due to a € 106.019 reservation made for microcredit fund deposits in Liberia which have not been transferred to the local bank yet. Additionally, the bank in Bosnia &

Herzegovina has deposited € 100.000 back, due to ended activities there.

Since the start of the fund an amount of € 1.890.264 has been disbursed to entrepreneurs.

Of this amount, € 1.134.333 has been paid back at the end of 2013.

The average default rates of all loans is 15%. 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.

Current liabilities - Payables & Accruals	31 december 2013	31 december 2012
	€	€
Grants	3.341.902	3.360.138
Partner obligations and payables	1.109.764	867.037
Shortterm debts, payables & accruals	325.801	358.584
<b>balance 31 december 2013</b>	<b>4.777.467</b>	<b>4.585.759</b>

	31 december 2013	31 december 2012
	€	€
<b>Grants</b>		
Project IBCM - NLMFA	0	421.804
Project IBCM - MEST	1.166.973	1.500.000
Project IBCM - SIDA	0	44.715
Project IBCM - SDC	120.013	552.521
Project IBCM - UK	0	53.448
Project MFS II - NLMFA	0	428.229
Project YEP - NLMFA	166.165	129.965
Project ABC - NLMFA	492.522	179.820
Project MYP 2012-2013 - UK	0	16.563
Project UNDP - Entreprise development N.Kosovo	0	1.899
Project UNDP Burundi	16.216	4.981
Project EC Red - EU	0	26.194



	31 december 2013	31 december 2012
	€	€
Project BEC Libya - DFID	219.161	0
Project Taqueem - ILO	1.406	0
Project CSP Rwanda - NLMFA	260.033	0
Project Chevron Liberia	11.353	0
Project ISSUE - NLMFA	175.858	0
Project Branson Scholarship - Humanity United	122.352	0
Project Migration - NLMFA	400.000	0
Project BIWU - NLMFA	53.444	0
Project CEEUS - NLMFA	128.668	0
Project RESP - NLMFA	7.740	0
	<b>3.341.902</b>	<b>3.360.138</b>

	31 december 2013	31 december 2012
	€	€
<b>Partner obligations and payables</b>		
Programme MFS II 2011-2015	783.097	652.176
Project IBCM	309.467	189.118
Programme YEP	9.941	0
Project Bridging the Divide	0	24.404
Project YES Liberia	7.258	0
Project EU RED 2010-2012	0	1.339
	<b>1.109.764</b>	<b>867.037</b>

Short term debts, payables & accruals	31 december 2013	31 december 2012
Auditing costs	90.723	41.751
Income tax, social security, pensions, severance	43.152	31.261
Vacation days & allowance	31.746	31.820
Project related accounts payables	135.707	202.641
Prepaid tuition from IBCM students	2.740	0
Other short term debts and accounts payables	21.733	51.111
	325.801	358.584

The total amount of outstanding holidays 2013 is € 6.779

## OF BALANCE SHEET COMMITMENTS

The following projects relate to periods exceeding the year 2013:

Name	Donor	Period	Total project grant
International Business College Mitrovica (IBCM)	NLMFA	1/11/2009-31/12/2014	€ 2.154.000
International Business College Mitrovica (IBCM)	SIDA	1/1/2012-31/12/2014	SEK 30.000.000
International Business College Mitrovica (IBCM)	Denmark	1/1/2012-31/12/2014	DKK 8.000.000
International Business College Mitrovica (IBCM)	UK/FCO	15/8/2013-31/3/2014	£83.000
International Business College Mitrovica (IBCM)	MEST	1/1/2012-31/12/2014	€ 1.500.000
Diploma Acceptance Programme	EU	01/02/2012-14/6/2014	€ 150.000
Medefinancieringsstelsel II (MFS II)	NLMFA	1/1/2011-31/12/2015	€ 21.347.600
Youth Engagement Program (YEP / PP II))	NLMFA	1/1/2012-31/12/2015	€ 1.882.500
Agri Business Creation (ABC)	NLMFA	1/7/2012-30/6/2016	€ 5.824.085
Mitrovica Summer/Winter University (MSU/MYP)	UK/FCO	1/4/2013-28/2/2014	£80.000
Benghazi Entrepreneurship Centre (BEC)	DFID/UKaid	1/1/2013-31/3/2014	£499.905
Chevron Liberia	Chevron	22/4/2013-21/4/2014	\$200.000
Cooperatives Support Programme (CSP)	NLMFA	6/5/2013-6/5/2016	€ 1.940.685
ISSUE	NLMFA	1/10/2013-31/5/2014	€ 210.687
CEEUS	NLMFA	26/11/2013-30/6/2014	€ 145.470
RESP	NLMFA	23/10/2013-31/1/2014	€ 31.950
Benghazi International winter University (BIWU)	NLMFA	1/12/2013-30/4/2014	€ 68.134
Agri-Entrepreneurship Program (Borlaugh)	Agrilife/Borlaugh	2/12/2013-31/12/2014	\$296.053
Migration	NLMFA	1/1/2014-31/12/2016	€ 1.963.625
Branson scholarships	HU	1/1/2014-15/11/2014	\$169.030

### 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. If that percentage is not realized, the Ministry can ask for a refund of part of the grant.

As for 2013, SPARK realized a percentage of 51% (excluding Alliance partner BiD Network; see section about Percentages).

### 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.

## Explanatory notes to the Statement of Income and Expenditure

	2013	2012
	€	€
<b>INCOME</b>		
<b>Income from own fundraising</b>		
Grants Summer Universities - in kind contributions visiting professors / other	0	7.420
IBCM - in kind contribution land	0	8.578
Grant King Badouin Foundation - scholarship database	4.088	2.669
World Bank - Liberia research	0	17.675
WAC Libya	21.317	11.444
Libyan Stock Market visits	17.575	16.703
TEA/MCNV - Coaching on M&E	0	1.870
PSO - LWT	0	39.250
Chevron	137.979	0
Transtec / YES project	73.584	0
MSP	16.294	0
RESP	17.820	0
WFP NAFA	6.862	
IBCM other income (rent & training fees)	28.430	0
Miscellaneous income projects	0	28.560
	323.949	134.169



	2013	2012
	€	€
<b>Governmental grants</b>		
Grants NLMFA - MFS, ABC, YEP, IBCM, CSP, CEEUS, BIWU, ISSUE	6.887.049	5.858.600
Grant SIDA / Denmark / SDC / UK / MEST - IBCM	2.638.191	1.975.492
Grants UNDP - Entreprise development Northern Kosovo / Burundi / Yemen	162.403	76.997
Grants DFID / UK - BEC, MYP	431.423	0
Grant EU - EC Red / Diploma recognition	82.764	237.253
Grants other donors - miscellaneous projects	2.468	25.142
	10.204.298	8.173.484
<b>Other Income</b>		
Other miscellaneous income & private donations	66.560	19.618
	66.560	19.618
<b>TOTAL INCOME</b>	10.594.807	8.327.270

Most grants still need final approval of the donor.

The grants include an amount of € 248.087 for 2014 obligations towards partners under MFS II.

The MFS II grant also includes an amount

of € 7.698 with respect to uncollectable receivables from partners.

From total income an amount of € 1.562.572 is used for programme management and overhead of SPARK Amsterdam;

an amount of € 8.352.907 is used for direct

project expenditures (including those partner obligations).

EXPENDITURES	2013	2012
<b>Spent on objectives</b>	€	€
Grants and contributions	7.313.405	5.863.612
Direct costs obtaining governmental grants	252.187	217.067
Publicity and Communication	86.533	6.709
Personnel Costs	1.718.512	1.209.778
Housing costs	151.067	165.456
Office- and General costs	305.454	450.164
Depreciation and Interest	124.528	123.769
<b>TOTAL expenditures</b>	<b>9.951.686</b>	<b>8.036.554</b>

Grants and contributions	2013	2012
	€	€
<i>Private Sector development programs</i>		
Remunerations 3rd parties involved in projects (partners, experts, trainers, teachers, etc)	203.668	360.820
Project travel and accommodation costs SPARK & 3rd parties	305.625	90.758
Capacity building of partners	1.526.250	1.421.411
Direct poverty alleviation	2.083.044	1.910.261
Policy making / Youth participation / Government legitimacy	290.774	123.073
Monitoring & evaluation costs	134.075	0
Bridging the Divide Mitrovica project - non travel / remuneration	0	-3.293

Grants and contributions	2013	2012
<i>Higher Education programmes</i>		
Summer / Winter courses	179.299	5.462
Establishing International business College Mitrovica	2.740.673	1.991.945
Other Higher Education project costs	1.325	11.398
Own contributions students / participants	-194.866	-97.402
Provision for uncollectable tuition students	43.538	49.179
<b>Total Grant and contributions</b>	<b>7.313.405</b>	<b>5.863.612</b>

<b>Obtaining governmental grants</b>		
Feasibility studies and project acquisition	252.187	217.067
	<b>252.187</b>	<b>217.067</b>

	2013	2012
	€	€
<b>Publicity and Communication</b>		
Amsterdam office - project promotion and advertising	34.524	5.513
Projects - project promotion and advertising	52.008	1.196
	<b>86.533</b>	<b>6.709</b>

	2013	2012
	€	€
<b>Personnel Costs</b>		
<i>Amsterdam</i>		
Gross salaries including holiday allowances	799.052	709.353
Social security premiums & Pensions	108.401	89.710
Other personnel costs	25.421	24.608
Staff training (including field office staff)	8.992	60.519
<i>Field offices</i>		
Field office coordinating personnel	776.646	325.588
	1.718.512	1.209.778

In 2013, the organisation had 16 (2012: 16) staff members on average in Amsterdam / Project Management (including interns) and 34 (2012: 21) 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 in 2013 (and 2012).

The increase in field office personnel costs can be explained as follows:

In 2012 50% of the Country managers were counted as Amsterdam personnel, in 2013 they fully fall under the field offices. And besides an increase in the number of field offices (4 new offices opened in 2013), the amount paid for field office personnel has more than doubled compared to 2012, due to a change in calculation method.

<i>Remuneration directors</i>	<i>Yannick du Pont - Director</i>	<i>Michel Richter - Co-Director</i>
Employment contract	Indefinite	Indefinite
Hours	40	32
Parttime %	100%	80%
Annual remuneration		
Gross salary	86.988	61.476
Holiday allowance	6.959	4.918
Other fixed/variable remunerations	0	0
	<b>93.947</b>	<b>66.394</b>
Social securities employer	8.248	8.248
Pension contribution employer	3.422	2.849
Other	-	-
<b>Total 2013</b>	<b>105.618</b>	<b>77.491</b>
Total 2012	106.659	77.793

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. SPARK only considers her Directors and Supervisory Board as “top functionarissen” under the WNT.

<b>Housing costs</b>	<b>2013</b>	<b>2012</b>
Rent and utilities - Amsterdam office	32.695	41.753
Rent and utilities - field offices	118.373	123.703
	<b>151.067</b>	<b>165.456</b>



Office and general costs	2013	2012
<i>Amsterdam</i>	€	
Office supplies, telecommunication & postage, other office costs	22.008	26.000
IT infrastructure services - maintenance	9.613	8.662
Project evaluation and reports	16.261	2.202
SPARK support/donations to projects in NL and NL visibility	3.982	17.045
Organisational fees and memberships	1.501	4.157
Administration and auditing	42.374	38.956
Quality assurance	3.249	6.020
Development of IT infrastructure	2.238	6.492
Insurances	16.478	6.133
Representation	9.487	6.072
Other general expenditures	17.635	1.657
Contingencies	8.688	69.415
<i>Field offices / projects</i>		
Office supplies, telecommunication & postage, other office costs	88.862	189.511
Project evaluation and reports	32.911	46.155
Administration and auditing	25.542	19.585
Representation	4.625	2.102
	305.454	450.164

Depreciation and Interest	2013	2012
Amsterdam	€	€
Depreciation fixed assets	17.323	17.251
Bank fees, costs and interest	16.079	8.499
Interest, costs and default loans microcreditfunds	62.376	103.855
Field offices / projects		
Depreciation fixed assets	6.609	0
Bank fees, costs and interest projects	22.141	-5.837
	124.528	123.769
<b>TOTAL EXPENDITURES</b>	<b>9.951.686</b>	<b>8.036.554</b>
<b>RESULT</b>	<b>643.121</b>	<b>290.716</b>
<b>RESULT CLEARED FOR MUTATION ALLOCATED FUNDS</b>	<b>94.215</b>	<b>14.489</b>

## Annex C - Statement of division of expenditures

Objectives	Objective		Costs Fundraising		Management & Administration	Total 2013	Budget 2013	Total 2012
Costs of implementation	Higher Education	Private Sector	Own	Governmental				
	Development	Development	funds	Grants				
Grants and contributions	2.769.970	4.543.436				7.313.405	10.572.172	5.863.612
Obtaining funds / governmental grants			34.524	252.187		286.711	300.000	217.067
Publicity and Communication	0	0	0	52.008		52.008	30.000	6.709
Personnel Costs	328.475	1.061.910	31.029	143.456	153.641	1.718.512	1.096.695	1.162.666
Housing costs	32.998	106.679	1.077	4.980	5.333	151.067	98.000	165.456
Office- and General costs	59.528	192.445	5.057	23.382	25.042	305.454	552.500	497.275
Depreciation and Interest	21.537	69.625	3.155	14.588	15.624	124.528	50.000	123.769
<b>Total</b>	<b>3.212.507</b>	<b>5.974.094</b>	<b>74.844</b>	<b>490.601</b>	<b>199.640</b>	<b>9.951.686</b>	<b>12.699.367</b>	<b>8.036.554</b>
% spent on objectives/total income						86,71%	95,11%	88,74%
% spent on objectives/total income taking loan guarantee fund deposits & repayments into account						87,88%	92,94%	88,93%
% spent on objectives/total expenses						92,31%	95,04%	91,95%
% spent on own fundraising/ income own fundraising						23,10%	6,21%	7,33%

The main cause of the deviation opposed to the budget 2013, is the underspending under the IBCM project compared to the budget 2013. 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. 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. SPARK spent more on Publicity and Communication in 2013: in November 2013 the IGNITE conference was held in the Rode Hoed in Amsterdam.

### 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 projects can be divided into two objectives: Higher Education (development) (HE) & Private Sector Development (PSD). The HE department 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. The PSD department tries to stimulate

entrepreneurship and development in the private sector in post conflict areas by, for instance, organising business plan competitions and trainings for young (starting) entrepreneurs. Conferences and other trainings aimed at local capacity building are other PSD activities. In all our projects 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 project expenditures (for instance 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 regarding "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 projects.

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". Projectmanagement, Finance and IT hours directly registered on projects, are allocated to the objectives HE and PSD.

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". 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.

## Percentages: per programme & donor and efficiency indicators

	Realisation 2013	Realisation 2013
	€	%
INCOME		
<b>Project (cash) grants from donors</b>		
Grant Medefinancieringsstelsel II 2011 -2015 - NLMFA SPARK	3.871.229	36,54%
Grant Medefinancieringsstelsel II 2011 -2015 - NLMFA BiD Netw.	1.056.201	9,97%
Grant ABC - NLMFA	788.636	7,44%
Grant YEP- NLMFA	434.794	4,10%
Grant Mitrovica Reg. business development - UNDP	7.500	0,07%
Grant Burundi Rural Entrepreneurship - UNDP	131.081	1,24%
Grant EC Red programme - EU Aid	45.745	0,43%
Grant IBCM - SIDA	1.500.000	14,16%
Grant IBCM - NLMFA	589.455	5,56%
Grant IBCM - Denmark	227.312	2,15%
Grant IBCM - UK	158.358	1,49%
Grant IBCM - SDC	419.494	3,96%
Grant IBCM - MEST	333.027	3,14%
Grant Diploma acceptance - EC	37.019	0,35%
Grant MYP/MSU 2012/2013/2014 - UK	175.626	1,66%
Grant CSP Rwanda - NLMFA	74.297	0,70%
Grant Taqeeem - ILO	2.118	0,02%

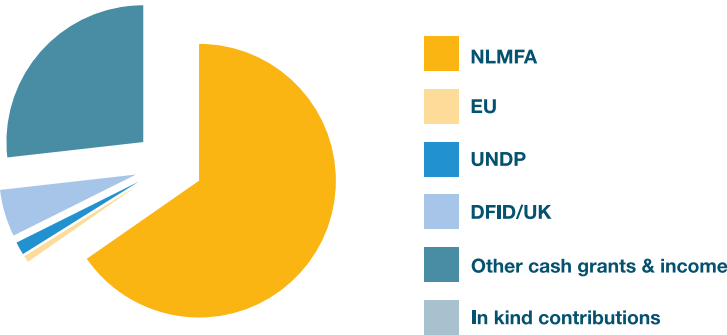


	Realisation 2013	Realisation 2013
Grant Beekeeping project Yemen - UNDP	23.822	0,22%
Grant CEEUS - NLMFA	2.255	0,02%
Grant BEC - DFID	255.798	2,41%
Grant BIWU - NLMFA	1.125	0,01%
Grant ISSUE - NLMFA	69.055	0,65%
Grant Borlaugh RSS - Agrilife	350	0,00%
	10.204.298	96,31%

Other income	2013	2012
WAC Libya - trainings	21.317	0,20%
Libyan Stock Market visits	17.575	0,17%
King Badouin Foundation - scholarship database	4.088	0,04%
Chevron	137.979	1,30%
Transtec / YES project	73.584	0,69%
MSP - NLMFA	16.294	0,15%
RESP - NLMFA	17.820	0,17%
WFP NAFA	6.862	0,06%
Other miscellaneous income SPARK	66.560	0,63%
Other income IBCM (rent & trainings)	28.430	0,27%
	390.509	3,69%
<b>Total Income</b>	<b>10.594.807</b>	<b>100,00%</b>

Income & Percentages per donor / origin	2013	2013
	€	%
NLMFA	6.921.162	65,33%
EU	82.764	0,78%
UNDP	162.403	1,53%
DFID/UK	589.781	5,57%
Other cash grants & income	2.838.696	26,79%
In kind contributions	0	0,00%
Total income & percentages per donor/origin	10.594.807	100,00%



25% other funding obligation MFS:

2013 CALCULATION ON ACCRUAL BASIS	€	%
Total MFS 2013 grant NLMFA BiD Network part included	4.927.430	57,29%
Non - NLMFA grants & contributions 2013 SPARK Total incl in kind	3.673.645	42,71%
	8.601.075	100,00%
Other NLMFA Grants SPARK 2013	1.993.732	
Total income SPARK 2013	10.594.807	

2013 CALCULATION EXCLUDING BiD NETWORK GRANT MFS II

Total MFS 2013 grant NLMFA BiD Network part excluded	3.871.229	51,31%
Non - NLMFA grants & contributions 2013 SPARK Total incl in kind	3.673.645	48,69%
	7.544.874	100,00%

	Realisation 2013	Realisation 2012
<b>Other percentages of interest</b>	<b>%</b>	<b>%</b>
Overhead %	2,01%	3,57%
AMS organisational (personnel, office, fixed organisation) costs versus total costs	11,52%	14,09%
AMS versus total costs	15,70%	19,57%
AMS labor costs versus total costs	9,37%	10,25%
AMS labor versus total labor costs (ex non-SPARK)	54,57%	74,73%
AMS labor + local labor costs versus total costs	17,18%	13,71%
AMS + local office & labor costs versus total costs	26,22%	26,34%
% spent on objectives/total expenses	92,31%	91,95%
% spent on own fundraising/income own fundraising	23,10%	7,33%
Programme spending ratio	86,71%	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 2013, 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 Policy rules implementation 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 Policy rules implementation WNT, including 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, 2013 and of its result for the year then ended in accordance with Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 650 "Fundraising Institutions", and the Policy rules implementation WNT.

Amsterdam, 28 April 2014

Dubois & Co. Registeraccountants

Signed on original:  
G. Visser RA

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# List of Abbreviations

## Abbreviations used:

Projects:	
<b>ABC</b>	Agri Business Creation
<b>BEC</b>	Benghazi Entrepreneurship Centre
<b>BIWU</b>	Benghazi International winter University
<b>Branson scholarships</b>	Liberian Entrepreneurs receiving Branson scholarships
<b>Borlaugh</b>	Agri-Entrepreneurship program
<b>Chevron Liberia</b>	Stimulating Youth Business Development and Employment in Liberia
<b>CSP</b>	Cooperatives Support Programme
<b>CEEUS</b>	Cours d'été de l'Entrepreneuriat à l'Université de Ségou
<b>EU Red</b>	EU Support for Regional Economic Development, Northern Kosovo
<b>IBCM</b>	International Business College Mitrovica (Kosovo)
<b>ISSUE</b>	International Syrian Summer University in Exile
<b>KBF II</b>	Maintenance scholarship database KBF
<b>LSM</b>	Libyan Stock Market visit
<b>MFS</b>	Medefinancieringsstelsel subsidie
<b>Migration</b>	Circular Migration and Brain Gain: supporting migrant entrepreneurs
<b>MYP</b>	Mitrovica Youth Programme (, from exclusion to regional intergration)

Projects:	
<b>MSP</b>	MSP Syria Scholarship 2013, Outreach and selection of applicants
<b>MSU</b>	Mitrovica Summer/Winter University
<b>PSD/BSCK II</b>	Enabling Private Sector Development in the Balkans
<b>RESP</b>	Regional post-secondary education support programme for Syrian Refugees and
<b>UNDP Bur</b>	Burundi Rural Entrepreneurship programme
<b>UNDP II KOS</b>	Enterprise development Northern Kosovo
<b>WAC</b>	Warriors Affairs Commission (Libya)
<b>YEP</b>	Youth Engagement Programme

Donor Organisations:	
<b>Agrilife / Borlaugh</b>	Texas A&M Agrilife research / Norman Borlaugh Institute
<b>CBM</b>	Community Building Mitrovica
<b>Chevron</b>	Chevron Liberia Limited
<b>Denmark</b>	The Ministry of Foreign Affairs of Denmark
<b>DFID / UKaid</b>	Department for International Development / United Kingdom aid
<b>EU</b>	European Union
<b>EU Aid</b>	EuropeAid
<b>EC</b>	European Commission
<b>HU</b>	Humanity United
<b>KBF</b>	King Badouin Foundation
<b>NLMFA</b>	Dutch Ministry of Foreign Affairs
<b>SIDA</b>	Swedish International Development Cooperation Agency
<b>SDC</b>	Swiss Develeopment Confederation
<b>UK/FCO</b>	United Kingdom Foreign & Commonwealth Office, British embassy in Kosovo.
<b>UNDP</b>	United Nations Development Programme
<b>UvA</b>	Universiteit van Amsterdam
<b>World Bank / WB</b>	World Bank