

spark
ignites ambition

Annual Report
2012.

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A message from the Board of Directors

Dear reader,

In 2012 SPARK continued to focus on job creation and sustainable economic development in fragile states. In line with our mission we ventured to new countries with entrepreneurship development programmes. In this document we invite you to read about our achievements, highlights, plans and dreams for SPARK. It is with great pleasure that we present the SPARK Annual Report for 2012.

SPARK wants to create 20.000 new jobs, between 2011 and 2015, in the (fragile) states we operate in. As the guiding principle of our organisation in the coming years, along with the programmes already in place, new initiatives will continue to be developed to bring about this prime economic development objective. SPARK's Agri Business Creation programme and the Youth Engagement Programme, both new in 2012, are ambitious

programmes designed to help us well on our way. Youth employment was a key issue in 2012 in the countries where SPARK is active. SPARK continued to shape and strengthen its added value while remaining focused on supporting young entrepreneurs in fragile states.

In 2012 we worked hard to be even more (cost) efficient and to make SPARK's wealth

of experience in developing entrepreneurship better available to our partners. This resulted in the development of the SPARK solutions: offering standardized but tailored packages for e.g. Business Start-up Centres and financial solutions for start-up SMEs.

To create a positive environment for entrepreneurship SPARK also focused on making better use of advocacy, raising

A message from the Board of Directors

support in innovative ways. Partnerships were built with similar organisations in other countries and stronger ties were developed with governments of the countries where we operate and with the private sector. SPARK remained dedicated to transparency as one of our key guiding principles. We believe that it is important to give full insight into the use of funds, allowing everyone to follow our spending and track our results – and failures. To this end, the TranSPARKency website remained instrumental throughout the year, keeping our financial records public,

even up to minute details. Our new website will be live in 2013; the site now focuses more on our programme results and the things we learned while working on them. We are proud to say that in 2012 SPARK became the first IATI compliant organisation in the Netherlands. In order to further improve the quality of operations within the NGO sector, SPARK continues to strive for the introduction of an ISO quality label for development aid NGOs specifically.

We thank you for your support and helping us make 2012 a successful one. With this Annual Report we share with you our future goals and ambitions as an organisation and look forward to seeing SPARK develop in the coming years. Yours truly,

Yannick du Pont, Director
Michel Richter Co-Director

Executive Summary

2.

Executive Summary

2.

We can confidently state that 2012 has been an exciting year for SPARK. We started the Youth Engagement Programme, the Agri Business Creation Programme and IBCM construction and accreditation processes.

Resulting from intensified project development and acquisition efforts in 2012, bigger and smaller new initiatives took off. For example a UNDP funded programme to support cooperatives and refugee entrepreneurs in Burundi, or a 3-year Chevron funded programme to establish new start-ups and a work force training in Liberia. In addition, following our aspirations to increase our involvement in the MENA region after the Arab Spring, pilot activities started in Libya and SPARK began to explore other project development activities in Egypt and Syria

Many more achievements were made this past year; below are some highlights from 2012. As before, SPARK was active in projects dealing with higher education and private sector

development. In addition to SPARK's own projects, the annual report also describes the projects in which SPARK was a partner in a consortium and not in the lead.

Private Sector Development

SPARK and partners ran no less than 9 programmes in the field of Private Sector Development in 2012.

Highlight: The biggest one, the Enterprise Development Programme, contributes to sustainable economic development of 5 post-conflict countries: Kosovo, the Palestinian Territories, Liberia, Rwanda and Burundi. It supports a range of private sector development projects and activities that are carried out by the coalition's local partner organisations. The targets for all partners,

set up at the beginning of year, were high and some of our partners did not start with the project implementation until mid 2012 due to some administrative issues. However, due to very good coordination with other organisations, the results at the end of 2012 were actually higher than targeted.

In SPARK's Agri Business Creation programme economic development, besides reducing poverty, is used as a tool for peace building. The program's central objective is to strengthen the agricultural value chain by supporting the capacity of local authorities and Civil Society Organisations 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. In 2012 our time and effort was invested in i.e. recruiting new staff, opening an office in Yemen and South Sudan, develop conflict sensitive value chain screening tools. Also new in 2012 was the Youth Engagement Programme (YEP). 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 educational sector as well as in youth focused civil society. The first year of the Youth Engagement Programme (YEP), in Burundi, OPT and South Sudan focused on extensive field research, selection and assessment of local partners and the start of capacity building of the partners.

Higher Education:

In 2012 SPARK ran 5 programmes aimed at helping local actors and institutions provide the education that youth within these societies deserve. SPARK actively supports

curriculum building and quality assurance at these educational institutions in order to provide young people the chance to become professionals such as skilled labourers, lawyers, doctors and business professionals. **Highlight:** 2012 was an exciting year for SPARK's largest higher education project: the International Business College Mitrovica. The first class graduated and began working or continued their studies. High on the agenda was the building of two campuses; with that the International Business College Mitrovica began building its new premises in North Mitrovica in 2012 and the preparations for building the South Mitrovica campus that will start in 2013. Preparations to get international institutional and programme accreditations were executed. IBCM was assessed by an institutional accreditation peer group in November 2012 and in 2013 the accreditation was assigned. Thus only three years after the opening of the college, IBCM achieved international institutional and programme accreditations from German EVALAG. IBCM

is thereby the only higher education provider with international accreditation in this region. From 24 June to 5 July 2012 the first edition of the Benghazi International Summer University (BISU) took place. Centred around Entrepreneurship, BISU 2102 offered participants a choice of four intensive two-week courses taught by visiting professors together with professors of the University of Benghazi's Economics Faculty. Results indicate a high level of satisfaction among participants regarding the quality of the course, the usefulness of the course, the relevance of the course, and the atmosphere of openness to be able to speak freely. After the success of the first edition of BISU, SPARK and the University of Benghazi intend to organize a second edition in the summer of 2013.

Research:

As part of SPARK's desire to develop its own capacity to deliver services, SPARK has recognised the importance and need for research.



M. Arafat - Occupied Palestinian Territories

Arafat Stones Company, OPT

Arafat Stones Company is producing stones, marble and granite extracted from quarries located around Nablus and Jenin cities. The Arafat family founded

the company in 1976, and in 2012 they opened the second branch in Jammae'en in the Occupied Palestinian Territories (OPT). Arafat Stones Company wants to expand their business by exporting; so they needed guidance to show them how they can

start exporting to international markets. Together with SPARK they conduct a study to evaluate the company and its products.

Highlight: In 2012 research examined the business development service package offered to Business Start-up Centres in the Western Balkans during the MFS1 programme. The process has helped begin formalizing knowledge gathering and sharing practices, something we have now identified more clearly as an essential next step for organisational growth. Secondly, the study has told us much about the merits and limits of SPARK's BSC approach. Lessons earned in this respect are being implemented already!

SPARK as part of Consortium (not in the lead):

A close working relationship with other institutions is an essential part of all SPARK's projects. SPARK is not always the lead partner in these partnerships. 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.

Highlight: In 2012 SPARK was part of 5 consortia. Hanga Umurimo ("Job Creation") is one of the Projects in the SME development plan with the purpose of nurturing an entrepreneurial culture among Rwandans and fostering the emergence and growth of a local based business class. For the pilot phase, SPARK in partnership with the School of Finance and Banking, implemented the project in the 7 districts of the Eastern Province of Rwanda. As a result of this success, SPARK plans to implement this entrepreneurship awareness campaign countrywide.

SPARK for Improvement:

Quality, transparency and learning are vital concepts for SPARK. The implementation of a quality management system emphasises our devotion to quality. To illustrate our openness, SPARK maintains a separate website called TranSPARKency. SPARK has concentrated

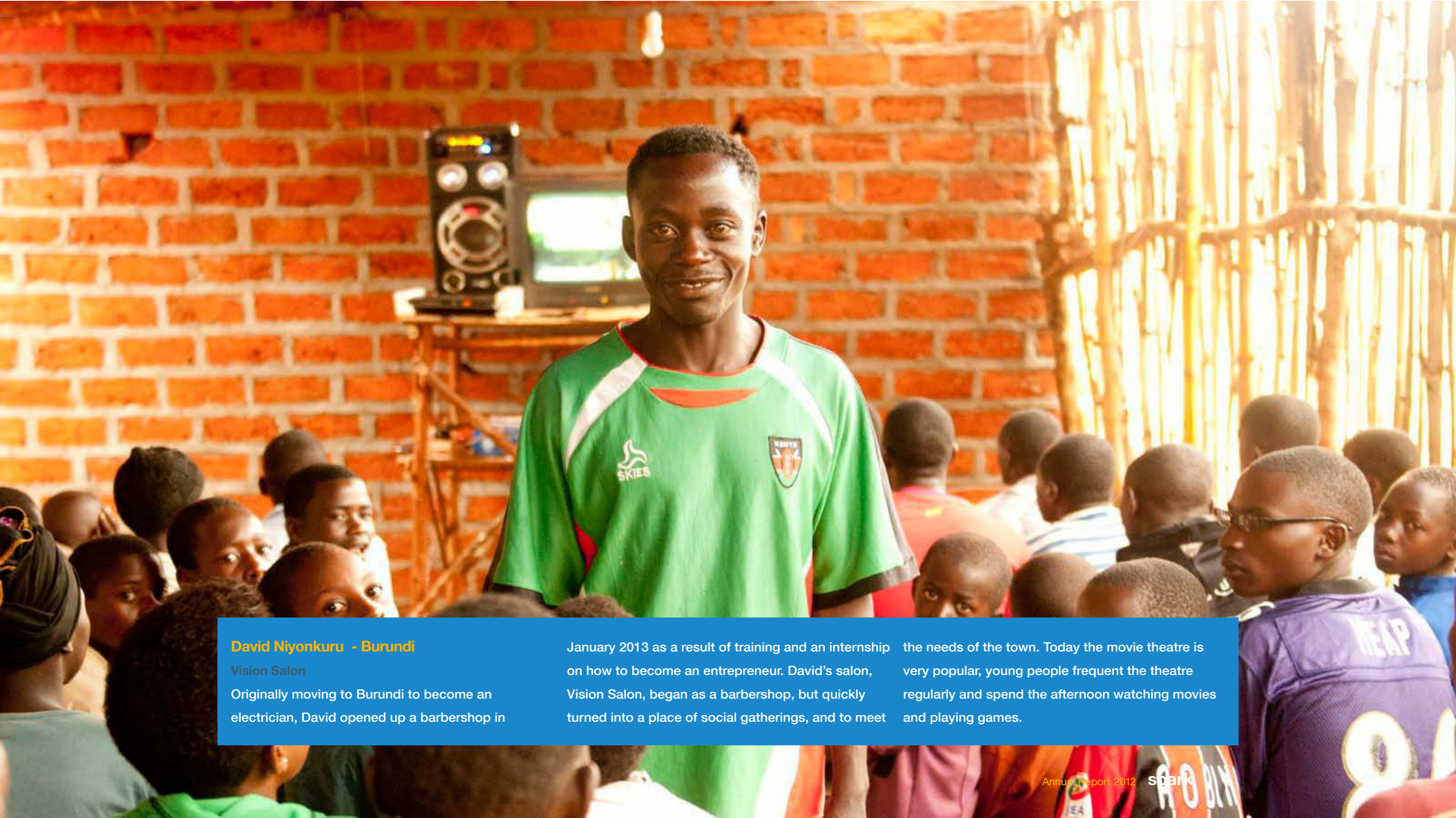
its knowledge, and years of experience with supporting entrepreneurship, in the development of SPARK Solutions, which are SPARK's proven concepts to promote entrepreneurship.

Highlight: In 2012 SPARK worked hard on transparency with good results. The International Aid Transparency Initiative (IATI) aims to make information about aid spending easier to access, use and understand. This will increase the transparency of the entire sector. In 2011 the IATI standard was added to the TranSPARKency website, and by early 2012, SPARK was the first Dutch NGO to be IATI compliant.

In December 2012 the external ISO audit took place, to determine to what extent SPARK meets the requirements of Partos 9001: a "sector specific application" of the ISO 9001 norm. SPARK was been the first that was audited towards this specific application of the ISO 9001 norm. No non-conformities were found.

Background and Mission

3.



David Niyonkuru - Burundi

Vision Salon

Originally moving to Burundi to become an electrician, David opened up a barbershop in

January 2013 as a result of training and an internship on how to become an entrepreneur. David's salon, Vision Salon, began as a barbershop, but quickly turned into a place of social gatherings, and to meet

the needs of the town. Today the movie theatre is very popular, young people frequent the theatre regularly and spend the afternoon watching movies and playing games.

Background and Mission

3.

SPARK develops higher education and entrepreneurship so that young ambitious people are empowered to lead their post-conflict societies 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, with a focus on support to higher education. Along with its founding principle, SPARK continues to support educational institutions in Southeast Europe. Furthermore, SPARK encourages entrepreneurship through its programmes for business start-ups and private sector development.

SPARK wishes to uphold its mission so that we can assist post-conflict countries. 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 culturally very different, uncertain political climates and weak institutions present problems that all organisations face in these areas.

We transfer our experience and knowledge from Southeast Europe to other post-conflict territories. As our Southeast European partners have first-hand experience in post-conflict construction and all have undergone, or are undergoing, complex economic and educational reform processes, they are the ideal 'experts' for this transfer.

We work hard to ensure that our projects do

not cause harm in post-conflict societies; we aim to develop by making sure that our financial contributions assist activities towards 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 start-up centres funded by SPARK in collaboration with a range of local partners provide important services that encourage entrepreneurs to take the leap and start

Background and Mission

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, as it is often difficult for organisations that help the young to connect with financial actors. Investors are looking for good business plans, but lack the resources or tools to identify and support them.

We have the vision that pro-poor 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 post-conflict areas 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

3.

Strategy

We work on three strategic levels to accomplish this:

1. Direct Poverty Alleviation through 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.



Josine Kaze - Burundi

Chez Kaze

Josine's story begins two years ago, when a member of a woman's association decided to open up

two businesses; a soap factory and a restaurant. Interested in the restaurant due to her love of cooking and profit potential, Josine joined five partners and began restaurant Chez Josine. Chez Josine, as

it is now called, has become the regular canteen for many bus drivers who are looking for quality local food at a reasonable price.

Targets and Objectives 2012 and 2013

4.

Targets and Objectives 2012 and 2013

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The above mentioned mission was translated in the following targets for 2012:

- 300 businesses started
- 1000 jobs created (in started SMEs)
- 3000 individuals trained and found formal employment due to a.o. the training followed.
- 15% of partner organisations equalling or surpassing 50% revenue from domestic resources, as compared to total revenue
- 500 existing business supported.
- Average 3,5 score (on scale 1-5) direct participant satisfaction score

Project Development & Fundraising

- Acquire non-NLMFA funding on existing and new projects
- Surpass > 25% of income from other sources than NLMFA(imposed by MFS II and in view of donor diversification)
- Increase SPARK awareness in the Dutch development sector and on a European

level through active involvement in Dutch development sector debates and initiatives

Finance, Administration and Reporting

- Prepare administration for MFS II and financial monitoring of partners
- Consolidate overhead at 6%, maximum 7%
- Own equity grows to Euro 1 million by 2015, sufficient to run operations to survive 1 year without funding. For 2012: 400.000 euro
- 60% from total of all project/programme budgets will be spent in target areas.

ICT, Knowledge Management and Transparency

- Develop a well-functioning Management Information System
- Streamline intranet for streamlined communications and data/knowledge sharing.

- Optimise transparency of TranSPARKency by adding Management Information System (MIS) data

Internal organisational development

- Further development of SPARK's monitoring and evaluation capacity
- Focus on project development and fundraising
- Development on distinct and SPARK specific activities and services (SPARK Solutions)

Reflection on Targets 2012

Overall, the targets that were set for 2012 turned out to be realistic as almost all were met or exceeded. SPARK planned for 1000 jobs to be created through 300 new businesses. The job target was reached with 1448 new jobs in businesses from the entrepreneurship

Targets and Objectives 2012 and 2013

4.

programmes alone. The target of 300 new businesses and 500 existing businesses supported was not achieved as the start-up phase took more time than anticipated: 237 SMEs were supported. A lot of entrepreneurs were trained, 2718 in the entrepreneurship programmes and more than 250 in the higher education programmes. The average score for direct participant satisfaction score was 3,81 (on scale 1 – 5). In 2012 more than 15% of partner organisations equalled or surpassed 50% revenue from domestic resources, as compared to total revenue.

Project Development & Fundraising

SPARK's fundraising capacity and services development has been extensively addressed in work plans, courses of action and fundraising strategies for 2012 and beyond. SPARK surpassed the 25% benchmark imposed by MFS II and improving donor diversification. From the 8 successfully submitted proposals in 2012 seven are non-NLFMA

Awareness of SPARK in the Dutch development sector was improved due to staff attending debates and interviews with Dutch media.

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 to verify financial information from partners and our own organisation. The consolidated overhead for 2012 was 3.7% and thus well below our target of 6%, maximum 7%.

General / continuity reserves have grown to an almost sufficient € 709.000 (see our financial statements for more information). Almost 80% from total of all project/ programme budgets was spent in target areas / not in the Netherlands.

ICT, Knowledge Management and Transparency

In 2012 SPARK became IATI compliant.

The Management Information System was implemented and is still undergoing improvements. A streamlined intranet was implemented for data and knowledge sharing.

Internal organisational development

The development of fundraising capacity within SPARK is ongoing. Staff in the field office is taking the lead in writing the proposals, supported by an acquisition team. In 2012 SPARK solutions (SPARK specific activities and services) were further developed focusing on SPARK Business Start up Solutions and SPARK Finance Solutions

Targets and Objectives 2012 and 2013

4.

Higher Education	# students '12		
International Business College Mitrovica (IBCM)	167		
Benghazi International Summer uni (BISU)	84		
total	251		

Private Sector Development	# trained	# created jobs	# supported SME
	# trained	# created jobs	# supported SME
Mitrovica Regional Business Development (MRBD - UNDP Kosovo)		137	23
EU Support for Regional Economic Development (EURED) (Kosovo)	152	85	61
UNDP rural entrepreneurship (Burundi)	170	560	34
United Entrepreneurship Coalition (MFS II)	2396	666	119
Burundi	172	32	16
Rwanda	755	378	48
Liberia	95	68	7
OPT	678	59	19
Kosovo	696	129	29
total	2718	1448	237

Some projects are still in start up phase and did not lead to output or outcome results yet

Definitions
jobs created (in started sme's):
This concerns the absolute number of new jobs, defined according to the ILO definition contained in the DCED standard: full-time equivalent, taken over one year (240 days/year); may be seasonal, paid in kind etc, but does not include unpaid family labour; created through SPARK or SPARK partners support to businesses.

PLUS:
the number of indiriect jobs created
This concerns the number of individuals trained (by SPARK or SPARK partners) s who do not start businesses, but have found formal jobs as an indirect result of participating in the entrepreneurship training (this is an unintended outcome measure by SPARK in its MFS I programme and also referred to as “employability”).

SME's supported: calculation of nr of SME's started and nr of SME's grown

Entrepreneurs trained:
This concerns the number of trainees who satisfactorily complete a full and defined entrepreneurial training programme.

Targets and Objectives 2012 and 2013

4.

Main targets 2013

SPARK's ambitions and plans for 2013 are based on the results SPARK expects to deliver in 2013 as well as on SPARK's Multiple Year Plan 2011-15.

Targets for 2013

- 230 businesses started
- 1435 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
- 1500 existing business supported.
- > 3,5 score (on scale 1-5) direct participant satisfaction score

Project development & Fundraising

- Acquire non-NLMFA funding on existing and new projects
- Surpass > 40% of income from other sources than NLMFA (25% 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.
- 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 norm for development organisations.

Internal organisational development

- Further financial sustainability of the field offices through project acquisition and fundraising at country level. Train field office staff.
- Development of SPARK solutions: have first SPARK developed business skills training modules to be 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.

Long Term Goals

Apart from these targets, SPARK also 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 the internal organisation. This 5-year plan also describes expected developments that may affect SPARK both globally and in national



Ernest Bahati & Ernest Ntibarimba - Burundi

Saramara Iramara Woodshop

Samara Iramara woodshop started as part of a reintegration program in November 2012. The

members are now repatriated persons with advanced technical skills in woodshop, which has allowed them to create and operate their own business.

Targets and Objectives 2012 and 2013

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environments.

On impact level SPARK expects the number of new registered businesses to increase by 10% per year. The number of jobs created (via training, start-ups a.o.) grows by more than 10% on average per year. The number of youth trained by SPARK and partners that finds employment grows by 10% on average per year as of 2012. The average participant satisfaction score should consolidate 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.

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 grow by 10% on average per year. The growth of partners and other institutions supported stabilises at 5% in 2013. The number of courses/training reformed/introduced increases from 10% in 2012 to 20% 2013, then 5% in 2014 and 2015.

**Our Passion:
activities in 2012**

5.

Our Passion: activities in 2012

5.

When rebuilding post-conflict societies, 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.

This chapter describes our main activities in 2012, the results we achieved and the lessons we learned. In the first section you will find the interventions that aim to contribute to private sector development, while the second section focuses on our education programmes and projects. For the projects in these two sections SPARK is lead partner. The third section looks at projects focused on research. For the projects in the fourth section, SPARK is part of a consortium and does not have a lead role.

5.1. Private Sector Development

Promoting entrepreneurship is crucial to the reduction of poverty and for spurring economic development in fragile states. Through our Business Start-up Centres and local partners, we directly tackle poverty alleviation by offering business-skills training, coaching and consultancy, and access to finance for young entrepreneurs.

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 post-conflict areas, since large numbers of underemployed people add to the fragility of a society.

Poor governance and deficient economic institutions mark fragile states. This can result in a climate in which neither states or

Our Passion: activities in 2012

5.

societies are able to escape from poverty and conflict. 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 the key to entrepreneurship is development. SPARK supports relevant (vocational) educational institutions, CSOs and government agencies, so that each can perform their respective

role in creating an enabling environment for private sector development.

In 2012 SPARK was involved in a variety of private sector development projects and programmes.

SPARK's Private Sector Development Projects and Programmes 2012

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
Bridging the Divide (BtD)	Kosovo	2010-2012	€ 1,4 million
Mitrovica Regional Business Development (UNDP II KOS)	Kosovo	2010-2013	€ 0,8 million
EU Support for Regional Economic Development (EU RED)	Kosovo	2010-2013	€ 0,5 million
UNDP entrepreneurship (UNDP BUR)	Burundi	2012-2013	\$ 168,728
YES	Liberia	2012-2013	\$ 50,000
M&E tools for Youth Empowerment Programme	OPT	2012-2013	\$ 40,000

Our Passion: activities in 2012

5.

Enterprise Development Programme

Project title: Enterprise Development Programme (MFSII)

Target group: Existing and potential entrepreneurs, start-ups and established micro and small sized businesses with growth potential. Secondly, business support organisations, educational institutions and lobby & advocacy agencies.

Location: Burundi, Rwanda, Liberia, Palestinian Territories and Kosovo

Total project costs: € 21,347,600 (over 5 years)

Financed by: Dutch Ministry of Foreign Affairs, under MFS II

Partners involved: Alliance partner BiD Network

Project duration: 2011-2015

Project Description and Goal:

In January 2011, SPARK and BiD Network – together forming the United Entrepreneurship Coalition (UEC) – launched their MFS II Enterprise Development Programme. By promoting entrepreneurship and job

creation, this programme aims to contribute to sustainable economic development in 5 post-conflict countries: Kosovo, the Palestinian Territories, Liberia, Rwanda and Burundi. 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 Start-up & 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 regions.

The programme rests on three pillars:

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

(2) Direct poverty alleviation through job creation by facilitating entrepreneurship through local partners. SPARK works with local partners by financing and supporting their services for entrepreneurs and businesses, organizing business plan competitions, raising awareness activities for entrepreneurial students and networking sessions in the private sector. Additionally, SPARK facilitates loans to high potential start-ups from the business plan competitions, through a Loan Guarantee Fund.

(3) Removing business barriers through policy making and advocacy, creating an environment for private sector development. SPARK works with lobby & advocacy partners by supporting and financing them in drafting strategic policy documents and organizing roundtable sessions with stakeholders.

BiD Network, SPARK’s coalition partner in this programme, also aims to stimulate



Niyibigira Gorethe - Burundi

UPENDO Beginning with a training in sewing, Niyibigira Gorethe buys material from the nearest city centre and makes school uniforms for children and

clothes for women. Starting with a small atelier, Upendo now have three machines and are looking to have four in the near future with the goal to employ more people within the next year.

Our Passion: activities in 2012

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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.

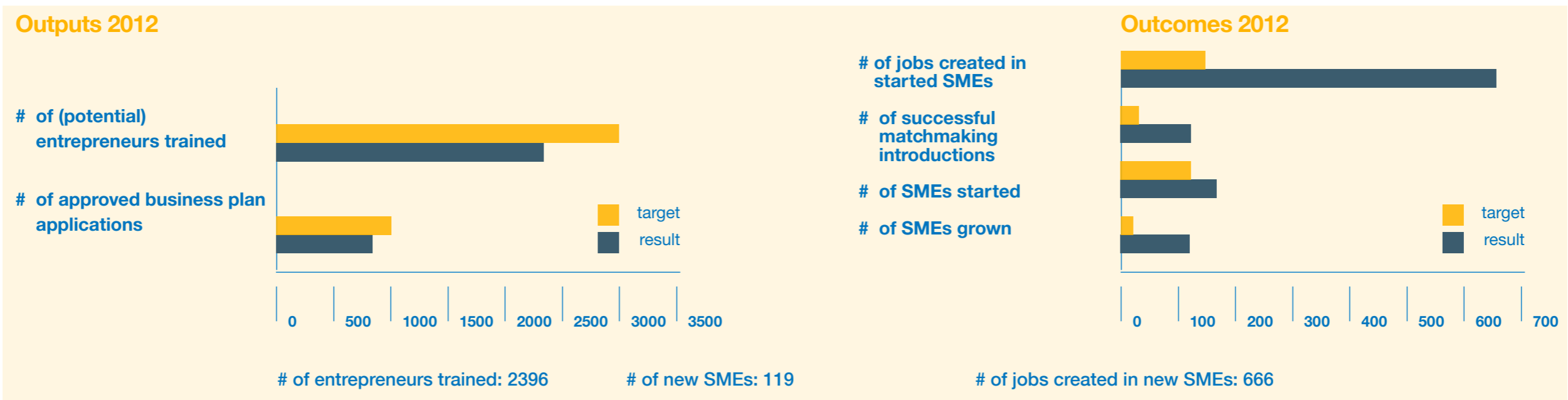
Besides working close together and with local partners, SPARK and BiD Network have established partnerships with organisations specialised in entrepreneurship development:

MDF, Triodos Facet, the Maastricht School of Management, IntEnt, the Netherlands African Business Council (NABC), and InfoDev. These organisations contribute to building the capacity of local partners involved in the programme by providing trainings on a wide variety of topics, as mentioned above in strategy 1, as well as organizing a trade mission for Dutch SMEs in the target countries.

Activities and results

The MFSII programme measures results

on two levels: outputs and outcomes. The outputs include all the activities that are performed by the local partners. The outcomes are results of the output. In 2012, similar to 2011, the programme has shown a lower output than targeted while the outcomes have been higher than targeted. Additionally, our results in capacity building are showing qualitative results in the form of improved cooperation levels with the local partners in terms of reporting and their local management.



Our Passion: activities in 2012

5.

Other results:

The level of outreach to vulnerable groups has been satisfactory as 76% of the total target was reached.

In every country various training packages were offered to the local partners, through whom their capacity was increased, improving their general and financial management skills and increasing their administration systems. The programme will focus even further to upgrade and advance the services that the local partners provide to entrepreneurs and businesses based on market research among the local business community.

Business barriers become clear and are discussed and used for input in the research and drafting of strategic papers. In every country round table meetings were organized, aimed at influencing policy in favour of encouraging youth to be coming innovative entrepreneurs, based on these strategy papers.

Evaluation

Integrated into the programme set-up was the organisation of an annual Local Advisory Council (LAC) and Programme Advisory Council (PAC). In the LAC, local partners in each country meet annually to evaluate the programme and discuss its strategic direction. Each Local Advisory Council elects one representative to attend the annual PAC. The PAC contains the LAC representatives plus SPARK and BiD Network management. Here, decisions are made on changes to the programme as based on internal and external evaluations. The Northern Cooperation Partners are also represented with one representative in PAC. The PAC 2012 was organised on the 13th of November 2012 and resulted in discussions on the success stories, bottlenecks in the different countries and a list of recommendations for 2013. The main topic has been the sustainability of the local organisations during and, more importantly, after our programme. For MFS II, SPARK participated in the PARTOS-facilitated

Joint Evaluation under which, for the first time, SPARK hopes to gain insight from the evaluation of one of its projects.

A true success story is that of an entrepreneur who runs a restaurant in the town of Rumonge, Burundi. After her training in essential business skills she now is able to profitably manage her business. Through good bookkeeping, she has improved her services and as a result, her average clientele has grown from 96 to 164 a day. She is now planning to expand her business to another market segment. SPARK is proud of her because she immediately managed to apply the skills she learned at the training. Now whenever there is an event in town, it is her restaurant that people think of first.

Our Passion: activities in 2012

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Burundi

Local Partners: Conseil Pour l'Education et le Développement (COPED), Réseau des organisations de Jeunes en Action pour la paix, la reconciliation et le développement (REJA), Association des Femmes Entrepreneurs (AFAB), and Cufore, which is a centre for entrepreneurship at the Universite Lumiere.

Activities and results: 2011 saw a very slow start for Burundi and SPARK had to close a gap in terms of improved partner cooperation and results. The latter has not been entirely successful. In 2012 of the 172 entrepreneurs trained, 102 were from vulnerable groups. 16 SMEs were started, creating 32 jobs; although they are below the target, these are positive scores. However, 0 roundtable meetings and 0 strategy papers were organized.

Despite the slow progress at times, SPARK's presence in Burundi will continue, and 2013 will see work with the same partners as well as new partners such as the Burundi Business Incubator.

Brilliant failure: The lack of reliable internet connection was a key obstacle for the training centre. Referring to the budget line and procurement procedures to make a decision, the centre gave the tender to the bidding company that quoted the lowest price. The internet connection not only turned out to be unreliable and intermittent, but the provider's equipment was of low quality. As a result, the centre had to find another internet provider at an extra cost, this time based on quality, not price.

Lesson learned: *you get what you pay for!*

Although the budget is the limiting factor and procurement procedures and rules recommend going for the lower price, these should not always be the only determining factor in issuing tenders. We should consider other factors like quality of the product, warranty, and the past record of the company.

Rwanda

Local Partners: National University of Rwanda (FEM-NUR), Junior Chamber International (JCI), Private Sector Federation (PSF), and the Umutare Polytechnic University.

Activities and results: In total almost 755 entrepreneurs were trained over the course of the year and 48 new businesses were started. 378 jobs were created in the started SMEs and 463 business applications were approved during 2012. In 2013 we will work with the same partners plus a few new partners who have signed contracts to start working with us: the Rwanda Tourism University College, PAJER and the School for Finance and Banking, with whom we will also collaborate in the cooperatives support programme. In total, the partners in Rwanda prepared 2 strategy papers and organized 8 roundtable meetings.



Theodore Hakizimana - Burundi

Akezamutima S.U.R.L.

Originally employed by the main food company in Burundi, Theodore began working under a mango

tree and selling his goods at the Bujumbura central market. Through smart saving and clarity of his own vision, Theodore was able to make enough to invest in start-up capital for his company Akezamutima and

become the modern factory they are today.

Our Passion: activities in 2012

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Success story: SPARK Rwanda has for the last year supported Umutara Polytechnic University (UP). Located in the North East of the country, UP is a relatively new university having started its academic year in 2009. Science based, the university focuses on vocational and technical diploma and degree programs. As a new university one of their key challenges is lack of resources and support for students. Through partnership, SPARK and UP were able to support the creation of an entrepreneurship centre, run a business plan competition and provide training for both students and staff. The university staff were very enthusiastic about the support they received, and managed an excellent business plan competition with approximately 60 business ideas submitted. Of these 60 ideas, 13 student projects were selected and were awarded access to loans between €4000 and €5000 each. All of these student projects have since started businesses and are running them successfully. Some examples include a poultry project, a piggery project,

an animal feeding project, and a stationary. After a grace period of one year they will start repayment of the loan back to Umutara polytechnic creating a revolving fund to support new entrepreneurs.

Liberia

Local Partners: Business Start-Up Centre (BSC) Monrovia, Liberia Better Business Forum (LBBF) and the Association of Liberian Universities (ALU).

Activities and results: Together with the Business Start-Up Centre and the University of Liberia, SPARK opened the Entrepreneurship Centre this year. In 2012, 95 Liberian entrepreneurs were trained by the Southern partners, of which 68 jobs were created in the already established SMEs (7). 25 roundtable discussions were held, organized by Southern partners. 21 business applications were approved, 19 of which were from vulnerable groups such as women and youth. In 2013 the programme will expand further outside of Monrovia establishing a

Business Start-Up & entrepreneurship centre in Buchanan. NABC has organized a trade mission with 8 Dutch companies who are interested to invest or trade in Liberia. SPARK also runs the Loan Guarantee Fund here, to facilitate an appropriate loan for the winners of the business plan competition.

Success story: The IT BPC is a joint initiative between Business Start-Up Centre Monrovia, SPARK, BiD Network and two local partners Lonestar Cell Foundation (one of the major GSM providers in Liberia) and iLab (an INGO non-profit computer laboratory providing access to cutting-edge technology and expert IT assistance). iLab will provide specifically for this BPC made IT innovation workshops and Lonestar will provide seed funding guarantee to the first three winners (3000 usd each) and will send the nr 1 winner to the next Growing SMEs event from the BiD Network. This could be incredibly important for SPARK in the future because the set up of this Business Start-Up Centre could mean it has found a

Our Passion: activities in 2012

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way of having the local private sector provide guaranteed funds to SPARK's BPCs. The first two phases have finished; 67 participants applied with their business idea, and 25 of them have participated in the Business Skills Training provided by Business Start-Up Centre Monrovia.

Another success is the Business Start-Up Centre – Buchanan Office; the first satellite office of Business Start-Up Centre, established at the Grand Bassa Community College, in Buchanan, Grand Bassa County. This office will have the capacity to fully support young and ambitious entrepreneurs from the Grand Bassa Community College. It will also fully facilitate online coaching, mentoring and matchmaking with investors. This office is the first extension in the roll out of the Business Start-Up Centre Monrovia, first with a satellite desk at Cuttington University and then an office at the Tubman University following that.

Brilliant failure: The 'Believer's fotostudio' was established by one of the winners of SPARK Liberia's first Business Proposal Competition. Shortly after all the equipment was bought, a fire ruined the studio and most of the newly bought equipment, such as a printer, camera and other supporting assets was lost. Due to the lack of insurance, the damage was not refunded. For the owner it meant that he had quite a big loan (10000 usd) but no assets to run his business and implement his business plan. SPARK learned to coach more in risk management, and examine more in depth the operations of SMEs under SPARK support. It was the push we needed to develop the balanced score card with which businesses can be tracked and monitored and show the performance of our entrepreneurs in Liberia. Also, the balanced score card itself formed the basis of the business information tracking system within Sales force which is currently being developed by SPARK.

Palestinian Territories

Local Partners: Business Women Forum (BWF), Federation of Palestinian Chambers of Commerce (FPCCIA), Centre for Continuing Education (CCE), Centre of Excellence (CoE), the Gaza Business Technology Incubator (BTI).

Activities and results: 678 (starting) entrepreneurs were trained in 2012. Also, 222 business applications were approved. 19 businesses were started and 59 jobs were created in these businesses. 15 SMEs were supported to grow in 2012. 515 persons attended network sessions in 2012. 18 roundtable meetings were organized and 2 strategy papers were prepared. The Loan Guarantee Fund was also available for the winning entrepreneurs but due to the many grants by donors, this market is very distorted.

Success story: In 2012 the business plan competition in Palestine had some interesting

Our Passion: activities in 2012

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business plans that won and started their activities. In Palestine more and more innovative businesses are being developed, which is a great development for SPARK. For example, Click-and-pick is web portal in Palestine introducing new ways of online ordering, food delivery, and other food related services to consumers and businesses.

Brilliant failure: Reality bites.

In 2012 SPARK started its Loan Guarantee Fund in Palestine. To our surprise the fund was not being used. We understand now that we started the facility with a local finance institution without much accurate knowledge of the market. Young, start-up entrepreneurs are having many opportunities with local institutions to get grants for seed capital, making a loan unattractive. SPARK is now researching other opportunities to use the facility and enable businesses to expand.

Kosovo

Local Partners: Business Start-up Centre Kosovo (BSCK), Business Centre Zvecan (BCZ), Fractal, STIKK, Centre of Trading and Development / University of Mitrovica.

Activities and results: In 2012 696 entrepreneurs were trained, 29 businesses were started and 129 jobs were created in the started businesses. In total, the partners organized 51 roundtable meetings and prepared 2 strategy papers. The Loan Guarantee Fund is also accessible in Kosovo through which many entrepreneurs have been able to get a loan and start their business. This coming year SPARK will expand the amount of local partners, with the aim to reach outside of the main business centres in Kosovo.

Success story: In order to present results in a good manner, all Kosovo partners with the assistance and support of SPARK, developed their own system of monitoring beneficiaries.

This system is going to be upgraded in 2013 with the aim to get a better overview, especially on the level of outcomes results.

Brilliant failure: During the LAC meeting held in Kosovo in September 2012, the local partners had the idea to make a joint lobbying strategy. SPARK supports this idea, keeping in mind the contacts partners already have which will be used towards influencing local- and state authorities. This will also impact and improve the chance of removing existing business barriers and making better conditions for doing business in the area. The local partners agreed to organize joint meetings, make plans and integrate these ideas as a part of the proposals they will submit to SPARK. Unfortunately, this idea has not yet been realized and remains in the inception phase, creating a missed opportunity for partners to put pressure on authorities to remove business barriers.

Our Passion: activities in 2012

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Agri Business Creation

Project title: Strengthening human security through rapid rural job creation in fragile states (ABC)

Target group: farmers (to be), local authorities and Civil Society Organisations.

Total project costs: €5.824.085

Financed by: Dutch Ministry of Foreign Affairs

Partners involved: none yet in 2012

Project duration: 2012-2016

Project Description and Goal:

Post-conflict (fragile) states are home to the poorest populations in the world. Excluded from economic opportunities, groups such as youth, refugees, demobilised combatants and ethnic communities pose a threat to stability, which hampers economic growth and even risks a return to armed conflict.

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 those 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 the selected countries through a unique, integrated approach.

In SPARK's Agri Business Creation (ABC) program, economic development, besides reducing poverty on its own, is used as a tool for peace building. By contributing to the restoration of stability and enhancing human and food security, the program's central objective is to strengthen the agricultural value chain by supporting the capacity of local authorities and Civil Society Organisations in the creation of jobs, development in the agricultural sector, and the formulation of inclusive agricultural development policies.

The program's objectives are:

1. To strengthen the 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 its role in economic and food security.

First, SPARK will identify "peace dividend value chains", to stimulate communities in a conflict area to become involved in the same (agricultural) value chain. In this chain, micro, small and medium size enterprise development programmes will be supported which will create jobs in the rural areas. This should have an immediate positive effect on pressing issues of economic and food insecurity. Second, in Burundi and South Sudan, the programme will promote cross border opportunities. Shared economic interest among neighbouring countries provides an excellent platform for the promotion of peace.



Alice Jua - S. Sudan

Piggery farm

Alice Jua from South Sudan, manages a piglet production business. According to Alice, Piglet

production business is good business: the return on investment in the business is high because a female pig gives birth twice a year. Employment opportunities will increase considerably once a

slaughterhouse is built, where Alice will also increase her services including manufacturing of soap by using the extracted fatty parts of the piglets.

Our Passion: activities in 2012

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Activities and results

The greater part of 2012 was used to:

- recruit new staff,
- open an office in Yemen and South Sudan
- Develop conflict sensitive value chain screening tools.

- Rapid market assessments were conducted in Burundi and South Sudan. The results of the market appraisals were used to identify the main interventions for 2013.

- A business plan competition was conducted in South Sudan that resulted in 19 trained entrepreneurs of which 3 were selected as winners of the competition and received funds to expand their business.

Evaluation

Based on field visits, staff meetings and interactions with private sector players and other development partners, the project is constantly monitored. The outputs of these monitoring activities are used to fine-tune the programme interventions.

Youth Engagement Programme

Project title: Youth engagement in political Parties, Movements and interest groups; Fostering the Socioeconomic position of Young women and men in Burundi, the Palestinian Administered Areas and South Sudan (YEP)

Target group: The Youth Engagement Programme focuses on youth in the age group 18-35 and on stakeholders in the field of youth engagement and entrepreneurship.

Total project costs: € 1,882,500

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

Partners involved: The Hague Academy for Local Governance, Fontaine Isoko, YALARA, Skills for South Sudan, MatMedia.

Project duration: 1st Jan 2012 – 31st Dec 2015

Project Description and Goal:

YEP's overall objective is to reduce instability in three fragile state environments (Burundi, Occupied Palestinian Territories, Republic

of South Sudan) through 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 as in youth targeted 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.

Fragile states contain only 14% of the world population, but nearly a third of the world's poor people. Exacerbating matters, these countries also have young to very young populations. Youth unemployment rates are dramatically high, increasing the risk of youth

Our Passion: activities in 2012

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to revert to social unrest and conflict. YEP makes the strategic choice to focus on the socioeconomic position of young women and men (18-35 year) and aspires to create an enabling environment for youth participation in the public sector, in civil society, and in the business sector. Socioeconomic development reduces poverty and equally important, it increases citizens' confidence and trust and their 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 fall back (again) into crime, rebel networks or other violent and destructive structures. YEP complements other SPARK initiated and supported programmes in the aforementioned countries which directly help young entrepreneurs start and develop their businesses and create jobs for youth, e.g. through business plan competitions, business skills training, mentoring & coaching and access to finance.

YEP focuses on three strategic levels. The

first level 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. This enables them to more effectively realise activities at the second and third level. The first level activities include training and coaching on: (i) general organisational aspects (ii) governance (iii) fact based advocacy and organizing and multi-stakeholder dialogue, and (iv) developing, introducing, and strengthening activities and services for youth.

At the second level, the programme intends to increase youth participation in political processes by supporting local partner organisations in providing leadership 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. The programme also supports these organisations in conducting

surveys and other practical oriented research on the socioeconomic and political position of youth to encourage fact-based advocacy, as well as the promotion of youth engagement, critical citizenship, leadership and entrepreneurship among youth through awareness campaigns, public debates and other promotional activities. Finally, the third level focuses on encouraging multi-stakeholder dialogue on improving the socioeconomic position of youth by involving organisations representing the public sector, civil society and the private sector, e.g. local partner organisations and other CSOs, interest groups and political parties, higher education institutions, enterprises, business associations, business development organisations and employee organisations/unions and their youth representatives and delegations. To this end, the programme supports activities such as the organisation of round tables, seminars and conferences.

Our Passion: activities in 2012

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Activities and results

The first year of the Youth Engagement Programme (YEP), in Burundi, OPT and South Sudan, was almost entirely devoted to the realization of the first strategic objective of YEP, as formulated in our programme: to build the capacity of local partners and of political parties, political movements and/or relevant interest groups.

SPARK's activities focused on extensive field research, selection and assessment of local partners and the start of capacity building of the partners. The underlying idea behind this cautious approach is that SPARK first needed to verify the risks that are involved in this project, as well as research the field in which the target groups are active. Second, based on past experiences, it was important to select the local partners carefully, and then start preparing and strengthening them well. Together with The Hague Academy for Local Governance SPARK focused in 2012 on building strong partnerships with local

organisations, for instance, by assisting them with the formulation of country specific programmes, which serve as the foundation for our collaboration within YEP. This was done to enable our partners to successfully implement their own activities in the coming years under the second and third strategic objectives of YEP.

Success story

Kicking off with a capacity building training for all the partners, the training was a huge success and resulted in synergy between the partners, among each other, and with SPARK. Benefitting YEP, the exchange of knowledge and experience among our partners was high, as a result of the success, SPARK is considering holding the training on a yearly basis.

Bridging the Divide

Project Title: Bridging the Divide (BtD)

Target group: The project consists of three separate components, each with selected

target groups. Beneficiaries range from local institutions and NGOs (through capacity building measures), citizens of Mitrovica as a divided town (municipal infrastructural upgrades, unbiased public information, inter-ethnic dialogue) to youth with ages ranging from 12-20.

Total project cost: € 1,412,383

Financed by: Netherlands Ministry of Foreign Affairs

Partners involved: NGO Community Building Mitrovica (CBM) as implementing agency and local NGOs registered under CRYM (Centre for Resources, Youth and Media)

Project duration: 2010-2012

Project Description and Goal:

After the declaration of independence for Kosovo in 2008 the division of Mitrovica into a predominantly Serbian North and Albanian South has become more prominent. It is affecting the communities living on both sides of the Ibar River, divided both physically and institutionally in separate municipalities that

Our Passion: activities in 2012

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fail to communicate with each other. Bridging the Divide is a unique cooperation between the South Mitrovica-based CSO Community Building Mitrovica (CBM), newly-established inter-ethnic, bilingual multi-medium 'M-M@G' and a North Mitrovica coalition of seven CSOs gathered in the Centre for Resources, Youth and Media (CRYM). The project directly addresses problems and opportunities related to infrastructure, media, civil society development, youth care and the lack of institutional and civil inter-community cooperation.

The "Bridging the Divide" project aims to bring about community stabilisation and reintegration by concentrating on three pillars:

- The renovation, building and reconstruction of public buildings, playgrounds, parks and public spaces.
- Establishment of 'M-M@G', a modern monthly webzine with an ethnically mixed editorial team focusing on relevant

investigative and social journalism. Establishment of a bilingual youth portal focusing on issues relevant to the youth of Mitrovica aiming to not only inform but also activate and empower them. This also opens up a channel that supports and publishes aspiring young journalists.

- Establishment of a vibrant Centre for Resources, Youth and Media aiming to integrate and empower a fragmented NGO community to become a strong, active, resource-pooling, synergetic and accountable local civil society. The centre also hosts a multi-ethnic rock school, youth club and informal educational and cultural programmes.

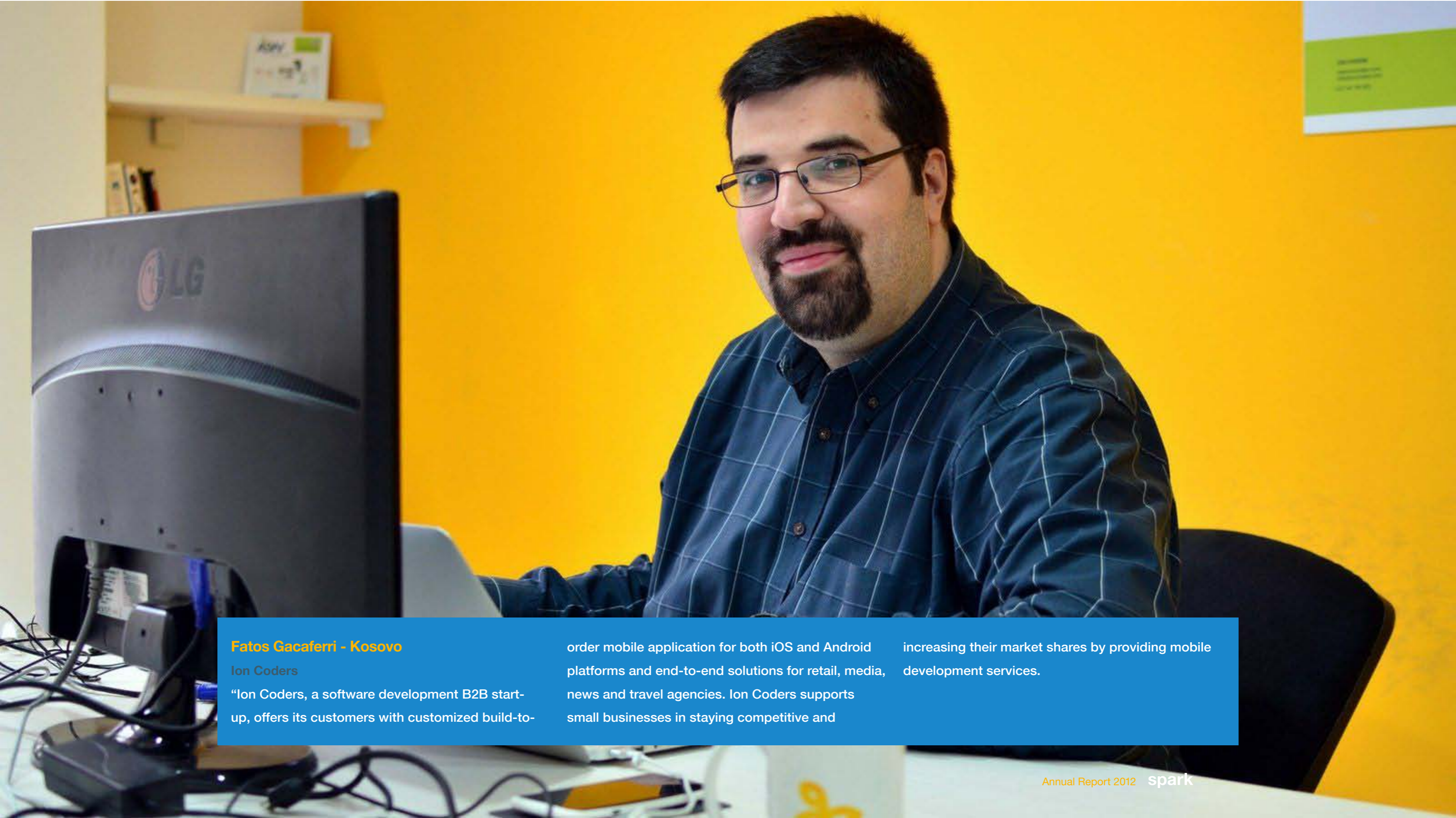
Activities and results

In 2012

- A conference room was renovated in the southern part of Mitrovica for events held by civil society organisations and authorities from both southern and northern Mitrovica. This increases their

ability to cooperate by providing them with space and resources to organize events and conferences when necessary. The conference room is easily accessible to both sides.

- SPARK organized capacity building activities targeted at staff of the local partners. For instance: the M:M@G staff participated in capacity building workshops improving and increasing their capacity to run the magazine.
- Throughout the year, M:M@G editors and journalists focused on the web-zine version, publishing articles on a variety of topics including local news articles covering events in Kosovo and the Mitrovica region. They increased the number of articles published about northern Mitrovica specifically. The increase in the number of articles published about northern Mitrovica events by M-M@G is a very important step towards securing readership and trust of the audience north of the Ibar river.



Fatos Gacaferri - Kosovo

Ion Coders

“Ion Coders, a software development B2B start-up, offers its customers with customized build-to-

order mobile application for both iOS and Android platforms and end-to-end solutions for retail, media, news and travel agencies. Ion Coders supports small businesses in staying competitive and

increasing their market shares by providing mobile development services.

Our Passion: activities in 2012

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- The drafting and signing of the CRYM strategy and statute, which took place in the middle of the year, culminated in the successful registration of CRYM Coalition in December 2012 with the Kosovo authorities. The CRYM Youth Centre organized a variety of concerts, trainings, movie nights, parties and other events targeted at young people aged 16-22.

Evaluation

Apart from continuous monitoring of the project activities and results throughout the project, two external evaluations were carried out.

- The first evaluation was a combination of an evaluation and a market research for the M:M@G. It identified certain gaps in the webzine such as the need of more input from readers and higher quality articles. This was implemented in the next magazines.
- The second evaluation was an evaluation of the whole project and its results

showed that the infrastructure component was the most successful. The progress achieved by the other two components is significant, but there is still need for a stronger local drive. More work is still to be done to ‘bridge the divide’ between the communities in Mitrovica.

The Bridging the Divide project was a small step towards the process of reconciliation between the communities in Mitrovica and it only contributed to the start of the process. Although there is not yet an agreement to implement a second phase, implementing a second phase is currently under consideration.

Mitrovica Regional Business Development

Project title: Mitrovica Regional Business Development (UNDP II KOS)

Target group: Small scale businesses in Mitrovica region (Mitrovica /north and south and Zvecan)

Total project costs: € 797,950

Financed by: United Nations Development Programme (UNDP)

Partners involved: BAC Zvecan, BAC Mitrovica North, BAC Mitrovica South

Project duration: 2010 - March 2013

Project Description and Goal:

According to various studies, the economic situation in Mitrovica is alarming. Youth unemployment is extremely high and it is difficult to start small-scale businesses due to political uncertainty, lack of rule of law, absence of vocational business development training and access to finance. The credit that is available for SMEs is very expensive (with an interest rate of up to 25%) and is extended only to firms with a solid credit history. To address these issues, three Business Advisory Centres (BACs) have been established offering vocational business training and other services to entrepreneurs. To ensure sustainability of this initiative and increase trade and economic activity a micro-finance scheme is being developed in the

Our Passion: activities in 2012

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areas of Mitrovica South, Mitrovica North and Zvecan. Entrepreneurs are invited to submit a business plan in order to be eligible for an affordable loan with the NLB bank.

The Enterprise Development programme in North Kosovo aims to boost the development of new and existing small and medium-sized enterprises (SME) in the region. It contributes directly to poverty alleviation by strengthening

businesses and creating jobs. To support their future development an incubator and tailor-made support through coaching and on the job training, is offered.

Another purpose of the programme is to improve the employability of jobseekers, notable young people, long-term unemployed persons and disadvantaged persons, by means of a comprehensive system of training responsive to labour market needs.

Activities and results

In 2012:

- Two Public Calls were organized for a Business Plan Competition; promotional campaigns were organized making use of internet, radio and TV. Also the BACs developed sample-applications to be used for public calls.
- UNDP evaluator assessed the project as successful.

Public Call	# BPs	#Selected by Jury	# Approved by NLB Bank	# Applicants refusing due to short re-paying period
4th : January	27	18	17	-
5th : March	26	17	6	-

Number of males/females to join the Business Plan Competition:

BAC	Total	Female	Male
Mitrovica South	29	3	26
Mitrovica North	17	3	14
Zvecan	7	4	3

Our Passion: activities in 2012

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- A lawyer was engaged for the default loans
- Number of business plans developed in 2012:
- So far NLB has approved 23 business plans for funding.
- 137 new jobs have been created improving the economic situation of several families in Mitrovica region.
- The project increases business profitability and furthers possibility for economic growth and salary increase.

Evaluation

- The project was evaluated successful by the evaluator engaged by UNDP:
- 81,7% of loans was disbursed.
- 18,4% disbursed to women entrepreneurs (20% planned).
- A 80,04% repayment rate was realized which is higher in the north 94% than in the south 72%.

Success story

A Women's Business Success Story: Beauty salon "MIX-S"

Today in Kosovo unemployed women make up 60% of total population. With only 13% of these women supporting themselves through their personal income, 87% of them are supported by someone else.

Beauty salon Mix-S was established in 2011. To expand her business and provide new services the owner decided to apply for the financial assistance to invest in new equipment for her salon. As a result of the new services and quality of the provided services, her salon has become well known and is now a leading enterprise in the salon industry. Today, the enterprise has added 3 new beauticians in training (6 in total), who also aspire to run their own businesses with they are finished.

EU Support for Regional Economic Development

Project title: EU Support for Regional Economic Development (EU RED)

Target group: Minority SMEs, local authorities, minority communities of targeted areas, Start-up businesses

Total project costs: € 464 252.67

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

Partners involved: Fractal

Project duration: November 2010 – October 2012, extended to March 2013

Project Description and Goal:

This project aims to increase the economic potential of Kosovo communities (Novo Brdo/Novobërdë, Klokot/Klllokot, Ranilug/Ranillug and Štrpce/Shtërpçë) by creating favourable conditions for businesses and by supporting entrepreneurship.

This will be achieved through:

- Providing the local municipal officials with the knowledge needed to support SMEs in



Mentor Sahiti and the Adaptiv IT Team -
Kosovo Adaptiv IT

Providing professional Information Technology services, Adaptiv IT was founded by Mentor Sahiti,

a professional with more than 15 years experience in the IT sector. With the opportunity to work in an environment and sector with a high level systematic approach to IT solutions, software and

systems development, Mentor decided to do a joint partnership with a newly founded company in Kosovo, in which he invested all his experience and professionalism.

Our Passion: activities in 2012

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their area and to create more accessible & better quality Municipal services for existing and aspiring entrepreneurs.

- Two Business Service Centres were founded to support existing and new entrepreneurs through coaching and mentoring. Mobile teams were formed to visit businesses and provide assistance on the spot. For specific trainings (technical issues, agricultural production, etc.), regional and local consultants are used to train and support BSC staff through field visits.
- A granting scheme was established to strengthen the production capacity of businesses. Eligible entrepreneurs receive affordable loans to buy the equipment and machinery necessary to develop or establish sustainable businesses.

Activities and results

In 2012 SPARK focused on:

- Supporting the development of SME's strategies for the municipalities by researching the needs of local SMEs.

- Capacity building of the Business Service Centres: Training the staff to prepare the BSCs for a future in which they are functioning and self-sustainable. A portfolio was created with training experts and local consultants. 1196 Consultancy hours were delivered on agricultural development and business development issues by 4 BSC consultants/experts.
- Networking and outreach: Strengthening and creating connections between businesses and other stakeholders and learn from each other. A fair was organized for women entrepreneurs in Štrpce/ Shtërpçë. The first Regional Business Fair was organized in Brezovica with over 70 participants and more than 500 visitors.

Some of the results:

- Registration of local business (SME or micro-enterprise) is now free of charge, registration is simple and demands only an ID card and an application for business opening; a favourable tax policy for start-

up businesses was established.

- 4 Business plan development trainings were delivered, a grants competition was held (BPC 2012) and the selected SMEs were monitored and supported for the duration of the programme.
- 14 SMEs were supported through the granting scheme.
- 47 new businesses were established providing employment for more than 60 people in raspberry production in Štrpce/ Shtërpçë.
- 45 new jobs and 106 seasonal jobs were created by supported businesses in agriculture, the service sector and light industry.
- 80 business plans were developed under the Business Plan Competition 2012.

Project activities were gender neutral.

Promotion of gender equality is important for the region of Kosovo due to the fact that it was the region where the participation of women in education and economic activities was traditionally very low.

Our Passion: activities in 2012

5.

The project raised stakeholders' awareness on their ecological responsibility. All supported businesses satisfy the environmental standards prescribed by the state. Some municipalities initiated energy efficiency projects through usage of alternative sources of energy/solar panels (school and cultural centre in Labjane and Kusce).

Evaluation

There was an external evaluation of the project at the end of 2012. It 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. These recommendations have been taken into account and are being implemented in 2013.

Success story

The owner of a goat farm in the Štrpce municipality received a grant to expand the production of goat milk and goat

cheese. Already supplying the local market in Štrpce/Shtërpce for the last 13 years, the beneficiary's business plan aimed at expanding the production capacity to selling to the Hypermarkets. After receiving the grant he employed two people in the production, and his cheese is now being packed and offered to customers in a new company foil and visible in hypermarkets.

He says: "The new equipment financed, is a high quality milk cooling tank of 200 litres, an apparatus for the pasteurization of milk and a vacuum packing machine. This is now more than enough for my farm and it gives me some new ideas – I will increase the number of goats, because it doesn't make any sense if I keep those tanks half empty. I want them to be fully operational every day".

UNDP Rural entrepreneurship

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

Target group: 34 informal cooperations of returned Burundian refugees.

Total project costs: \$168,728

Financed by: UNDP

Partners involved: EU

Project duration: august 2012 to may 2013

Project Description and Goal:

This project is the product of implementation 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, internally displaced people, etc. This pilot project concerns 34 non agricultural cooperations within 8 following sectors: bakery, restaurant, salon, cosmetics, palm oil extraction, carpentry, mechanics, and sewing. The project aims to transform those cooperations into profit oriented SMEs that are legally registered. A capacity building programme is offered to make them well-managed SMEs, operating under good professional standards.

Our Passion: activities in 2012

5.

To ensure that an entrepreneurial culture is supported and that young people truly understand the possibilities of self-employment, SPARK will promote entrepreneurship through the development of a reality TV show about starting entrepreneurs in Burundi, in collaboration with VoxAfrica, The TV show aims to be both informative, providing elements of training and case studies, as well as entertaining (competition element, focus on candidates with specific characteristics).

Project Objective:

To improve and diversify productive systems by introducing an entrepreneurial culture and strengthen social and economic reintegration of populations affected by political crisis, while contributing to the solution of land and unemployment issues.

Activities and results

In 2012:

- Market research was conducted for eight

business sectors in 3 provinces;

- 34 non agricultural cooperations are identified, reoriented and receive strategic plans;
- A capacity building programme was developed for 34 cooperations;
- 34 cooperations are trained on entrepreneurship;
- 34 cooperations are restructured into SMEs and fully registered with statutes, trade registration, Tax Identification Numbers and bank account;
- 34 SMEs each obtain technical training from a sector professional;
- 5 Management modules were developed and delivered (SME organisation, cash and bank account management, inventory management, sales and procurement);
- 34 SMEs were supported in developing communication and marketing plans;
- International Finance Corporation & Heineken were recruited as sponsors for the TV show and plans were made for the series to be broadcasted in 2013.

Today, the 34 informal cooperations are legally registered small businesses, undergoing a capacity building programme. The programme consists of training on the usage of managerial tools for cash, stock, sales, procurement and improving overall professional know how. Due to the lack of professional and management skills, 6 months is not sufficient for learning, and at least 2 years of coaching is required.

entrepreneurs trained:

2012: 170 members of the management (of the 34 SMEs) were trained.

Jobs created

2012: 560 paid jobs exist at the 34 now registered SMEs.

The ‘broader’ effect of the project is that:

- It implements social and economic reintegration of the repatriates working in the SMEs.
- Contributes to solve land and unemployment issues



Agnes Fekira - South Sudan

Cabbage Farming

Growing cabbage and selling them at the rural market, Agnes has the strategy to target institutions

that run feeding programs and/or that have boarding facilities. Looking at the three counties of Yei, Lainya and Morobo, Agnes is making all the efforts to arrange deliveries of large purchase orders

ranging from 500 SSP or 250 pcs/heads of cabbage. Interested in extending her products to Juba and external markets, Agnes aims to sell for both retail and wholesale markets.

Our Passion: activities in 2012

5.

- Improves culture of entrepreneurship
- Transforms landless people into owners of capital shares, with possibility of leaving inheritance to their children
- Replication of this project could lead to a new rural development model

Brilliant failure:

Mind the language you use with local people! After restructuring a Burundi programme, we had to distribute official documents (in French) concerning Tax Identification Numbers (TIN) and others. One of the SME Managers took the documents and requested a translation from French to Kirundi (local language). Although the government language is French, many people do not speak French; as a result, all documents we distribute are translated into Kirundi.

Yes Liberia

Target group: Liberian owned SMEs in the following regions: Bong, Bomi, Grand Cape Mount, Montserrado and Margibi. The

business needs to be in operation, has the ambition to register formally or is already registered. No specific economic sector will be targeted. Transtec is trying to target unemployed and/or underemployed groups of women and men between 15 and 35 years of age. The term underemployed allows for re-training and further training to be offered

Total project costs: \$50.000 (+ \$100.00 for extension in 2013)

Financed by: World Bank through Transtec
Partners involved: Business Start-up Centre Monrovia & Building Markets for the database of SMEs for selection

Project duration: 2012-2013

Project Description and Goal:

By training business to become more professional, seize opportunities and become better managers, we will help develop small businesses already operating in the market. Through development, these businesses will generate more sales and therefore increase their workforce. Financially sustainable

businesses offer more job security and are able to offer employees better salaries. On the other hand, successful businesses depend significantly on the team involved, how committed, skilled and professional it is. Businesses tend to employ a workforce who fulfils these characteristics, which we will be developing with the training modules. The goal of this development initiative is to support Liberian SMEs with Business Development Services. We expect their businesses to become more professional, grow revenue, provide access to finance and expand their workforce.

Activities and results

The main activities in 2012 were the selection of SMEs to be trained, with the programme design to start in 2013.

The Business Development Services-programme is expected to have a big impact on the performance of the SMEs and make them better at developing their business and

Our Passion: activities in 2012

5.

increasing their workforce.

Evaluation

The participants will fill in specially designed evaluation forms for the trainings

All participants will enrol in the Business Start-up Centre Balanced Score Card system, and will thereby be monitored over a longer period of time to monitor their improvements and assess whether additional interventions are in needed.

As the training has not yet started, there are no results so far.

Monitoring and Evaluation solution for Youth Entrepreneurship Programme

Project duration: Jan 2012 – June 2013

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

Total project costs: \$40,000

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 start-ups. 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.

The focus of the M&E project is two-fold:

- Improve and monitor the success of young entrepreneurs: Developing and implementing an ICT based programme to follow the success of the Birzeit's entrepreneurship curriculum graduates

and substitute the paper-based monitoring forms. Development and use of a video registration tool to see how the entrepreneurs put their skills into practice.

- Secondly, preparations for an impact evaluation are under way. In order to research the impact of the programme, we will compare what would have happened to beneficiaries in the absence of Birzeit's entrepreneurship development project, with what has actually happened to those who participated. Impact is estimated by comparing general IT student outcomes to those observed with participants to Birzeit's entrepreneurship curriculum, Business Plan Competitions, match-making and linking to finance, and follow-up coaching.

Activities and results

The main focus in 2012 was on

- The training of Birzeit staff members
- The development of ICT based M&E tools

This resulted in:

Our Passion: activities in 2012

5.

- 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 by closely following the entrepreneurs that were trained and their businesses. The project allows SPARK and its partners to better monitor and evaluate entrepreneurs in order to gather better results.

5.2. Higher Education

Young people in fragile states face a lack of (or low quality of) vocational or higher education and 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, which has proven to be a challenge as often

there is a low level of understanding of entrepreneurship among youth.

SPARK aims to help local actors and institutions provide quality education for youth in the areas where they operate. Through the access of higher education, young people are provided the chance to become skilled young professionals; from skilled labourers to lawyers, doctors and business professionals. SPARK actively supports curriculum building and quality assurance at these educational institutions.

2012 was an exciting year for SPARK's largest higher education project: International Business College Mitrovica. The first class graduated and joined the workforce or continued their studies. The building of two campuses was high on the agenda. The International Business College Mitrovica began building its new premises in North Mitrovica in 2012 and the preparations for

building the South Mitrovica campus will start in 2013. These campuses will include dormitories, a restaurant and state-of-the-art ICT facilities. They are planned to be of high quality and in line with international educational standards. Preparations to receive international institutional and programme accreditations were executed. In November 2012 IBCM was assessed by an institutional accreditation peer group and by 2013 accreditation was assigned. Only three years after the opening of the college, IBCM achieved international institutional and programme accreditations from German EVALAG. IBCM is thereby the only higher education provider with international accreditation in this region.

Higher education has always been at the heart of SPARK. In 2012, SPARK was involved in a variety of programmes aimed at strengthening academic institutions.

Our Passion: activities in 2012

5.

SPARK's Higher Education Projects and Programmes

Project / programme title	Location	Period	Total Programme Budget
International Business College Mitrovica	Kosovo	2008-ongoing	€ 18,1 million
Diploma Acceptance Programme	Kosovo and Serbia	2012-2014	€ 150,000
Mitrovica Youth Program	Kosovo	2012-2013	€ 100,000
Scholarship Database for Western Balkans	Western Balkans	2012-2013	€ 13,510
Benghazi International Summer University	Benghazi	2012	€ 6.723

Our Passion: activities in 2012

5.

**International Business College
Mitrovica**

Project title: International Business College
Mitrovica (IBCM)

Target group: Youth in Kosovo aged 18+

Total project costs: €18.102.911,00

Financed by:

Swedish International Development
Cooperation Agency (SIDA)

The Ministry of Foreign Affairs of Denmark
(DANIDA)

The Netherlands Ministry of Foreign Affairs –
Embassy in Pristina

The Ministry of Education, Science and
Technology (MEST) in Pristina (construction of
the campus in Mitrovica South)

The Department for International

Development of the United Kingdom (DFID)
Swiss Agency for Development and
Cooperation (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 duration: 2008-ongoing

Project Description and goal:

The International Business College Mitrovica
is an internationally registered not-for-profit
educational foundation. IBCM operates
two campuses, one in the majority Kosovo-
Serbian northern part of Mitrovica and one in

the majority Kosovo-Albanian southern part
of Mitrovica. It is the only regional provider
of higher vocational education. The IBCM
offers programs on Academy Profession
(AP) and Bachelor level in Marketing and
Management (AP); International Sales and
Marketing (Bachelor); Public Administration
(AP); Public Service Management (Bachelor);
Environmental and Agricultural Management
(AP) and Environmental and Agricultural
Management (Bachelor).

The IBCM also offers training for public
servants and will start to offer trainings
for private sector employees as well
as employees of non-governmental
organisations.

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

#Students Enrolled at IBCM	Total	Female	Male
March 2010	September 2010	September 2011	September 2012
20	96	145	167

A photograph of a group of students sitting at a long white table in a bright, modern classroom. In the foreground, a man with a beard and a grey sweater is laughing heartily, looking towards the right. Next to him, a man in a light blue button-down shirt is also smiling, resting his chin on his hand. In the background, other students are visible, including a man in a grey shirt and a woman with sunglasses on her head. The room has large windows with vertical blinds on the right side.

International Business College Mitrovica in Kosovo

The IBCM is an institution for higher professional education, which offers practice-oriented professional education. Upon graduation students

not only possess the necessary skills needed by businesses and public institutions, but will have benefited from the programmes that adapt to the local context and prepares them for European accession.

Our Passion: activities in 2012

5.

The project's overall objective is to increase the social and economic stability in northern Kosovo through cross-community business education and entrepreneurship development.

Key stakeholders in the Serbian community in Mitrovica and Belgrade support this priority project by the Kosovo Government. The college promotes equal opportunities for all communities and has an active gender policy. An English Preparatory Course (EPC) prepares students to meet entry-requirements. Scholarships help students from socioeconomic disadvantaged groups financially enrol in the programme. English is the language of instruction and communication at IBCM. The high proficiency of English will enable students to study and begin careers internationally.

Activities and results

- In 2012 the preparation for the construction of the campuses in south Mitrovica started in the form of a tender and the construction

of the northern campus began.

- Preparations to get international institutional and programme accreditations were executed. In November 2012 IBCM was assessed by an institutional accreditation peer group, and by 2013 the accreditation was assigned.
- More than 50 students were assisted with finding internships.
- Curricula for the Bachelor top-up programs were developed and first Bachelor top-up students were enrolled in October 2012.
- The recruitment of new students for 2013 enrolment has begun.
- So far 428 students were enrolled.
- 60 students graduated with Academy Profession (AP) degree.
- 15 Academy Profession (AP) degree graduates are working in formal jobs.
- 1 IBCM Academy Profession (AP) degree graduate funded a company.
- More than 40 people are employed at IBCM as teachers and administrative staff.

49 AP graduates decided to pursue their studies for a further 1.5 years of Bachelor top-up studies. Fifteen decided to enter the labour market and are now working for international companies such as FIAT. Two decided to leave Mitrovica for some time and went to work or study abroad in Western Europe or the United States of America.

Evaluation

IBCM was externally evaluated by two experts from the Dutch MDF Training & Consultancy firm in May 2012. The evaluation team highlighted the student appreciation of the teaching quality of IBCM. They certified IBCM to be on good track to achieve its objectives and encouraged IBCM to take particular efforts to develop a stable, long-term income basis and to actively involve regional stakeholders in the operations of the college.

Our Passion: activities in 2012

5.

Success story:

Only 3 years after opening, the first IBCM student has founded her own business. She won a business grant and opened a strawberry cultivation business in the town of Vrellë.

Diploma Acceptance programme

Project title: 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 (HEI) or an accredited or licensed Serbian University and Higher Education Institution.

Total project costs: € 150,000
Financed by: European Commission
Partners involved: EUA
Project duration: February 2012 -February 2014

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 and for diplomas issued by accredited higher

institutions in Serbia, to be accepted in Kosovo.

Working as a partner in the implementation process, SPARK, through offices in Belgrade and Pristina, will oversee the first diploma verification, support applicants, and facilitate in the certification process carried out by the European University Association.

Total number of applications SPARK received	282 (278 graduates from HEIs in Kosovo and 4 from HEIs in Serbia)
Total number of applications approved by EUA	198 (194 graduates from HEIs in Kosovo and 4 from HEIs in Serbia)
Total number of returned app's (to be modified)	37 (37 from HEIs in Kosovo)
Total number of permanently returned applications	9 (9 from HEIs in Kosovo)
Total number of EUA certificates issued	79 (79 from Kosovo HEI graduates)

Our Passion: activities in 2012

5.

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 recognized 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

- The establishment of an office at the Ministry of Education, Science and Technology in Pristina and the establishment of the office in Belgrade. The two offices serve as a place where students can apply and get informed on the procedures.
- Document collection (diploma, diploma supplements, transcript of records) and an advisory role to (ex) students and/or

potential candidates.

- Providing information from the field on the achievements and the mutual acceptance of diplomas in Serbia and Kosovo.
- Verification of submitted documents on behalf of EU and EUA.
- The process started in Kosovo in June and in Belgrade in October 2012. So far 79 diplomas from Kosovo have been certified. The near future will show the handling of Serb documents as well.
- The project has helped the employability of the graduates and as a result improved theirs' and the lives of their families. From the first round of certifications (79 from Kosovo), 52 beneficiaries were interviewed; 36 are employed.
- The project has helped the diploma acceptance for graduates in their respective countries

Evaluation

- The project staff conducts regular surveys with project beneficiaries to check the

status of acceptance and the employment status of the graduates; these surveys have shown that the agreement is being implemented smoothly in Kosovo and Serbia according to the beneficiaries.

- The quality of the issued documents is evaluated twice a year during the European University Association meetings; Regular advise and official letters are sent by the EUA to the HEI and Ministry representatives in Kosovo and/or Serbia. The last conclusion of the EUA was that the quality of the issued documents has improved, as the forms are correctly filled and more complete.

Success story

The project has created the possibilities for the students to work in their own profession and/or in the field they are academically prepared for as recognized by their diplomas. Their labour market has grown outside of their own region. Students' diplomas are now accepted and doctors, teachers, lawyers and

Our Passion: activities in 2012

5.

many more youth and graduates can practice their profession.

Mitrovica Youth Programme

Project title: Mitrovica Youth Programme (MYP)

Target group: Students and Academics in Mitrovica

Total project costs: € 100.841,93 (£ 81.368,12)

Financed by: DFID (British embassy in Pristina)

Partners involved: University, Student

Parliament: Centre for Community Development

Project duration: October 2012-March 2013

Project Description and Goal:

One of the projects in the Mitrovica Youth Programme (MYP) is the Mitrovica Winter University (MWU). 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 of seminars on organisational and leadership skills, knowledge sharing and training in leadership competencies.

The Mitrovica Youth Programme is a continuation of an older programme funded by a different financer. This second phase started in October 2012 with the preparations for the Mitrovica Winter University, held in January and February of 2013.

The objective of the Mitrovica Youth Programme as well as Mitrovica Winter University 13 is to facilitate normalization of relations between various (ethnic) academic communities in Kosovo and wider SEE

region. The programme also accelerates the integration of the University of Mitrovica (UM) in the European Higher Education community.

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 programs 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.

Our Passion: activities in 2012

5.

Activities and results

The main activities for 2012 were:

- The assessment of educational needs and interests of the university students, the determination of the course subjects and selection of professors.
- Project organisation: updating the documents, the website, finding translators, organizing extracurricular activities, taking care of housing, making reservations for conference rooms etc.
- The promotion of the MWU 2013 under students and academics. In the preparations for the winter University SPARK and partners contacted 934 universities in 47 countries worldwide.

This resulted in:

- 50 academic applications (26 international academics and 24 local academics)
- 1294 student applications (750 local students 544 international students)

Evaluation

Suggestions from the External Evaluator

Report from MWU in 2010 and 2011 were adopted. Some of the suggestions we succeeded to implement in 2013 were the following: more transparency in the selection of students; increased quality of extracurricular activities; we have improved criteria's for translator selection; the course selection was more transparent and local students were involved in the decision-making.

Monitoring and evaluation for the MWU 2013 will be carried out on different levels within the project: courses, main project aims, and the overall project organisation.

- Visiting professors and co-professors will be interviewed on the cooperation between the team of professors, the interaction with the participants in class as well as the achievement of learning objectives. Also it inquires about the conditions in which MWU/MSU is organised.
- The students receive an evaluation form on the last day of the course with questions

regarding the quality of the course as well as the organisation of the project.

- An external evaluator is hired who evaluates the MSU/MWU using the following methods: documentation reviews, observations, interviews, questionnaires.

Scholarships for Western Balkans Phase III

Project title: Supporting, Maintaining and Upgrading Scholarship-site for Western Balkans (KBF Phase III)

Target group: students from the Western Balkans

Total project costs: € 13,510 (for Phase III, 2012-2013)

Financed by: King Baudouin Foundation

Partners involved: none

Project duration: 2009-ongoing

Project description and goal:

To better inform students from the Western Balkans about studying abroad, scholarships and stipends:

Our Passion: activities in 2012

5.

- A website (www.s4wb.eu) was created. Here they can find an overview of scholarships and possibilities. In phase III of the project additional functionality was developed and added focusing on tighter integration of social aspects into the web system. In addition to enabling customization of data and alerting system through user profiles and relevant e-mail alerting systems, various options for past/present/future students to communicate with each other were added.
- Technical support is given to 7 staff members at international relations offices in Western Balkans. An ICT team provides telephone and email support to these staff members and is on hand to offer support, guidance and over-the-phone tutorials if required as staff familiarise themselves with www.s4wb.eu.

Activities and results

- Developing and maintaining functionalities of the online tool;

- Solving technical problems/bugs fixed;
- Monitoring & coordinating online tool development;
- Promoting www.s4wb.eu;
- Supporting the content updated by staff members;
- Over-the-phone tutorials to staff members if requested.

Evaluation

As the project is still in progress, no evaluations were done so far.

Benghazi International Summer University (BISU)

Project title: Benghazi International Summer University (BISU)

Target group: Practitioners and students in Benghazi

Total project costs: € 6.723

Financed by: SPARK

Partners involved: University of Benghazi
University of Benghazi Research and

Consulting Centre

Project duration: Summer 2012

Project Description and Goal:

From 24 June to 5 July 2012 the first edition of the Benghazi International Summer University (BISU) took place. Centred on the theme of Entrepreneurship, BISU 2102 offered participants a choice of four intensive two-week courses taught by visiting professors together with professors of the University of Benghazi's Economics Faculty.

The Summer University aimed to familiarize students, graduates and practitioners with current thought and practice in Entrepreneurship, SME (small and medium-sized enterprises) Development and (international) Business Management. Additionally BISU 2012 aimed to promote international academic cooperation. As a pilot, it also wanted to help assess demand for Entrepreneurship education in Libya. One of the



Benghazi International Summer University in Libya Students, graduates and practitioners followed one of the four intensive courses which centered around the theme of ‘Entrepreneurship for

the New Libya’ during the Benghazi International Summer University (BISU). Getting students orientated on potential career paths, BISU 2012 aimed to promote international academic

cooperation. With the goal of reaching all youth, the programme not only invited university students to apply, but graduates and those with limited or no English language skills as well.

Our Passion: activities in 2012

5.

conclusions is that there is a huge demand for business education and training that currently remains unsatisfied.

Activities and results

In 2012:

- A call for visiting professors was sent out. Despite the tight deadline, the call immediately generated great interest: more than 100 people requested the Guide for Visiting Professors. Thirty-one professors applied for the available positions and submitted course concepts or proposals. Four visiting professors were selected.
- The Summer University was promoted among students in Benghazi.
- Active participation and interaction between students and professors was encouraged in all courses.
- Within limits of feasibility, teaching materials were provided to students in Arabic. Interpreters provided direct (consecutive) interpretation from English to Arabic during classes.

Students educated:

Applications	Selected:	Successful:
>150	112 (88 male, 24 female)	84 (64 male, 20 female)

A large number of applications (in total more than 150 applications) were received, despite the short advertisement time and the relatively limited dissemination; student drop out was minimal (i.e. students who stopped coming after the first or first two classes). The no-show rate (registered participants that did not show up at all) was however significant in particular among University students. This is possibly related to the limited time available for students to carefully consider their application.

Evaluation

Participants as well as visiting and co-professors were asked their opinions to help evaluate BISU 2012. Results indicate an overall very high level of satisfaction among participants regarding the quality of

the course, the usefulness of the course for their future careers and the atmosphere of openness: one could freely speak and give his/her opinion. Some improvements were proposed regarding the lack of specific knowledge of the interpreters of the subject matter.

Visiting and co-professors commended participants for their enthusiasm, dedication and positive attitude. Several noted that their knowledge level and participation were above their expectations. All reported a pleasant, dynamic and interactive atmosphere.

For the future:

- In addition to the many practical issues that deserve improvement and which

would benefit from a longer preparation time, 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.

After the success of the first edition of BISU, SPARK and the University of Benghazi intend to organize a second edition in the summer of 2013. The second edition would focus on curriculum development for the benefit of the University's Economics Faculty and the design of regular Entrepreneurship modules for Benghazi University.

Advanced Training Programme for Senior Management of the Libyan Stock Market

After reopening in 2012, the Libyan Stock Market is set to play an important role in the future development of the Libyan economy. It can expect to become a key platform for attracting and allocating capital, both domestic and foreign, towards productive investment. The LSM is seeking to advance its operations and to contribute to regulatory developments in Libya.

From 10 December to 14 December 2012, 8 senior staff members of the Libyan Stock Market visited Amsterdam and Brussels in the context of a Capacity Building Study Visit. The training was organized by SPARK, in collaboration with the Amsterdam Business School (ABS) at the request of the Libyan Stock Market (LSM). The objective of the study visit was to provide advanced courses in a number of key areas and to contribute to the assessment of the Capacity and Human Resources Development needs of the LSM. Advance course modules on different aspects

of Corporate Governance, Information Management and Corporate Financial Analysis were provided by lecturers from the Amsterdam Business School and the University of Amsterdam. The theoretical information from the lectures was deepened and applied during meetings with professional experts at the Authority for Financial Markets (AFM), Duisenberg School of Finance and the ABN-Amro Bank. During a one-day excursion to Brussels, meetings were held with the European External Action Services (EEAS), the EC Directorate General for Economic and Financial Affairs (EC-DG-EcFin), and the Federation of European Stock Exchanges (FESE).

Evaluation results indicate an overall high level of satisfaction with the quality of the programme and lecturers, as well as organisational issues. At the same time, not all components of the programme were equally relevant for all participants, which was also related to the varying backgrounds and responsibilities of the participants.

Our Passion: activities in 2012

5.

Pilot: sharing experiences in Disarmament, Demobilization, and Reintegration.

SPARK organized an intensive one-week visit for 30 senior commanders of Libya's Revolutionary Brigades to Kosovo in May 2012.

After the end of the Libyan Revolution in November 2011, demobilisation and re-integration of revolutionary fighters emerged as a key priority for the Libyan interim authorities. Kosovo had faced many of the same challenges in the demobilization, disarmament and reintegration of its fighters after an armed uprising by an irregular armed force. DDR (Disarmament, Demobilization, and Reintegration) programmes for a sizeable force were implemented in Kosovo - with significant international assistance and expertise from international organisations. SPARK organized the visit for Libyan Revolutionary Brigade-Commanders to learn from the successful experiences in Kosovo, as well as from continuing challenges and

mistakes. Moreover, many of those currently working in Kosovo's security institutions lived through the transition to normal life and share the experience of armed opposition with their Libyan counterparts. The programme was provided in cooperation with the Kosovo Academy for Public Safety (KAPS). They hosted the Commanders and provided key training modules.

The training programme included: an introduction to DDR Concepts, Programming & Challenges, Role of International organisations and Civil Society; Introduction Political Institutions, Constitutional Models and Decentralisation; Key Police and Security Skills, Professional Ethics, Democratic Control over the Police Force, Electoral Security – Train the Trainers Focus; Site visits (police operations, customs, border control, and judiciary).



Ikhlas Sawalha - Occupied Palestinian Territories

SIBA - Palestinian House of Soap

Seeing an opportunity to improve her family's economic standing, Ikhlas Sawalha, decided to start

a small olive oil-based soap production factory. After submitting a business plan for a business plan competition, she was awarded enough start-up money to begin what is now known as SIBA,

Palestinian House of Soap. Meaning 'youthful beauty', SIBA produces more than nine types of healing soap and are now in the process of looking at their export potential to Japan.

5.3. Research

As part of SPARK’s desire to develop its own capacity to deliver services, SPARK has recognised the importance and need for research. In 2012 research examined the business development service package offered to Business Start-up Centres in the Western Balkans during the MFS1 programme.

Start-up Centres in the Western Balkans
Project duration: May 2012 – November 2012

Project Description and Goal:

To strengthen SPARK’s learning processes, a proposal was developed for a Learning Working Path (LWT) with PSO. This LWT would allow us to further research, better document, and make explicit knowledge of SPARK’s recently completed Business

fragile environments can be strengthened. A case study was developed which examines the business development service package offered in SPARK’s MFS I program. One important aspect of the case study focused on the relationships amongst partner organisations, and examined strategic approaches to delivery of business services independently and jointly. Another aspect of the analysis looked at how beneficiaries,

Project / programme title	Location	Period	Total Programme Budget
Case study MFS1	Amsterdam	May 2012 – November 2012	€57,810
World Bank research on youth exclusion and violence	Liberia	July 2011 – March 2012	\$ 72,780

Case study Business Start up centres in the Western Balkans (MFSI)

Target group: SPARK staff and the wider public including fellow Private Sector Development-actors

Total project costs: €57.810

Financed by: PSO, SPARK

Partners involved: PSO, SPARK, Business

Start-up Centres programme under the MFS I facility in the Western Balkans. This would stimulate (organisational) learning to take place particularly on the effectiveness and sustainability of SPARK’s interventions in the area of entrepreneurship promotion and Small and Medium Enterprise (SME) development so that the private sector in post-conflict and

through facilitation of partners and/or self initiative, exploited and optimized the services offered collectively through the MFS I program. And a final and important aspect was a focus on the outcomes of the programme with specific regard to sustainable development of SMEs and entrepreneurial activity from beneficiaries as a

Our Passion: activities in 2012

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result of the combined business services.

The case study has addressed therefore the following research questions:

1. What effects did SPARK's approach and support to providing an integrated Business Development Services (BDS) packages (e.g. entrepreneurial education and capacity building) have on our partners?
2. What effects did the approach of our partners' to delivering BDS have on entrepreneurs and SMEs in the 5 MFS I countries (Kosovo, Macedonia, Serbia, Bosnia, and Montenegro)?
3. To what extent are lessons learned transferable to other fragile states?

Activities and results

The LWT has contributed significantly to internal learning at SPARK. Firstly, the process has helped us begin formalizing knowledge gathering and sharing practices, something

we have now identified more clearly as an essential next step for organisational growth. Secondly, the study explicitly focuses on programming and delivery of business development services through and with our partners, and it has told us much about the merits and limits of SPARK's BSC approach. In improving the effectiveness of SPARK's current MFS II program, lessons earned in this respect are being implemented already, for example related to partner selection, partner specialization, and inter-partner cooperation. Moreover, in developing new proposals, recommendations from the case study for more sustainable and impact-oriented implementation of Business Development Service-programmes, and basing these programs on market analysis and a better understanding of SME value chains in specific fragile contexts, are being followed. Finally, one of our aims for the case study was to better utilise the enormous, but sometimes dispersed, wealth of knowledge we have accumulated and more efficiently (and

creatively) share it with our field offices and partner organisations. As a first step in this, the case study will be presented as a learning tool internally for our Country Managers in the next annual retreat.

At SPARK we feel the moment is right to more proactively engage the broader external community of Private Sector Development actors with our learning. As mentioned earlier, one of our primary goals was for the study to culminate in the production of a publication that will contribute to the literature on Private Sector Development in fragile states allowing us to become active contributors to the field. We view the case study as an excellent opportunity to become more critically engaged with our colleagues in the Private Sector Development in fragile states field, and publication and dissemination of our MFS I case study will serve as a springboard from which to initiate important fruitful conversations with fellow Private Sector Development-actors, particularly on the

Our Passion: activities in 2012

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sustainability, effectiveness and ultimately also cost-effectiveness of small enterprise development approaches.

World Bank research on Youth exclusion and violence

Project title: World Bank research on Youth exclusion and violence

Target group: Communities in Liberia

Total project costs: \$ 72,780

Financed by: World Bank

Partners involved: Making Enterprises & a group of researchers we formed ourselves

Project duration: July 2011 – March 2012

Project Description and Goal:

Violence is a topic that has received more and more attention in the development literature. When violence takes the form of civil war, development can be set back decades, and post-conflict societies experience extreme difficulty reaching a sustainable route to growth and stability. The two West African countries of Liberia and Sierra Leone are such

post-conflict societies. Although for both civil war has ended, these countries are still characterized by high levels of violence that threaten their development.

The World Bank has proposed a study into the use of violence by “excluded youth” in these two countries. In particular the Bank would like to investigate a link between feelings of exclusion and the use of violence in youth. Exclusion is gaining more and more impact on World Bank programs. This research will help develop and shape new programs for disadvantaged at-risk youth in West Africa.

Activities and results

SPARK staff collected data in 25 communities in Liberia. Respondents used individual interviews and Focus Group Interviews. The data that has been collected will be analyzed by the World Bank in Washington. A preliminary conclusion points out that youth in Liberia and Sierra Leone do participate in community meetings, although for the most part their role is limited. Elders state that

youth can contribute to meetings when their ideas are ‘good’, but for the most part elders believe youth need to acquire more experience and knowledge to be able to contribute. Exclusion is not a source of violence, yet the fact that youth are excluded and not part of decision-making, leads to misunderstanding, inadequate distribution of resources, and perceptions that others are benefitting unfairly, which in turn may contribute to violence.

Recommendations in projects meant to increase youth employment in Sierra Leone and Liberia:

- Safety net projects should target those that are more vulnerable within a youth category.
- Education projects aiming to provide skills to youth need to find youth with the right level of skills and interests.
- Communications strategies are extremely important to avoid perceptions of corruption or nepotism.
- Strategies to identify youth beneficiaries together with community leaders could

Our Passion: activities in 2012

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be counterproductive – Leadership could identify youth who is better off, more connected, and more likely to transition.

- Targeting potentially violent youth seems to imply targeting ‘idle’ youth. This group is potentially the most difficult to work with. Working on the inclusion of youth requires working with a whole community.

5.4. SPARK as Part of a Consortium (not in the lead)

While SPARK headed several projects in 2012, it also took on the role of partner in other projects; providing assistance in the form of for example advice, proposal writing and assisting in implementation. The following

section consists of projects in which SPARK was part of the consortium (budget reflects the total budget available during the project).

SPARK as Part of a Consortium

Private Sector Development

Project / programme title	Location	Period	Budget (total for consortium)
Young Employed and Independent	Serbia	2011-2013	€ 206,960
Youth Entrepreneurship Civil-Public Partnership	Serbia	2011-2012	€ 129,319
Hanga Umurimo (pilot)	Rwanda	2011-2012	€ 60,000
Visually Impaired Persons Business Support Programme	Moldova	2009-2012	€ 492.954

Higher Education

Project / programme title	Location	Period	Budget (total for consortium)
“I don’t need a parachute... to land in Europe!”	Romania (Western Balkans)	2011-2012	€ 195,896

Our Passion: activities in 2012

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Young Employed and Independent

Total project budget: € 206,960

Financed by: EU

Partners involved: Lead Partner: Business Start-Up Centre Kragujevac. Other partners: Regional Chamber of Commerce, Regional Agency for Spatial and Economic Development
Project duration: 15th April 2011 – 15th April 2013

Project Description and Goal

The specific objectives of the project are to:

- Promote the entrepreneurial spirit, business initiative and self-employment among young unemployed in Serbia.
- To provide practical training and micro loans for young entrepreneurs and existing SMEs with the aim to 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 and 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 recruit an EU expert to give workshops and develop brochures.

Project results:

1. Increased level of entrepreneurial awareness among young people
 - 4 interactive workshops organised , 120

participants attended the workshops,

- 'Seize your destiny' brochure, published and distributed in 1000 copies,
- "A study on young people's attitudes towards entrepreneurship" conducted and distributed in 500 copies

2. Competitiveness of the existing and start-up businesses run by young people has increased ;

- 2 circles of 'Best Business Plan Competition' carried out; 25 businesses awarded with favourable macro credits and consulting services in critical area of business.

3. Business skills and the capacity of young people to improve themselves;

- 11 local trainers coached for holding business skills trainings
- 80 business skills trainings held at 4 project locations; over 1000 people attended the trainings

4. Development of the financial mechanism for providing financial assistance in the

Our Passion: activities in 2012

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establishment of new and development of existing enterprises run by young people;

- Financial mechanism created; 23 micro credits granted,

5. Enhanced capacity of project partners to actively support young entrepreneurs, with the improvement and of self-employment projects implementation.

- 7 employed people from our partners and 7 stakeholders were trained for provision of business skills trainings.

Youth Entrepreneurship Civil-Public Partnership

Total project budget: € 129,319

Financed by: EU Support to Civil Society

Partners involved: Lead Partner: Business Start-Up Centre Kragujevac. Other Partners: Regional City of Kragujevac, NGO Sunce.

Project duration: 29th June 2011 – 29th June 2012

Project Description and Goal

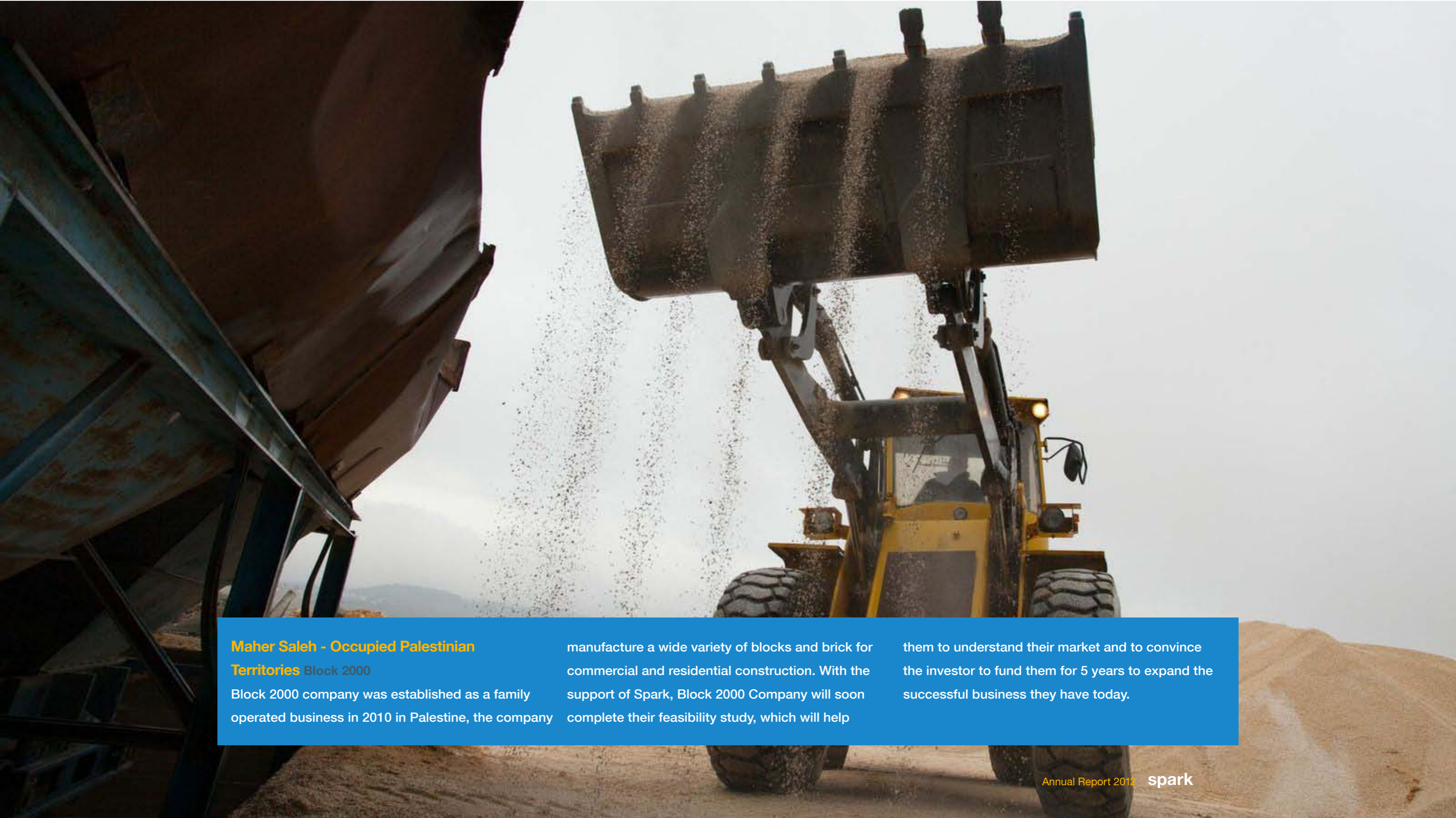
The project supports the development of Civil Society Organisations (CSOs) in Serbia. It supports those organisations to participate in socioeconomic development and in the EU integration process of the region. It also promotes youth entrepreneurship as an instrument of youth employment. Through the use of EU standards and best practices (of CSOs involvement in youth entrepreneurship) it wants to influence the policy making processes at the local level.

Specific subthemes and results to be achieved are:

- Increasing youth employment: Entrepreneurship is providing an additional way of integrating youth into changing labour markets, and could thus become a strong generator of youth employment;
- Enhancing expertise of CSOs in the field of socioeconomic development: the aim is to improve the current level of CSOs' capacities, through partnership with EU

CSOs and transfer of know-how and best practices from the EU through specific trainings initiatives and study visits;

- Ensuring public participation in decision-making processes on measures and programmes with socioeconomic impact. Through involvement of all relevant stakeholders, including youth and local communities, in the development of local action plans on youth entrepreneurship these plans will have wider support.
- The establishment of a local civil-public partnership as an example which will be further promoted to other municipalities in the region
- Development of a youth entrepreneurship local action plan (YELAP) through a consultation process with government youth representatives, authorities and the business sector.
- Capacity building of CSOs and informal youth groups in entrepreneurship



Maheer Saleh - Occupied Palestinian Territories Block 2000

Block 2000 company was established as a family operated business in 2010 in Palestine, the company

manufacture a wide variety of blocks and brick for commercial and residential construction. With the support of Spark, Block 2000 Company will soon complete their feasibility study, which will help

them to understand their market and to convince the investor to fund them for 5 years to expand the successful business they have today.

Our Passion: activities in 2012

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SPARK's Involvement

To improve the level of knowledge about best practices in youth entrepreneurship SPARK organized a three-day study visit to the Netherlands. The aim was to transfer knowledge and learn about best practices of EU-organisations in the field of development and promotion of youth entrepreneurship. 16 project participants, representatives of civil society organisations and the City of Kragujevac, visited institutions and organisations involved in the development and promotion of entrepreneurship among young people.

Project results:

- 17 civil society organisations from Sumadija and Pomoravlje successfully completed a set of 5 trainings acquiring basic knowledge and the skills necessary for promoting youth entrepreneurship and entrepreneurial culture among young people in their communities.
- 17 peer educators for youth entrepreneurship have been trained. They will continue, in their communities and among their peers,

to promote entrepreneurship as a legitimate career choice for young people.

- The Action Plan for Youth Entrepreneurship in Kragujevac has been adopted, obliging the local authorities to work systematically on entrepreneurship development.

Success story:

One of participants, a young entrepreneur and member of one youth association, upon participation in the project, decided to establish an association of young entrepreneurs. The first of that kind in Kragujevac, he gathered several other young entrepreneurs, who recognized the idea of networking and they started a new association. In 2012, he was invited to speak in Brussels at international conference as young leader and representative of young entrepreneurs in Serbia.

Hanga Umurimo Project (Pilot)

Total project budget: € 60,000 (but may change as project proceeds)

Financed by: Rwandan Ministry of Trade and

Industry

Partners involved: Lead Partner: School of Finance and Banking (SFB), Kigali

Project duration: 12th Dec 2011 – 30th September 2012

Project Description and Goal

Hanga Umurimo (“Job Creation”) is one of the Projects in the SME development plan with the purpose of nurturing an entrepreneurial culture among Rwandans and fostering the emergence and growth of a local based business class. The Hanga Umurimo Project strives to rise a new generation of Rwandans with an entrepreneurial attitude and the knowledge to run competitive and innovative enterprises.

For the pilot phase, SPARK in partnership with the School of Finance and Banking was implementing the project in the 7 districts of the Eastern Province of Rwanda. The plan is to implement this entrepreneurship awareness campaign countrywide.

Our Passion: activities in 2012

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SPARK's Involvement

Some of the activities involved by SPARK are identifying and training potential entrepreneurs, running a Business Plan Competition and to providing coaching to Business Plan Competition winners who will be linked to the Rwandan Development Bank and other commercial banks for start-up loans.

Project results:

- 350 Viable business ideas selected and owners trained in Business plan writing.
- Business plan competition among 350 trained business owners conducted in 7 districts of Eastern Province.
- 140 BPC winners (57 Female, 73 Male and 10 Cooperative) undertook a second round training by IFC and received coaching to fine-tune their business plans.
- 91 Business plans were edited and revised as per the requirement of the financial institutions.
- 91 Winners received Advisory and coaching services and access to finance coaching

services.

- 91 Business plans were successfully introduced to different banks.
- 28 Businesses were funded and successfully started.

So far the ministry is satisfied with the progress of the project. It has drawn some lessons from the pilot phase that will be implemented in the ongoing nationwide programme that will run from 2012 for 5 years, with a total allocated budget of \$32M. A change in the implementation strategy by the Ministry makes it necessary to have permanent local structures and staff at district level. This has made it difficult for SFB and SPARK to continue.

Success story:

- The programme was welcomed by the community who responded by submitting their applications. Young people in the Eastern Province were enthusiastically eager to work for their own development. The government, through the Ministry of

Trade and Industry, has shown a strong commitment to the programme and was very supportive especially in term of engaging banks and other financial institutions to fund the projects.

Visually Impaired Persons Business Support Programme, Moldova

Target group: Visually Impaired Persons (VIP) between 16-30 years old, with secondary education, basic computer and business administration skills

Total project budget: € 492.954

Financed by: Ministry of Foreign Affairs – Matra
Partners involved: Lead Partner: Bartimeus International.

Other Partners: BiD Network

Project duration: 1 November 2009 – 31 October 2012

Project Description and Goal

Nine thousand Visually Impaired Persons (VIPs) in Moldova are in living conditions that are below minimum standards. They are not seen

Our Passion: activities in 2012

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as part of society and are unable to improve their situation by increasing income. Today, only about 8% of VIPs are employed and earn an income. The human capital of VIPs remains unused for a contribution to the development of Moldova and provisions for self-employment for handicapped have not been developed. Employers do not hire VIPs, despite legislation enforcing companies to hire disabled people, choosing instead to pay the imposed fines.

The Visually Impaired Persons Business Support Programme in Moldova aims to improve the position of VIPs by developing a sustainable organisation for blind individuals to expand their professional potential and abilities. An NGO was established and responsible for the evaluation of the business environment and for supporting VIPs starting their own businesses. The NGO offers training, monitoring and renders services like assessing business plans as well as linking them to business partners and credit facilities.

SPARK's Involvement

The role of SPARK in the project is to enable the exchange of knowledge between trainers of VIPs that are setting up small and medium-sized enterprises. VIPs will be assisted in setting up business plans for their own SMEs, and subsequently be trained by the NGO.

Project results:

So far 8,000 EUR has been lent to entrepreneurs. In total 15 (3 in 2011; 12 in 2012) businesses were started.

"I don't need a parachute... to land in Europe!"

Total project budget: € 195,896

Financed by: PRINCE 2010 – EU27

Partners involved: Lead Partner: Fundatia Corona Iasi.

Project duration: 1st Dec 2011 – 30th Sept 2012

Project Description and Goal

This project informs EU citizens about the

current enlargement of the EU towards the Western Balkans. It talks about the benefits and challenges of EU enlargement and presents the candidate and potential candidate countries. By encouraging contact between young people from both areas it wants to promote tolerance and understanding between them.

In order to achieve this goal SPARK helped organise an awareness campaign. The campaign was also used as an instrument to select participants for a summer school. During the summer school participants are informed about EU history, economy and policies and invited to discuss EU enlargement making them the perfect EU ambassadors. The EU Ambassadors are asked (with support from the programme) to inform 10,000 people in their country about the benefits and risks of EU enlargement.

The summer school has provided youth from the Western Balkan region and EU countries



Mileta Pitulic - Kosovo

GP Service

Mileta first started his business as glass repair services for vehicles including changing windows

and windshields and installation of dark plastic foil. It quickly expanded into a bigger business as Pitulic by providing diagnosis, recharge of batteries and air conditions services.

Our Passion: activities in 2012

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the possibility to interact. They established connections, presented their country and customs and expressed expectations for EU integration and/or presented their own country's experience.

SPARK's Involvement

In 2012 three different activities were organized: the contest/awareness campaign on internet, the summer school in Iasi, Romania and the EU Ambassadors Campaign. SPARK was involved in organising the online campaign.

Project results:

- The project received almost 600 valid applications out of which 400 were submitted by students from Balkans. 100 Participants from the Western Balkans and the EU member states were selected to follow summer school. The programme consisted of daily academic lectures and the recreational programme.
- An ambassador campaign organized by all participants in their respective

countries aiming to inform their peers. The ambassadors have distributed about 100 brochures each on the values, the benefits and the risks of EU enlargement.

5.5. Project Development and Fundraising

Resulting from intensified project development and acquisition efforts, several new initiatives were prepared or took off in 2012. For example a UNDP funded programme to support cooperatives and refugee entrepreneurs in Burundi, or a 3-years Chevron funded programme to establish new start-ups and train a work force in Liberia. Moreover, in July 2012 SPARK started its 4-years Agri-Business Creation Programme, this programme is funded by the Dutch Ministry of Foreign Affairs. In addition, pilot activities started in Libya and SPARK began to explore other project development activities in Egypt and Syria following our aspirations to increase our involvement in the MENA region after the Arab Spring.

Project Development

There was a total of 39 project proposals developed in 2012 out of which 8 were accepted (contracts signed) and 13 are still pending the final decision.

Our Passion: activities in 2012

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Raised in 2012 (contract signed), started in 2012

Private Sector Development started in 2012 (see chapter 4.1 for the descriptions)
Agri Business Creation, 5,8 million for 5 year, financed by NLMFA
UNDP Rural entrepreneurship, 168,000 usd for 2 year, financed by UNDP
YES Liberia, 50,000 usd for 2 year, financed by World Bank through Transtec (will be followed by new contract in 2013)

Raised in 2012 (contract signed), started in 2012

Higher Education started in 2012 (see chapter 4.2 for the descriptions)
Diploma Acceptance, 150,000 euro for 3 years, financed by EU
Mitrovica Youth Programme, 100,000 euro for 1 year, financed by DFID
Scholarships for Western Balkans, 13,500 euro for 1 year, financed by KBF (follow up of phase 1 and phase 2 in previous years)
Benghazi International Summer University, 6,700 euro financed by SPARK

Our Passion: activities in 2012

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Raised in 2012 (contract signed), starts in 2013

Private Sector Development starts in 2013
Benghazi Entrepreneurship Centre, 500,000 euro for 14 months, financed by DFID
Stimulating Youth Business Development and Employment in Liberia (contract not signed yet), 300,000 usd for 1 year, financed by Chevron (potential extension for 2 years, based on results)
Higher Education starts in 2013
Basileus, being associate (EU project)

Our Passion: activities in 2012

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Benghazi Entrepreneurship Centre

Financed by: DFID / UK aid

Budget: 500,000 euro

Partners involved: University of Benghazi

Project description and Goal

Establishing new and 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 towards the success of Small to Medium Enterprises (SMEs) in Benghazi and Eastern Libya.

The BEC:

- Promotes entrepreneurship and strengthens private sector development to

increase job opportunities for Libyan youth, both men and women.

- 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.

Stimulating Youth Business Development and Employment in Liberia

Financed by: Chevron

Budget: 300,000 usd

Partners involved: International Youth Foundation

Project description and Goal

SPARK and IYF propose to conduct a three year programme that will support youth entrepreneurship, employability, and the SME landscape through its programme. In support of the proposed project, SPARK and IYF will:

- Organize nine business plan competitions

(BPC) (with focus on local producers (soap makers, crop

- farm holders, handicrafts, etc) and a target group of women and youth.
- Strengthen the entrepreneurship training capacity of the Business Start up Centre (BSC) at the University of Liberia in Monrovia, a newly established BSC satellite station at Cuttington University in Gbarnga, and a newly established Entrepreneurship Centre at Grand Bassa Community College in Buchanan.
- Provide business development skills training to business plan competitions participants.
- Build the capacity of Liberian institutions to deliver life skills and employability training.
- Organize employability trainings.
- Organize workshops on businesses opportunities
- Organize symposia on entrepreneurship
- Provide a monitoring and evaluation system for the programme and build the capacity of Liberian partner organisations

Our Passion: activities in 2012

5.

to monitor and evaluate entrepreneurship and employability training.

Basileus

Financed by: European Commission

Budget: 0 (associate)

Partners involved: 9 EU universities and 10 universities in the Western Balkans

Project description and Goal

SPARK, is proud to take an active role and support network of universities in EU and Western Balkans, following Basileus I, II and III, where approximately 1000 mobility grants to students, researchers and staff members, were awarded.

Basileus IV is an Erasmus Mundus Action 2 project funded by the European Commission. The project consortium consists of 9 EU universities and 10 universities in the Western Balkans. Students and staff members of all partner universities, both from the Western Balkan countries and the EU, as well as other

nationals of the participating Western Balkan countries, can apply for scholarships. All types of mobility are given a chance: Bachelor, Master, PhD, postdoc and staff. Basileus IV has set Social Sciences, Engineering, Law, Medicine, Business/Management and Languages/ Philology as priority academic disciplines. Other fields of study however are allowed as well.

Basileus IV offers the perfect platform to build bridges between the EU and the Western Balkans by offering opportunities to young people from Western Balkans to come to the EU to learn and build personal contacts. Likewise, the project gives a chance to EU students and staff to see the potential that the Western Balkan region has to offer for further cooperation.

5.6. 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 a sustainable and stable organisation.

The project development unit has helped streamline project development processes, identify more funding opportunities and has efficiently supported project staff in drafting project proposals and bids for tenders. We will expand this unit and improve its approach following an evaluation of its 2012 results in 2013. These developments should further facilitate project acquisition and fundraising in general and specifically at country level and thereby contribute to the financial sustainability of our field offices.

National and international institutional donors

2012 showed further reduction of development aid budgets in The Netherlands. Like previous years, SPARK managed to attract additional funding from various donors. The negative effect of economical measures has not negatively affected the organisation so far, in

Our Passion: activities in 2012

5.

fact, unlike most development organisations in the Dutch Aid Sector (which experienced an average decline of 22 % over 2012) we have moderately grown further. Our budget for 2013 is approx. 11 million (incl. IBCM construction) as compared to approx. 6.3 million (realisation) in 2012 and approx. 6 million (realisation) in 2011.

Opportunities

A closer look at international developments also show opportunities; recent developments in for instance Myanmar, Syria, Mali and the DRC show the need for our type of interventions and

an early entry into these new conflict zones with some lighter or more distant activities which may give us an advantage in starting more substantive activities when the situations have somewhat normalised. Furthermore as SPARK in becoming more known and built its reputation in Kosovo, Rwanda, Burundi and Liberia donors and local authorities have started to approach SPARK for the implementation of their funding schemes.

Private donors

Through the website, newsletters and social media SPARK asks private donors to make a donation. Even though private donations seem to keep their pace and volume despite the economic downturn, the public at large and the tax payers' support for maintaining development budgets is decreasing under pressure of the need for austerity measures combined with a diminishing credibility of the Dutch development sector.

Our Passion: activities in 2012

5.

	Results 2012	Results 2011	Target 2011	Results 2010
# proposals submitted	39 total, 8 approved, 13 pending	22	25	6
NLMFA* income in Euros	5,865,891	4,204,727	5,227,677	3,755,821
% of income of NLMFA	70.62%	66.52%	47.09%	65,37%
Non NLMFA donor in Euros (excl EU & in kind)	2,178,315	1,920,725	5,257,392	1,891,
% of cash income of non NLMFA donors	26.22%	30.39%	47.36%	32,92%
In kind contributions in Euros	15,998	41,079	391,502	35,304
% of non-NLMFA income of in-kind contributions	0.19%	0.65%	3.53%	0,61%
European Funds in Euros	246,065	154,206	223,925	62,762
% of non-NLMFA income of European funds	2.96%	2.44%	2.02%	1,09%

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

Organisation

6.

Organisation

6.

SPARK is a growing, young, dynamic development NGO with 97 staff members in offices in Amsterdam, Belgrade, Bujumbura, Juba, Kigali, Monrovia, Mitrovica, Pristina and Ramallah (see the map below). SPARK develops higher education and entrepreneurship, so that young ambitious people are empowered to lead their post-conflict society into prosperity.

SPARK is achieving its mission by organizing 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.



Maher Saleh - Occupied Palestinian Territories

Block 2000

Block 2000 company was established as a family

operated business in 2010 in Palestine, the company manufacture a wide variety of blocks and brick for commercial and residential construction. With the support of Spark, Block 2000 Company will soon

complete their feasibility study, which will help them to understand their market and to convince the investor to fund them for 5 years to expand the successful business they have today.

Organisation

SPARK HQ: Amsterdam

Current Areas of Responsibility

Kosovo

Serbia

Palestine Territories

Liberia

Burundi

Rwanda

South Sudan

Libya

Yemen

Near future areas of responsibility

Egypt

Tunisia

Mali

Myanmar

Previous areas of responsibility

Moldova

Zimbabwe

Sierra Leone

FYR Macedonia

Montenegro

Bosnia and Herzegovina

Afghanistan



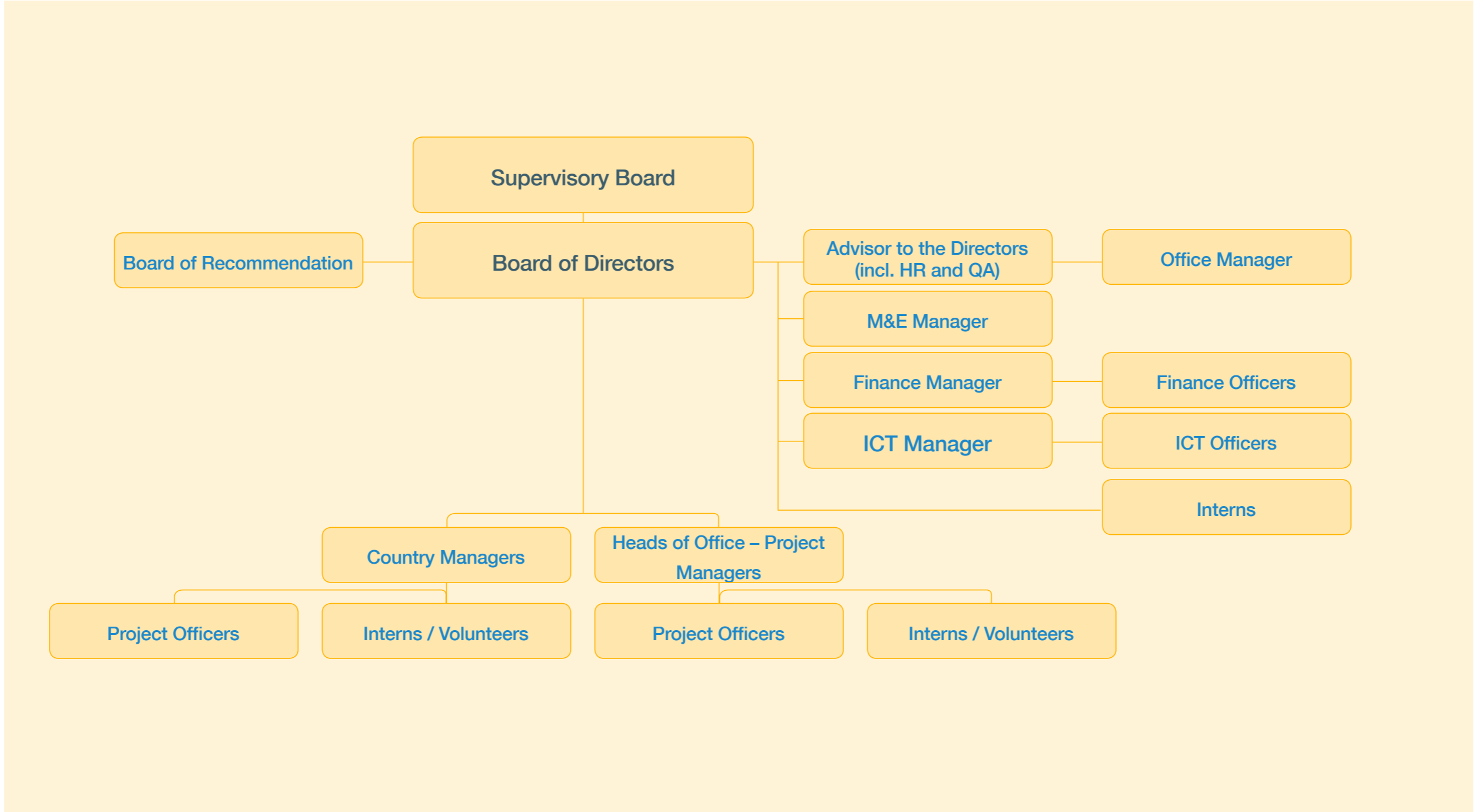
6.1. Organisational Actors

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 field 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 measure.



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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 Directors 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 Board Nieuw IS (pro bono).

Michel Richter: Member of the Partos commission for quality improvement. Partos is the main branch/platform organisation for development cooperation (pro bono).

6.3. Supervisory Board

The Supervisory Board of SPARK monitors and evaluates the Board of Directors. By the end of 2012, the Supervisory Board consisted of seven members, with its newest member, Janne Nijman.

Chairman: Erik Dirksen MSc	Former Lecturer at the Faculty of Economics and Business Studies, University of Amsterdam, The Netherlands.
Secretary: Olaf Bartelds MA	Senior Project Manager, Netherlands Foreign Investment Agency, The Hague, The Netherlands.
General member: Johan te Velde MSc	Senior Advisor Fragile States at PSO Capaciteit in ontwikkelingslanden.
Has left the Supervisory Board in 2012.	
General member: Mare Faber MA	Senior staff member and editor-in-chief of monthly magazine Socialism & Democracy, Wiardi Beckman Stichting, As of 2012 advisor/trainer at Governance & Integrity NL, The Netherlands.
General member: Marjolein Lem MA	Senior Consultant International Development, Berenschot, The Netherlands.
General member: Dugajin Popuvci LLM	Executive Director of the Kosovo Education Centre (KEC) and Professor at the University of Pristina, Pristina, Kosovo.
General Member: Dineke Woldringh MSc	Interim Manager/Advisor to the Executive Board Stichting Espria, The Netherlands. Has left the Supervisory Board in 2012.
General Member: Janne Nijman LLM	Associate Professor of Public International Law at the University of Amsterdam and owner of NILO.
General Member: Jan Marinus Wiersma MA	Former member of the European Parliament

Report by the Supervisory Board

In 2012, the sixth year of its existence, the Supervisory Board 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 re-

spectively. 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 2012 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 2012, the Supervisory Board approved, amongst other issues, the following:

- The Annual plan 2012, taking into account the 2011-2015 multiple year plan and how this relates to the mission
- Budget 2012



Princess Kofa - Liberia

Paynesville Waste Enterprise

With over 250 clients and 38 employees, since involved with SPARK, the Paynesville Waste Enterprise (PAWE) is actively engage in the

dissolution of solid waste through door- to-door collection of waste products from households, schools and businesses within the Paynesville area. Princess Kofa is the Manager of PAWE and a winner of SPARK's business plan competition. She also

had the opportunity to travel to the Netherlands for the Growing SMEs Conference where she met with potential investors. With her loan she was able to extend her business and attract lots of clients.

- The Annual Report including the Financial Report for 2011

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

- The progress of the Enterprise Development Programme (MFSII), Agribusiness creation and Youth Engagement program
- The progress of the International Business College in Mitrovica (IBCM)
- Project Development / Acquisition
- Transparency in communicating project, fundraising and overhead costs and achieved impact results to stakeholders.
- Statutes, Rules & regulations and division of tasks between Supervisory Board members
- Own reserves
- SPARK staff survey 2011 and management review

SPARK communicates on various platforms with all our stakeholders to ensure that our work is transparent. The SPARK website is regularly updated with the latest development. 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. In 2012 the process to launch a new SPARK website began.

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 re-appointed 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 24 April 2013

Accountability Statement SPARK

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. Continuous attention to the relation between costs and impact achieved, 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. The afore mentioned "compensation" does not include a reasonable allowance for the expenses they pay 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, all in accordance with the policy on "Filling of Vacancies on the Supervisory Board" applicable at the time, adapted by the Supervisory Board and approved by the Executive Board. The members of the Supervisory Board are removed from office by the Supervisory Board. The executive Board shall have no influence over appointment or removal of Supervisory Board members

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 objectives, as stated in the statutes, are: to support people in developing countries to provide their own socioeconomics security by reinforcing local economics and educational institutions. In doing so, the Foundation 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 will be made 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.

By connecting financial information with evaluation results, costs per indicator will become visible. Planned to be ready end of 2010.



3. Optimal relations with stakeholders

SPARK works with and for the following stakeholders:

- Partners
- Donors
- Media
- Staff
- Supervisory Board
- General public

Communication with stakeholders takes place via:

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

Signed on behalf of SPARK Supervisory Board,

Erik Dirksen, date 15-12-2010



6.4. Committee of Recommendation

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

Andris Barblan PhD	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 Wolfgang Benedek PhD	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
Daan Everts LLM	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 Hans J.A. van Ginkel PhD	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.
Tadeusz Mazowiecki LLM	Former Prime Minister of Poland, Former United Nations Human Rights Rapporteur.
Prof. P.W.M. de Meijer PhD	Former Rector of the University of Amsterdam, The Netherlands. Former Chairman National UNESCO Committee of the Netherlands.
Ad Melkert MA	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.
Prof. Jan P. Pronk MSc	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.
Elisabeth Rehn MSc	Member of the Global Leadership Foundation. Former Minister of Defence in Finland, Former United Nations Special Rapporteur for Human Rights in the Former Yugoslavia.
Carl Tham PhD	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. Ed van Thijn PhD	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 Pristina, Mitrovica, Belgrade, Ramallah, Kigali, Bujumbura, Juba, Monrovia and Benghazi. Most field offices work with local staff and one international employee.

On average in 2012, the number of staff employed by SPARK was 97. Sixteen staff members (of 7 different nationalities) were Amsterdam based, three of which were interns. In total, SPARK employed people from eighteen different nationalities. 43% of the staff is female, 57% male. It is interesting to note that SPARK is a young organisation. Looking at the age groups 25 to 30 years, 30 to 35 years, 35 to 40 years, and older than 40 you will find in the following percentages:

- 25-30: 39%
- 30-35: 29%
- 35-40: 24%
- >40: 8%

68% of SPARK staff is younger than 35.

Interns

SPARK believes in sharing knowledge. SPARK regularly provides internship opportunities for young motivated people who 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 maintain good relations with higher educational institutions in the Netherlands and abroad.

Yannick van Graas, intern Amsterdam office: "I'm Yannick van Graas I am 18 years old and I do my internship at SPARK. I follow the course International business at

ROC Mondriaan, The Hague. I started my education last year in 2012. At Spark I'm learning what it is like to be a part of a company and how everything works. It's a great place to gain experience in this kind of work area. The biggest part of the day I am helping people out with whatever they need help with. I also install computers if there are new employees or interns who need a laptop."

Tina Sandkvist, MENA-Intern, SPARK Amsterdam office: "My six months internship at SPARK in Amsterdam has been truly inspiring. I was hired to help out with research and programme activities in the MENA-region, and had the opportunity to form my internship from the start. From initially having been introduced to different activities that SPARK is implementing in the region, I started working on a completely new project and was immediately trusted to take responsibility for its development. The combination of being

expected to perform professionally and at the same time have access to constant supervision, really made me grow and learn. The relatively small office in Amsterdam enabled me to get an insight in a variety of themes and I got an overall understanding of the daily workload of a busy, vibrant NGO. SPARK is dynamic and innovative in its approach, and the atmosphere is warm and friendly. The team members are all highly professional and ambitious and I am really happy that I took the chance to come and work with them. I want to thank the Amsterdam team for giving me the opportunity to practically learn about project management and international development. I would highly recommend an internship at SPARK to anyone interested in the fields of entrepreneurship development and higher education!”

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, however we do 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.

HR policy

To realize 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, with attention 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). In 2012 training budget was doubled compared to 2011. The major focus of internal developments in 2012 remained on building SPARK’s capacity for project development in combination with the development of so called SPARK solutions. This requires

the development of advanced external communication and marketing strategies and training of staff to deliver those services.

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 Start Up concept as a Solution and the Start up Finance as a Solution. One of the services of the Business Start-up Solution is the Business Skills Training for Start up entrepreneurs in post conflict areas. The development of this training as a SPARK training started in 2012. SPARK staff will be trained to implement these services in the different countries, as a service to the partner organisations we work with.

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

For the sixth time the Staff Satisfaction Survey was held in 2012:

SPARK staff members are generally satisfied with their tasks and responsibilities. The satisfaction with the work space and facilities has shown a big increase compared to 2011. Most respondents agree that they have sufficient influence on the planning and the organisation of their tasks. The collaboration and atmosphere at SPARK are satisfying. Staff added that they consider in-house sessions and staff lunches to be important tools to (informally) exchange ideas but activities like these are still rare. On average, SPARK staff members are satisfied with quality and organisation.

Secondary working conditions are satisfactory for most staff members but on average the score is rather low compared to other

questions, but did improve in 2012. 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 rewarding and encouragement. The perception of sufficient training opportunities has increased over 2012, as has the satisfaction about communication and information sharing at SPARK.

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 realize the importance of adhering to social and environmental norms. In 2012 we developed a SPARK CSR policy.

We acknowledge that CSR covers relations among all SPARK stakeholders in numerous social and environmental areas with special consideration for the safety of those to whom our projects are addressed. 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 organisations.

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 to assure, protect and enhance the integrity, assets and reputation of the organisation. 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 the SPARK for improvement chapter.

Environmental issues

The SPARK office in Amsterdam is well insulated with 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 recycles paper and encourages default double-sided printing. The majority of SPARK employees



Valbona Thaqi-Bajcinca - Kosovo

Brillantet Valbona was looking for a job as caretaker after her graduation in Education Faculty. The opportunities to find a job were limited so she began

to think to open her own business. Valbona saw the lack of childcare in the town where she lives, and thought opening a kindergarten was a very good opportunity to be self employed. Valbona

immediately applied for the entrepreneurship trainings at BSCK, with the hope to be a winner of the business plan competition and acquire the support package composed of loan, consultancy and networking.

in Amsterdam cycle to work or use public transport. SPARK shares its canteen with a dozen other companies. SPARK does not use plastic cups or plates.

6.8. Partners & Stakeholders

The successes of SPARK's projects have 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 2012 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. 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 2012 new partners were sought and found for the development of the Youth Engagement Programme in Burundi, Occupied Palestinian Territories, and Republic of South Sudan. 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. This resulted in 2012 in the development of the proposals by the local partners and the first capacity building training.

Partner policy related to capacity building

In post-conflict 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 MDF or 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:

1. 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.
2. 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.
3. 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.

6.9. SPARK Communications

Effective and consistent internal and external communications are of value at SPARK. We want communication to contribute to our main purpose: SPARK wants its stakeholders to be informed about where we are focusing our attention and money, the impact we are having, and why such impact is important. In all our communications the results of our endeavours are central.

External communication

SPARK communicates on various platforms with donors, partners, potential beneficiaries, policymakers and the bigger public. In terms of public affairs SPARK invested in

and improved on its relationship with our stakeholders. Informing and engaging our stakeholders more adequately leads to new business opportunities, new donors and new partners. Communication also contributed in another way to our acquisition activities: our plans and proposals look more professional and up to date, in design and presentation. In close consultation with our partners and stakeholders it was decided that our new website (live in 2013) focuses on portraits of young entrepreneurs and their stories, showing a.o. potential beneficiaries and donors the results of SPARKs approach. SPARK will evaluate the decisions made after the new site has been live for some months. In our seasonal newsletters, on Facebook, twitter and LinkedIn, and in our annual brochures and reports our stakeholders can stay up to date with activities: we share regular updates from the countries in which we operate – stories of successes, challenges and events, as well as those of our partners.

Organisation

6.

As internet is not always reliable across the countries in which SPARK works, we publish nearly as much in print as digitally, making our work accessible to more people.

On a regular basis partners and donors are invited for meetings and debates as well as for seminar and conference organised by SPARK. Major donors are visited every half year to update on results of the projects. SPARK is an active participant to events organised by other organisations within the branch and/or with policymakers.

In order to increase its visibility and provide better accessible information on our work and results, SPARK hired a part-time PR manager in 2012. This manager, together with an assistant, is working on creating a better communication strategy for SPARK in 2013. Awareness of our core issue – youth and employment in post-conflict states – needs to grow. It also means that SPARK needs to broaden its professional and public network, offline and online. In 2012 employees were

trained to communicate SPARK's mission and objectives. SPARK has developed an online strategy to use our new website (2013), social media and other online services as effective as possible to reach present and new networks of stakeholders and in the end a wider audience

SPARK is firmly focused on transparency. We maintain a TranSPARKency website (transparkency.spark-online.org/) which publically details all project finances, reports and evaluations. In March 2012, SPARK became the first Dutch NGO to fully implement the International Aid Transparency Initiative, the latest international standard in aid transparency. This is just the beginning. We are always open to ideas and feedback from stakeholders, and are committed to responding accordingly.

Internal Communications

Local partners Potential beneficiaries are informed on the SPARK website and more in

detail by the local partners.

Communication is an integral part of SPARK's organisation, in headquarters and our local offices. SPARK's style book is implemented on all levels, the construction of a new website will be accomplished in 2013, serving as our digital platform for internal and external use.

With Head Office in Amsterdam and international offices spread across three continents, SPARK staff members rely on email and Skype to stay in touch on a daily basis. In 2012 SPARK started a pilot with Yackstar a Social Network for Business use. If this is successful it will be implemented in 2013.

SPARK for improvement

7.

SPARK for improvement

7.

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 only 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. The IATI, the TranSPARKency website, our focus on an international quality norm for the development sector but also the development of the SPARK Solutions are examples how we do this.

7.1. 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
Overhead % (management & administration / total expenses)	3.31 %	2.80 %	3.06 %	3.57 %
% spent on objectives/total income	85.25 %	85.51 %	88.53 %	88.74 %
% spent on objectives incl MCF /total income	92.21 %	89.94 %	83.73 %	88.53 %
% spent on objectives/total expenses	93.59 %	93.19 %	95.62 %	91.95 %
% spent on own fundraising/income own fundraising	2.32 %	8.29 %	13.64 %	7.33 %

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. SPARK supports this Committee and through this body the Partos members encourage and facilitate the introduction

of an internationally acknowledged and externally audited quality system, e.g. the above mentioned ISO 9001. 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

SPARK for improvement

ISO 9001 relevant to various sector specific aspects of development cooperation. This greatly facilitates the introduction of this quality system in notably Dutch development organisations and stimulates the further professionalization of the development sector in the Netherlands. In the long run it represents an important step towards the development of a sector specific ISO quality system.

SPARK has been the first organisation that was audited towards this specific application of the ISO 9001 norm. An external auditor from BSI: Standards, Training, Testing, Assessment & Certification visited the SPARK Amsterdam head office in December to determine to what extent SPARK meets the requirements of Partos 9001.

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

ANBI

SPARK is 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 (ICFO).

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.

7.2. 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

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Kebbeh Sumo - Liberia

PASAMA

Ma Kebbeh, as she is affectionately called, started her venture in the late nineties. With a single gallon

of palm oil and some pocket money, she was never discouraged and persisted in buying and selling and aimed for growth. Now Ma Kebbeh exports palm oil to the US and different parts of Africa. To start her

company she participated successfully in the 'women in business plan competition' organised by SPARK's partner, Bid Network. Since then she receives regular business coaching and mentoring.

SPARK for improvement

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. In the future, SPARK aims to incorporate a Management Information System 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.

In 2012 the SPARK M&E system saw considerable refinement. The M&E originally developed for the MFS II programme was improved as the system in the original proposal was adapted to suit the donor's requirements. The first year of its operational use the on-line management information system was able to aggregate data from the various countries efficiently. A beta version of the system more suited for general use was launched in 2012 and a full version is planned to be in place by 1 January 2013. The main indicators from this system will be integrated real time into a new SPARK website, thus giving our audience the chance to follow the extent to which SPARK attains its results live.

By linking the numbers with impact, they will take on new meaning, aiding SPARK in its quest to become the most transparent NGO in Europe.

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 2011 a start was made with adding the International Aid Transparency Initiative (IATI) standard to the TranSPARKency website. IATI aims to make information about aid spending easier to access, use and understand. This will increase the transparency of the entire sector. 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

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SPARK for improvement

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 award ceremony was 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 2012 for the best learning moment in International Development for Dutch NGOs was presented to the winner FACT 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 FACT, cases were presented by The Hunger Project and ICCO. Participants at Partos Plaza voted for the case that represented the best 'brilliant failure': a project which despite good intentions and proper preparation failed, leading to a learning moment.

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7.3. 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 SPARKs interventions in order to be more effective and reach better results.

The Business Start up centres in the western Balkans research allow us to further research, better document, and make explicit knowledge of SPARK's completed Business Start-up Centres programme under the MFS I facility in the Western Balkans. This would stimulate (organisational) learning to take place particularly on the effectiveness and sustainability of SPARK's interventions in the area of entrepreneurship promotion and Small and Medium Enterprise (SME) development. We view the case study as an excellent opportunity to become more critically engaged with our colleagues in Private Sector Development in fragile states. The publication and dissemination of our MFS I case study

SPARK for improvement

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will serve as a springboard from which to initiate important fruitful conversations with fellow Private Sector Development-actors, particularly on the sustainability, effectiveness and ultimately also cost-effectiveness of small enterprise development approaches.

SPARK has concentrated (and will continue doing so) a lot of its knowledge, the fruits of years of experience with supporting entrepreneurship, 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 the SPARK Solutions SPARK works e.g. on being more (cost) effective in setting up BSCs or financial support for starting SMEs.

A woman wearing a pink hijab and a black long-sleeved shirt is smiling and holding two black and white lambs. One lamb is in the foreground, and the other is slightly behind her. The background is a simple, textured wall.

Ayah Mlatat - Occupied Palestinian Territories

Alokhwah sheep farm

Ayah Mlatat has always had a dream of transforming

her family's piece of land into a successful livestock production business. Submitting a business plan as part of a business plan competition, Ayah's unique business model and passion for her work

impressed the judges and placed her first among the participants. Today, Ayah, with proper coaching and training, is a leading the way for women entrepreneurs in her area.

Financial

8.

Balance sheet

8.

ASSETS	31 december 2012 €	31 december 2011 €
Fixed Assets		
Fixed Assets	154.308	72.934
Financial fixed assets	1.057.544	1.177.591
	1.211.852	1.250.526
Current Assets		
Receivables & Accruals	1.568.355	998.363
Cash & cash equivalents	4.385.286	3.120.665
	5.953.641	4.119.028
TOTAL	7.165.492	5.369.554

RESERVES AND LIABILITIES	31 december 2012 €	31 december 2011 €
Reserves and funds		
Reserves		
allocated reserves	154.308	72.934
continuity reserve	555.330	622.214
	709.638	695.149
Funds		
allocated funds	1.870.095	1.593.868
Current Liabilities		
Payables & Accruals	4.585.759	3.080.537
TOTAL	7.165.492	5.369.554

Statement of Income and expenditures

8.

	Realisation 2012 €	Budget 2012 €	Realisation 2011 €
Income			
Income from own fundraising	134.169	350.000	89.082
Governmental grants	8.173.484	10.698.488	6.214.600
Other Income	19.618	128.000	17.056
Total Income	8.327.270	11.176.488	6.320.738
Expenditures			
Spent on objectives			
Higher Education	2.243.722	6.399.742	2.136.698
Private Sector Development	5.145.996	4.087.432	3.459.366
	7.389.718	10.487.174	5.596.065
Spent on obtaining funds			
Costs own fundraising	9.830	46.583	12.150
Costs obtaining governmental grants	350.467	301.330	65.192
	360.298	347.913	77.342
Management and Administration			
Costs of Management and Administration	286.538	315.825	178.993
Total expenditures	8.036.554	11.150.911	5.852.400
Result	290.716	25.577	468.339
RESULT CLEARED FOR MUTATION ALLOCATED FUNDS & RESERVE IBCM	14.489	-74.423	280.996

Statement of Income and expenditures

8.

Distribution of result 2012 (2011)			
Addition to/withdrawel from:			
allocated reserve fixed assets	81.373	0	7.761
continuity reserve	-66.884	-74.423	273.235
allocated microcredit funds	-63.505	100.000	-58.067
allocated fund IBCM	339.732	0	245.409
	290.716	25.577	468.338

Cashflow Statement

8.

	2012 €	2011 €
Cashflow from operational activities		
Result	290.716	468.338
Depreciation fixed assets (incl. cars)	42.274	33.243
Gross cashflow from operation activities	332.990	501.581
Mutation in current assets	-569.992	358.000
Mutation (increase) in current liabilities	1.505.222	1.134.861
Net cashflow from operational activities (A)	1.268.220	1.994.442
Cashflow from investment activities		
Investment in fixed assets	-130.417	-48.688
Disposal of fixed assets	6.771	7.684
Investment in financial fixed assets	120.047	7.544
Cashflow from investment activities (B)	-3.599	-33.460
Cashflow from financing activities (C)	0	0
Mutation in Cash and cash equivalents (A+B+C)	1.264.621	1.960.982
Cash and cash equivalents 1 January	3.120.665	1.159.683
Cash and cash equivalents 31 December	4.385.286	3.120.665
Mutation in Cash and cash equivalents	1.264.621	1.960.982

Accounting principles

General

The annual accounts 2012 have been drawn up according to generally accepted accounting principles in the Netherlands and RJ 650 for Fundraising organisations. The accounts include the financial statements of Stichting SPARK in Amsterdam, The Netherlands, and the regional offices in Belgrade, Mitrovica, Pristina, Bitola, Monrovia, Ramallah, Bujumbura, Kigali and Juba.

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
furniture	25%	50%	20%	20%
computer hardware	33%	75%	20%	25%
cars	25%	n.a.	n.a.	n.a.
	OPT	Kosovo	RSS	Serbia
furniture	20%	20%	25%	20%
computer hardware	20%	20%	25%	20%
cars	n.a.	n.a.	n.a.	n.a.

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

Financial fixed assets

In the period 2007 - 2012, SPARK has signed 8 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 in the total period 2007-2012 were € 1.407.192. In 2012 € 40.489 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.

Accounting principles

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 2012.

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 Bridging the Divide and MFS II projects.

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 2012 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.

Accounting principles

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 this annual report.

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

8.

ASSETS	31 december 2012 €		31 december 2011 €	
Fixed assets				
Furniture		24.926		9.849
Computer hardware		98.483		22.009
Cars		30.899		41.076
		154.308		72.934

Fixed Asset	Total 2012 €	Furniture €	Computer hardware €	Cars €
Bookvalue previous year				
Purchase value	208.018	32.699	92.870	82.450
Accumulated depreciation	-135.085	-22.849	-70.861	-41.375
Correction previous year	1.776			1.776
Book value 31 December 2011	74.709	9.849	22.009	42.851
Mutations				
Purchases	130.417	24.057	96.604	9.756
Disposals	-6.771	-3.677	-	-3.094
Depreciation	-44.048	-5.303	-20.131	-18.614
Total mutations	79.599	15.077	76.474	-11.952
Bookvalue year end				
Purchase value	333.441	53.078	189.474	90.888
Accumulated depreciation	-179.133	-28.152	-90.991	-59.984
Bookvalue 31 December 2012	154.308	24.926	98.483	30.899

Explanatory notes to the Balance Sheet Statement

8.

Fixed Assets	31 december 2012 €	31 december 2011 €
Fixed assets used for operations (furniture & hardware)	123.409	31.859
Fixed assets directly allocated to the objectives (cars)	30.899	41.076
	154.308	72.934

Financial Fixed assets	31 december 2012 €	31 december 2011 €
Participation micro credit fund		
Balance 31 december 2011	1.177.591	1.185.135
Mutation 2012	-120.047	-7.544
Balance 31 december 2012	1.057.544	1.177.591
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 2012 €	31 december 2011 €
Prepaid Grants for donors	1.118.413	702.011
Accounts receivables and pre paid expenses	449.942	296.352
	1.568.355	998.363

Explanatory notes to the Balance Sheet Statement

8.

Prepaid Grants for donors	31 december 2012 €	31 december 2011 €
Project Scholarship database - King Badouin Foundation	2.669	8.999
Project IBCM Denmark	857.867	0
Project Bridging the Divide - NLMFA	186.863	670.573
Project World Bank Liberia	0	21.526
Project Libyan Stock Market visit	16.703	0
Project EC RED - EU	0	913
Project Diploma recognition - EU	54.171	0
Project Summer University Romania - Corona / EU	140	0
	1.118.413	702.011

Accounts receivables and pre paid expenses	31 december 2012 €	31 december 2011 €
Prepaid expenses	7.792	574
Receivables from Partners	351.902	260.613
Tuition from IBCM students	93.524	0
Pensions	20.232	0
Other receivables	25.671	35.165
	499.121	296.352
Reserve uncollectable receivables	-49.179	0
	449.942	296.352

Explanatory notes to the Balance Sheet Statement

8.

Cash & Cash equivalents	31 december 2012 €	31 december 2011 €
Cash Amsterdam	186	2.050
Current & savings accounts The Netherlands	3.292.748	2.368.977
Cash abroad offices	8.649	2.740
Current accounts abroad offices		
Kosovo	994.637	700.999
Serbia	5.212	5.715
Macedonia	1.728	1.513
Rwanda	26.943	378
Burundi	17.073	21.418
Liberia	13.341	8.199
Occupied Palestinian Territories	18.457	8.676
South Sudan	6.313	
	4.385.286	3.120.665
All liquidities are directly accessible.		

Explanatory notes to the Balance Sheet Statement

8.

RESERVES AND LIABILITIES	31 december 2012 €	31 december 2011 €
Specification of General reserves		
Continuity reserve	555.330	622.214
Allocated reserve for fixed assets	154.308	72.934
Balance 31 December	709.638	695.149

	Continuity reserve	Fixed assets
Balance 31 december 2011	622.214	72.934
Mutation 2012	-66.884	81.373
Balance 31 december 2012	555.330	154.308

Allocated reserves
An amount of € 154.308 is reserved in fixed assets.

General reserve

In order to assure the continuation of the organisation, a minimum level of general reserve is necessary. When determining the maximum of the reserve, SPARK takes the “Richtlijn Reserves Goede Doelen” of the Vereniging Fondswervende Instellingen VFI into account (maximum 150% of the annual costs of the working organisation). SPARK made several calculations during 2012 to determine the needed & desired level of the General reserves

and discussed a policy concerning the reserves with the Supervisory Board.

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

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

projects rather than building reserves

The minimum annual costs of the organisation are calculated at approximately € 685.000 in 2012 / 2013 (with downsized Headquarter operations). After taking into account certain risks (amongst which staff disability), a sufficient level of reserve is therefore estimated at € 785.000 at the end of 2013. Currently reserves are € 709.000 and thus at 90% of our goal.

Explanatory notes to the Balance Sheet Statement

8.

Specification of allocated funds	31 december 2012 €	31 december 2011 €
Allocated reserve for IBCM	656.532	316.800
Revolving Microcredit fund	1.213.563	1.277.068
	1.870.095	1.593.868

Allocated fund for IBCM	€
Balance 31 december 2011	316.800
Mutation 2012	339.732
Balance 31 december 2012	656.532

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 contribution 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 Microcredit fund Business Start-Ups	€
Balance 31 december 2011	1.277.068
Mutation 2012	-63.505
Balance 31 december 2012	1.213.563

Explanatory notes to the Balance Sheet Statement

Total microcredit fund mutation since 2007 can be summarized as follows:	€
Deposits into the funds:	1.407.192
Withheld administrative costs for banks:	-18.159
Received interest added:	45.120
Deducted bankrupt / delayed loans:	-220.590
	1.213.563

In the period 2007 - 2012, 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 € 1.407.192 in 2007-2012 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. The revolving microcredit funds are € 156.019 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 € 50.000 back, due to ended activities there. Since the start of the fund an amount of € 1.621.501 has been disbursed to entrepreneurs. Of this amount, € 878.130 has been paid back at the end of 2012. The average default rates of all loans is 11%. The entrepreneurs pay interest rates ranging from 5% declining to 15% nominal on unpaid principal. The Revolving Funds are directly allocated to the objective Private Sector Development.

Explanatory notes to the Balance Sheet Statement

8.

Current liabilities - Payables & Accruals	31 december 2012 €	31 december 2011 €
Grants	3.360.138	2.216.203
Partner obligations and payables	867.037	631.884
Shortterm debts, payables & accruals	358.584	232.450
	4.585.759	3.080.537

Grants	31 december 2012 €	31 december 2011 €
Project MFS 2007-2010 - NLMFA	0	192.568
Project IBCM - NLMFA	421.804	369.475
Project IBCM - MEST	1.500.000	500.000
Project IBCM - SIDA	44.715	0
Project IBCM - SDC	552.521	0
Project IBCM - UK	53.448	0
Project MFS II - NLMFA	428.229	857.929
Project YEP - NLMFA	129.965	235.312
Project PSD/BSCK II 2008-2011	0	56.986
Project ABC - NLMFA	179.820	0
Project MYP 2012-2013 - UK	16.563	0
Project UNDP - Entreprise development N.Kosovo	1.899	3.933
Project UNDP Burundi	4.981	0
Project EC Red - EU	26.194	0
	3.360.138	2.216.203

Explanatory notes to the Balance Sheet Statement

8.

Partner obligations and payables	31 december 2012 €	31 december 2011 €
Project MFS II 2011-2015	652.176	61.164
Project PSD/BSCK II 2008-2011	0	2.063
Project IBCM	189.118	250.000
Project Bridging the Divide	24.404	313.209
Project MYP	0	1.460
Project EU RED 2010-2012	1.339	3.988
	867.037	631.884

Short term debts, payables & accruals	31 december 2012 €	31 december 2011 €
Auditing costs	41.751	59.195
Wages tax & social security premiums	31.261	15.279
Vacation days & allowance	31.820	24.849
Project related accounts payables	202.641	111.192
Other short term debts and accounts payables	51.111	21.935
	358.584	232.450
The total amount of outstanding holidays 2012 is € 8.456.		

Explanatory notes to the Balance Sheet Statement

8.

OF BALANCE SHEET COMMITMENTS

The following projects relate to periods exceeding the year 2012:

Name	Donor	Period	Total project grant
International Business College Mitrovica (IBCM)	NLMFA	1/11/2009-31/12/2013	€ 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)	SDC	7/11/2012-31/12/2013	€ 1.000.000
International Business College Mitrovica (IBCM)	UK	1/9/2012-31/3/2013	£83.000
International Business College Mitrovica (IBCM)	MEST	1/1/2012-31/12/2014	€ 1.500.000
EU RED (EU Aid)	EU	20/11/2010-19/03/2013	€ 417.827
Diploma Acceptance Program	EU	01/02/2012-31/01/2014	€ 150.000
Medefinancieringsstelsel II (MFS II)	NLMFA	1/1/2011-31/12/2015	€ 21.347.600
Youth Engagement Programme (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

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 2012, SPARK realized a percentage of 43% (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 Balance Sheet Statement

8.

Credit facility ING Bank

The ING Bank provided SPARK with a credit facility of € 200.000.

In return SPARK has pledged its present and future assets.

Bank Guarantee Office rent

The ING provided a bank guarantee per 1-1 2010 on behalf of BiD Network for an amount of € 7.750 regarding the rent of the new office. This amount is deducted from the above mentioned credit facility.

Explanatory notes to the Statement of Income and Expenditure

8.

INCOME	2012 €	2011 €
Income from own fundraising		
Grants Summer Universities - in kind contributions visiting professors / other	7.420	14.840
MFS II - in kind contributions	0	3.060
IBCM - in kind contribution land	8.578	8.578
Grant King Badouin Foundation - scholarship database	2.669	7.922
Contribution in kind - rent University of Amsterdam	0	8.000
IBCM - in kind contribution books	0	6.601
World Bank - Liberia research	17.675	25.871
Stichting Doen - BSC Zimbabwe	0	14.209
WAC Libya	11.444	0
Libyan Stock Market visit	16.703	0
TEA/MCNV - Coaching on M&E	1.870	0
PSO - LWT	39.250	0
Miscellaneous income projects	28.560	0
	134.169	89.082

Explanatory notes to the Statement of Income and Expenditure

8.

INCOME	2012 €	2011 €
Governmental grants		
Grants NLMFA (MFS, ABC, YEP, IBCM, Bridging the Divide)	5.858.600	4.196.298
Grant SIDA / Denmark / SDC / UK - IBCM	1.975.492	1.767.998
Grants UNDP - Entreprise development Northern Kosovo / Burundi	76.997	87.669
Grant EU - EC Red / Diploma recognition	237.253	154.206
Grants other donors - miscellaneous projects	25.142	8.430
	8.173.484	6.214.600
INCOME	2012 €	2011 €
Other Income		
Other miscellaneous income & private donations	19.618	17.056
	19.618	17.056
TOTAL INCOME	8.327.270	6.320.738

Most grants still need final approval of the donor.

The grants include an amount of € €652.176 for obligations towards partners under MFS II that SPARK has committed itself to transfer in 2013.

From total income an amount of € 1.491.783 is used for programme management and overhead of SPARK Amsterdam; an amount of € 6.818.623 is used for direct project expenditures (including those partner obligations).

For the valuation method of the in kind contributions, see the section Accounting principles.

Explanatory notes to the Statement of Income and Expenditure

8.

EXPENDITURES	2012 €	2011 €
Spent on objectives		
Grants and contributions	5.863.612	4.209.015
Direct costs obtaining governmental grants	217.067	43.626
Publicity and Communication	6.709	18.844
Personnel Costs	1.209.778	994.278
Housing costs	165.456	98.902
Office- and General costs	450.164	396.337
Depreciation and Interest	123.769	91.398
	8.036.554	5.852.400

Grants and contributions	2012 €	2011 €
Private Sector development programs		
Remunerations 3rd parties involved in projects (partners, experts, trainers, teachers, etc)	360.820	156.320
Project travel and accommodation costs SPARK & 3rd parties	90.758	10.555
Capacity building of partners - non travel / remuneration	1.421.411	804.616
Direct poverty allevation - non travel / remuneration	1.910.261	1.257.873
Policy making - non travel / remuneration	123.073	158.837
Bridging the Divide Mitrovica project - non travel / remuneration	-3.293	-64.545

Explanatory notes to the Statement of Income and Expenditure

8.

	2012 €	2011 €
Higher Education programmes		
Summer / Winter courses	5.462	135.573
Establishing International business College Mitrovica	1.991.945	1.788.396
Other Higher Education project costs	11.398	0
Own contributions students / participants	-97.402	-38.611
Provision for uncollectable tuition students	49.179	0
	5.863.612	4.209.015
Obtaining governmental grants		
Feasibility studies and project acquisition	217.067	43.626
	217.067	43.626
Publicity and Communication		
Amsterdam office - project promotion and advertising	5.513	9.843
Projects - project promotion and advertising	1.196	9.001
	6.709	18.844

Explanatory notes to the Statement of Income and Expenditure

8.

Personnel Costs	2012 €	2011 €
Amsterdam		
Gross salaries including holiday allowances	709.353	621.188
Social security premiums & Pensions	89.710	70.932
Other personnel costs	24.608	24.517
Staff training (including field office staff)	60.519	32.798
Field offices		
Local project coordination & officers	325.588	244.842
	1.209.778	994.278

In 2012, the organisation had 16 (2011: 15) staff members on average in Amsterdam / Project Management (including interns) and 21 (2011: 19) 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 2012 (and 2011).

Explanatory notes to the Statement of Income and Expenditure

8.

Remuneration directors	Yannick du Pont - Director	Michel Richter - Co-Director
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	-20	-2
	93.927	66.392
Social securities employer	8.453	8.453
Pension contribution employer	4.259	2.946
Other	-	-
Total 2012	106.638	77.790
Total 2011	105.618	76.750

Housing costs	2012 €	2011 €
Rent and utilities - Amsterdam office	41.753	46.947
Rent and utilities - field offices	123.703	51.955
	165.456	98.902

Explanatory notes to the Statement of Income and Expenditure

8.

Office and general costs	2012 €	2011 €
Amsterdam		
Office supplies, telecommunication & postage, other office costs	26.000	13.148
IT infrastructure services - maintenance	8.662	9.108
Project evaluation and reports	2.202	2.665
SPARK support/donations to projects in NL and NL visibility	13.123	8.023
Special projects (Brilliant faillures award)	3.922	9
Organisational fees and memberships	4.157	2.614
Administration and auditing	32.972	22.488
Quality assurance	6.020	6.110
Development of IT infrastructure	6.492	230
Development / Purchase of Finance Software	5.984	11.121
Insurances	6.133	4.097
Representation	6.072	871
Other general expenditures	1.657	4.600
Contingencies	69.415	17.300
Field offices / projects		
Office supplies, telecommunication & postage, other office costs	189.511	155.864
Project evaluation and reports	46.155	83.852
Administration and auditing	19.585	46.299
Representation	2.102	7.939
	450.164	396.337

Explanatory notes to the Statement of Income and Expenditure

8.

Depreciation and Interest	2012 €	2011 €
Depreciation fixed assets	17.251	31.870
Bank fees, costs and interest	8.499	1.420
Interest, costs and default loans microcreditfunds	103.855	58.127
Bank fees, costs and interest projects	-5.837	-18
	123.769	91.398

TOTAL EXPENDITURES	8.036.554	5.852.400
RESULT	290.716	468.339
RESULT CLEARED FOR MUTATION ALLOCATED FUNDS	14.489	280.996

Annex C - Statement of division of expenditures

8.

Objectives	Objective		Costs Fundraising		Management & Administration	Total 2012	Budget 2012	Total 2011
	Higher Education Development	Private Sector Development	Own funds	Governmental Grants				
Costs of implementation								
Grants and contributions	1.960.582	3.903.030				5.863.612	9.365.436	4.209.015
Obtaining governmental grants				217.067		217.067	75.000	43.626
Publicity and Communication	1.196	0	5.513			6.709	74.241	18.844
Personnel Costs	132.099	751.163	2.843	87.854	188.707	1.162.666	911.015	994.278
Housing costs	27.974	124.288	134	4.149	8.911	165.456	95.629	98.821
Office- and General costs	110.971	295.601	923	28.520	61.259	497.275	472.093	396.418
Depreciation and Interest	10.900	71.913	417	12.878	27.661	123.769	25.000	91.398
Total	2.243.722	5.145.996	9.830	350.467	286.538	8.036.554	11.018.414	5.852.400
% spent on objectives/total income						88,74%	95,08%	84,56%
% spent on objectives/total income taking microcredit fund deposits & repayments into account						88,93%	95,53%	88,92%
% spent on objectives/total expenses						91,95%	95,79%	93,65%
% spent on own fundraising/income own fundraising						7,33%	8,42%	7,05%

Annex C - Statement of division of expenditures

8.

The main cause of the deviations opposed to the budget 2012, is the underspending under the IBCM project compared to the budget 2012. This is mainly due to the fact that the construction of the buildings of the College were partly postponed until 2013. Depreciation & Interest is much higher as expected due to higher default loans under the microcredit funds.

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 accomodation expenses of participants and trainers, reading materials, 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

Annex C - Statement of division of expenditures

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 mainly consist of in kind contributions, like free usage of land, and (employers of) professors and trainers who forfeit any reimbursement for the time and effort they spent on our projects.

Obtaining these contributions doesn’t require a lot of time and money. Hence, only a small percentage of the operational and organisation expenses (0,32% in 2012) as well as general promotion and advertisement costs, are presented as costs for obtaining own funds.

Percentages: per programme & donor and efficiency indicators

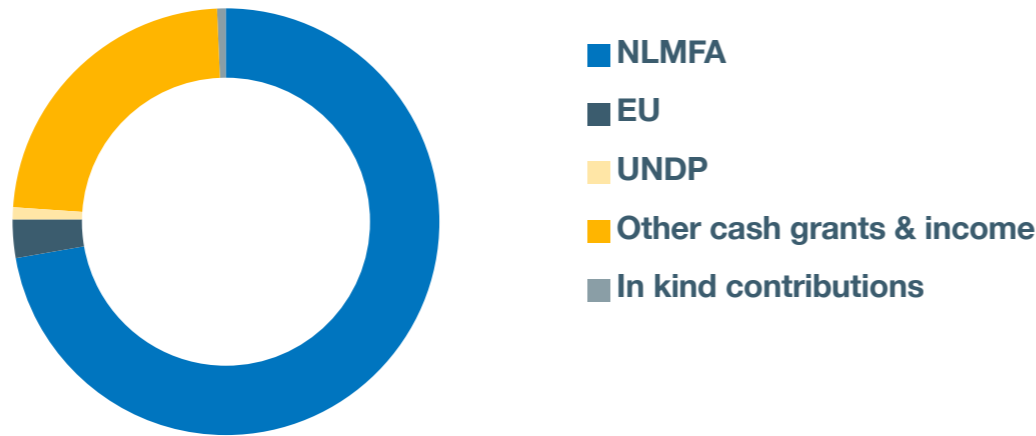
8.

INCOME	Realisation 2012 €	Realisation 2012 %
Project (cash) grants from donors		
Grant Medefinancieringsstelsel II 2011 -2015 - NLMFA SPARK	3.202.928	38,46%
Grant Medefinancieringsstelsel II 2011 -2015 - NLMFA BiD Netw.	1.473.620	17,70%
Grant ABC - NLMFA	166.093	1,99%
Grant YEP- NLMFA	340.659	4,09%
Grant Mitrovica Reg. business development - UNDP	23.799	0,29%
Grant Burundi Rural Entrepreneurship - UNDP	53.198	0,64%
Grant Bridging the Divide - NLMFA	130.287	1,56%
Grant EC Red programme - EU Aid	183.083	2,20%
Grant PSO-LWT	39.250	0,47%
Grant WAC Libya	11.444	0,14%
Grant Libyan Stock Market visit	16.703	0,20%
Grant VIP Moldova - Bartimeus / MATRA	2.159	0,03%
Grant World Bank Liberia Research	17.675	0,21%
Grant King Badouin Foundation - scholarship database	2.669	0,03%
Grant IBCM - SIDA	1.100.000	13,21%
Grant IBCM - NLMFA	545.012	6,54%
Grant IBCM - Denmark	858.173	10,31%
Grant IBCM - UK	9.813	0,12%
Grant IBCM - SDC	7.507	0,09%
Grant Diploma acceptance - EC	54.171	0,65%
Grant Mitrovica Youth Programme 2012/2013 - UK	14.842	0,18%
Grant Summer school Romania - Corona / EC	8.140	0,10%
	8.261.224	99,21%

Percentages: per programme & donor and efficiency indicators

8.

Other income	Realisation 2012 €	Realisation 2012 %
Ctr in kind - visition professor remunerations	7.420	0,09%
IBCM - land contribution	8.578	0,10%
Fractal contribution EU RED	4.136	0,05%
CRYM contribution Bridging the divide	23.223	0,28%
IBCM - income through rent	1.200	0,01%
TEA/MCNV - Coaching for M&E	1.870	0,02%
Other miscellaneous income	19.618	0,24%
	66.046	0,79%
Total Income	8.327.270	100,00%
Income & Percentages per donor / origin		
NLMFA	5.858.600	70,35%
EU	247.552	2,97%
UNDP	76.997	0,92%
Other cash grants & income	2.128.123	25,56%
In kind contributions	15.998	0,19%
	8.327.270	100,00%



Percentages: per programme & donor and efficiency indicators

8.

25% other funding obligation MFS:	Realisation 2012 €	Realisation 2012 %
2012 CALCULATION ON ACCRUAL BASIS IN KIND CONTRIBUTIONS INCLUDED		
Total MFS 2012 grant NLMFA BiD Network part included	4.676.548	65,45%
Non - NLMFA grants & contributions 2012 SPARK Total incl in kind	2.468.670	34,55%
	7.145.218	100,00%
Other NLMFA Grants SPARK 2012	1.182.051	
Total income SPARK 2012	8.327.270	
2012 CALCULATION EXCLUDING BiD NETWORK GRANT MFS II		
Total MFS 2012 grant NLMFA BiD Network part excluded	3.202.928	56,47%
Non - NLMFA grants & contributions 2012 SPARK Total incl in kind	2.468.670	43,53%
	5.671.598	100,00%

Percentages: per programme & donor and efficiency indicators

8.

Other percentages of interest	Realisation 2012	Budget 2012
Overhead %	3,57%	2,70%
AMS organisational (personnel, office, fixed organisation) costs versus total costs	14,09%	7,52%
AMS versus total costs	19,57%	9,28%
AMS labor costs versus total costs	10,25%	6,06%
AMS labor versus total labor costs (ex non-SPARK)	74,73%	76,11%
AMS labor + local labor costs versus total costs	13,71%	7,96%
AMS + local office & labor costs versus total costs	26,34%	12,45%
% spent on objectives/total expenses	91,95%	95,79%
% spent on own fundraising/income own fundraising	7,33%	8,42%
Programme spending ratio	88,74%	90,46%

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 2012, 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". 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. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the

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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 with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Spark, Amsterdam as at December 31, 2012 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".

Amsterdam, 24 April 2013

Dubois & Co. Registeraccountants

Signed on original:
G. Visser

Dubois & Co. Registeraccountants is een maatschap van praktijkvennootschappen.

Op alle opdrachten die aan ons kantoor worden verstrekt zijn onze algemene voorwaarden van toepassing. Deze voorwaarden, waarvan de tekst is opgenomen op de website www.dubois.nl, bevatten een aansprakelijkheidsbeperking.

www.dubois.nl

KvK nummer 34374863

8.

VENNOTEN

drs. A.P. Bultjén

drs. I.J.M. Huibregts

M. Karmien

J.J.H.G. Stongs

drs. G. Visser

MEDEWERKERS-REGISTERACCOUNTANT

M. Beland

drs. P.A.J.M. Bonarts

drs. R.W.J. Bruinooze

SENIOR ORGANISATIADVULSER

drs. P.W.A. Katselays, RC

Acronyms

8.

AFAB	Association des Femmes Entrepreneurs
ABC	Agri Business Creation
ALU	Association of Liberian Universities
ANBI	Algemeen Nut Beogende Instellingen
AP	Academy Profession
BAC	Business Advisory Centre
BCZ	Business Centre Zvecan
BDS	Business Development Services
BID	Business in Development
BiH	Bosnia and Herzegovina
BISU	Benghazi International Summer University
BoD	Board of Directors
BPC	Business Plan Competition
BSC	Business Start-up Centre (Business Service Centre)
BSCK	Business Start-up Centre Kosovo
BST	Business Skills Training
BtD	Bridging the Divide
BTI	Business Technology Incubator
BWF	Business women Forum
CBF	Centraal Bureau Fondswerving
CBM	Community Building Mitrovica
CCE	Centre for Continuing Education
CoE	Centre of Excellence
COPED	Conseil Pour l’Education et le Développement

CRYM	Centre for Resources, Youth and Media
CSO	Civil Society Organisation
DANIDA	Ministry of Foreign Affairs of Denmark
DDR	Disarmament, Demobilization and Reintegration
DFID	Department for International Development of the United Kingdom
EAL	Academy of Professional Higher
EC	European Commission
EEAS	European External Action Services
EPC	English preparatory course
EU Aid	EuropeAid
EU RED	EU Support for Regional Economic Development
FEM-NUR	National University of Rwanda
FESE	Federation of European Stock Exchanges
FPCCIA	Federation of Palestinian Chamber of Commerce
HEI	Higher Education Institution
IATI	International Aid Transparency Initiative
IBCM	International Business College Mitrovica
ICFO	International Committee on Fundraising Organisations
ISO	International Organisation of Standardisation
JCI	Junior Chamber International
KAPS	Kosovo Academy for Public Safety
KBF	King Badouin Foundation
KBF II	Maintenance scholarship database KBF
KEC	Kosovo Education Centre

Acronyms

8.

LAC	Local Advisory Council
LBBF	Liberia Better Business Forum
LSM	Libyan Stock Market visit
LWT	Learning Working Path
M&E	Monitoring and Evaluation
MDF	Management for Development Foundation
MENA	Middle East and North Africa
MEST	Ministry of Education, Science and Technology in Pristina
MFSII	Medefinancieringsstelsel 2011-2015 (Co-financing System 2011-2015)??
MIS	Management Information System
MWU	Mitrovica Winter University
MYP	Mitrovica Youth Programme
NABC	Netherlands African Business Council
NLMFA	Netherlands Ministry of Foreign Affairs
OPT	Occupied Palestinian Territories
PAC	Programme Advisory Council
PSD/BSCK II	Enabling Private Sector Development in the Balkans
PSF	Private Sector Federation
PSO	Personel Samenwerking in Ontwikkelingslanden (personnel Cooperation in Developing Countries)
REJA	Résaue des organisations de Jeunes en Action pour la paix, la reconciliation et le développement
SDC	Swiss Development Confederation
SEE	Southeast Europe

SFB	School of Finance and Banking
SIDA	Swedish International Development Agency
SME	Small and Medium sized Enterprise
TIN	Tax Identification Numbers
UEC	United Entrepreneurship Coalition
UM	University of Mitrovica
UNDP	United Nations Development Programme
UNDP BUR	UNDP Rural entrepreneurship Bururi, Makamba and Rutana
UNDP II KOS	Enterprise development Northern Kosovo
UP	Umutara Polytechnic University
UvA	Universiteit van Amsterdam
VFI	Vereniging Fondswervende Instellingen
VIP	Visually Impaired Persons
VIP Moldova	VIP Business support programme financed by Bartimeus/MATRA
WAC	Warriors Affairs Commission (Libya)
WB	World Bank
WUS	World University Service
YELAP	Youth Entrepreneurship local action plan
YEP	Youth Engagement Programme
YES	Youth Employment Systems
PSD/BSCK II	Enabling Private Sector Development in the Balkans
UNDP II KOS	Entreprise development Northern Kosovo
VIP Moldova	VIP business support programme financed by Bartimeus/MATRA
WAC	Warriors Affairs Commission (Libya)

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