



SPARK ANNUAL REPORT

2011



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PREFACE

BY THE BOARD OF DIRECTORS

Dear reader,

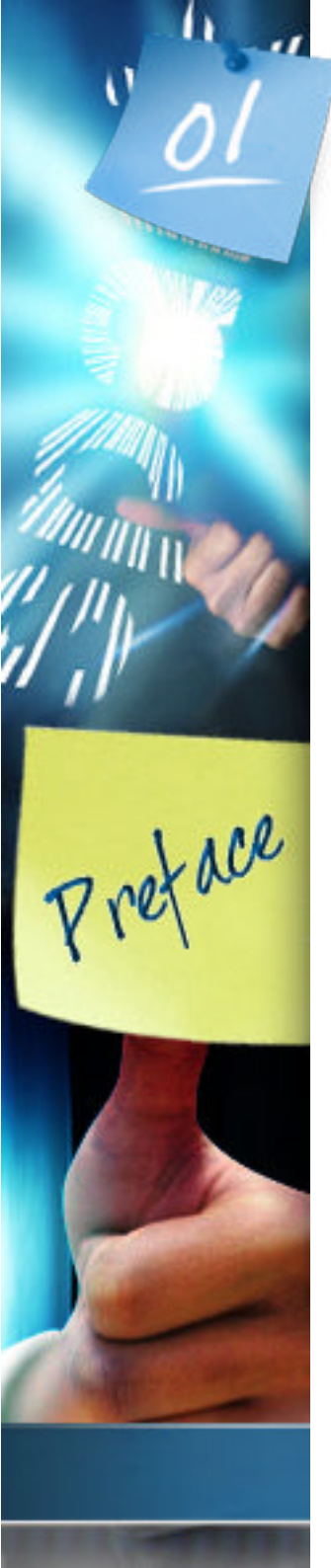
It is with great pleasure that we present the Annual Report 2011.

In 2011 SPARK ventured out into new countries with entrepreneurship development programmes. In line with our mission, we continue the focus on job creation and sustainable economic development in fragile states. A brand new five year programme kicked off in 2011, implemented by the “United Entrepreneurship Coalition” (UEC) started in five locations: Kosovo, the Palestinian Territories, Liberia, Rwanda and Burundi. In each of these locations, SPARK and its consortium members, support local organisations to create jobs and boost sustainable economic growth. The new programme also brings with it significant changes in the internal organisation, especially with regards to monitoring and evaluation and partner management.

Besides our new entrepreneurship programme mentioned above, the single most important activity of SPARK continues to be the International Business College Mitrovica (IBCM). This internationally registered higher vocational business school developed rapidly and saw its student numbers increase to 158 in 2011. It also started preparation for constructing new premises, attain international accreditation and develop its international double Bachelor degrees.

SPARK also set an overall target to create, between 2012 and 2015, 20.000 new jobs in the (fragile) states we operate in. This will be the guiding principle of the organisation in the coming years. Besides the programmes already in place, new initiatives will continue to be developed to bring about this prime economic development objective.

SPARK also remained dedicated to transparency as one of our key guiding principles. We believe that, in a world which is gradually recovering from economic crises and a political climate in which budget cuts are increasingly likely, it is important to give a full insight into the use of funds, allowing everyone to follow our spending and track our results – and failures. The whole development sector has come under scrutiny during the last couple of years and there is increasing pressure on the sector, from the beneficiaries, the public at large and donors, to show that we do things well by being open about our work. To this end, the TranSPARKency website remained instrumental throughout the year, keeping our financial records public up to receipt level. Additionally, final concrete steps were taken to make SPARK’s the first IATI compliant organisation in the Netherlands in 2012.



As a result of the rapidly diminishing support base for development cooperation in the Netherlands, SPARK intensified its emphasis on building partnerships with other countries and raising support in innovative ways. This will continue to be a focus area in the coming years and including setting up partnerships with the government of the countries we operate in, and develop stronger ties with the private sector.

The sector is becoming increasingly competitive, which means that SPARK needs to work hard to shape and strengthen its added value. Much time and effort was therefore spent on developing SPARK activities and services. Moreover, 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 worked hard to ensure that our aid continues to support stabilisation in the regions in which we operate and we remain dedicated to our mission to empower young people to lead their post-conflict society into prosperity.

We hope this Annual Report will answer all your questions about our work in 2011 and we invite you to contact us if you have any questions or need further information.

Yours truly,

Yannick Du Pont, Director

Michel Richter, Co-Director



EXECUTIVE SUMMARY

02



EXECUTIVE SUMMARY

In 2011, SPARK embarked on several new projects and programmes, developing the organisation physically by expanding to new countries, and internally by making structural changes.

The secured grant from the Netherlands Ministry of Foreign Affairs (NLMFA) dominated the agenda in 2011. The MFSII programme not only had the greatest influence on SPARK's expansion to new countries, but also in SPARK's internal organisation. Significant changes were made with regards to monitoring and evaluation and partner management.

The MFSII programme required SPARK to make three main internal organisational changes. One was the development of the monitoring and evaluation capacity; an M&E manager was hired and concrete steps towards the development of the M&E system were made. Another was related to the 25% non-NLMFA funding rule, which required SPARK to invest more into fundraising and therefore improve its fundraising capacity. The third change was the focus on developing distinct SPARK specific activities and services, requiring SPARK to develop its own capacity to deliver services to partners in SPARK projects and to projects of other organisations.

Many more achievements were made in the past year. Below are some highlights from 2011. As before, SPARK was active in projects dealing with higher education and private sector development. In addition to SPARK's own projects, this year's annual report also recognises the projects in which SPARK was a partner in a consortium.

■ Higher Education Highlights:

The International Business College Mitrovica (IBCM), which offers 2-year double vocational professional qualifications, as well as 3.5-year Bachelor programmes all taught in English, has steadily been growing with more students enrolling than the previous year and also more staff being hired. The IBCM has seen some new positive developments in 2011 and is preparing for its first graduation ceremony that will be held in March 2012.

The Winter University in Mitrovica was again successfully organised by the University. The event continues to be important for local teachers and



students by exposing them to international teaching methods and discussions. Students participated in the two-week course that aims to not only educate, but also improve, inter-ethnic understanding and support access to Higher Education of non-majority communities in Southeast Europe.

The SPARK-initiated Scholarship Database for Western Balkan students continued to provide a valuable service to students seeking to study abroad, thereby accelerating the integration process of Southeast European students into the EU, primarily in the field of education.

■ Private Sector Development Highlights:

As was mentioned before, our largest highlight of 2011 was the MFSII programme. 2011 marked the start of the 5 year MFSII era. This meant also much attention and focus would be placed on MFSII-related projects. The start of the year saw the recruitment of new staff and of course the Country Managers for the 5 new MFSII countries; Rwanda, Burundi, Liberia, Kosovo and the Palestinian Territories. Project Activity Sheets were developed by the partners together with the Country Managers and activities began.

SPARK set several targets for itself for 2011, which were almost all met or exceeded. For example, SPARK planned for 210 jobs to be created through 90 new businesses and in the MFSII programme alone 165 jobs through 46 businesses were created.

SPARK's fundraising capacity and services development has been extensively addressed in work plans, courses of action and fundraising strategies for 2012 and further. SPARK successfully submitted 9 proposals of which one went to the Netherlands Ministry of Foreign Affairs (NLMFA). The grant proposal to the Postcode Loterij was unfortunately denied again (as in 2010), but will be attempted again in 2012.

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, thereby contributing to direct poverty alleviation through the strengthening of businesses and creation of jobs. SPARK is the implementing partner with an established track record in providing start-up packages including financial support to young entrepreneurs.

In minority communities in Eastern Kosovo (Novo Brdo/Novobërdë, Klokot/Kilokot, Ranilug/Ranillug and Štrpce/Shtërpçë municipalities), good progress was made towards the project aimed at creating favourable conditions for the development and support of SMEs in the 4 municipalities. Business Start-up Centres (BSCs) were set up in Novo Brdo/Novobërdë and Štrpce/Shtërpçë and BSC mobile teams were in place to cover three additional municipalities (Klokot/Kilokot, Ranilug/Ranillug and Partes/Partesh). 10 SMEs in the targeted areas have been strengthened through the granting scheme established to decrease unemployment levels and strengthen the production capacity of businesses.



Preparations were made by local private sector partners with the assistance from SPARK for a pilot project with the aim of establishing a Business Start-up Centre in Harare, Zimbabwe. The BSCZ will offer training, coaching and access to finance to ambitious entrepreneurs with viable business plans. The principle aim is to create jobs, and to stimulate the local SME sector as the motor of the economy.

“Bridging the Divide” is a project in Kosovo that aims to bring about community stabilisation and reintegration through the implementation of highly visible, high-impact, infrastructural interventions on both sides of the divide, the establishment of a modern monthly webzine ‘M-M@G’, and the establishment of a vibrant Centre for Resources, Youth and Media (CRYM). In 2011, progress was made in all three areas.

■ SPARK as part of Consortium Highlights:

The Visually Impaired Persons (VIPs) Business Support Programme in Moldova aims to improve the position of VIPs by developing a supportive, sustainable organisation for blind individuals in Moldova to expand their professional potential and abilities. SPARK’s role in the project is to exchange knowledge of the trainers in setting up small and medium-sized enterprises by VIPs.

The Youth Entrepreneurship Civil-Public Partnership is a project that supports the development of Civil Society Organisations in Serbia and their active participation in socio-economic development and EU integration process as well as to developing youth entrepreneurship as an instrument of youth employment and sustainable socio-economic development. In an effort to help build the capacities of these CSOs and informal youth groups in entrepreneurship, SPARK helped arrange a visit for 16 Serbians from various groups and organisations to the Netherlands to see how the Dutch support young entrepreneurs and to better understand the value of public-private partnerships in providing opportunities for young people.

■ SPARK for Improvement Highlights:

The TranSPARKency website continued to give insight into spending down to the receipt level. Work is underway to tie in this financial data with impact results from a new Management Information System. Linking these two will allow viewers to see the exact costs of the impact we are achieving. Additionally, SPARK made steps towards becoming IATI compliant in 2012, another way to achieve SPARK’s goal of being the most transparent organisation in Europe.

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.

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; in our case ISO 9001. We believe that an international quality assurance would greatly improve the possibility to assess development organizations in an international context.

In 2011, the 'Brilliant Failures Award' was given to the best learning moment/instrument in the development sector as a way to showcase the value of failures. 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.



BACKGROUND & MISSION

03

A woman with dark hair is smiling and giving a thumbs up. She has several sticky notes attached to her. One blue sticky note at the top left has the number '03' written on it. A yellow sticky note at the bottom left has the word 'Mission' written on it. The background is dark with some blue light effects.

03

BACKGROUND & **MISSION**

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

We 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 the post-conflict societies; we aim to develop by making sure that our financial contributions do not go to activities that might obstruct positive and peaceful development. In Higher and Vocational Education, we work towards our mission by combining activities that support local educational institutions and Universities, and by facilitating Summer/Winter Universities and other capacity-building educational support programmes.

In Private Sector Development, a series of business 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 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 recourses 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

■ 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/guiding principles

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.



OUR **PASSION**

04



OUR **PASSION**

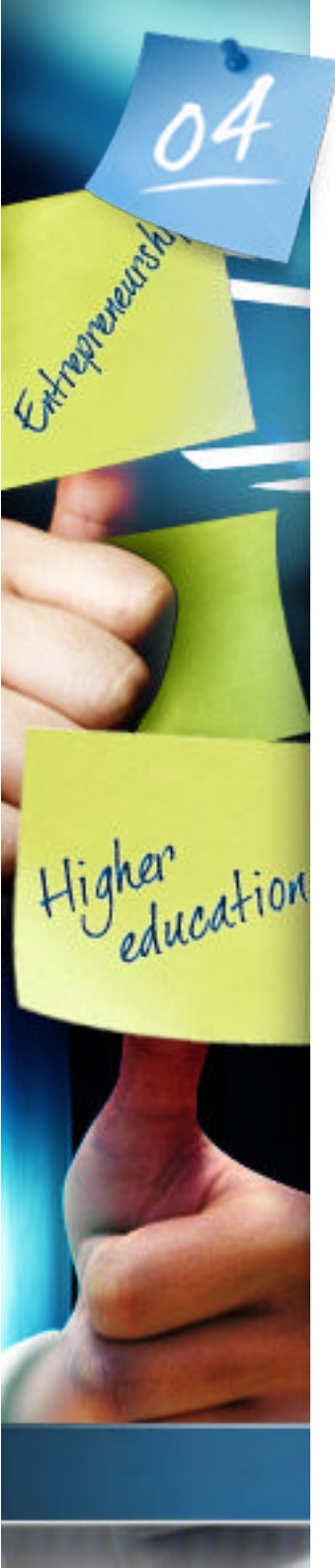
When rebuilding post-conflict societies, it is crucial to develop education and entrepreneurship. SPARK aims to contribute to this in different parts of the world through a range of programmes and projects, and in cooperation with a wide variety of partners. Most of our interventions are aimed at youth aged 18-35, as we believe they can play a particularly important role in leading their society into stability and prosperity.

This chapter describes our main activities of 2011, the results we achieved and the lessons we learnt. The first section addresses our most important education programmes and projects, while the second section focuses on the interventions that aim to contribute to private sector development. For the projects in these two sections SPARK is lead partner. The third section looks at a project focused on research; a new SPARK venture. For the projects in the fourth section, SPARK is part of a consortium and does not have a lead role. An overview of these programmes and projects is provided in the tables at the start of each section. The chapter ends with a section on project development and fundraising, which are both important prerequisites for the work we aim to do.

■ 4.1 Higher Education

Young people in fragile states are faced with both arrears in vocational or higher education and a high unemployment rate. This makes them a vulnerable and potentially volatile group within society, which can be defused by actively engaging them in the development and strengthening of the economy. This is a challenge, as it is often evident that a low level of entrepreneurial understanding exists among the youth.

The areas in which SPARK operates are in urgent need of rebuilding basic societal functions. This requires a level of competency that is primarily generated through Universities and Higher Vocational Institutions. SPARK aims to help local actors and institutions provide the education that the youth within these societies deserve. It is in this way that the youth are given the chance of becoming the young professionals that are needed in every society, from skilled labourers to lawyers, doctors and business professionals. SPARK actively supports curriculum building and quality assurance at these educational institutions.



One of SPARK's first undertakings in the area of Higher Education were the Summer Universities, which eventually also came to include Winter Universities.

This year only a Winter University was held. Previous years witnessed the successful completion of Summer and Winter Universities in Mitrovica, Pristina, Liberia, Palestinian Territories and Macedonia.

These successes have encouraged SPARK to continue searching for more Summer and Winter University possibilities.

Higher education continues to be at the heart of SPARK. In 2011, we were involved in a variety of programmes that aim to strengthen academic institutions.

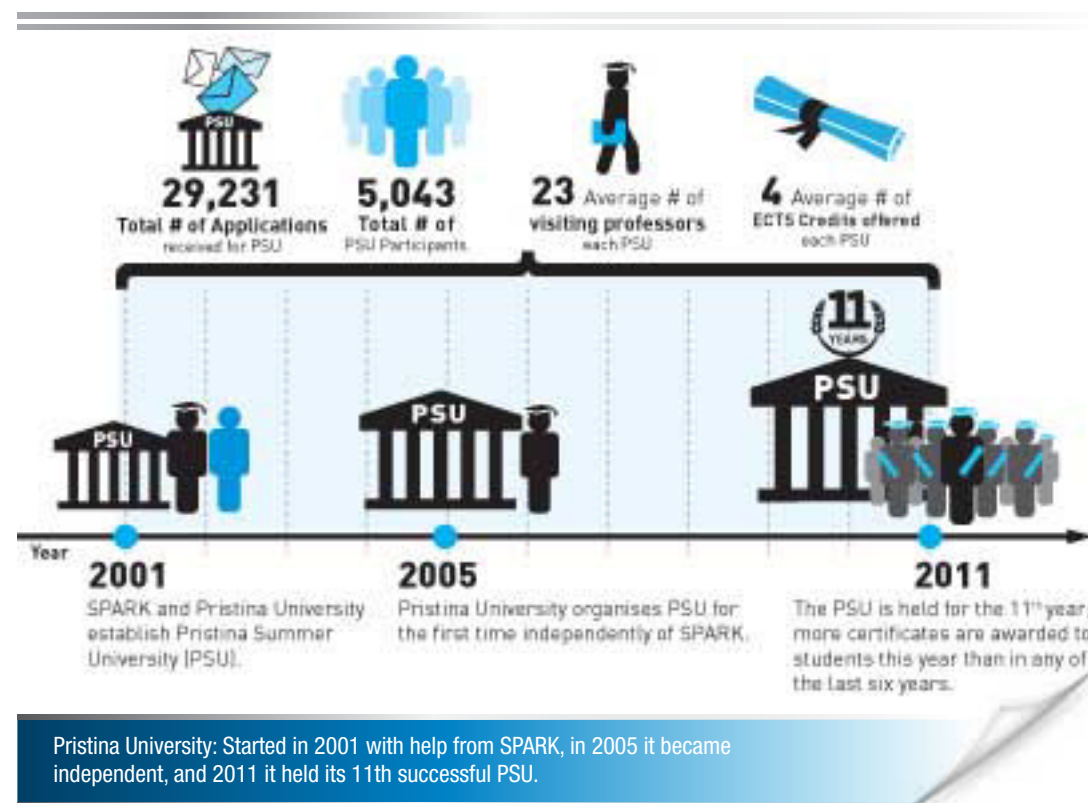


Table 1: SPARK's Higher Education Projects and Programmes

Project / programme title	Location	Period	Total Programme Budget
International Business College Mitrovica	Kosovo	2009-2013	€ 15,5 million
Mitrovica Youth Programme	Kosovo	2009-2011	€ 0,7 million
Scholarship Database for Western Balkan Students	Western Balkan countries	2009-2011	€ 17,998

■ International Business College Mitrovica

Target group: Youth in Kosovo aged 18+

Total project budget: € 15,534,803 (2008-2013)

Financed by: Swedish International Development Cooperation Agency (SIDA), The Ministry of Foreign Affairs Denmark, The Netherlands Ministry of Foreign Affairs – Embassy in Belgrade, The Ministry of Education, Science and Technology (MEST) in Pristina (construction of the campus in Mitrovica South)

Partners involved: Lillebaelt, Tietgen and SPACE network

Project duration: 2009-2013 (this was the original project duration; currently contracts for 2012-2014 are being negotiated / signed)

Project Description and Goal:

The IBCM is an internationally registered not-for-profit educational foundation. It was established by SPARK with donations from SIDA, the Danish Ministry of Foreign Affairs, and the Dutch Ministry of Foreign Affairs. The IBCM offers EU licensed 2-year higher vocational double diplomas, and the possibility to expand this to double Bachelor degrees in Public Administration and Business Studies.



Countries of operation - Kosovo



possibility to expand this to double Bachelor degrees in Public Administration and Business Studies.

All courses are taught in English by qualified teaching staff. The IBCM aims to improve employability through study programmes with a heavy focus on practice and skills, as well as to facilitate graduates to start their own enterprises. During the first, introductory semester of their studies, students attend a general programme which contains courses on Economics, International Marketing and Sales, European Studies and Communications in Management. Thereafter, students opt for a specialization either in Marketing and Management, Environmental and Agricultural Management, or Public Administration.

IBCM's overall objectives are:

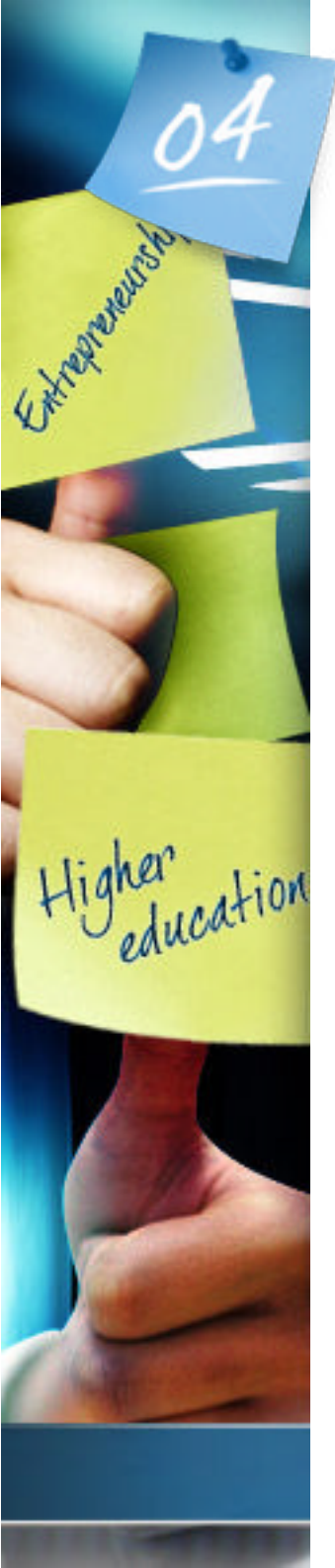
1. To create a sustainable truly inclusive higher vocational institution (the College), producing young professional civil servants and business leaders in the Mitrovica region used to work in multi-ethnic teams for Kosovo, regional as well as European markets.
2. To assist Kosovo on its path to EU integration by providing modern education/training and curricula in doing Business with the EU and training (future and existing) civil servants for EU integration.
3. To bridge the deep ethnic divide in the divided town of Mitrovica, leading to gradual normalisations of relations and reduction of the high inter-community tension.

This priority project of the Kosovo Government is supported by key stakeholders in the Serbian community in Mitrovica and Belgrade. Besides catering to regular full-time students, it offers in-service training for public officials and staff of businesses and NGOs. The college promotes equal opportunities for all communities and has an active gender policy.

A Transitional Year Programme (TYP) prepares students from socio-economic disadvantaged groups to meet entry-requirements and scholarships help them financially to enrol in the programme. As all students study in English, the network created will pay-off when they enter the labour market, and start to act as liaisons between communities. It is at present the only post-secondary inter-ethnic educational institution in



IBCM Building



Kosovo and one of the most successful international efforts to include the Kosovo Serbian community in North Kosovo. Graduates will not only possess necessary skills needed by businesses and public institutions; the strong international (EU) orientation of the college prepares them for European accession.

IBCM's overall results are:

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

#Students Enrolled at IBCM

March 2010	September 2010	September 2011
20	100	158

As a result, the teaching staff also increased, numbering 18 lecturers (11 full-time, 7 part-time). Additionally, a total of 11 core administrative staff were under contract.



IBCM Class



Teaching currently takes place in temporary locations, both in North and South Mitrovica. The construction of permanent IBCM buildings is expected to commence in 2012. However, with the current funds pledged, the original foreseen budget is not yet complete and, in 2011 SPARK wrote a new revised proposal for IBCM 2011-13. In 2011 SIDA and DANIDA were approached to extend their funding to the second phase.

Both campuses opened a Career Center in May 2011, aiming to assist students in finding internship placements in businesses and government institutions, and to organise job-orientated trainings. The centre also organises an annual job-fair, where potential employers and other stakeholders are invited to the college. SPARK (supported by the Dutch MFA, UNDP and the European Commission) has supported the establishment of a network of six Business Start-Up Centres throughout Kosovo that assist young entrepreneurs in establishing and growing their businesses.

After graduation (first group will graduate in March 2012), students become members of the Alumni Programme run by the alumni-office, a component of the Career Center. This strengthens the link between college and graduates working in businesses and public administration, thus providing another source for internships and employment for college students. Alumni are requested to contribute to the college scholarship fund and create a strong network between the different communities. In the end, alumni are the most important ambassadors for future enrollment.

SPARK has been working on the issue of diploma recognition in several ways. First of all, the selection of a double degree partner will enable graduates to apply for nostrification in Serbia. Secondly, SPARK has been contracted by the EU Mission to implement the university diploma agreement between Belgrade and Pristina, through which also IBCM diplomas can be recognised after the IBCM is licensed in Kosovo. Finally, the accreditation by EVALAG will be recognised by the Kosovo Accreditation Agency, expected latest September 2012.

The Transitional Year Programme (TYP), where prospective students can improve their English language skills has had 3 graduations thus far. The programme has proven to be a popular choice for applicants to the IBCM; out of 158 students in 2011, 76 were enrolled in the TYP. It proves to be a great promotional tool as it provided outreach activities in different geographical locations and as such assisted with the promotion and outreach of IBCM.

The promotion campaign of IBCM has been quite successful in 2011. Radio, television and SMS campaigns were set up. This resulted in over 1000 applications in the third year of IBCM.

Curricula and syllabi were developed for the two-year diploma programme by Lillebaelt Academy. They also submitted Bachelor programme outlines, but these will be further developed and used in the next phase.

The library of IBCM has been partially stocked and access to electronic libraries has been attained. The library will be expanded and developed further in 2012.



On an organisational level SPARK has recruited an Advisory Board, Director and administrative and teaching staff and the IBCM is now fully staffed, with only relatively small recruitment required to absorb an increase in student numbers and for the start of the Bachelor programmes.

Evaluation

A general satisfaction survey was done in May 2011. 76% of the students report they are either extremely satisfied or satisfied with their experience to date at IBCM. The remaining 24% report that they are neither satisfied nor dissatisfied. No student reported that they were dissatisfied or extremely dissatisfied.

In 2011 IBCM asked its students to fill in evaluation forms at the end of every semester, asking them to rate the quality of their courses. Four main aspects were evaluated: teaching process, course material, IBCM administration, and IBCM Facilities. The results of the evaluation were positive with very few discrepancies. The students from the North campus left more room than the South for improvement. For example, while the teachers were rated well on both their teaching and organisation, some students criticised the availability of course material. In its action plan, plans have been made to better organise the availability of the course books and to make the syllabi with all prescribed course material accessible on-line and up-to-date.

The phase 1 external evaluation of IBCM is planned for the spring of 2012.

■ Mitrovica Youth Programme

Target group: Youth in Mitrovica

Total project budget: € 700,937

Financed by: SMinistry of Foreign Affairs of the Netherlands

Partners involved: University, Student Parliament, Jelena Anzujska, and Fractal

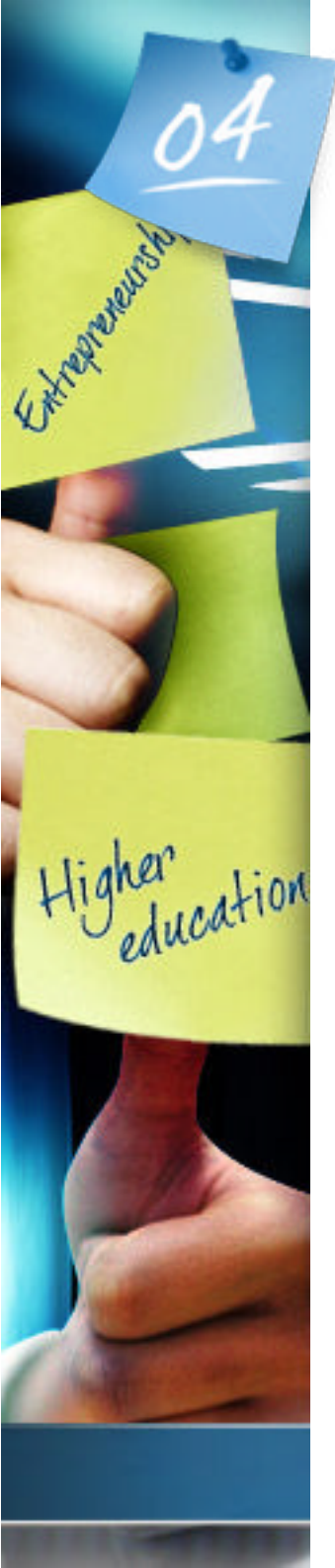
Project duration: 2009-2011

Project Description and Goal:

The Mitrovica Youth Programme (MYP), of which Mitrovica Winter University (MWU) and Mitrovica Summer Courses (MSC) are the main components, aims to create a positive international learning environment, spur regional academic cooperation and improve the quality of higher education in the region.



New Students



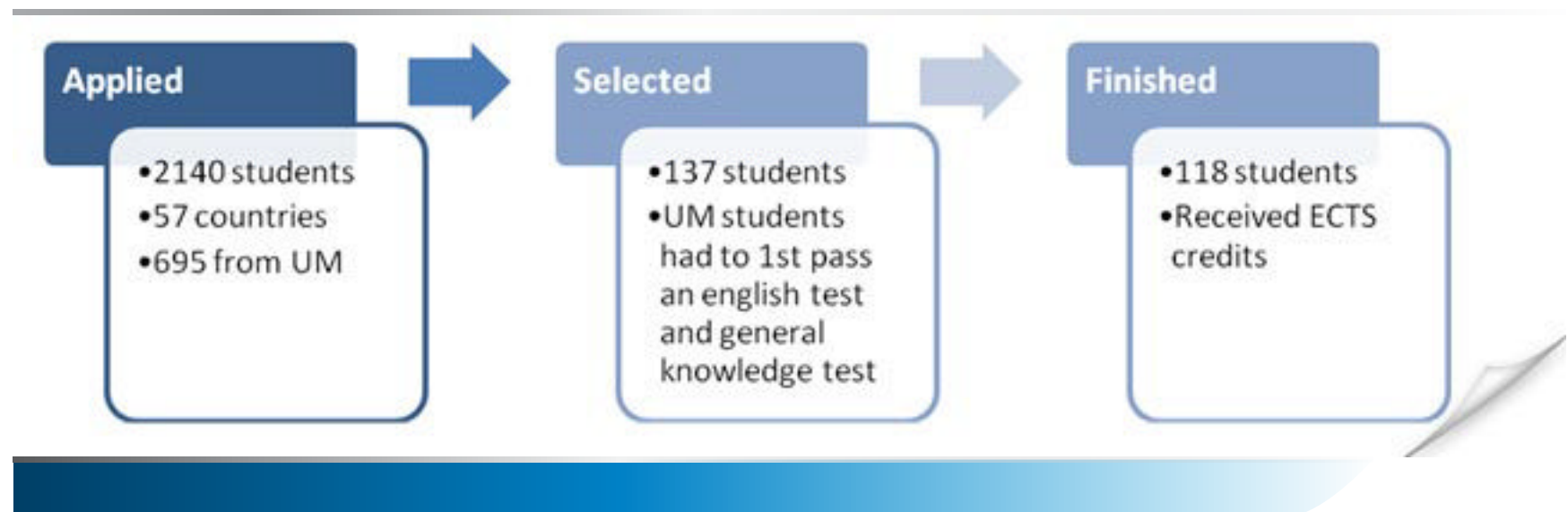
The Winter University and Summer Courses serve as a platform for improving relations among students and staff from universities in South-eastern Europe, as well as other parts of Europe. They aim to introduce students and professors of the University to recent developments in the field of the Europeanisation of higher education. The long-term goal is to build capacity to a degree where the University of Mitrovica can organise and run MWU and MSC independently. In 2011 only a Winter University was held.

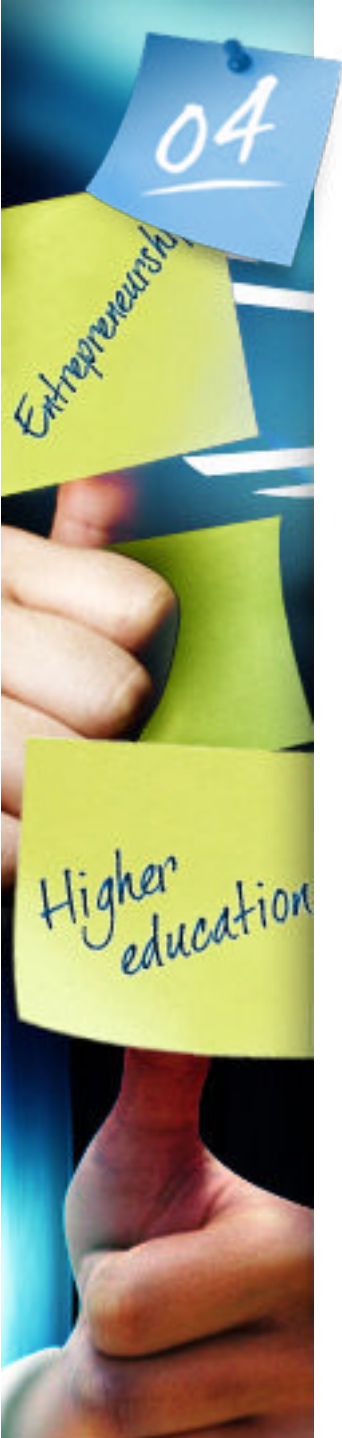
The objective of the MYP is to improve the stability of Kosovo by improving the relations between the Kosovar Serbian and Kosovar Albanian academic communities and between these and the wider Southeast European (SEE) region. Secondly the programme accelerates the integration of the University of Mitrovica (UM) in the European Higher Education Area. Lastly the MYP will increase the sustainability of the MWU and MSC by embedding them in the University of Mitrovica (UM). The programme also supports the Bologna Reform Process, whereby quality assurance and the standards of academic degrees are lifted to a level compatible across Europe.

In addition to the MWU and MSC, the MYP also offers other programmes and activities; the European Integration and the Western Balkans Programme, the Student Mobility Manual, the Leadership Weekend, and this year a conference was held in support of the Bologna reform process.

■ Results

The 2011 Winter University received a large number of applications from students:





In order to ensure a maximum chance of success, students can take the English for Academic Purposes (EAP) refresher course, which was designed to enable them to use English effectively in the academic context that they would encounter at MWU.

Pre-MWU trainings were successfully organised by local NGO Jelena Anzujska. The highly interactive trainings were obligatory for all MWU participants and it provided students with communication skills and experience with group work. This built the cohesion of the international and mixed group of students and made sure everyone would fit well into the MWU concept. In line with SPARK's security policy, the training also addressed intercultural communication in complex environments such as Mitrovica and discussed local sensitivities.

In 2011 an important step was taken towards the sustainability of MWU independently from SPARK. The project office and MYP Coordination Committee were embedded in the University of Mitrovica. The university together with its Student Parliament took the leading role organising MWU 2011. The MWU team was fully up to speed on the organisation of the event and showed that SPARK has transferred the necessary knowledge and skills to the UM and the Student Parliament.



MWU Students Group



The European Integration and the Western Balkans programme provided training and workshops for 29 students. Furthermore 32 students participated in the newly developed alumni programme. The courses were organised by SPARK's partner Fractal in cooperation with the local NGO Centre for Civil Society Development. Out of the 29 students, the best 6 were selected for a study visit to the EU institutions in the Netherlands and Brussels. The students visited among other organisations: ICTY, NATO HQ, the European Commission, the Ministry of Foreign Affairs of the Netherlands and SPARK.

The alumni network was actively involved in the promotion of lectures in Northern Kosovo and gave a presentation to fellow students from the University of Mitrovica.

In 2011 SPARK brokered cooperation between UM and the King Baudouin Foundation (KBF), advancing cooperation between the Universities of Pristina and Mitrovica. This proved to be very productive as it raised the issue of student mobility at UM and a "Student Mobility Manual" was realised by the joint effort of 8 regional universities including UM. A second publication called "Book of Memories" is in the process of being written. It is a collection of experiences of students studying abroad which will raise awareness on possible opportunities for UM students to study abroad.

Additionally a Leadership Weekend (LW) was organised in order to further develop the relationship between UM and UP. In 2011 the LW took place in March in Ohrid (Macedonia). 24 students from UM, UP and the wider SEE region participated. The best students from Mitrovica Winter and Pristina Summer Universities were selected to take part in this event. At the LW, the training was aimed at learning and developing leadership skills and knowledge on how to be an effective leader. The event was characterised by excellent communication between lecturers and students and it was a unique opportunity for students from UM and UP to meet and exchange their own views on current issues.

In 2010 a conference was organised in support of the Bologna reform process. From 11th to 13th March 2011 the conference was held for a second time and focused on the theme: "Students as Equal Partners in the Higher Education Process". Around 40 student representatives participated in a two-day training following lectures given by various experts in the field of higher education.

The aims of the conference were to:

- Raise students' awareness of their rights and responsibilities, as acknowledged in European Students' Union (ESU) practice;
- Raise students' awareness of their rights and responsibilities, as acknowledged in the University and Faculty Statute;
- Raise students' awareness about student mobility and academic recognition;
- Provide theoretical and practical knowledge about the Bologna Process and the role of students in the processes of higher education and;
- Strengthen students' suffrage, improve communication at the basic level and support the regular work of the Student Parliament.



In line with the recommendations and lessons learnt from the first phase of the programme, the university and Student Parliament co-financed 25% of the project. The long-term nature of the project is to bring about a quality improvement at the university.

■ Impact

The impact of the Mitrovica Youth Programme is significant. The many projects are designed so that students from different ethnic backgrounds and regions can come together to share a learning experience, but in the process also meet their peers and improve inter-ethnic relations.

“Two weeks at Mitrovica Winter University provided me with a greater understanding about Cultural Heritage and of the complex social dynamics of an identity-based regional conflict, while enhancing my perspective on the motivations, nationalistic tendencies, hopes, fears, perceived injustices, joys, hospitality, and dreams of the talented Serbian youth.” Jorge Marcano (31), Venezuelan participant of MWU 2011.

Through the large number of students from the wider SEE region, and integration of the UM in various regional and international networks, relations with the wider SEE academic community have been strengthened. This has also an impact on the speed at which UM is integrating into the European Higher Education Area. It has resulted in membership status in various networks and also EU funding opportunities such as Tempus and Basileus.

■ Success story

There were several remarkable achievements in 2011. The MWU is starting to make good use of new media in reaching potential students and has also included this in the MWU curriculum. There were more applications in 2011 than ever before, mainly because in addition to the official university channels, the event was also promoted on sites for young people. Marketing in a Digital Age was a new course during MWU and it proved to be a great success.

■ Evaluation

Evaluation at MWU was carried out by an external evaluator who is present during the MWU and executes interviews with teaching staff, visiting and local professors, assistants, translators and SPARK's staff. Furthermore, teaching staff report their experiences of the event through questionnaires. These findings are then used to formulate an evaluation report that can be used for internal improvement. Overall, satisfaction with the event was high, with professors reporting that they appreciated both the organisation and the facilities available at the event.

The external evaluator found both strengths and weaknesses. Some of the strengths included the transfer of full responsibility of organising the Winter University to Mitrovica University and the dedicated and capable SPARK/UM staff. Some of the weaknesses included the lack of mature management skills, involvement and dedication by the UM, and poor knowledge of the English language and comprehensive education of the local students.

The external evaluator recommended the need for strengthening the capacities of the University of Mitrovica, giving a list of ideas and actions that the management should take.



MWU Graduates



■ Scholarship Database for Western Balkan Students

Target group: Young people from the Western Balkans who would like to study in the EU

Total project budget: € 17,998

Financed by: King Baudouin Foundation

Partners involved: Western Balkan Countries INCO-NE c/o Centre for Social Innovation

Project duration: 2009-2011

Project Description and Goal:

Higher education and science will play a crucial role for Western Balkan countries in their accession to, and association with the European Union (EU). The transition of these countries – many of them new states on their way towards market-oriented democracies with strong civil societies – will require a highly-qualified workforce and a changed mindset of the population, which needs to develop a new sense of belonging and a spirit of ownership and responsibility.

Education will be the key in developing the resources available to contribute to the integration of local, higher education systems into the European-Higher Education Area. Increasing the interests of students from the Western Balkans in studying abroad, as well as that of the EU to support these students to do so, is an integral part of the process.

A study initiated by the King Baudouin Foundation, 'Student mobility in Western Balkan countries', highlighted the key problems that exist with Western Balkan student mobility into EU member states and European Free Trade Association (EFTA) countries. Of the students interviewed that would not consider studying abroad, 51% cited insufficient money as a very important reason. Similarly, even when students were considering studying abroad, 62.4% answered that not finding enough money was a big problem.

Students were asked to indicate what aspects could be improved. Of those considering studying abroad, 81.4% suggested more scholarships. For students not considering studying abroad, 58.6% responded that 'good and sufficient scholarships' was one of the main conditions to consider studying abroad. In the study, the majority of students interviewed would consider applying for a scholarship to study abroad. However, only one in three responders knew that scholarship opportunities exist. When asked in detail about European scholarships, less than 10% are aware of any specific European scholarship and mobility schemes.



Based on these findings, the King Baudouin Foundation commissioned SPARK to undertake research into scholarship opportunities that exist for Western Balkan students in EU member states and EFTA countries. The results of this research are shaped into this scholarship database. The scholarship database contains information on a range of scholarships for Western Balkan students and researchers in European Union member states and EFTA countries.

■ Results

The scholarship database went online at the end of 2009 and has been available to students since. By pooling all scholarship information in one place, students have a much higher chance of finding the right scholarship, thereby facilitating student mobility. The database can be found at www.s4wb.eu.

In 2011 some changes were made to the scholarship database. An improvement was made to the search function on the database; now visitors can search the database by keywords and criteria. The database is also regularly adding new users and scholarships. In 2011 it had 65,000 registered visitors and 16,000 subscribed users. Students that have subscribed to the database can thereafter be contacted and/or informed on newer scholarships.

■ 4.2 Private Sector Development

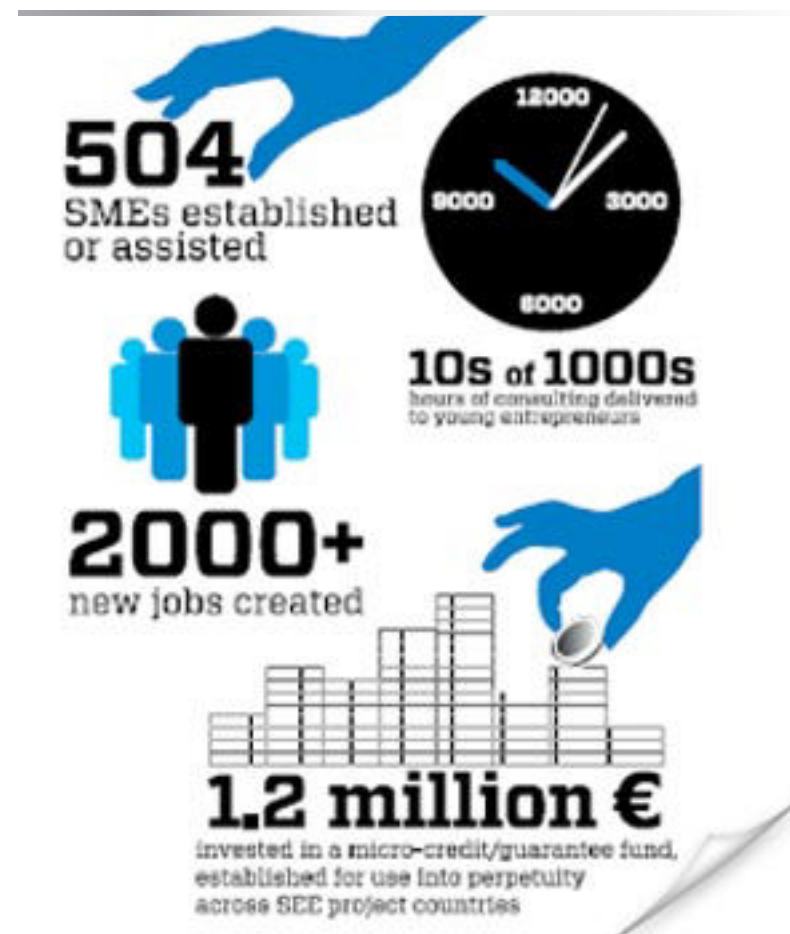
Promoting entrepreneurship is crucial to the reduction of poverty and to spurring economic development in fragile states. Through our Business Start-up Centres and local partners, we directly tackle poverty alleviation by offering business-skills training, coaching and consultancy, and access to finance for young entrepreneurs. By acting on market opportunities, entrepreneurs create and develop businesses that drive economic growth and provide necessary jobs.

We are devoted to empowering young people so that they can create businesses and increase their employability and position on the labour market. Job creation is crucial in post-conflict areas, since large numbers of underemployed people increase the fragility of a society.

Fragile states are marked by poor governance and deficient economic institutions. The unstable climate of fragile states affects society and state, and can result in a mutually unsustainable climate in which neither state nor society is 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 key to entrepreneurship development, supporting relevant (vocational) educational institutions, CSOs and governmental agencies, so that each can perform their respective roles in the creation of an enabling environment for private sector development.

In 2011 SPARK was involved in a variety of private sector development projects and programmes. Several of these, including our current Enterprise Development Programme, were built on MFS I, a previous programme that was finished in 2010. The results of this programme are presented in the graph on this page.



MFS I results



Table 2: SPARK's Private Sector Development Projects and Programmes

Project / programme title	Location	Period	Total Programme Budget
Enterprise Development Programme (MFS II)	Burundi, Rwanda, OPT, Liberia and Kosovo	2011-2015	€ 21,3 million
Regional Private Sector Development in Southeast Europe	B&H, Kosovo, Macedonia, Montenegro and Serbia	2008-2011	€ 1,4 million
Support to Economic Development of Minority Communities in Eastern Kosovo	Kosovo	2010-2012	€ 0,5 million
Enterprise Development North Kosovo	Kosovo	2010-2012	€ 0,8 million
Business Start-Up Centre Zimbabwe	Zimbabwe	2010-2011	\$ 251,939
Bridging the Divide	Kosovo	2010-2012	€ 1,4 million



■ Enterprise Development Programme (MFSII)

Target group: potential) individual entrepreneurs, business start-ups and established small and medium-sized businesses; Business Start-up & Development Centres and their local partners; Local and national policy makers, government representatives and other stakeholders.

Total project budget: €21,347,600

Financed by: Ministry of Foreign Affairs of the Netherlands, under MFS II

Coalition partner: BiD Network

Project duration: 2011-2015

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

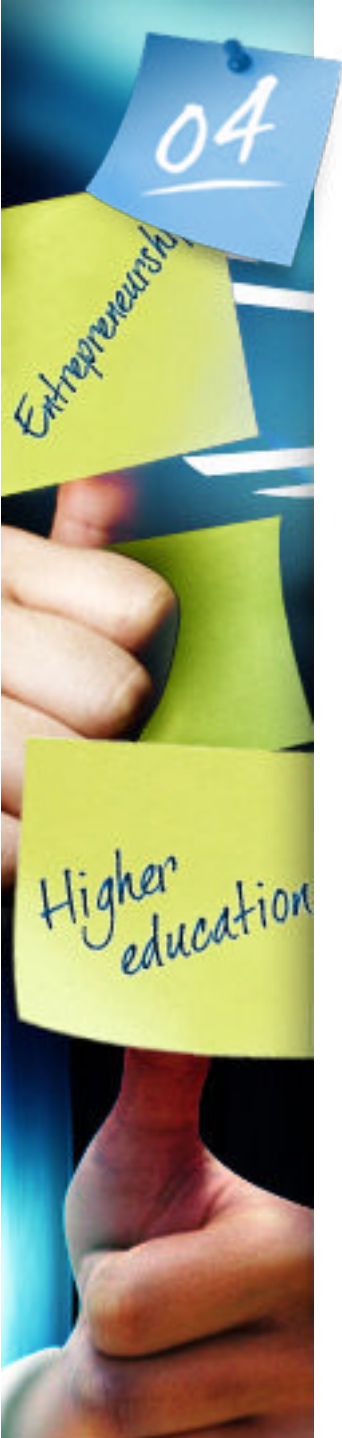
Project Description and Goal:

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 the 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 that are carried out by the coalition's Southern partner organisations, which include business associations, chambers of commerce, higher vocational schools and micro-finance institutions. Special attention is devoted to vulnerable groups and marginalised regions.

The programme rests on three pillars:

- (1) Capacity building of local institutions by strengthening local partners.
- (2) Direct poverty alleviation through job creation by facilitating entrepreneurship through local partners.
- (3) Removing business barriers through policy making and advocacy, creating an enabling environment for private sector development.

Examples of concrete activities that constitute these pillars are the coaching and training of Southern partners' staff on results-based management, supporting the organisation of Business Plan Competitions, and organising roundtables in which different stakeholders discuss the local business environment.



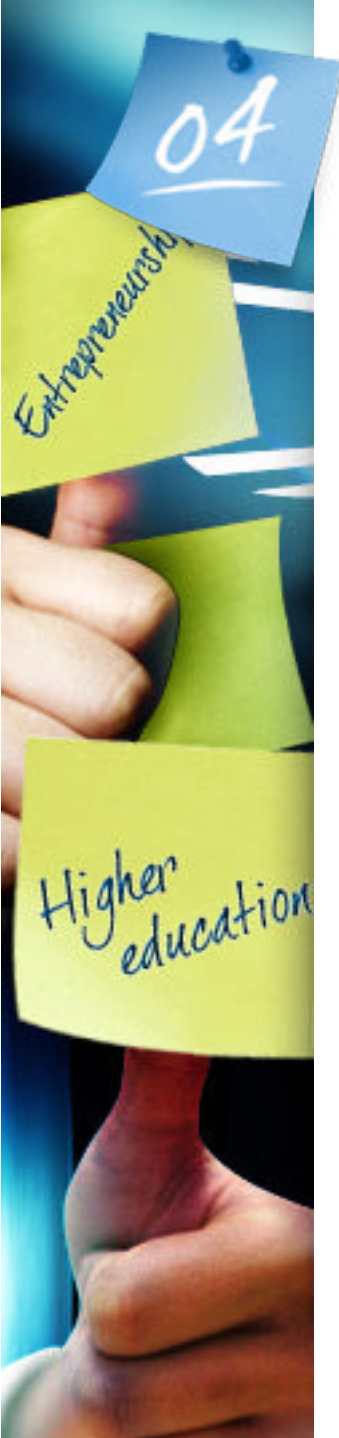
BiD Network, SPARK's coalition partner in this programme, aims to stimulate entrepreneurship in emerging markets. It focuses on small and medium sized enterprises, supporting entrepreneurs in writing their business plans through coaching and providing feedback. The best entrepreneurs gain access to investors in BiD's network.

Besides working closely together and with local partners, SPARK and BiD Network have established partnerships with six Dutch and American organisations specialised in entrepreneurship development: MDF, Triodos Facet, the Maastricht School of Management, Intent, the African Business Council, and Infodev. These organisations contribute to building the capacity of the local partners involved in the programme, by providing trainings on a wide variety of topics.

The organising of an annual Local Advisory Council (LAC) and Programme Advisory Council (PAC) was integrated into the setting up of the programme. In the LAC all national (Southern) partners meet annually to evaluate the Programme and discuss its strategic direction.



Representatives wait for the bus to go to Yes! Delft Incubator



Each Local Advisory Council elects one representative to attend an annual central meeting with the Board of Directors (PAC) where decisions are made on changes to the Programme as based on internal and external evaluations. Northern Cooperation partners are also represented with one representative in PAC.

In 2011 these meetings took place for the first time. The PAC was organised in the Netherlands and on the second day the representatives of the partners visited the Centre for the Promotion of Imports from Developing Countries (CBI) in Rotterdam and the YES! Delft Incubator.

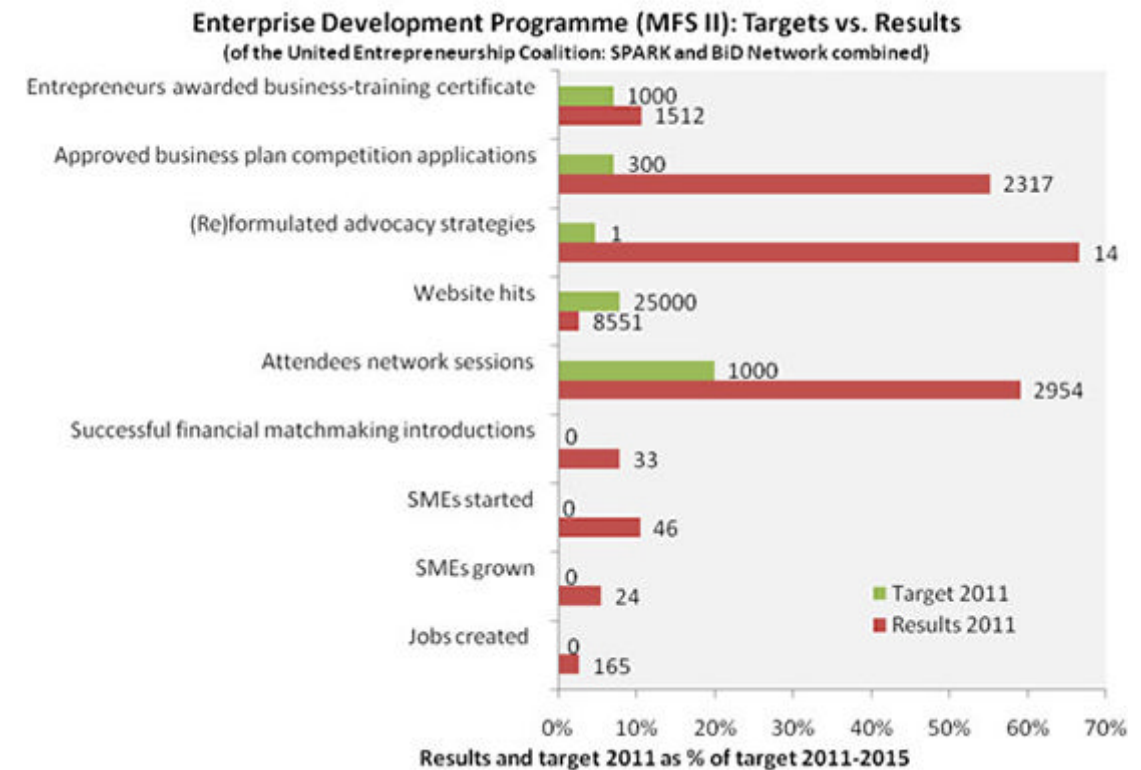
■ Results

Although start-up activities dominated 2011, some promising results have already been achieved.

As can be seen in the following graph, most targets were met or even exceeded.

Furthermore, in several countries the programme already contributed to successful financial matchmaking introductions and the creation of businesses and jobs.

According to the set targets this was not expected to happen until 2012. In the remainder of this section, the most important results in each country are described.





■ 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).

SPARK discussed collaboration with TURAME and HOPE University. However, after discussing possible terms of cooperation it became clear that both universities had to prioritise other issues and would not be able to contribute to the project aims. By the end of the year, however, SPARK identified a strong university partner (Université Lumière), who had recently established a centre for entrepreneurship and was looking for opportunities to build its capacity and expand its activities.

■ Results

In Burundi the programme took some time to start up and become established. 2011 was a year of getting ourselves registered, setting up the office, hiring staff and contracting with local partner organisations, but we were also able to do some preliminary activities, needs assessments, capacity assessments and related management trainings with the partners. In addition to our overall SPARK activities, partners started to reach some results of their own.

They held 4 roundtable sessions and stakeholder seminars between them, during which 12 lobby strategies were formulated, 112 entrepreneurs were trained and 154 participants attended networking sessions. Other activities included an assessment of 3 provinces for a location for a rural business incubator and developing the building plans for that incubator.

As civil war has just recently come to an end and civil conflict is an ongoing issue, entrepreneurship and stability of small and medium businesses is somewhat of a new concept for development in Burundi. There has been much investment and focus on the micro-enterprise development, micro-credit and agriculturally focussed initiatives.

Overall this programme has been significantly contributing to awareness raising and promotion of entrepreneurship as well as fundamentally strengthening the organisations which provide support in those areas. Providing people with the resources and opportunity to establish and run their own business in Burundi is paramount to our activities. We are working to create a better environment for doing business, establishing networks and

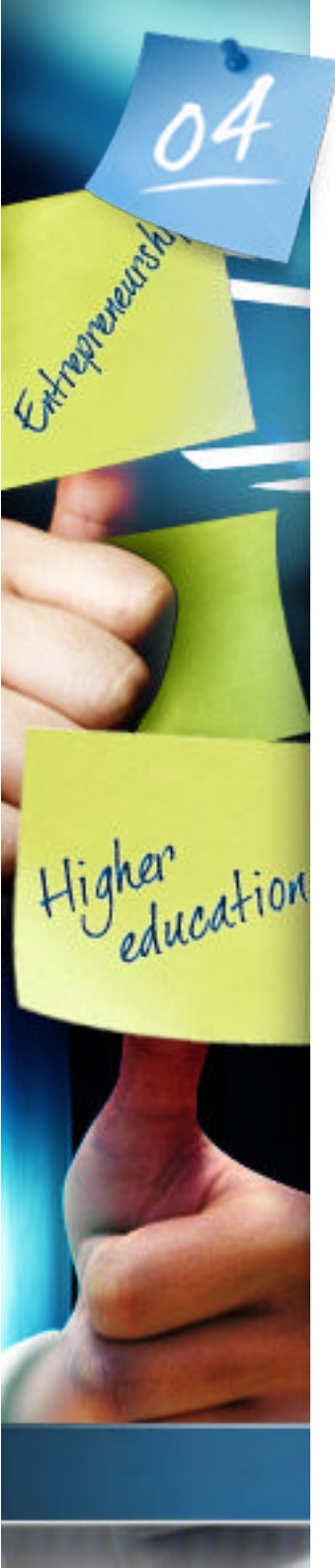


business connections across the world and developing the ability of Burundian civil society organisations to better help their communities. This will not only change the lives of many, but hopefully the entire situation within the country.

■ Success story

With our partner AFAB, which supports female entrepreneurs, we have been working to establish the secretariat for the East African Women's Exchange Network in Burundi and building templates for effective local business plan development and training. The establishment of the secretariat will allow much more publicity for the network within Burundi as well as easier access for local women to join and be involved.

Furthermore, 12 barriers for female entrepreneurship in the East African Community (EAC) were identified and action plans for removing these barriers were developed. The execution of these action plans will undoubtedly have a large effect on women's ability to do business across the EAC.



■ Rwanda

■ Local partners

National University of Rwanda (FEM-NUR), Junior Chamber International (JCI), Private Sector Federation (PSF), Umutara Polytechnic, Youth Employment Systems (YES) Rwanda.

■ Results

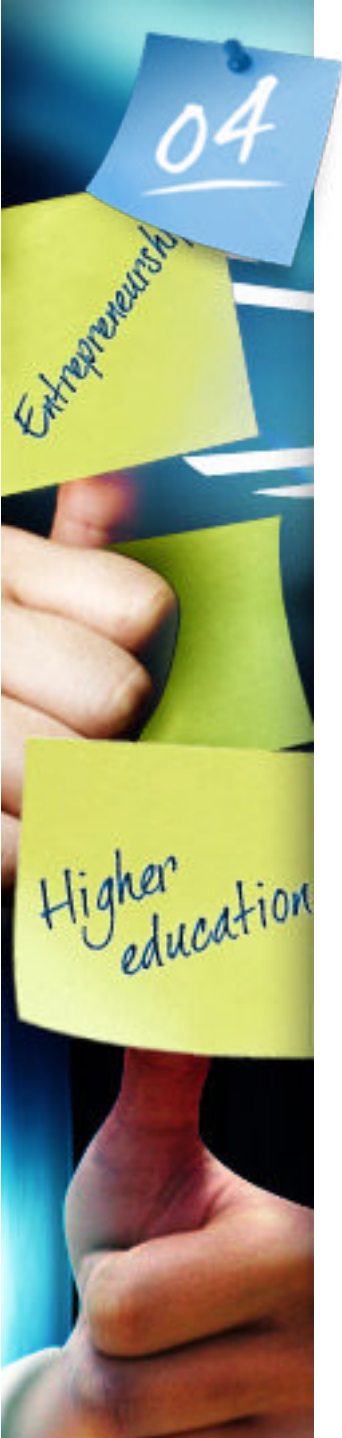
Although SPARK had no track record in Rwanda before the start of the programme, a significant amount of training and coaching was delivered by SPARK's office in this country. More than 50 days of training were given to local partners, country managers and project officers on a variety of topics, including project proposal development, project management, reporting skills, entrepreneurship and budgeting.

SPARK is a member of the Agriprofocus group (APF) – a network of organisations engaged in Agribusiness development and the promotion of farmers' entrepreneurship in developing countries. In May 2011 SPARK's Rwanda country manager delivered three days of training for Agriprofocus's district coordinators on agribusiness development and business communications, while in August 2011 he gave a presentation at a regional conference on financing value chains organised by APF.

Through SPARK's training efforts almost 500 entrepreneurs were trained in 2011, while more than 2,000 Business Plan Competition proposals were accepted, showing both the necessity and the opportunities of Rwanda. The Enterprise Development Programme has also led to increased capacity of local partners to deliver Business Development Services to local entrepreneurs, which is expected to improve their understanding of market principals, as well as the management of small business by the local population.

■ Success story

The Umutara Polytechnic University, a local partner of SPARK Rwanda, established a Students' Entrepreneurship Club (which has over 100 members), which organised the 2011 Business Plan Competition; the first in Rwanda. 139 business ideas from both individual students and teams were submitted. A jury consisting of representatives from the rectorate, all five faculties and the Coordination Office of the university, selected 13 best



plans, based on – among other things – the strength, relevancy and level of innovation and creativity of the business idea, the experience of the project team, and the number of employees the business will possibly create.

The 13 winning business plans are expected to create 73 new jobs. The activities of the new businesses include bird farming, transforming waste into charcoal, and offering garden and rental services. The winners will be mentored for one year by one of Umatara Polytechnic's professors and receive financial support from a recently created revolving fund. The seed capital that will be provided must be paid back between one and two years and will then be used to support new business initiatives.



National University Rwanda



■ Liberia

■ Local partners

Local Enterprise Assistance Programme (LEAP), Business Start-Up Center Monrovia, Liberia Better Business Forum (LBBF) and the Association of Liberian Universities (ALU).



Lasemento Zoe Gaye BPC Winner



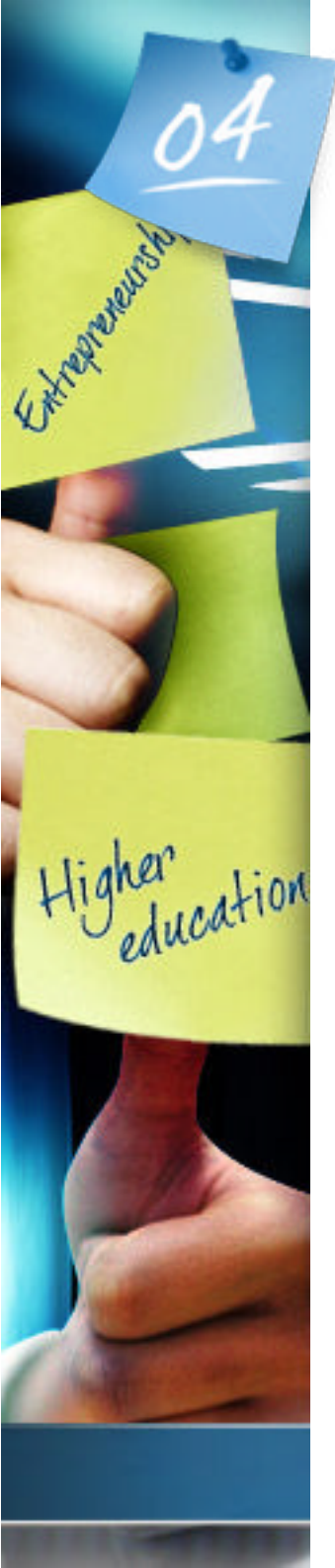
■ Results

In 2011, BSC Monrovia's capacity in Results-Based Management, Procurement, Project Management and Finance was improved. 2 staff members received IFC Business Edge Business Skills Training, while another was trained in Entrepreneurship Support at the Twente University in the Netherlands. Throughout the year, BSC Monrovia staff also attended the Corporate Responsibility Forum & National Investment Commission, workshops on the Africa Market Place Development and the EPAG programme, a luncheon of UNESCO's Media Business Sustainability programme, as well as a Local Supply Chain Development workshop organised by UNDP.

Other important results achieved in 2011 by BSC Monrovia are the organisation of a workshop with 115 participants to stimulate entrepreneurship, and the training - through Grand Bassa Community College trainers - of 18 junior students (28% females) during an internship the students were doing at the Brazilian multinational construction company Odebrecht for job placement. BSC Monrovia also organised a Business Plan Competition. It received 86 business ideas, selected 38 and trained and awarded 35 (11% females) certificates in business skills (Business & Financial Planning, HR, Marketing, Customer Care and basic IT).

■ Success story

The Entrepreneurship Centre got approved and is now renovated, thanks to support from the University of Liberia, who provided space for the new premises. With this new IT training & resource centre, BSC Monrovia will be able to give the entrepreneurs all the support they need.



■ Palestinian Territories

■ Local partners

Business Women Forum (BWF), Federation of Palestinian Chambers of Commerce (FPCCIA), Center for Continuing Education (CCE), Center of Excellence (CoE), Islamic University of Gaza's Business Technology Incubator (BTI).

■ Results

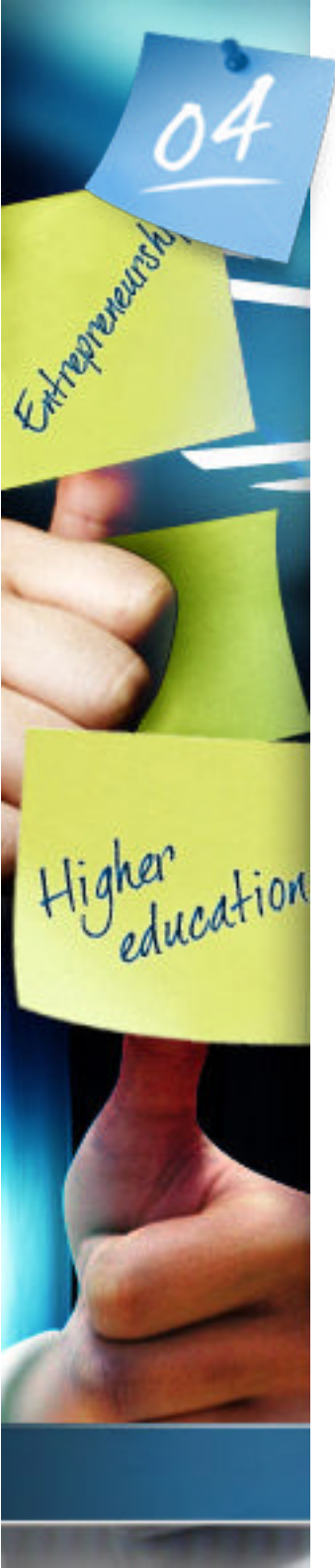
In the Palestinian Territories (PT) the MFS II Enterprise Development Programme builds on the activities initiated through a pilot programme that ran from June 2009 to December 2010 and led to the establishment of a Business Start-up and Pre-incubation Centre in Ramallah. In this pilot, SPARK supported the Najjad Zeenni Information Technology Centre of Excellence at Birzeit University in developing business opportunities within the fast growing IT sector. The Business Start-up Centre is working to provide promising Palestinian youth with the necessary skills and knowledge to become innovators in technology and successful entrepreneurs.

Since January 2011, SPARK has continued actively supporting the start-up and growth of businesses in the PT. The initial focus is on the IT and agricultural sectors - the first being the fastest-growing sector of the Palestinian economy, and the second the largest. Since January, four local partners have already drafted plans to begin pre-incubation activities and offer support to entrepreneurs who want to grow their businesses.

As of March 2011, the project involved three local partners, in addition to the original pilot programme partner, Centre of Excellence (CoE) at Birzeit University: The Centre of Continuous Education (CCE), also from Birzeit University, the Federation of Chambers of Commerce (FPCCIA) and the Business Women Forum (BWF). CCE has a strong record in developing training material and translating the needs of entrepreneurs into training programmes, while FPCCIA has a strong network of over 50.000 companies in both the urban as well as rural areas of the PT. BWF has accumulated significant experience in providing female entrepreneurs with company start-up support, and promotes female-run businesses.

The partners will develop a Advocacy Strategy that will focus on easing restrictions on starting or growing business in the PT. CoE has already collected useful knowledge and success tips from the pilot project, working hand-in-hand with the Palestinian Ministry of National Economy on developing a new law that facilitates the legal process of newly developed micro-enterprises.

In 2011 CCE started a mentorship diploma training for 19 participants, including 4 from among United Entrepreneurship Enterprise partner staff and SPARK staff. In total almost 500 entrepreneurs were trained over the course of the year and 4 new businesses were started.



■ Success story

One of the highlights of 2011 was when Hayat Al Natsha (48) won a first prize with her own developed game. It's a game she dreams will help every child in the Palestinian Territories in learning and forming Arabic words. Al Natsha, who sold her car in order to finance the printing of the first edition of her game, earned First Prize for her invention in the Hebron Business Plan Competition at Polytechnic University, funded by SPARK.

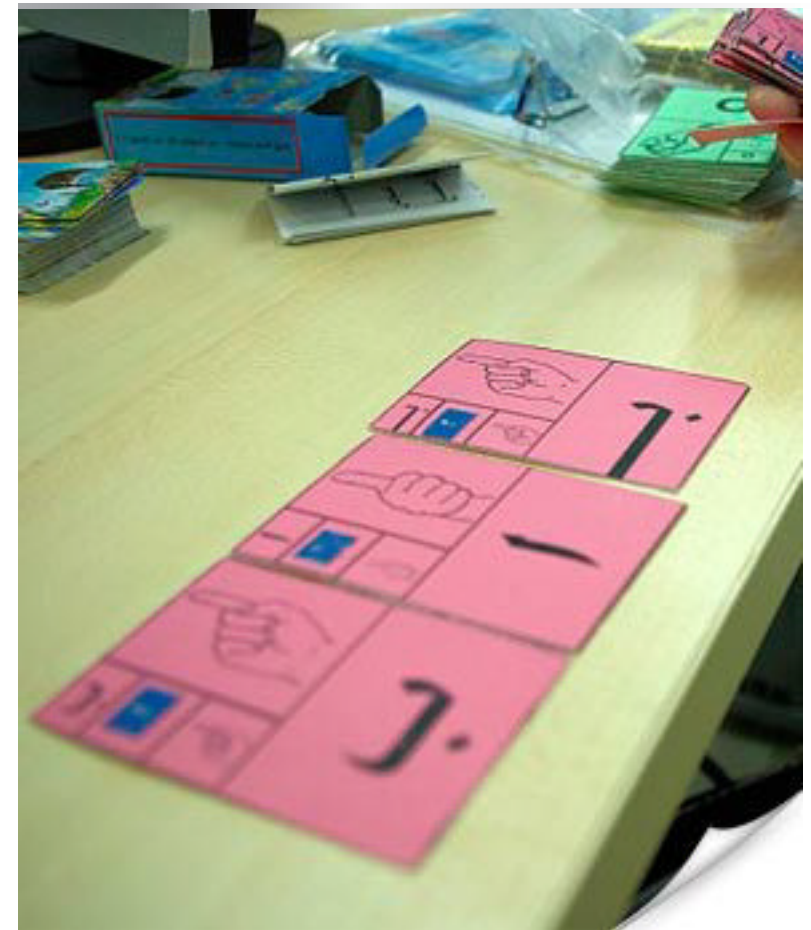
The competition, funded by SPARK but organised by Polytechnic University itself, was planned since May as part of SPARK's SME Development programme. BiD Network (SPARK's Cooperation partner in the SME programme) joined the awards ceremony, inviting entrepreneurs to submit their plans to the BiD Network.

■ Brilliant Failure

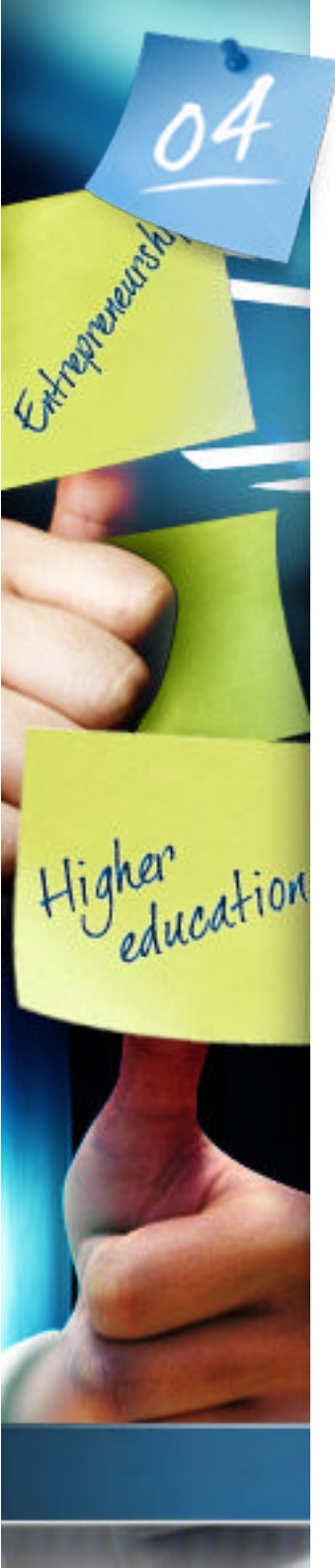
The CoE Business Plan Competition (BPC) allowed almost any applicants. As a result, established businesses run by former students were competing against students with nothing but a business plan to offer. Inevitably, one such established company won the BPC.

Not only did it win the regional competition at Birzeit University, it also won the national competition. Moreover, the same team had won the BPC (with a different business idea) in the pilot phase in 2010! One team therefore had dominated these BPCs.

The BWF BPC also contained several perpetual applicants to similar initiatives by other donors. Therefore, in discussion with the partners, SPARK has decided to ensure that clearer application criteria are applied in 2012, separating established from non-established businesses, and disqualifying finalists from other BPCs.



Hayat Al Natsha's Game



■ Kosovo

■ Local partners

Business Centre Zvecan (BC Zvecan), Business Start-up Centre Zenica (BSC Zenica), Fractal, STIKK, University of Mitrovica.

■ Results

In 2011 the programme in Kosovo resulted among other things in over 30 newly employed young people. In a country where it is very difficult to find a job this can certainly contribute to development and poverty alleviation. The 10 newly established SMEs and the support for the 15 already existing SMEs, has opened up the possibility for future development and growth. In the years to come this can lead to even more employment opportunities in Kosovo.

Moreover, 306 entrepreneurs were trained and received the opportunity to improve their knowledge and gain new business skills. SPARK believes that this type of vocational training will empower more and more potential and existing entrepreneurs to help themselves and by creating their own businesses. These training activities resulted in 53 business plans being approved by an expert jury. This number provides us with valuable information regarding the number of beneficiaries that already have the necessary capacities to start their own business and who might be able to assist in developing already existing SMEs. With the skills they gained from SPARK's training activities they are ready to apply for loans and search for potential investors in order to create or expand their businesses. This is proven by the fact that 13 starting and existing companies found financial support through the Micro-Loan Facility of the NLB bank after participating in the MFSII Business Skills Training.

In addition to job creation and poverty alleviation, SPARK also strives for creating a good business environment by lobbying for removing barriers to entrepreneurship. In Kosovo 12 roundtable sessions were held at which all relevant stakeholders were present. The goal of these roundtable meetings was to identify the barriers to business in the region. To further this goal 2 lobby strategies were developed and research was conducted on the abolition of import tax for ICT equipment and a position paper was presented to the government and is expected to be approved by parliament in July of 2012.



■ Regional Private Sector Development in Southeast Europe

Target group: National SME Agencies, Universities, Ministries of Economy and/or Trade, Chambers of Commerce, Business Associations

Total project budget: € 1,447,296

Financed by: The Netherlands Ministry of Foreign Affairs, Embassy Belgrade

Partners involved: National Ministries and SME Development Agencies, Universities, Chambers of Commerce and Business Associations in Bosnia & Herzegovina, Kosovo, Macedonia, Montenegro and Serbia

Project duration: 1 Sept 2008 – 31 Dec 2011

Project Description and Goal:

The Private Sector Development programme (PSD) focuses on creating an enabling environment by bringing together various actors in the SME sector and by building their capacity to jointly tackle economic challenges on a regional level. By creating links between partners, it aims to develop business support and to improve the quality of and accessibility to different services in order to increase the chance of long-term success and sustainability. The project emphasises the entrepreneurial aspect of private sector development, as well as a regionalisation of economic and academic cooperation.

Private sector development in the Western Balkans is making progress. Both the IMF and the World Bank have repeatedly indicated that economic growth will primarily be achieved through regional economic collaboration. EU officials stress that the future of the Western Balkans lies in enlarged and boosted regional cooperation, which can only be maximised if key national institutions work with their regional counterparts.

The aim is to strengthen partners' capacities and incorporate stakeholders into the implementation of project activities; these can eventually run independently from SPARK at the completion of the project. Intended results include regionalisation of existing EU Days and Trade Fairs, the continuation of a regional Master's Programme in Entrepreneurship at partner Universities and Partner Capacity Development programme implemented. In effect, establish business-government-academia partnerships and stimulate regional trade and economic development.



■ Results

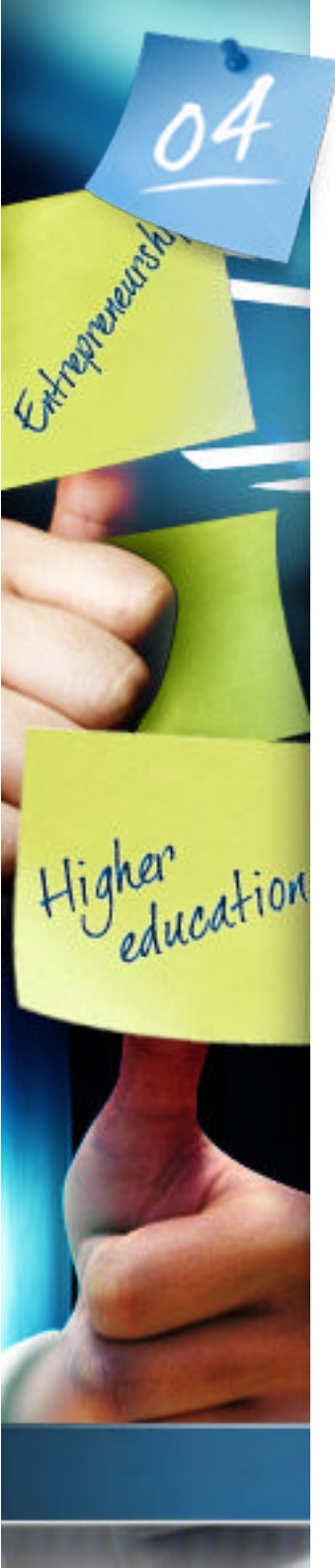
Within the project period, the Business Start-up Centre Kosovo (BSCK) held Business trainings and competitions resulting in 30 start-ups - 1,933 youth trained (301 from minorities), 20 BPCs were organised and 83 training modules were organised. A Business Start-up centre Kosovo is fully established and functional, and for this project period almost 2000 persons attended their trainings, with 39 support packages awarded to the best ones. BSCK also made headway securing their sustainability and signed new contracts with other donors in Kosovo such as USAID Kosovo Private Enterprise Programme, EC Liaison Office to Kosovo and Intercooperation.

The University of Novi Sad in Serbia began offering Master's Degrees in Entrepreneurship during the academic year 2009-2010 and has continued to do so through 2011. As UNESCO Chair for Entrepreneurial Studies, the University of Novi Sad hosts the Regional Master Studies in Entrepreneurship. Five regional partner universities - University of Pristina (Kosovo), University of Zenica (BiH), University of Tuzla (BiH), University of Podgorica (Montenegro) and University of Skopje (Macedonia) - participate in the programme by providing it with interested students.

For the Regionalisation of existing EU Days and Trade Fairs, several events were supported throughout this period strengthening regional links among stakeholders working on Private Sector Development. In all 6 regional events and 8 trainings were held. Some are mentioned below:

- The European Day of Entrepreneur conference was organised twice in Macedonia, once in 2009 and once in 2010, by the European Business Association (EBA).
- Tuzla University and the Entrepreneurship Development Centre Association co-financed and event called The World Day of Entrepreneurship in Tuzla in April 2010.
- The Kosovo Chamber of Commerce organised the international conference SME Development in the Western Balkans in Mitrovica in May 2010.
- The International Conference for Entrepreneurship, Innovation and Regional Development (ICEIRD) was held in 2010 for the third time through the Novi Sad University.
- The Technical Faculties of Belgrade University co-financed the Business and Technology Incubators as Instruments of Regional Development in November 2010.

In September 2011 finalisation of work started in 2004 was achieved by the official registration of a Southeast European Association of Agencies supporting Small and Medium-sized Enterprises (SEESME) in the Agency for Business Registers in Belgrade. Each of the founding members (Serbia, Kosovo, Macedonia and Montenegro), SME agencies from the region, was asked and agreed to dedicate part of their own funds for future activities of the Association.



The SEESME is an outcome of a process that started when SPARK, with the support of the Dutch Ministry of Foreign Affairs, launched the first regional informal Private Sector Development network in South-Eastern Europe, composed of representatives from governments, business sector and universities.

The Business Base fair was the first joint activity of the Association, and representatives from all founding member agencies were present.

For the Regional MA Programme and Bachelor Course in Entrepreneurship 24 students finished the MA Course (10 from Serbia, 3 from BiH, 5 from Montenegro and 6 from Macedonia). In 2009/2010, 9 students enrolled in the MA course in 2010/2011 (7 from Serbia, 1 from Montenegro and 1 from BiH). An additional 11 students enrolled in 2011/2012 school year (all from Serbia). The MA is solely organised by Novi Sad University.

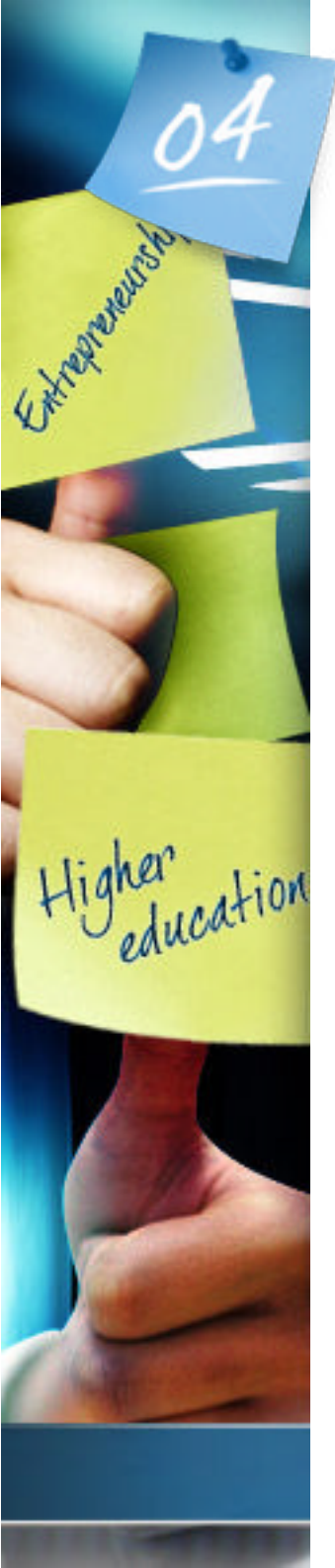
For the implementation of the Partner Capacity Development Programme, analysis of the current conditions and needs for capacity development led this component in two main directions:

Organising trainings – 7 were organised for partner representatives in the project period. The participants showed the most interest in developing EU project proposals. The capacity in autonomous development of project proposals differs between partners, since few of them were very (pro)active while others were lacking capacities for sound project development. Therefore, post training follow-up was conducted among partners to identify possible project opportunities and additional external consultancy services on particular project development were offered to partners. This second direction in developing capacities resulted in the development of 16 new proposals. Out of these, one is specifically developed for the SEE SME Association.

And finally 6 different trainings were organised for partner institutions' staff. The opportunity for receiving high quality tailor made trainings for their staff was highly appreciated by all the partners who have sent their representatives to the events, which gathered 103 representatives. In the light of constant reforms in the WB countries tailor made trainings proved to be significant. As an example, upgrading the SME agency of Serbia to a regional development agency handed a major mandate for the agency to manage. In such situations the priorities for competencies development are changing fast and thus the provider of capacity building must be flexible.

■ Impact

After substantial effort, a mode for cooperation acceptable by the both sides was agreed between Pristina and Belgrade SME Agency to take part in establishing joint legal entity. On 21st July 2011, the Association of Small and Medium-sized Enterprise (state) Agencies from South East Europe was officially established, and registered in the Belgrade Business Register on 16th September 2011. Founding members of the Association are SME agencies from Belgrade, Podgorica, Pristina and Skopje. The primary aims of this first regional association of state agencies are to support regional



SME support and facilitate trade. SPARK mediated a model under which Kosovo has full direct participation and is in fact an official founding member of the association. As a first result, the first Kosovo SMEs participated in the annual State SME fair in Belgrade, 1st – 3rd December 2011.

■ Evaluation

The project was evaluated by an independent evaluator in July 2010, who concluded that establishing regional MA studies in Entrepreneurship will contribute substantially towards a greater understanding of entrepreneurship within a regional academic context and in the wider community in general. The logic of developing a specific postgraduate course to address a perceived gap between graduates and future employability prospects

is clear: students will become better equipped with the knowledge gained from the MA course, which will enable them to make informed decisions about either starting a business or which direction they want to take in future employment; employers will begin to understand and accept the value of what is being taught to MA students and its relevance to their specific human resource needs; existing prejudices held in some quarters against business-related education are likely to disappear in time, once the overall benefits are socially and economically perceived by all concerned.

■ Success story

From the 1st – 3rd December 2011 the 10th edition of Annual SME Trade Fair “Business Base (Biznes Baza)” was successfully held in Belgrade, Serbia. For the first time since the end of hostilities in 1999, companies from Kosovo were present (Ask Foods, MDA, 3CIS and MV Lesak) as well as two officials from the SME Agency from Pristina. It was also the first occasion on which the work of a new regional association of SME Agencies (of which both Kosovo and Serbia are founding members) was presented.

The annual business fair is organised by the National Agency for Regional Development from Belgrade which brings together a number of Small and Medium sized Enterprises (SMEs) to showcase their businesses. For this year’s edition there were over 350 stall holders, mostly SMEs.



Business Base Fair



■ Support to Economic Development of Minority Communities in Eastern Kosovo

Target group: minority communities, local authorities and potential and start-up SMEs

Total project budget: €464,253

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

Partners involved: Fractal

Project duration: November 2010 – October 2012

Project Description and Goal:

The overarching objective of this programme is to create favourable conditions for development and support of SMEs in Novo Brdo/Novobërdë, Klokot/Klllokot, Ranilug/Ranillug and Štrpce/Shtërpçë municipalities, with Business Start-up Centres in Novo Brdo/Novobërdë and Štrpce/Shtërpçë. This will be achieved in period of 24 months through:

1. Development of municipal mechanisms for support of SMEs in target areas:

Identify potential SMEs in each of the target areas and at the same time developing municipal SME strategies that will outline their future economic development. The strategies will indicate existing and potential areas of business development in each of the municipalities, include possibilities for creating more accessible Municipal services for existing and aspiring entrepreneurs, and highlight the main sectors of business development. Furthermore the strategies will establish development mechanisms for enabling growth of businesses and employment possibilities. To achieve this an understanding of the level of economic development in the target areas is needed, e.g. recognising the low capacity levels and experience of municipal officials, making it important to support them in developing institutional mechanisms, which will provide quality support to the development and running of SMEs.

2. Development of sustainable SME support through Business Service Centres:

Even though the project targets four municipalities, there will be only two Business Service Centres covering four municipalities in Eastern Kosovo with mobile teams that will visit businesses at least once every two weeks and provide assistance on the spot. Training of the staff will be undertaken by SPARK with support from FRACTAL, using experience gained in previous similar projects implemented in the region. For specific trainings (technical issues, agricultural production, etc.), regional and local consultants will be used to train and support BSC staff through field visits.



Trained staff will provide entrepreneurs with support in all aspects of running a business, finding premises and resolving other business related issues as they arise. To achieve this the BSCs can be partially funded by municipalities and partially by member SMEs, which will have received valuable support in various business activities through coaching and mentoring, enabling them to increase efficiency of their operations and their revenue.

3. Development of SMEs in the target areas through direct technical and financial support:

Establish a granting scheme to decrease unemployment levels and strengthen the production capacity of businesses and develop a sophisticated scheme to support eligible entrepreneurs with the equipment and machinery necessary to develop or establish sustainable businesses. Two to three grants, limited to €5,000 per business, will be distributed each year in each of the target municipalities, totalling twenty grants for the entire programme. Often good ideas fail due to lack of funding, potential or existing entrepreneurs prefer not to take risks with commercial loans for various reasons. Through this programme, well planned targeted assistance to eligible businesses by providing equipment or machinery, could initiate a positive chain reaction between locally interlinked businesses.

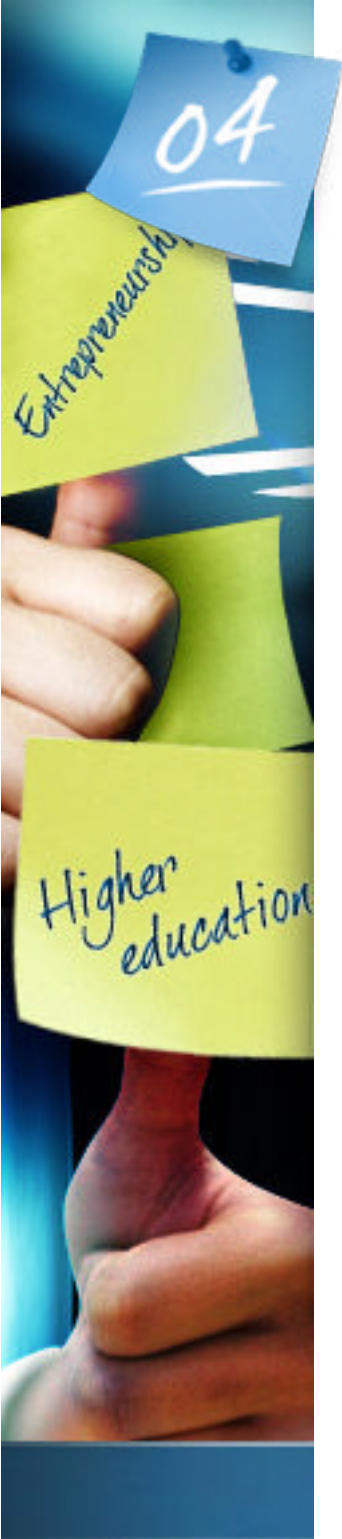
4. Networking and outreach:

At the end of year one and two of the programme, a networking event will be organized for grantees. This event will be organised as a fair, and a large number of businesses and municipal representatives from Kosovo will be invited. This will provide networking opportunities for business people in the whole region but at the same time show the potential of the programme and that it can be implemented in other areas as well. With the support of Municipalities, events of this type can become a tradition, thereby potentially adding an extra dimension to the economic development and cross community cooperation of the region.

■ Results

The project achieved its overarching objective by contributing to the creation of favourable conditions for existing and potential entrepreneurs through the establishment of BSCs that helped them increase their capacities and assisted them in all aspects of business development. The following are the more specific results:

- SMEs in the municipalities have access to improved services in accordance with the four SME strategies and decisions developed in cooperation with Municipal structures, business sector and community leaders of the targeted areas and with support of external experts. Municipal mechanisms for development of the SME sector have been improved through capacity building training for relevant municipal officials from departments for economic development. The BSC's staff monitors the implementation of municipal decisions on a regular basis and report on possible gaps.



- The two BSCs have been successfully established, while BSC mobile teams are covering three additional municipalities (Klokot/Kllokot, Ranilug/Ranillug and Partes/Partesh). Skilled BSC staff are there to support the development and running of SMEs in the targeted areas. The BSC staff have been trained by local and regional experts on a variety of business skills such as business plan writing, SMEs management, business communication, tax and business registration, raspberry production (which is one of the project's success stories). Due to its success there is now interest to expand areas planted with raspberries, which has been given the highest priority in agriculture production in SME's development strategy in Strpce/Shterpce Municipality. Another function undertaken by the BSC staff is to conduct regional information meetings on the programme details and granting possibilities.

With the aim to encourage entrepreneurship and to improve the capacities of existing businesses, BSCs organised the Summer School of entrepreneurship, with 85 participants coming from the targeted municipalities.

- Ten SMEs in targeted areas have been strengthened through the granting scheme and hands on consultancy/coaching has been provided by BSCs; five are existing businesses and five are start-up businesses. The Business Plan Competition was organised in order to allocate the first round of grants to support eligible businesses with equipment and machinery needed to start/expand their activities or establish eligible enterprises.

During the first year, 2-3 business plans of eligible entrepreneurs were selected in each targeted municipality by an independent jury composed of local business experts and/or successful entrepreneurs, loan officers at microfinance institutions, RDA representatives with knowledge about local market and overall municipal development strategy and goals. The programme made efforts to identify businesses that can be replicated throughout all four municipalities.

- 20 new jobs will be created in supported SMEs through the granting scheme. Each of the grants allocated to SMEs in 2011 had as a requirement: job creation. For the full grant, 2 full-time positions need to



Raspberry Farmer



be created and contracts signed with previously unemployed skilled individuals from their communities. The finalisation of the Individual Grant Agreements and its implementation plans are still ongoing.

■ Evaluation

The project has multiple methods to evaluate its results and impact. One method is trainer and participant evaluations, which were held after every term. In addition to this, open question evaluation forms have been filled by BSC coordinators and recommendations for the next year have been drafted. There were 85 participants of a BST and almost all highlighted the good organisation, their satisfaction with the trainers/experts and expressed willingness to participate in future trainings organised by BSCs. Recommendations were made regarding the duration of the training, which have been taken into consideration for future activities. Another method is evaluation questionnaires to determine the effectiveness of Business Plan Competitions. Participants are still in the process of being interviewed.



■ Enterprise Development North Kosovo

Target group: Potential and existing entrepreneurs from North Kosovo, active jobseekers (school leavers and unemployed) and vulnerable groups

Total project budget: € 797,950

Financed by: United Nations Development Programme (UNDP)

Partners involved: Business Advisory Centres in Mitrovica South, Mitrovica North and BC Zvecan

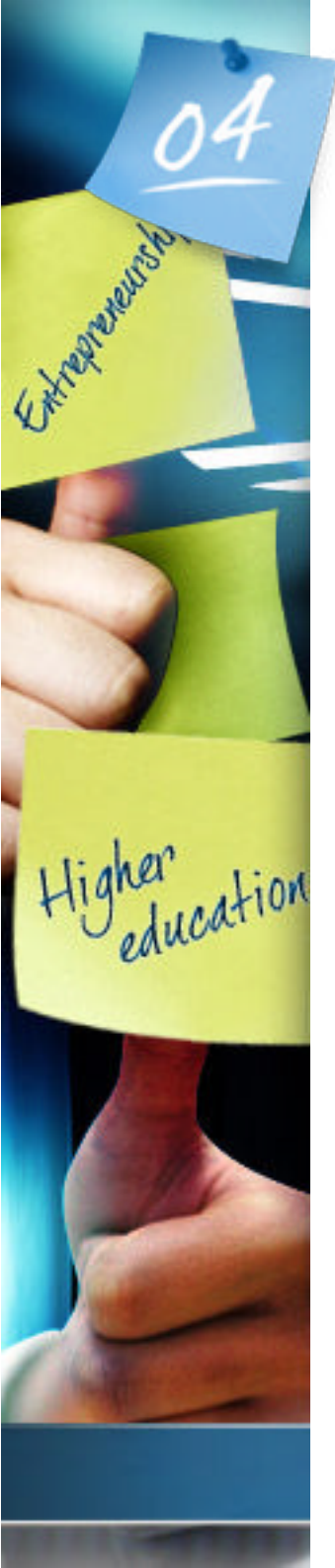
Project duration: 2010 - December 2012

Project Description and Goal:

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, thereby contributing to direct poverty alleviation through the strengthening of businesses and creation of jobs. SPARK is the implementing partner with an established track record in providing start-up packages including financial support to young entrepreneurs. The UNDP office in Pristina and SPARK Mitrovica will implement a micro-finance scheme in the areas of Mitrovica South/North and Zvecan in order to support the overall economic development of the region.

After the successful establishment of the Business Advisory Centres (BAC) within the three target areas, further intervention will ensure sustainability of this initiative and increase trade and economic activity within the region. According to various studies, the economic situation in Mitrovica is dire. Youth unemployment is extremely high and SME development is hampered by political uncertainty, lack of rule of law, absence of vocational business development training and difficult access to finance for SMEs with growth potential. 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 this issue three Business Advisory Centres (BACs) have been established with support of the UNDP and SPARK. These centres have offered vocational business training. As a follow-up the issue of access to credit is to be addressed by the establishment of a credit fund, to be implemented by a registered banking institution.

The overall objective is to support potential and current entrepreneurs to become (more) successful in doing business and to support their future development with an incubator and tailor made support (coaching, on the job training). 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. These two types of trainings (entrepreneurship and employability) are aiming at two distinct target groups, which should be, and are, treated separately.



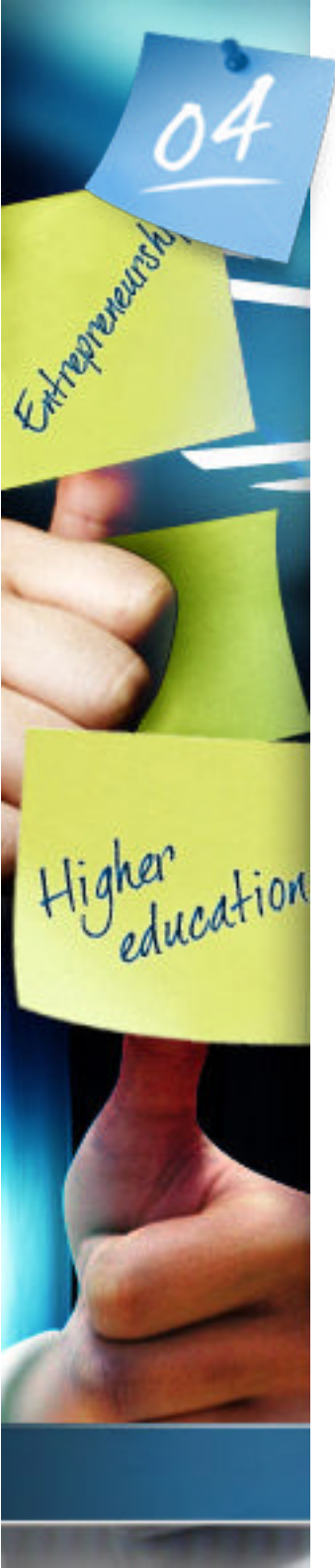
■ Results

7 main results can be highlighted for 2011:

1. To reaffirm the cooperation between SPARK and the BACs, a Memorandum of Understanding was signed by SPARK and each of the BACs, covering the period from January 1st till June 6th 2011. The BACs had to each organise trainings for 15 participants and assess their business plans. In June 2011 BAC staff attended the Training of Trainers to further increase their own capacities.
2. All three business advisory centres organised and completed the Business Skills training for their beneficiaries. Out of the total 45 planned participants for the Business Skills Training 41 successfully completed the training more than 50% of which were female (22 participants). The participants that successfully completed the trainings have received certificates. Staff of all three Business Advisory centres have completed the Business skills training/Training of trainers in order to increase their capacities and have more success in future activities.
3. Overall there were far more than 15 business plans developed:

BAC	Total	Female	Male
Mitrovica South	23	12	11
Mitrovica North	6	2	1
Zvecan	13	3	10

4. BACs have created an active data base. BAC Mitrovica South submitted an SMEs database with over 4500 companies that are active in the region south of the Ibar River. BAC Mitrovica North submitted a database with over 700 companies that are active in the region north of Ibar River. BAC Zvecan submitted a database with 211 companies that are active in the Municipalities of Zvecan, Leposavic, ZubinPotok and Lesak. The database was created in order to increase business and trade linkages between South and North Mitrovica and Zvecan, by promoting the development of inter-community business proposals implemented by the BACs.
5. As part of the effort to increase the capacities of the BACs, study visits to three regional Business Centres in Novi Sad, Bar and Kragujevac were organised. BAC staff were able to see how their colleagues in other Business centres have implemented similar projects and could exchange experiences.



4 people from BAC Mitrovica North went on a 2-day study tour organised by the BAC called the “Business incubator Novi Sad”. The topics discussed were: capacity building, management and consultancy services. BAC Mitrovica South organised a 2-day study tour to BSC Bar where the topic covered was “Opportunities and obstacles for the development of establishments in the Western Balkans”. (BAC Zvecan did not organise a study tour.)

6. Signed agreement with the NLB Bank Pristina for the implementation of the micro-credit component of the project.

7. As was planned, three BPCs were organised in Mitrovica North/South and Zvecan with public calls made through the local radio and TV station (newspaper as well in the first call). After BP applications were submitted, a jury selected the ones to be recommended to the NLB Bank, who then needed to approve the applications and then give the loans.

Public Call	# BPs	#Selected by Jury	# Approved by NLB Bank	# Applicants refusing due to short repaying period
1st : October	21	12	12	5
2nd : November	12	10	10	3
3rd : December	17	15	-	-

Due to the December holidays the NLB Bank was not able to assess the received BPs of the 3rd call before the end of 2011. For the first call 4 loans were disbursed by the bank by the end of 2011 and for the second call 2 loans.

After the completion of the first two public calls the results were analysed during the UNDP-SPARK monthly meeting. Both sides agreed that the number of submitted and approved business plans is lower than expected. Two major reasons were pointed out: short repayment period and political/security situations in the North. As the 3rd public call was planned in January we realised that we can expect even lower number of applications due to the short repayment period. In order to try to avoid this it has been decided to divide the 3rd public call into two parts: one has been organised in December and the second one was planned for January.

■ Evaluation

Evaluation of results is still a little premature at this point, as the project was still in its establishment phase in 2011. Business plans by participants are still in development and a tender for credit facility has been submitted to banks but not fully realised.



■ Business Start-up Centre Zimbabwe

Target group: Young ambitious people between 20-40 years with a business idea or with a (informal) company < 1 year (Students of the Blackfordby College for Agriculture, Clients of the partnering Bank: e.g. clients that received a \$ 1000 micro-credit and want to expand their micro business, as well as small agro-business clients, staff of partners)

Total project budget: \$ 251,939

Financed by: Stichting DOEN, SPARK, Blackfordby College of Agriculture, CBZ Bank

Partners involved: Blackfordby College of Agriculture, CBZ Bank

Project duration: 1st Dec 2010 – 1st Dec 2011

Project Description and Goal:

This pilot project envisaged the establishment of the Business Start-up Centre in Harare, Zimbabwe (BSCZ) by local private sector partners with the assistance of SPARK. The BSCZ will offer training, coaching and access to finance to ambitious entrepreneurs with viable business plans. The principle aim is to create jobs, and to stimulate the local SME sector as the motor of the economy.



Harare Business Centre



The objectives of the project were the following:

- To establish a BSC in Zimbabwe, using the expertise and knowledge of the private sector partners;
- To assist potential entrepreneurs to start their own business through a training scheme combined with a business plan competition and start-up support in the form of soft-loans, and mentoring;
- To increase business skills (and employability) of young potential and existing entrepreneurs;
- To (re)generate the entrepreneurial spirit amongst youth in Zimbabwe

During the period January – March SPARK together with its partners had prepared the establishment of the BSC Zimbabwe, which was ready to be formalised by April/May 2011. In that same period a business skills training curriculum had been developed, and was ready to be instructed to Zimbabwean business skills trainers of the Blackfordby College, CBZ and other corporate partners. However, SPARK in consultation with DOEN decided to put the project on stand-by due to unforeseen difficulties. The lacking readiness among all envisaged partners to formalise their participation prevented the project to actually hold the training of trainers, finalise full BSCZ registration with all partners and deliver a finalised activity plan for the continuation of the project.

During the second phase of this initiative SPARK and Blackfordby College of Agriculture (BCA) agreed on organising a training of trainers for BCA trainers and training staff of corporate partners such as CBZ Bank ready to continue project activities, using the modules developed during the first phase. The business skills training modules included, among other topics, agri-business plan development, market research, marketing & sales, book keeping etc. and were fully incorporated into the existing curricula of BCA. The second phase also included the teaching of the modules to BCA students. SPARK continues to explore opportunities to support young ambitious entrepreneurs in Zimbabwe.



■ Bridging the Divide

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 in the age of 12-20.

Total project budget: € 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)

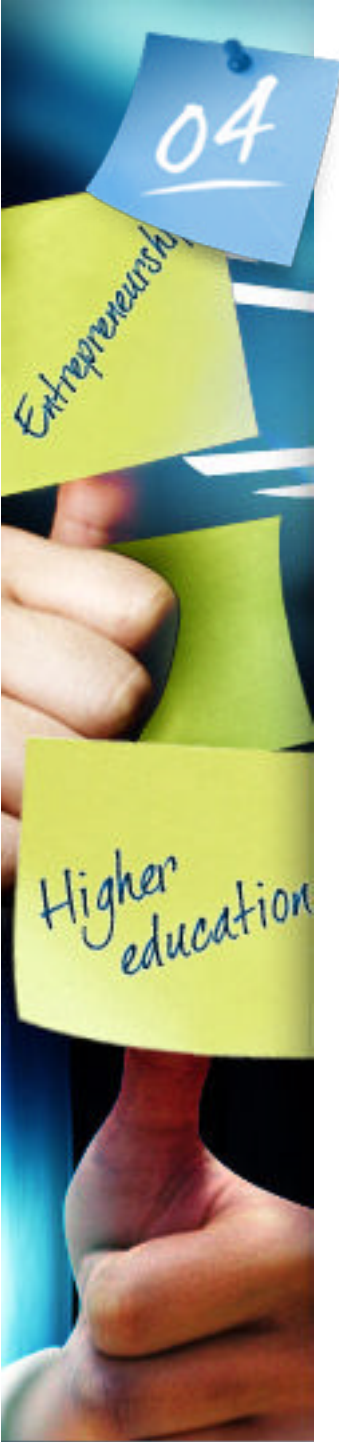
Project duration: 2010-2012

Project Description and Goal:

After the declaration of independence for Kosovo in 2008, the division of the northern Kosovo frontline city of Mitrovica into a predominantly Serbian North and Albanian South has become more prominent and is affecting all communities living on both sides of the Ibar River. Being divided both physically and institutionally in separate municipalities that fail to communicate between themselves, they face further instability, insecurity and disintegration in a city already scarred by conflict. Issues such as lack of institutional and civil inter-ethnic cooperation or communication between the two sides, lack of objective local media, little positive after-school activities and cultural events for youth undermine all efforts to bridge the divide between the communities on the two sides of the Ibar River.

Even the most obvious agent of positive change – the Civil Society Organisation community – is plagued by fragmentation, internal competition and a lack of appropriate facilities for joint action, severely limiting its synergy and impact. This has resulted in broad community distrust of the NGO community, which is perceived as donor-driven rather than serving community needs. These needs, consequently, remain grossly ignored, to the detriment of the community, especially the city's largest demographic group, the youth, who lack positive after-school activities, cultural events and employment opportunities. The lack of these facilities further increase social isolation, pacification and political radicalisation, which are spurred on by boredom, general dissatisfaction and wide-spread cynicism.

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



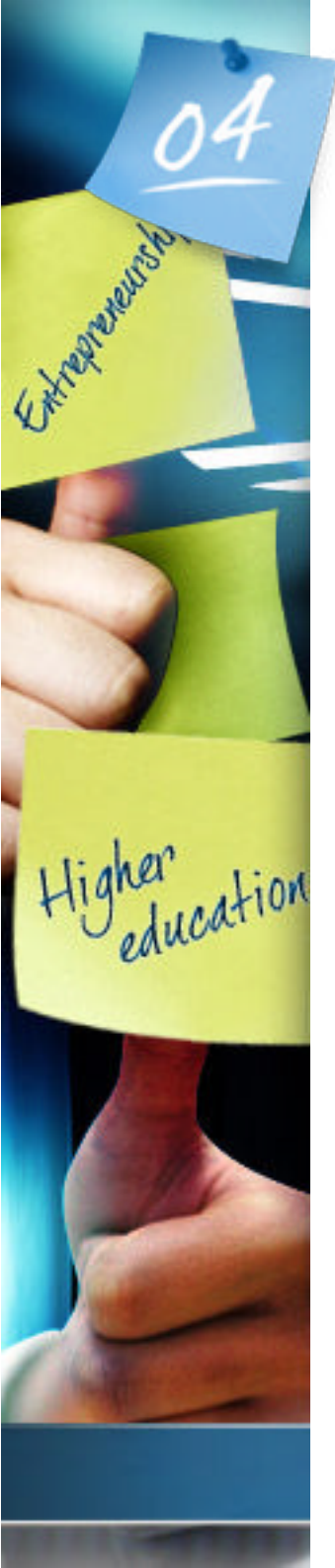
addresses problems and opportunities related to infrastructure, media, civil society development, youth care and the lack of institutional and civil inter-community cooperation.

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

- Implementation of highly visible, high-impact, infrastructural interventions on both sides of the divide. With these interventions being closely aligned with the priorities of local authorities and communities, and being selected by a board representing them, the project will facilitate a rudimentary form of cooperation between local communities, CSOs and local municipal institutions, while bringing much-needed and tangible results to citizens on both sides of the Ibar River.
- Establishment of ‘M-M@G’, a modern monthly webzine with an ethnically-mixed editorial team focusing on relevant investigative and social journalism and aiming to provide objective, solution-oriented information geared towards spanning the divide. Establishment of a bilingual Youth Portal (‘Mi:2’), closely connected to the radio station ‘Kontakt Plus’ and the Centre for Resources, Youth and Media (CRYM), focusing on issues relevant to especially the youth of Mitrovica aiming to not only inform but also activate and empower them, while also opening up a channel that supports and publishes aspiring young journalists.



CRYM – Youth playing football



- Establishment of a vibrant CRYM aiming to integrate and empower a fragmented NGO community towards a strong, active, resource-pooling, synergetic and accountable local civil society, driven by local needs rather than donors. CRYM will provide a newly-formed coalition of local CSOs with adequate premises to strengthen their organisations, increase their capacity, and facilitate their joint outreach and impact while incorporating a multi-ethnic open youth centre that includes a rock school, youth club and informal educational and cultural programmes.

■ Results

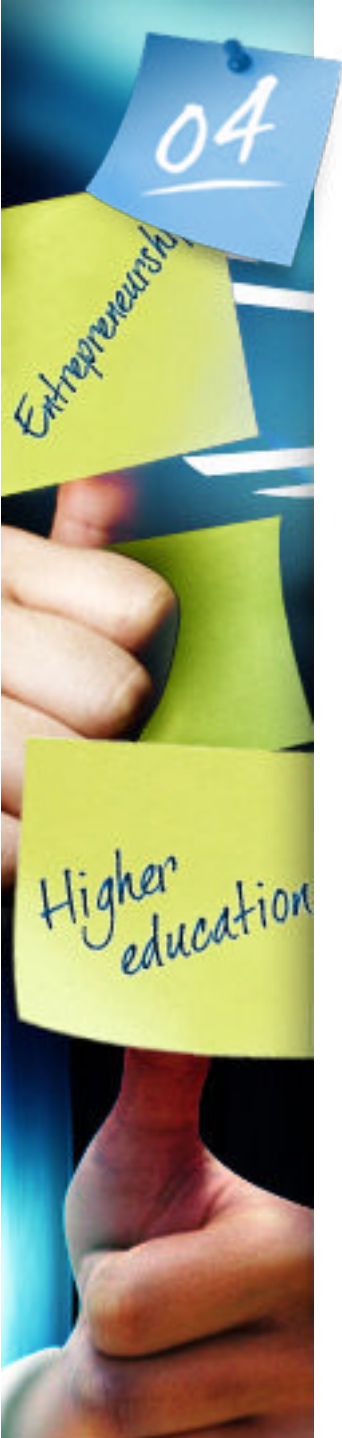
The project was scheduled to start in June 2010 but, due to local complications (elections, turnover in the management of local counterparts, clashes and tension), was rescheduled to September 2010. By the end of 2010, a General Coordinator for the Bridging the Divide programme had been appointed. Work on the refurbishment of the new CRYM building commenced in 2010 and was eventually inaugurated on 25 March 2011.

With the three main pillars in mind, three main results can be outlined thus far:

1. As part of the infrastructure component, reconstructions and renovations of several infrastructural establishments implemented on both sides of the Ibar River took place:
 - o Reconstruction of façade on housing building in Kralja Petra Street in Mitrovica North;
 - o Renovation of façade on housing buildings on central city square, Mitrovica South;
 - o Renovation of three sport playgrounds and two parks in Mitrovica North;
 - o Rebuilding of the sport playground in Elementary School in SuhoDoll/Suvi Do;
 - o The works related to the Electrical Works and Construction of the Electric Network of the Public Lightening (P.L.) in “Kroi i Vitakut/Brdjani”, Mitrovica North;
 - o Premises for Public Use, next to Orthodox Church have been finalised and completed.

The work on the infrastructural component of the “Bridging the Divide” has visibly contributed towards increased cooperation between the implementing agency NGO ‘Community Building Mitrovica’ (CBM) and the municipality and other stakeholders in Mitrovica North allowing more room for further cooperation.

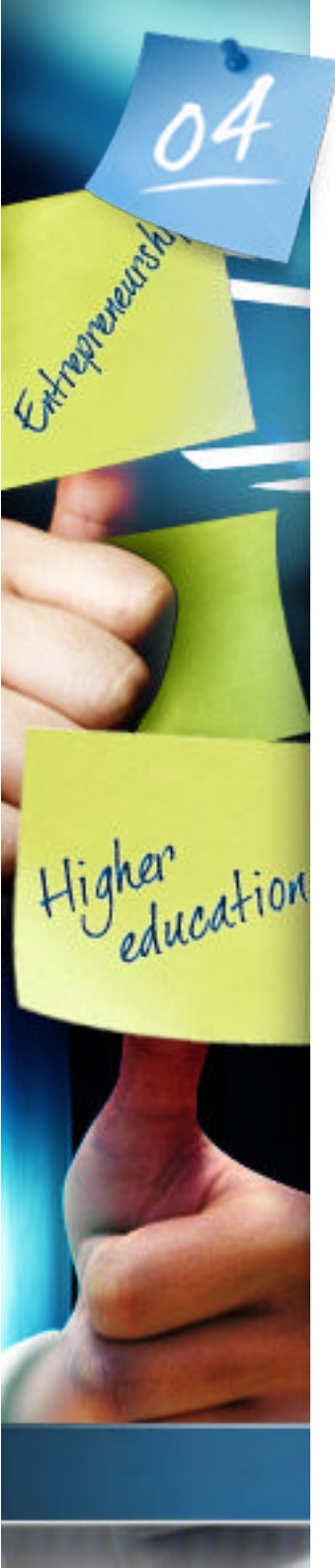
2. The M:M@G webzine and the Mi:2 portal have been established and are updated on a continuous basis. Generally, the coverage of different events and developments related to the social issues in Mitrovica region is quite evenly distributed, for example, health, youth and economy. As part of capacity building aiming to transfer more knowledge and build up skills on professional journalism and the role of the media in the society/community, training activities for young journalists and photographers took place and included trainings on journalism and photography skills.



3. A progressively multi-ethnic open youth centre within CRYM was established and includes a rock school, youth club for children and youth from the North, while also opening up a channel for coordination, collaboration and cooperation between 7 local NGOs that run it. The Youth Centre regular activities vary from movie nights to concerts, and a CRYM web-site is in the process of development. A network and a platform for business companies - from both sides of Mitrovica - to interact and cooperate with each other was created as a result of the project as during the site visits, companies from North and South came together and established contact between each other and in some cases started to cooperate with each other.



CRYM – Masked Ball



■ Evaluation

CBM has been the implementing agency for the project, supported by SPARK's institutional capacity building, whereby improvements in budgeting, reporting and organisational issues have been obtained. Similar efforts in capacity building have been made with regards to the CRYM Board and other institutions involved. The process of evaluation takes place against the timeline and results set during the project planning phase are re-evaluated regularly on the basis of progress made.

The infrastructural improvements made as part of the project were evaluated by an evaluation commission comprised by the Supervisory organ, a member of municipality (south and north), Representative from the Dutch Embassy, SPARK, and 'Bridging the Divide' project executive coordinator which confirmed the technical acceptance and successful finishing of the works.

The staff of M:M@G and Mi:2 works closely and continuously communicate with CBM, supported by SPARK. The coordinator of M:M@G, coordinator of Mi:2 and 'Bridging the Divide' project coordinator meet regularly to discuss the progress of the project.

Meetings of CRYM members take place once a week. NGO CBM and SPARK evaluate the progress of the CRYM component by means of being present, observing and participating in all meetings.



4.3 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 2011 we began a new venture into the domain of research with a research project on youth exclusion, conducted in Liberia and Sierra Leone.

Table 3: SPARK's Research Project

Project / programme title	Location	Period	Total Programme Budget
World Bank research on youth exclusion	Liberia and Sierra Leone	2011-2012	\$ 72,780

■ World Bank research on youth exclusion

Total project budget: \$ 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. Cases in point are the two West African countries of Liberia and Sierra Leone. Although for both civil war has ended, levels of violence are high in these countries and 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.

■ Results

In 25 communities data has been collected by 25 respondents in individual and focus groups interviews. The collected data will be analysed by the World Bank in Washington.



4.4 SPARK as Part of a Consortium

While SPARK headed several projects in 2011, 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 budget available for SPARK during the project).

Table 4: SPARK as Part of a Consortium

Higher Education

Project / programme title	Location	Period	Budget
"I don't need a parachute... to land in Europe!"	Romania (Western Balkans)	2011-2012	€ 195,896

Private Sector Development

Project / programme title	Location	Period	Budget
Visually Impaired Persons Business Support Programme	Moldova	2009-2012	€ 32,730
Youth Entrepreneurship Civil-Public Partnership	Serbia	2011-2012	€ 129,319
Young Employed and Independent	Serbia	2011-2013	€ 206,960
Hanga Umurimo	Rwanda	2011-2012	€ 60,000
Job search, basic managerial skills, work efficiency skills, attitude, behaviour and ethics and basic IT skills	Liberia	2011	\$ 2,925



■ “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:

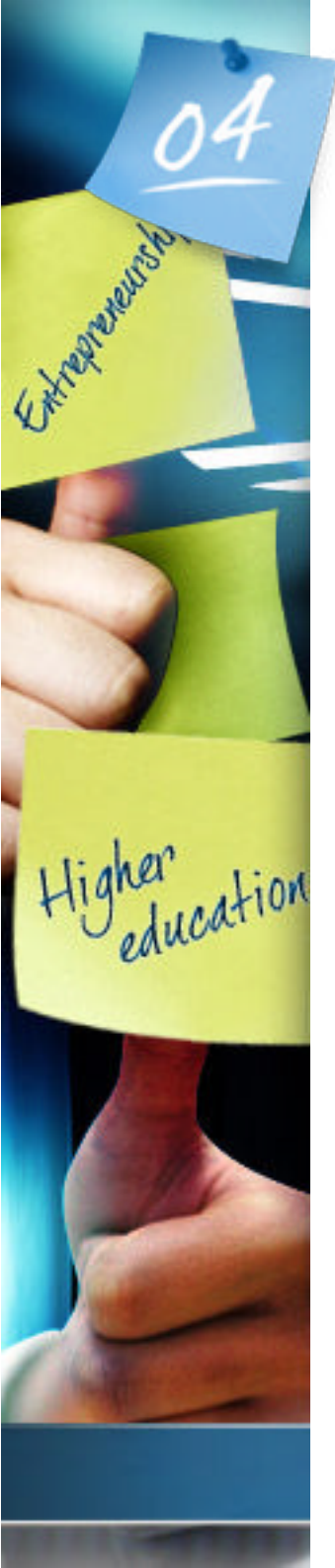
The goal of this project is to inform EU citizens about the current enlargement of the EU towards the Western Balkans and to promote tolerance by stimulating direct and indirect contacts between young people from both areas.

The project intends to familiarise people from EU member states with the benefits and challenges of the current EU enlargement and to present the contemporary reality of candidate and potential candidate countries. It does so by implementing an awareness raising campaign and a contest. The project also intends to promote tolerance and understanding between young people by organising a summer school and inviting participants from EU and Balkan countries.

On one side the initiative will provide youth from the Western Balkan region (18-30 years old) the possibility to interact and establish connections and to present their country and customs. On the other side, young people from the EU will have the opportunity to meet people from the Western Balkans, to find out their expectations from EU integration and to present their own country’s experience.

■ SPARK’s Involvement

In order to achieve this goal SPARK will help to organise awareness campaigns through the Internet as an instrument for selecting EU ambassadors and participants for a summer school that will be organised and run by the project. SPARK will assist in the selection procedure. The theme will be EU Enlargement: The Western Balkans and the agenda will comprise of information related to EU history, economy and policies (economic, political and cultural aspects). And finally the project will also run the EU Ambassador Campaign, which will require the 100 participants to the summer school (who will become EU Ambassadors) to inform 10,000 people from their respective countries about the benefits and risks of EU enlargement.



■ 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: €32,730

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 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 supportive, sustainable organisation for blind individuals in Moldova to expand their professional potential and abilities. To this end an NGO will be established responsible for the evaluation of the business environment and the support of VIPs starting their own businesses through training, monitoring and rendering services of assessing business plans of individual and collective clients as well as linking them to business partners and credit facilities.

The NGO will create a limited liability company (SRL). This operational executive body will lead VIPs directly to employment and will participate in potential SMEs run with or by VIPs. The SRL will encourage its participation to those SMEs working on environmentally friendly products and services. The SRL will be a limited liability company because it is a 100% subsidiary company of the NGO. At the end of the programme, a pilot will be finalised with the following outcomes: VIPs will be guided to work and are (self-) employed.

In 2011 VIP Business Support Moldova organised its first round of training and support to VIPs.

In 2011 a new NGO was established, the SRL will start in March 2012. So far the programme has resulted in 11 VIPs finding a job and 5 visually impaired persons have even set up their own SME.



■ SPARK's Involvement

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

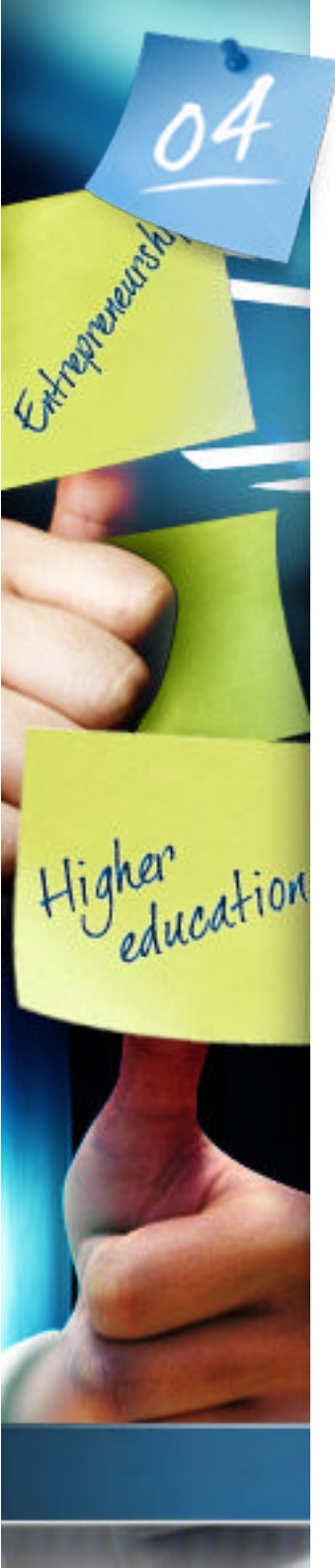
From 27th – 29th April 2011 SPARK, BiD Network and BSC Bitola organised a training for the programme staff of the VIP programme. The training programme consisted of information on how to establish a Business Support Centre, how to organise a Business Plan Competition and how to engage VIPs, as well as of a workshop on how to present, pitch and coach. The three day programme closed with a session devoted to evaluation, lessons learnt and indentifying the next steps in the VIP programme.

■ Evaluation

The target of the programme was to help 20 VIPs to start their own business. So far only 5 have done so. For the first round of training 36 VIPs were selected for an entrepreneurial skills evaluation and 14 of them were selected for a 5-day training in business planning. This training has not yet been evaluated by the beneficiaries while feedback about the organised activities is essential. Recommendations have been made by SPARK to execute surveys among both selected and rejected VIP beneficiaries.



VIP training of programme staff



■ 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 and their active participation in socio-economic development and the EU integration process. It also promotes youth entrepreneurship as an instrument of youth employment and sustainable socio-economic development. This project further aims to improve local socioeconomic development, through the transfer of EU standards and best practices of CSOs involvement in youth entrepreneurship policy making processes at the local level (Sumadija and Pomoravlje region).

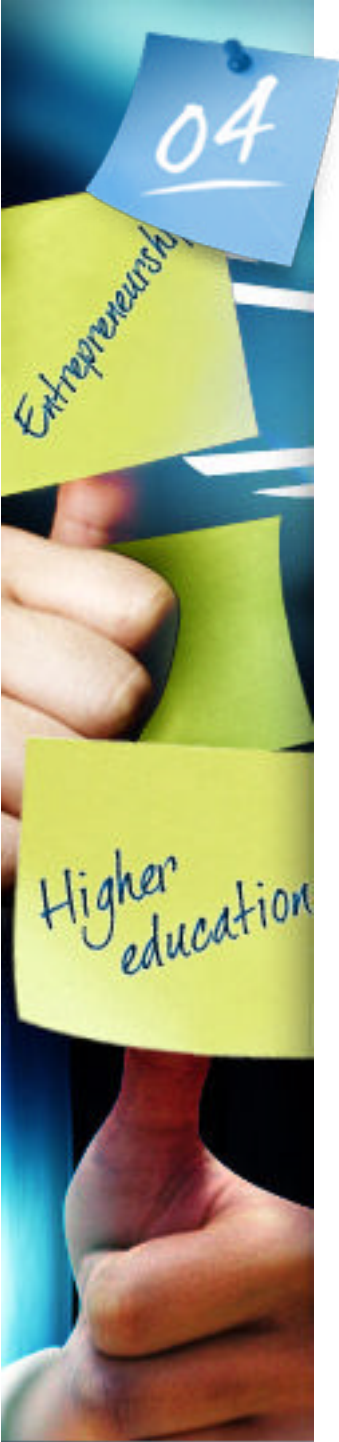
Specific subthemes and results to be achieved are:

- Increasing youth employment: this action specifically addresses the problem of undeveloped youth entrepreneurship. 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 low 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 potentially significant socio-economic impacts through involvement of all relevant stakeholders, including youth and local communities, in the development of local action plans on youth entrepreneurship.

■ SPARK's Involvement

The services provided in order to achieve these results include:

- 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.

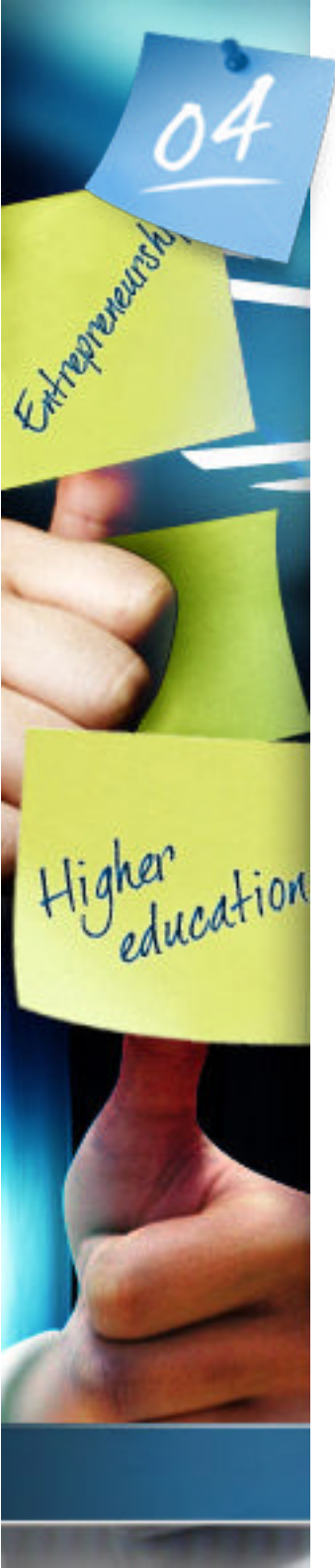


- Capacity building of CSOs and informal youth groups in entrepreneurship

SPARK organised for 16 Serbians from various organisations to visit the Netherlands in November 2011. The group included representatives from Serbian NGOs, Entrepreneur Associations, youth offices, non-formal youth groups and the Krugajevac municipality. The group, all dedicated to supporting youth entrepreneurship in Central Serbia, came to see how the Dutch support young entrepreneurs. Additionally, the visit gave these representatives the opportunity to understand the value of public-private partnerships in providing opportunities for young people.



Serbians' visit to the Netherlands



■ 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:

- create and preserve employment by enhancing economic viability of the private SME sector through the promotion of entrepreneurial spirit, business initiative and self employment among the young unemployed in Serbia
- increase competitiveness and economic results of young entrepreneurs and existing SMEs through provision of a diverse portfolio of practical training and development activities and direct financial support through micro loans

Results of the research conducted for the project showed that training courses offered often lack the necessary linkage to actual company needs or simply the necessary quality due to the lack of agreed quality standards, and on the other side job seekers recognise the importance of training and the necessity of acquiring new skills.

Consequently, awareness sessions and training workshops are designed to provide a platform for all concerned to explore development of business ideas and how they can be converted into practical actions leading to the creation of either new business ventures or expanding the horizons of existing ones.

■ SPARK's Involvement

The services provided in this project included the following:

- Awareness raising and promotion of lifelong learning, entrepreneurship and self employment. Exchange of best practices from EU.
- Organisation of training activities (Training of Trainers and Business Skills Trainings) to meet the gap between demand and supply in the labour market.
- Provision of financial and non-financial support to young entrepreneurs through Business Plan Competition, consultancy services and deployment of existing credit facility for start ups and business expansion
- Capacity building of partner organisations to be able to better support potential and existing young entrepreneurs



■ Hanga Umurimo Project

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 – 31st May 2012 (Pilot phase)

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 business acumen to run competitive and innovative enterprises.

■ SPARK’s Involvement

The plan is to implement this entrepreneurship awareness campaign countrywide. For the pilot phase, SPARK in partnership with SFB is implementing the project in the 7 districts of the Eastern Province of Rwanda. The main activities of the project are to identify and train potential entrepreneurs and run a Business Plan Competition.

First, a training in Business plan writing is organised for 50 preselected applicants in each province, from which 10 winners with the best business ideas are selected. These will be linked to the Rwandan Development Bank for start-up loans. These loans are guaranteed by the ministry. The awardees are assisted in upgrading their business plans and facilitating their contract with the bank. Finally, advisory services are provided in the form of a 3 month coaching on business management skills and other issues related to starting up and growing the businesses.

About 3,500 applications were received from the 7 districts, from which 50 applications were preselected to participate in the business plan writing training. SFB engaged 15 of their trainers to deliver 5-day trainings for 2 groups of 25 participants in each district.

The project, which is in its 6-month pilot phase, is planned for 5 years with a total allocated budget of \$32M. So far the ministry is satisfied with the progress of the project, and there is hope that the project will qualify for further implementation in the future



■ Job Search, Basic Managerial Skills, Work Efficiency Skills, Attitude, Behaviour & Ethics and Basic IT Skills

Total project budget: \$ 2,925

Financed by: Odebrecht

Partners involved: Lead Partner: BSC Monrovia

Other Partners: Odebrecht

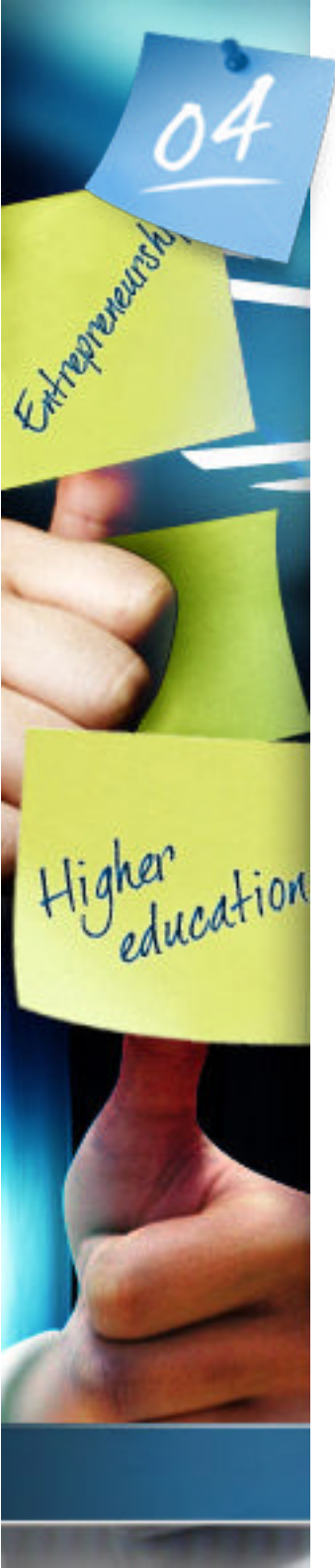
Project duration: June 2011

Project Description:

SPARK organised collaborative training programmes in Liberia for intern students, as there was a need to build the capacity of trainees in soft and work readiness skills in addition to their technical skills. This resulted in an enhancement of understanding of diversities in the work place and beyond, and knowledge to respond to current and emerging issues more effectively and efficiently in a professional manner. The trainings covered job search, basic managerial skills, work efficiency skills, attitude, behaviour and ethics and basic IT skills.

Each training module was facilitated by our trained and certified trainers at the Grand Bassa Community College (GBCC) and supervised by an experienced BSC Monrovia staff member. During the training, the facilitator had an input of 40% while the participants contributed the remaining 60%. This highly interactive method has proven efficient in many cases especially for the purpose of knowledge retention.

These training modules were developed based on listening sessions held in both Monrovia and Buchanan with stakeholders on the perceived skills gap. After a critical look at their concerns, SPARK/BSC developed those ideas and concerns into a training package in collaboration with an International Finance Corporation certified master trainer.



4.5 Project Development and Fundraising

2011 was dedicated to a more serious approach towards building SPARK's fundraising strategy and proposal development capacity. Furthermore, alternative sources of fundraising opportunities were to be evaluated. The process started with thorough analyses of the current situation in the various SPARK offices – existing capacities, challenges, and opportunities – and it was supported by the creation of a number of tools by the head office in Amsterdam. The topic also featured importantly at the SPARK meeting in Macedonia, discovering the wide range of creativity in defining directions for future development.

■ Fundraising

There were a total of 22 project proposals developed in 2011 out of which 9 were accepted. 6 were raised in 2011 and started in 2011, while the other 3 were raised in 2011 but will start in 2012.

Raised and started in 2011:

Higher Education

- “I don’t need a parachute... to land in Europe!”, Romania (Western Balkans) (see 4.4)

Private Sector Development

- Youth Entrepreneurship Civic-Public Partnership, Kragujevac (see 4.4)
- Young Employed and Independent, Kragujavic (see 4.4)
- Hanga Umurimo; Consultant Services for Training, Business Plan Competition and Business Advisory Services, Rwanda (see 4.4)
- Proposal for Trainings – job search, basic managerial skills, work efficiency skills, attitude, behaviour & ethics and basic IT skills, Liberia (see 4.4)



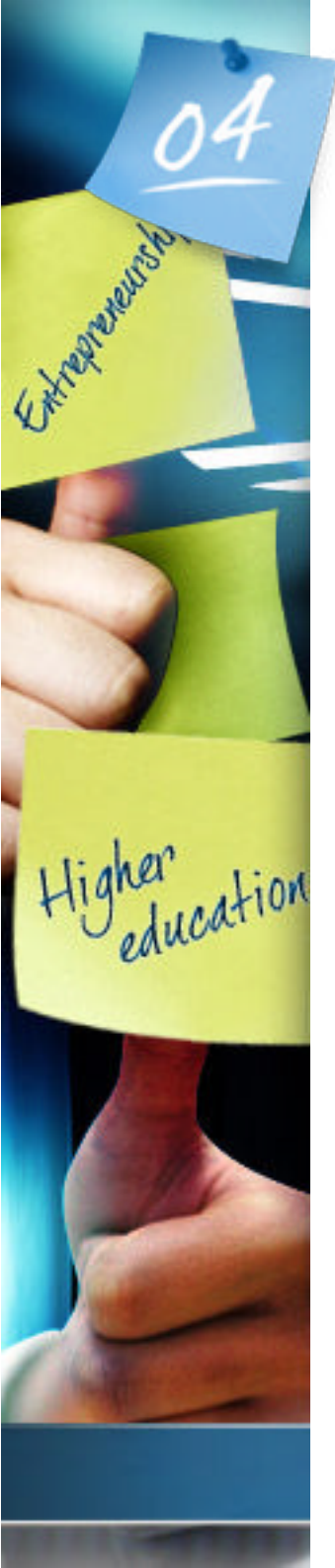
Raised and started in 2011:

Research

- Consultancy Services – research into the use of violence by “excluded youth”, Liberia and Sierra Leone (see 4.3)

Raised in 2011, will start in 2012:

Project / programme title	Location	Period	Budget
Youth Engagement in Political Parties	Burundi, Palestinian Territories, South Sudan	2012-2015	€ 1,882,500
M&E solutions for Youth Employment Programme	Palestinian Territories	2012-2013	\$ 40,000
Diploma Acceptance Project	Kosovo and Serbia	2011-continuous	€ 150,000



■ Youth engagement in Political Parties

Total project budget: € 1,882,500

Financed by: Political Parties Fund

Partners involved: The Hague Academy

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

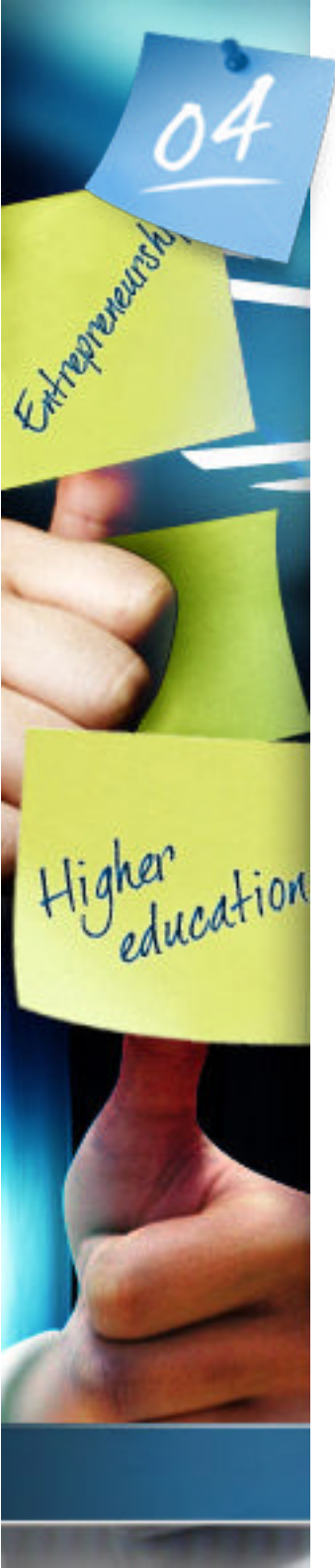
Project Description and Goal:

The overall objective of this programme is to reduce instability in three fragile state environments (Burundi, Palestinian Territories, and South Sudan), through strengthening the institutional capacity of relevant political and civil society stakeholders to improve the social-economic position of young women and men.

The three inter-linked strategic objectives that guide the programme are:

- capacity building of local partners advocating for improving the socio-economic position of young men and women. In turn, these non partisan CSOs support and strengthen the capacity of political parties, political movements and/or relevant interest groups (including leaders and members of councils) with a similar objective or willing to advocate for the socio-economic position of youth.
- increasing youth participation in political parties, interest groups, including business associations, unions, etc. and providing - through local partners - leadership training to young women and men.
- enhancing multi-party and multi-stakeholder dialogue on improving the socio-economic position of youth, involving relevant local partners, CSOs, interest groups and political parties, higher education institutions, enterprises, business associations, business development organisations and employee organisations/unions and their youth representation/delegations.

The ultimate target group will benefit from the capacity building programme, the created networks and multi-stakeholders dialogue on different levels. Through the leadership programme and the trainings on good governance, democracy, security & rule of law, civil participation & accountability their knowledge and skills will be improved in the field of interest, which they can apply in their jobs, their involvement in political parties and movements, interest groups etc. Through their involvement in the networks and dialogues, more cooperation and alliances will be built, which will be important for the positions individuals will have or get in the future and will, in general, contribute to more inclusion, cohesion and democracy in the reconstruction process of the country.



In order to achieve this, trainings and coaching of local partners, political parties and interest groups will be carried out covering:

- organisational aspects
- good governance and democratic parties
- fact based advocacy and organising multi party/stakeholders
- developing, introducing and strengthening activities and services of partner organisations, interest groups and political parties for youth

Just as important will be facilitating local partners, political parties and interest groups to develop activities that strengthen youth participation in socio-economic policies, programmes and decision-making.



■ M&E solution for Youth Empowerment Programme

Total project budget: \$ 40,000

Financed by: Taqueem, Birzeit, SPARK

Partners involved: Birzeit University IT Centre for Excellence

Project duration: Jan 2012 – June 2013

Project Description:

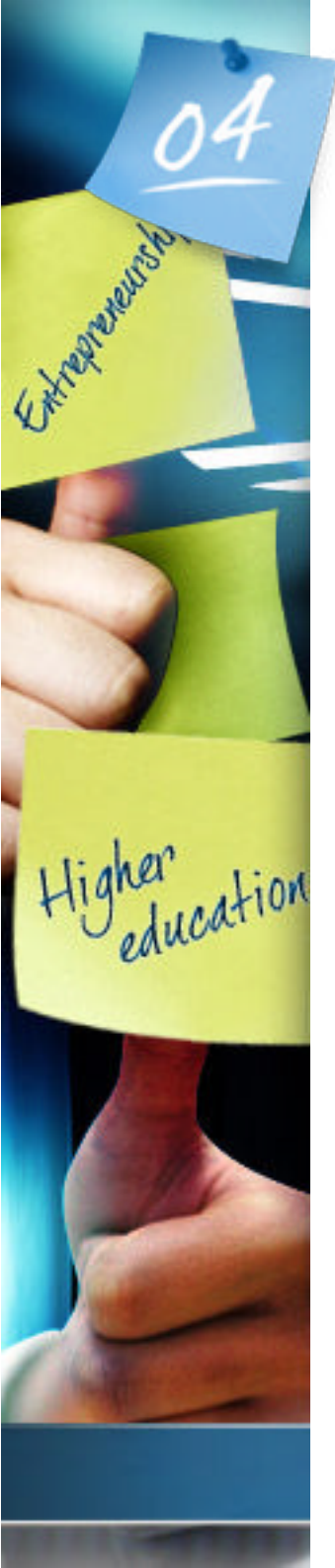
There is a broad agreement that institutions of higher education are being pressured to become more enterprising – particularly to play an enhanced role in contributing to local economic development and to the international competitiveness of their economies. Recently, Birzeit University has taken a centre stage among universities in Palestine in developing and implementing strategies and interventions that help transform university communities into entrepreneurial environments that are conducive to establishing successful business start-ups. In this effort, Birzeit University is supported by SPARK to implement a project under its larger programme for Palestine.

The focus of the M&E programme is two-fold, first is on the monitoring of the outcomes and the second is on the preparation for an impact evaluation.

For outcome monitoring, our desire is to identify, develop and pilot a set of tools in 2012 that can allow us to measure project outcomes in 2013, and also intermediate outcomes, through a mixed-method approach. At the quantitative level we want to replace paper-based Performance Monitoring Forms, with more innovative, ITC-based tools, such as Web-based surveying, asking also for intermediate outcomes.

At the qualitative level we want to pilot a Most Significant Change methodology to particularly also capture intermediate outcomes that relate to attitudes, behaviour and business confidence, and use photo or video monitoring as story-telling media.

Preparations for an impact evaluation of the Birzeit IT Centre of Excellence project to be conducted in 2015 are under way. This involves planning for and designing the first steps in the identification of appropriate counterfactuals. In order to attribute our impact, we aim to compare what would have happened to beneficiaries in the absence of Birzeit's entrepreneurship development project, with what has actually happened to those students who participated in Bir Zeit's entrepreneurship development project. 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.



Through this project, two M&E questions need to be answered after 2013:

1. What will be project outcomes in 2013, and how can we monitor these with innovative, IT-focused, attractive ways?
2. What has been the impact of Birzeit Curriculum-BPC-Matchmaking-Coaching pipeline approach, and how can we successfully evaluate this in a Randomised Controlled Trial (RCT) or quasi-experimental set-up?

■ Diploma Acceptance Project

Total project budget: € 150,000

Financed by: European Commission

Partners involved: EUA

Project duration: 24 months as of 1st March 2012

Project Description:

The agreement on diploma acceptance was reached on 21st – 22nd November 2011, in the framework of EU-facilitated dialogue between Pristina (Kosovo) and Belgrade (Serbia). It establishes that the European University Association will certify diplomas issued by accredited higher educational institutions in Kosovo to be accepted in Serbia, in connection with further education and/or public employment.

SPARK is working as a partner in the implementation process, and has opened an office in the Ministry of Education Science and Technology in Pristina, where they will oversee the first diploma verification, support applicants, and facilitate in the certification process, carried out by the European University Association.



■ Overview Fundraising

Since 2009, the NLMFA donor conditionality obliges SPARK to annually raise 25% of the contributions on SPARK's largest grant. In 2011, SPARK raised:

	Results 2011	Target 2011	Results 2010
# proposals submitted	22	25	6
NLMFA income in Euros	4,204,727	5,227,677	3,755,821
% of income of NLMFA	66.52%	47.09%	65,37%
Non NLMFA donor in Euros (excl EU & in kind)	1,920,725	5,257,392	1,891,
% of cash income of non NLMFA donors	30.39%	47.36%	32,92%
In kind contributions in Euros	41,079	391,502	35,304
% of non-NLMFA income of in-kind contributions	0.65%	3.53%	0,61%
European Funds in Euros	154,206	223,925	62,762
% of non-NLMFA income of European funds	2.44%	2.02%	1,09%

In partnership with many of the different organisations we have managed to continue building strong coalitions on local and regional levels looking for synergy of ideas and programmes and as visible this was recognised as a good practice in many of the cases. Still, there is a lot to be improved and learned in the coming years; therefore this will remain a vital and dynamic growth area for SPARK.



ORGANISATION

05

ORGANISATION

SPARK is a growing, young, dynamic development NGO with 80 staff members in offices in Amsterdam, Belgrade, Bujumbura, Juba, Kigali, Monrovia, Mitrovica, Pristina and Ramallah. 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.

Below is a map with the country locations that should be included. Please see description below:



Current Areas of Responsibility

Previous areas of Responsibility

- FYR Macedonia
- Montenegro
- Bosnia and Herzegovina
- Afghanistan

Near future areas of Responsibility

- Yemen
- Egypt
- Tunisia
- Libya

Current Areas of Responsibility

- Kosovo
- Serbia
- Palestine Territories
- Liberia
- Moldova
- Sierra Leone
- Burundi
- Rwanda
- Zimbabwe
- South Sudan

 Spark HQ in Amsterdam



■ Strategy and Objectives 2011

In 2011 SPARK ventured into its 5-year MFSII 21 million Euro programme, of which the start-up phase took significantly more time and energy than initially planned. The MFSII programme, which makes up the bulk of the SPARK portfolio (along with IBCM), has had a significant impact on SPARK's overall course and direction, helping to further develop the organisation's strategies and objectives. Simultaneously, SPARK underwent internal organisation alignment with its new MFSII programme. SPARK's focus was threefold:

1. Development of SPARK's monitoring and evaluation capacity for MFSII. A M&E manager was hired to work on the M&E system and will continue to do so including further developing the Management Information System (MIS), which saw some selected key performance indicators change.
2. Commitment to the 25% non-NLMFA funding rule, requiring SPARK to place project development and funding at the top of its agenda. Much attention was placed on SPARK's fundraising capacity and services development in work plans, courses of action and fundraising strategies for 2012. The donors' increased interest in youth entrepreneurship, SME development and vocational education has put SPARK in an advantageous position to request for funds for projects.
3. Development on distinct and SPARK specific activities and services. There is a need for SPARK to develop its own capacity to deliver services to partners in SPARK projects and to projects of other organisations, e.g. business skills, project development, financial governance, quality management, training, coaching and research with fundraising. Most effective would be to offer these services in tenders and to other organisations against more market competitive fees.

In light of the achievements in 2011, SPARK has maintained its main internal objectives to achieve its mission. What have changed are its key performance indicators, setting higher more challenging goals. For example in SPARK's 2011 Ohrid meeting, a new goal of 20,000 jobs created by 2015 was set, slightly altering the SPARK Multiple Year Plan 2011-2015.



■ Reflection on Targets 2011

Project Targets 2011

- Create 90 businesses
- Create 210 jobs
- Train 4,700 individuals/entrepreneurs
- Support 145 local partners and other institutions.

Project development & Fundraising

- Acquire non-NLMFA funding on existing and new projects
- Surpass 25% benchmark imposed by MFS II and in view of donor diversification
- Increase SPARK awareness in the Dutch development sector.

Planning, Monitoring & Evaluation

- Improve SPARK's PME capacity, especially towards partners that are responsible for implementation
- An M&E system and baseline study and formal arrangements to be made with MFS II partners.

Finance, Administration and Reporting

- Prepare administration for MFS II and financial monitoring of partners
- Consolidate overhead (increase expected with the start of new projects)
- 60% from total of all project/programme budgets will be spent in target areas.

ICT and Knowledge management

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

Quality Management and Transparency

- Optimise transparency of TranSPARKency by adding MIS data
- Create BSC-in-a-box or roll-out packages based on well-defined business ideas
- Organise Brilliant Failures Award.

Human Resources

- Develop internal capacity for PME
- Maintain staff satisfaction.



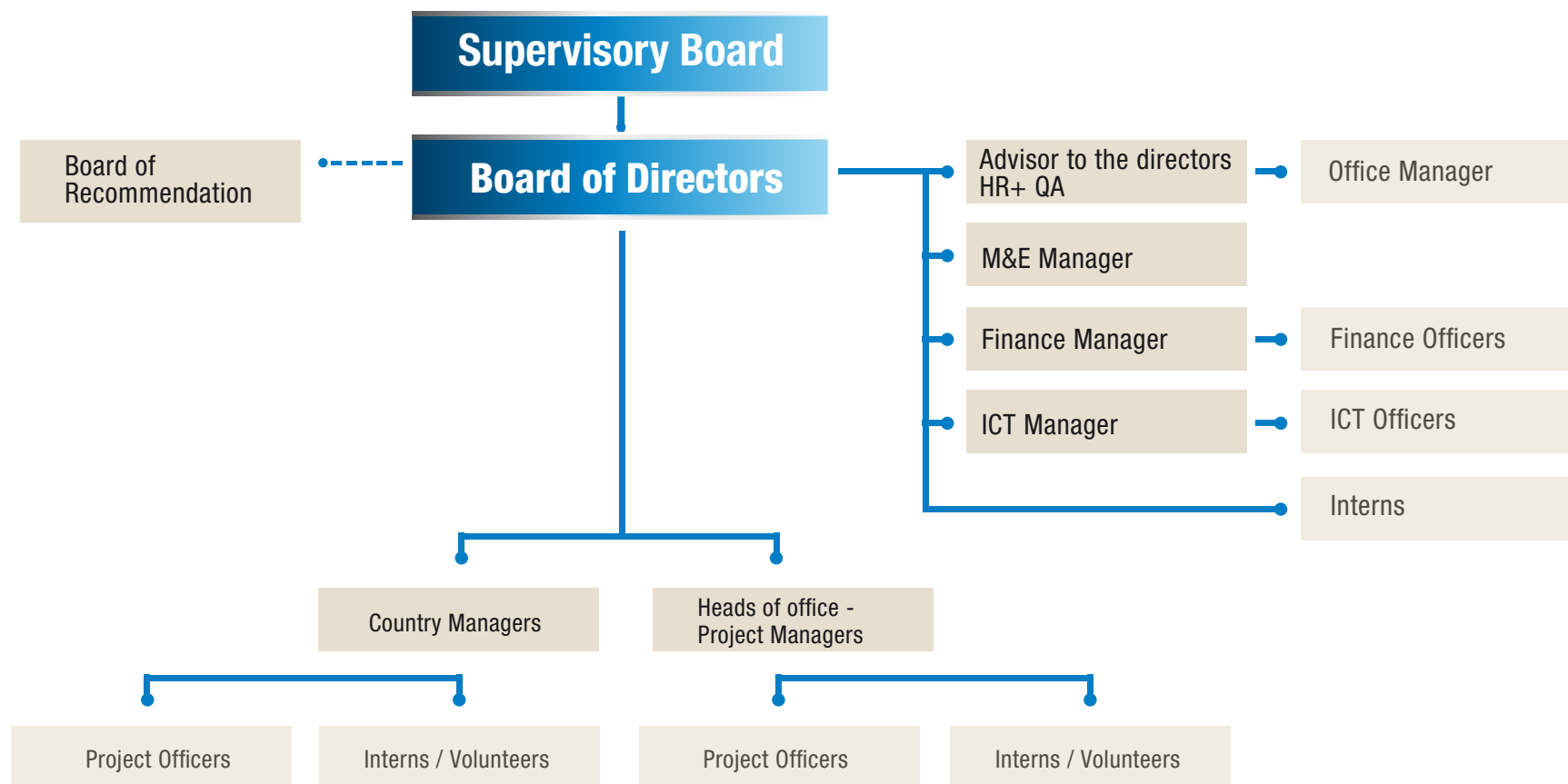
Overall, the targets that had been set for 2011 turned out to be realistic as almost all were met or exceeded. SPARK planned for 210 jobs to be created through 90 new businesses and in the MFSII programme alone 165 jobs through 46 businesses were created.

SPARK's fundraising capacity and services development has been extensively addressed in work plans, courses of action and fundraising strategies for 2012 and further. SPARK successfully submitted 9 proposals of which one went to the Netherlands Ministry of Foreign Affairs (NLMFA). The grant proposal to the Postcode Loterij was unfortunately denied again (as in 2010), but will be attempted again in 2012.

As for the M&E system, great headway has been made and an M&E manager was hired. This manager will continue to develop the system further in 2012, especially the Management information System connected to it.

Preparations were made for SPARK's goal to become IATI compliant in 2012. SPARK wants to be the most transparent organisation in Europe. This means that all financial reports and project evaluations and reports need to be gathered, organised and ready for submission and eventual presentation on Spark-online and the TranSPARKency website.

■ Organisational Actors



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.



■ Board of Directors

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

Director: Yannick du Pont

Co-director: Michel Richter

Remuneration: members of the Board of Director receive salaries based on VFI (Vereniging Fondswervende Instellingen) guidelines for NGOs with two directors. The salary amounts are mentioned in the specification of the Statement of Income and Expenditures of the financial report and posted online at the SPARK TranSPARKency website.

Other Affiliations:

Yannick du Pont: Member of the 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).

■ Staff

On average in 2011, the number of staff employed by SPARK (including IBCM) was 80. Fifteen staff members were Amsterdam based, three of which were interns. In total, SPARK employed people from fifteen different nationalities. 42% of the staff is female, 58% male. It is interesting to note that SPARK is a young organisation, with half of the 80 employees being below 35 years of age.

■ Interns

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



"My internship at SPARK was an extraordinary experience that will last me a lifetime. In Amsterdam, my supervisors supported me to develop an expertise in Monitoring and Evaluation using civil society indicators, but in a manner that allowed me to work autonomously, which is quite special for an internship. I later interned at the SPARK field office in Palestine, where I learned firsthand about business plan competitions, and entrepreneurship. Even though I have a business background to some extent, this first hand exposure in the field of a fragile state was unlike anything I could have experienced other than with an international NGO such as SPARK." (Andrew Bacchus, intern in Amsterdam and Ramallah in 2011)

■ Volunteers

Most foreign teachers and experts that participate in the Summer/Winter Universities are volunteers, meaning that they do not get paid for their work and that we only pay for their travel and accommodation. Furthermore, in the organising of these events, student volunteers aid us in facilitating all the necessary logistics to make day to day running of events smooth and successful.

A volunteer in Amsterdam worked for SPARK from September through December 2011. She contributed written texts about SPARK projects for the SPARK website from a distance, and assisted in organising a 2-day Serbian volunteer study visit in Amsterdam in November for BSC Kragujevac.

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, as we believe a lot can be learned from volunteers as they can have interesting insights and recommendations.



■ Supervisory Board

The Supervisory Board of SPARK monitors and evaluates the Board of Directors. The Supervisory Board follows SPARK Statutes and the internal regulations of the board.

Name	Function
Chairman: Erik Dirksen MSc	Former Lecturer at the Faculty of Economics and Business Studies, University of Amsterdam, The Netherlands.
Secretary: Olaf Bartelds M.A	Senior Project Manager, Netherlands Foreign Investment Agency, The Hague, The Netherlands.
General member: Johan te Velde MSc	Senior Advisor Fragile States at PSO Capaciteit in ontwikkelingslanden.
General member: Mare Faber M.A	Senior staff member and editor-in-chief of monthly magazine Socialism & Democracy, Wiardi Beckman Stichting, The Netherlands.
General member: Marjolein Lem M.A	Senior Consultant International Development, Berenschot, The Netherlands.
General member: Dugajin Popuvci Dr.	Executive Director of the Kosovo Education Centre (KEC) and Professor at the University of Pristina, Pristina, Kosovo.
General Member: Dineke Woldringh Drs	Interim Manager/Advisor to the Executive Board Stichting Espria, The Netherlands.
General Member: Jan Marinus Wiersma Drs.	Former member of the European Parliament



■ Report by the Supervisory Board

In 2011, the fifth year of its existence, the Supervisory Board met seven times with the Board of Directors and Advisor to the Directors to discuss projects, progress and strategic issues. Additionally, the Supervisory Board met with the Supervisory Board of Bid Network.

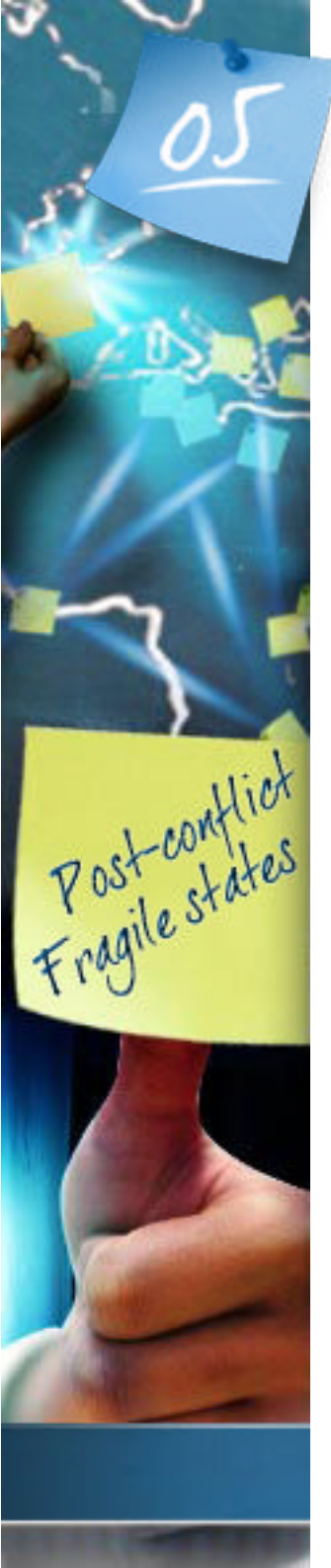
2011 marked the start of the 5 year MFSII era. Which meant also much attention and focus would be placed on MFSII-related projects. The Supervisory Board supports SPARK in its mission and continuous aim for more quality, transparency and innovation. The main responsibilities of the Supervisory Board 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 in appendix).

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. In 2011 the Report of the self evaluation produced generally positive results highlighting the Supervisory Board's openness, expertise and ability to work well as a team.

The Supervisory Board appoints the members of the Board of Directors (BoD). The current members of the Board of Directors, Mr. Yannick du Pont and Mr. Michel Richter, hold the positions of Director and Co-Director respectively. The BoD is responsible for organisational planning, policy making, project development and fundraising, daily management including quality management of projects and the organisation as a whole. Performance Assessment meetings with the members of the Board of Directors took place in 2011 and addressed performance on organisational targets as well as personal ambitions and management style.

By the end of 2011, the Supervisory Board consisted of eight members, with its newest member, Jan Marinus Wiersma, joining as the Supervisory Board's link to the Advisory Board IBCM due to him being the former chairman of the Provisional Supervisory Board IBCM.



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

The Supervisory Board monitors an efficient and effective execution of the multi-year plan and, based on that, the annual plan. The main points are approved by the Supervisory Board while the other activities fall under the supervision of the BoD. In 2011, the Supervisory Board approved, amongst other issues, the following:

- The Annual plan 2011, taking into account the 2011-2015 multiple year plan and how this relates to the mission
- Budget 2011
- The Annual Report including the Financial Report for 2010

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

- The progress of the Enterprise Development Programme (MFSII)
- The progress of the International Business College in Mitrovica (IBCM)
- Their continued supervisory role within IBCM following the recommendation of SIDA that IBCM remains integral to SPARK for medium-term
- Results of impact evaluation MFSI
- 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
- SPARK staff survey 2010

SPARK communicates on various platforms with all our stakeholders to ensure that our work is transparent. The SPARK website is continuously updated with the latest developments. Furthermore, evaluations from projects are presented on our website and the tranSPARKency website, where all our financial information is disclosed. SPARK has plans to become IATI compliant in 2012, so preparations have been made towards this.

The importance of a functioning feedback structure is ensured by the ISO-certified complaint system, 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.

Sincerely yours,

SPARK Supervisory Board Members, Amsterdam, 27 April 2012

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/management 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 aforementioned "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

■ Committee of Recommendation

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



Mr. Max van der Stoel sadly passed away on the 23rd April 2011. He served as a valuable member to SPARK's Committee of Recommendation. He will be forever remembered for his contributions towards what SPARK has become today.

■ HR policy

In 2011 important steps were taken towards developing distinct and SPARK specific activities and services; a focus and objective that we had set for ourselves in that year. A meeting was organised for staff to Ohrid Macedonia. Before the meeting, the staff were asked to fill in a Staff Survey on "SPARK Services". SPARK recognizes the growing importance of being able to deliver more services "in house" as opposed to relying on external trainers, professors, experts and consultants to implement SPARK projects.

The survey, or "competency scan", therefore, intended to identify the competences, knowledge and skills already available within SPARK that we can make use of, mobilize, expand and eventually make available to partners, beneficiaries and maybe even other organisations. Subsequently, colleagues will be identified to act as trainers, consultants etc.

The Ohrid meeting was one of the rare occasions where all SPARK staff were together. We took full advantage of this and used this opportunity to share updates on developments and with this input were able to together adjust and establish objectives for SPARK for 2015; for example the creation of 20,000 jobs by 2015. Four courses of action were developed:

- SPARK Services – focus on private funding and services
- Project Development – focus on institutional funding
- Organisational Change (condition for the objectives)
- Marketing and Communication

Since 2007, an evaluation and assessment system has been introduced and the information from the evaluation and assessment meetings has been used to set up a training plan for further development of staff. A training budget is available for the staff members, however the types of trainings still need to be decided upon after discussions between managers and employees have been held to determine the specific needs for both individual development and SPARK development.

In 2011, a job satisfaction survey was carried out for the fifth time. It showed overall satisfaction among the staff, but there was a slight decrease in comparison to 2010 as the overall average grade declined marginally (from 7.6 to 7.7 on a scale from 1 - 10). SPARK staff is especially satisfied with their tasks and responsibilities and with collaboration and atmosphere with averages of 4.1 and 4.2 out of 5 respectively. The lowest scores



were on Personal development and communication, which shows that more attention needs to be placed on training possibilities. Additionally, the re-designing of the intranet will hopefully contribute to effective internal communication.

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 so that staff are aware of their expected behaviour when working for SPARK. Transparency and integrity are central in the Code of Conduct.

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.

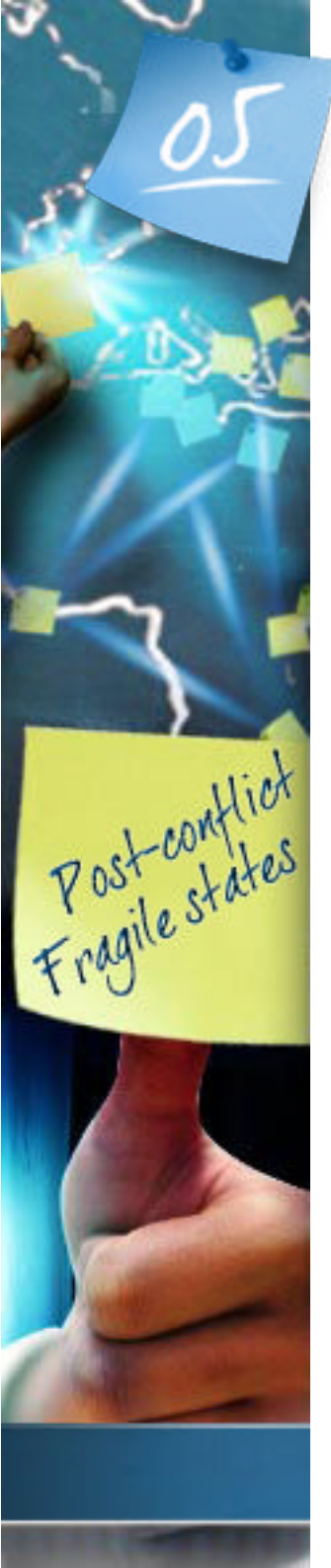
■ ICT and Knowledge management

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.

In 2011 substantial progress was made on the development of the new Management Information System. It will be an important evaluation tool as it will fully relate impact data from the field to expenses both at field office level, head office level and overhead costs. In 2011 the indicators which will show the impact of the programmes were identified. Furthermore a Geo-Position programme was installed giving a graphic overview of SPARK's results.

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.

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. A major step in achieving this exchange of knowledge is the re-design the intranet.



■ Partners

The success of SPARK's project has always depended on its close collaboration with partner organisations. SPARK has an extensive network of partners that include experts, trainers, and international and local development organisations. Together with these partners, but also by constantly working to find new partners, SPARK is always searching for new opportunities to create synergies.

An example of this is SPARK's partnership with BiD Network. After having decided to share an office together in 2009, SPARK and BiD Network together formed an alliance called the United Entrepreneurship Coalition, and was awarded an MFS-II grant in November 2010.

Other cooperation partners in the alliance are Infodev, MSM, MDF, TF, NABC, and Intent. In 2011 the MFSII programme began and the network of partner organisations was solidified as the contracts for the entire programme period were signed and training programmes were developed.

In addition to the 'northern' partners SPARK also gained new local partners in 2011 in all MFSII countries. Some of these local partners include Fundatia Corona Iasi (Romania), BSC Monrovia (Liberia), Birzeit University (Palestinian Territories) etc.

It is important to note that SPARK not only works with partners within MFSII projects, but also outside of it. An example are the Universities involved in the Summer and Winter Universities held each year.

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 in certain projects as was done in the Hanga Umurimo project in Rwanda (see chapter 4.4 SPARK as Part of a Consortium, for more).

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 together with partners whose mission can potentially complement SPARK's mission. SPARK aims to develop higher education and entrepreneurship in post-conflict societies, thereby creating employment and opportunities that empower young people to lead those societies into prosperity. SPARK therefore works together with organisations that support economic development and/or education reform.

SPARK in particular works with local NGOs that are specialised in entrepreneurship and education reform promotion, and educational institutions such as universities. But SPARK also works with local microfinance institutions and banks, business intermediaries, local and national government institutions, chambers of commerce, and business alliances. SPARK aims to facilitate cooperation between these organisations so that they can together provide an interlinked "chain" of interventions that promote entrepreneurship and SME development



■ 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 that case a starting point of our projects. In doing so, SPARK works together with a range of development organisations, such as MDF or the World Bank's InfoDev that can offer trainings to the partners.

SPARK supports the capacity development of these partners, which is aimed at their sustainability and independence. We aim to strengthen their respective 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 thus be identified:

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.

■ SPARK Communications

Effective and consistent internal and external communications are of value at SPARK. SPARK wants its stakeholders to be informed about where we are focusing our attention and money, the impact we are having within the countries we work, and why such impact is important. Communications material is intended for those who currently have, in the past have had, or in the future may have a relationship with SPARK. This includes SPARK staff, partner organisations, donor organisations, government officials, consultants, past and potential employees, among others.

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 daily basis, as well our Spark Online platform. This is a custom-designed intranet database where SPARK staff can exchange information and documents on a regular basis.

Information is published externally on our website (www.spark-online.org), in our seasonal newsletters, on Facebook and LinkedIn, and in our annual brochures and reports. We share regular updates from the countries in which we operate – stories of successes, challenges and events, as well as



those of our partners. 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.

SPARK staff participate in a variety of events throughout the year, at which external communications is essential. Africa Day was the largest of these events in 2011, bringing hundreds of current and potential players in the international development sector together in Den Haag, Netherlands in October. SPARK invited Princess Kofa, a rising Liberian entrepreneur who has been working with SPARK since 2010, to join in various workshops and share stories of her struggle and success. SPARK Director Yannick du Pont also presented at various workshops, and the SPARK information table attracted visitors throughout the day.

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.



SPARK FOR **IMPROVEMENT**

06



SPARK FOR **IMPROVEMENT**

SPARK continuously develops its standards of quality, transparency and innovation. This is exemplified by our evaluation procedures and the publication of these, along with all financial records, online. SPARK is actively working towards an International ISO standard for NGOs, which has a strong focus on quality and transparency. It is important for SPARK to also have a positive impact in the Netherlands; therefore, we offer incubation space and training for Dutch NGOs through our involvement in the Nieuw IS programmes.

6.1 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	2008	2009	2010	2011
Overhead % (management & administration / total expenses)	5.30%	3.31%	2.80%	3.06%
% spent on objectives/total income	89.37%	85.25%	85.51%	88.53%
% spent on objectives incl MCF /total income	90.11%	92.21%	89.94%	83.73%
% spent on objectives/total expenses	92.79%	93.59%	93.19%	95.62%
% spent on own fundraising/income own fundraising	1.37%	2.32%	8.29%	13.64%



■ ISO certificate, ANBI and CBF

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.

An external auditor from BSI: Standards, Training, Testing, Assessment & Certification visited the SPARK Amsterdam head office in November, focusing on SPARK's implementation of the realisation procedures.

The auditor did not find any major inconsistencies in the implementation of these procedures or in SPARK's Quality Management System. The audit was also used as an extension to scope audit. Therefore the new procedure Capacity building of local partners on BST and BPC was audited and found to be effectively implemented.

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

Furthermore, 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 Organizations (ICFO).

■ 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. ISO 9001. We believe that an international quality assurance would greatly improve the possibility to assess development organizations in an international context. The in 2007 obtained ISO 9001 certification enables SPARK to raise money from international donors and also create a framework that recognises the quality and results of our work outside the Netherlands. The Quality standard could also facilitate peer review and learning among organisations, something that will improve the sector as a whole. The general ISO 9001 is not specifically tailored to the development sector, which makes it difficult to apply to civil society organ-



formulation of minimal quality standards for the implementation of 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 professionalisation 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.

■ Complaint policy

No official complaint was submitted in 2011 (compared to 11 in 2010).

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.

6.2 Transparency, Innovation and Learning

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 Brilliant Failures ceremony, the TranSPARKency website and our focus on an international quality norm for the development sector are three examples how we do this.

■ TranSPARKency

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



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. 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. Throughout 2011, our IT officers have been working on a new MIS that will accomplish these goals. The proposed deadline for the MIS was end of April/May, 2011. However, developments were still being made throughout the year, and hopefully MIS will be fully functional in 2012.

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 the TranSPARKency website. IATI is a global transparency standard that 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 will fully comply with the IATI standard and as such give full financial disclosure.

■ Brilliant Failures

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

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

In 2011, the 'Brilliant Failures Award' was given to the best learning moment/instrument in the development sector as a way to showcase the value of failures. 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 award ceremony for Brilliant Failures 2011 was held for the second time in October. This award ceremony was held during Partos Plaza, which ensured more integration into the development sector and also ensured more attention for the event.

The event is gaining more and more attention in the Dutch development sector as Partos is involved as sponsor and also offered to give the event and the concept of Brilliant Failures a prominent spot at Partos Plaza 2011. SPARK is happy to report that the amount of cases sent in for consideration rose substantially and a pre-selection had to be made by a jury. SPARK would like to continue this line for the 2012 edition and hopes transparency about failures will become more common in the sector.

■ Learning

Our capacity-building efforts are not limited to supporting entrepreneurs and building capacity in post-conflict societies. SPARK also believes that it is important to have a positive effect in the Netherlands. We see many young and talented development organisations in the Netherlands that rarely get a chance to develop their ideas. SPARK offers support and tries to tackle this problem by helping NGOs in the Netherlands that seek to professionalise their projects and organisations.

We provide incubation space and help offer training sessions that we hope will strengthen the sector as a whole. The Incubator is located in Amsterdam and offers free office space at the University of Amsterdam.

For our contribution to training programmes for other NGOs, we work closely with Nieuw IS, a cooperation initiative of 24 small to medium-sized NGOs. SPARK director Yannick du Pont is a board member at Nieuw IS.

In 2011 SPARK became a member of PSO (Personnel Cooperation in Developing Countries), a learning and training centre for the Dutch as well as the Southern development sector. PSO assists its members and other development organisations to learn about the numerous aspects of capacity strengthening Southern Societies.



Learning, quality and transparency for development are three important elements for SPARK and also the elements that link SPARK to PSO and its objectives. By becoming a member of PSO, SPARK gained the opportunity to not only share its knowledge, but also learn much more specifically regarding entrepreneurship in fragile states.

Additionally SPARK would have the opportunity to learn more about aid dependency and more importantly, how to avoid this and instead create an environment in which sustainability and development can be maintained and continued even after SPARK steps back and gives responsibility to its partners. And further yet, how to ensure that these partners go on to strengthen other partners and organisations in their networks.

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MAIN TARGETS & **BUDGET**

07



MAIN TARGETS AND **BUDGET 2012**

Objectives and targets for 2012 are based on the results of 2011 as well as on SPARK's Multiple Year Plan 2011-2015.

In 2011 SPARK ventured into its 5-year MFS II 21 million Euro program. Many of the challenges accompanying this program with regard to new areas and countries as well as with regard to alignment of the internal organisation with this program will require continued attention in 2012. Moreover, new challenges have presented themselves with the recently acquired Political Parties II program starting in 2012 and the IBCM program. Internal reflections on the organisations and the external context referred to as the SPARK yearly returning Ohrid meetings have reset the SPARK longer term mission at 20,000 jobs created by 2015.

■ **Project Targets**

- 300 businesses started
- 1000 jobs created (in started SMEs)
- 3000 individuals trained and found formal employment
- 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% benchmark 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 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

■ 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 environments:

- Post-conflict countries or territories and fragile states are increasingly recognised as areas with their own specific context characterised by a high level of complexity and risk. Such a context requires a level of specialisation, experience and expertise.
- Private sector development is increasingly seen as essential for development and stability in post-conflict areas.
- Education is still perceived as essential for (private sector) development, but the focus seems to remain on primary education. Vocational training is increasingly seen as vital for the development of an employable work force. University education seems to remain largely excluded from the scope for education development by institutional donors.
- The development of a middle class in developing countries is increasingly acknowledged, but the emphasis is expected to remain on the weakest in society, the vulnerable and marginalised groups.
- The public at large has adopted a critical attitude towards development organisations in terms of cost-efficiency, effectiveness, coherence (fragmented and lack of cooperation) and transparency.
- It seems the relationship between development organisations and local civil society organisations is developing towards a more equal relationship. Local civil society organisations are predominantly involved as partners, subcontractor or target group of development organisations, but they may gradually evolve towards competition for development organisations as institutional donors start to open tenders and application procedures to them as well.

Statement of Income and expenditures

Income	Budget 2012 €		Realisation 2011 €	
Income from own fundraising		350,000		89,082
Governmental grants		10,698,488		6,214,600
Other Income		128,000		17,056
Total Income		11,176,488		6,320,738

Expenditures	Budget 2012 €		Realisation 2011 €	
Spent on objectives				
Higher Education	6,399,742		2,136,698	
Private Sector Development	4,087,432		3,459,366	
		10,487,174		5,596,065
Spent on obtaining funds				
Costs own fundraising	46,583		12,150	
Costs obtaining governmental grants	301,330		65,192	
		347,913		77,342
Management and Administration				
Costs of Management and Administration		315,825		178,993
Total expenditures		11,150,911		5,852,400
Result		25,577		468,338
RESULT CLEARED FOR MUTATION ALLOCATED FUNDS & RESERVE IBCM		-74,423		280,996



Statement of Income and expenditures - continues

Distribution of result 2012 (2011)	Budget 2012 €		Realisation 2011 €	
Addition to/withdrawal from:				
allocated reserves		0		7,761
other reserves		-74,423		273,235
allocated microcredit funds		100,000		-58,067
allocated fund IBCM		0		245,409
Total		25,577		468,338

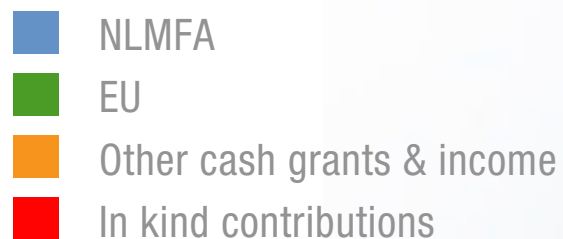
Annex C - Statement of division of expenditures


Objectives	Objective		Costs Fundraising		Management & Administration	Total 2012	Budget 2011
Costs of implementation	Higher Education Development	Private Sector Development	Own funds	Governmental Grants			
Grants and contributions	6,193,412	2,884,199				9,077,611	9,365,436
Obtaining governmental grants				175,000		175,000	75,000
Publicity and Communication	2,000	8,000	15,000			25,000	74,241
Personnel Costs	131,980	717,895	22,995	91,980	229,950	1,194,800	911,015
Housing costs	15,000	76,250	1,250	5,000	12,500	110,000	95,629
Office- and General costs	56,350	385,838	7,088	28,350	70,875	548,500	472,093
Depreciation and Interest	1,000	15,250	250	1,000	2,500	20,000	25,000
Total	6,399,742	4,087,432	46,583	301,330	315,825	11,150,911	11,018,414

% spent on objectives/total income	93.83%	95.08%
% spent on objectives/total income taking microcredit fund deposits & repayments into account	91.37%	95.53%
% spent on objectives/total expenses	94.05%	95.79%
% spent on own fundraising/income own fundraising	13.31%	8.42%

Percentages: per programme & donor and efficiency indicators

Income & Percentages per donor / origin	Budget 2012 €	Budget 2012 %
NLMFA	4,966,457	44.44%
EU	251,784	2.25%
Other cash grants & income	5,480,247	49.03%
In kind contributions	478,000	4.28%
Total	11,176,488	100.00%





25% other funding obligation MFS:

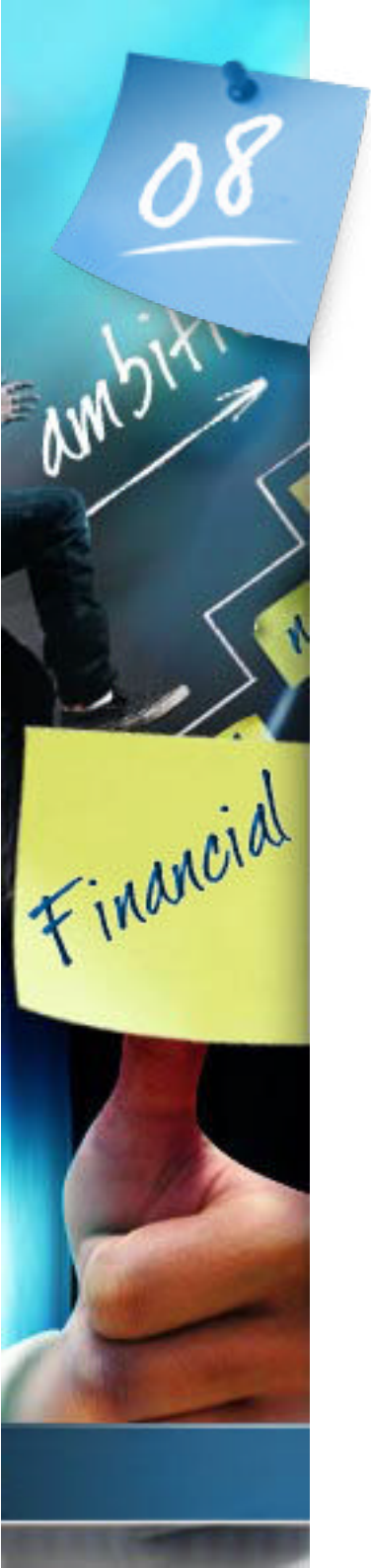
2012 CALCULATION ON ACCRUAL BASIS IN KIND CONTRIBUTIONS INCLUDED	Budget 2012 €	Budget 2012 %
Total MFS 2012 grant NLMFA BiD Network part included	4,755,696	43.37%
Non - NLMFA grants & contributions 2012 SPARK Total incl in kind	6,210,031	56.63%
	10,965,727	100.00%
Other NLMFA Grants SPARK 2012	210,761	
Total income SPARK 2012	11,176,488	

2012 CALCULATION EXCLUDING BiD NETWORK GRANT MFS II	Budget 2012 €	Budget 2012 %
Total MFS 2012 grant NLMFA BiD Network part included	3,355,696	35.08%
Non - NLMFA grants & contributions 2012 SPARK Total incl in kind	6,210,031	64.92%
	9,565,727	100.00%



FINANCIAL

08



Balance sheet		31 December 2011		31 December 2010	
ASSETS					
Fixed Assets					
Fixed Assets		72,934		65,173	
Financial fixed assets		1,177,591		1,185,135	
		1,250,526		1,250,309	
Current Assets					
Receivables & Accruals	998,363		1,356,362		
Cash & cash equivalents	3,120,665		1,159,683		
		4,119,028		2,516,046	
TOTAL		5,369,554		3,766,354	
RESERVES AND LIABILITIES					
Reserves					
Reserves					
allocated reserves	72,934		65,173		
continuity reserve	622,214		348,979		
TOTAL		695,149		414,153	
Funds					
allocated funds		1,593,868		1,406,526	
Current Liabilities					
Payables & Accruals		3,080,537		1,945,676	
TOTAL		5,369,554		3,766,354	

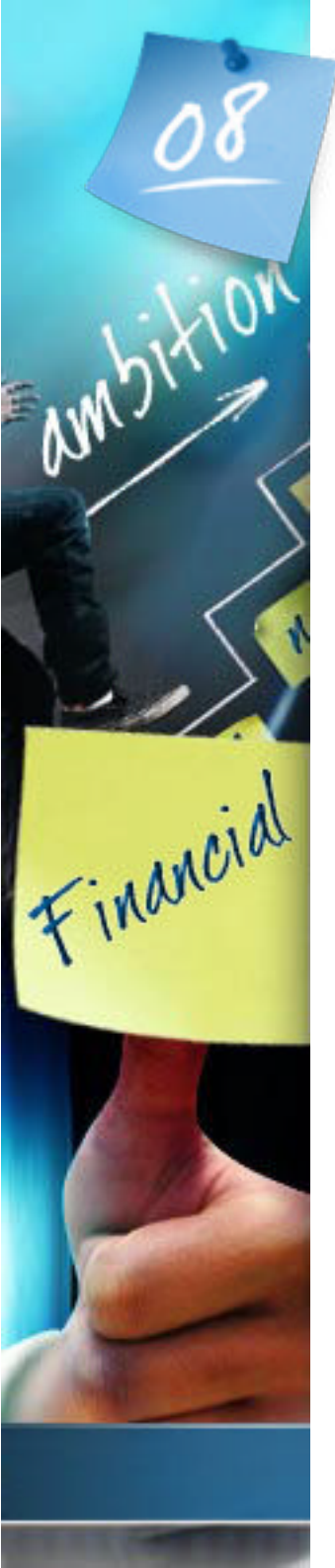
Statement of Income and expenditures

Income	Realisation 2011	Budget 2011	Realisation 2010
Income from own fundraising	89,082	424,305	56,012
Governmental grants	6,214,600	10,666,192	5,765,195
Other Income	17,056	10,000	19,452
Total Income	6,320,738	11,100,496	5,840,659

Expenditures	Realisation 2011	Budget 2011	Realisation 2010
Spent on objectives			
Higher Education	2,136,698	6,427,328	2,225,608
Private Sector Development	3,459,366	4,127,472	2,713,348
	5,596,065	10,554,799	4,938,956
Spent on obtaining funds			
Costs own fundraising	12,150	35,729	3,949
Costs obtaining governmental grants	65,192	130,064	179,675
	77,342	165,793	183,625
Management and Administration			
Costs of Management and Administration	178,993	297,821	151,166
Total expenditures	5,852,400	11,018,414	5,273,746
Result	468,338	82,082	566,912
RESULT CLEARED FOR MUTATION ALLOCATED FUNDS & RESERVE IBCM	280,996	32,082	82,857

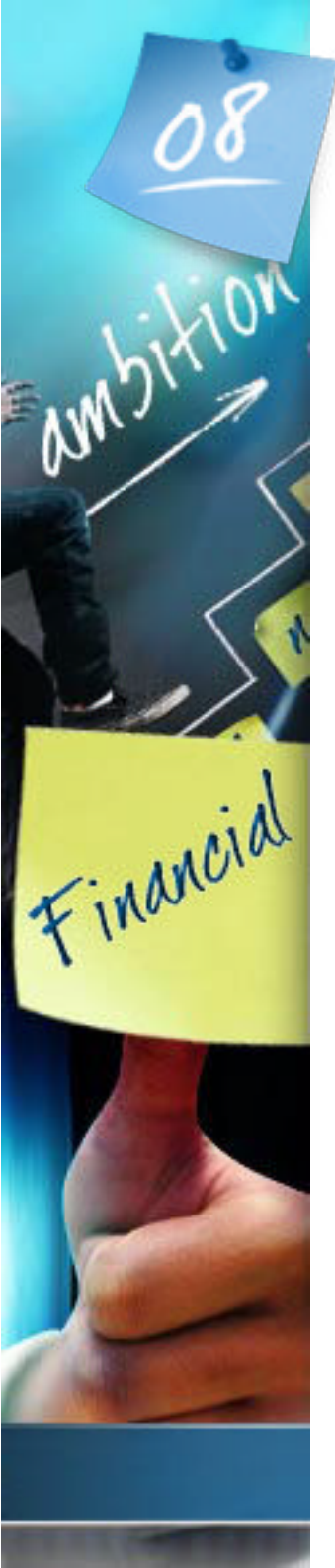
Statement of Income and expenditures

Distribution of result 2011 (2010)	Realisation 2011	Budget 2011	Realisation 2010
Addition to/withdrawal from:			
allocated reserves	7,761	0	-6,979
other reserves	273,235	32,082	89,836
allocated microcredit funds	-58,067	50,000	412,664
allocated fund IBCM	245,409	0	71,391
Total	468,338	82,082	566,912



Cashflow Statement

Cashflow Statement	2011 €	2010 €
Cashflow from operational activities		
Result	468,338	566,912
Depreciation fixed assets (incl. cars)	33,243	25,033
Gross cashflow from operation activities	501,581	591,945
Mutation in current assets	358,000	1,036,894
Mutation (increase) in current liabilities	1,134,861	-1,241,167
Net cashflow from operational activities (A)	1,994,442	387,673
Cashflow from investment activities		
Investment in fixed assets	-48,688	-19,876
Disposal of fixed assets	7,684	1,822
Investment in financial fixed assets	7,544	-262,664
Cashflow from investment activities (B)	-33,460	-280,718
Cashflow from financing activities (C)	0	0
Mutation in Cash and cash equivalents (A+B+C)	1,960,982	106,954
Cash and cash equivalents 1 January	1,159,683	1,052,729
Cash and cash equivalents 31 December	3,120,665	1,159,683
Mutation in Cash and cash equivalents	1,960,982	106,954



■ Accounting principles

■ General

The annual accounts 2011 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 and Kigali.

■ 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
furniture	25%	25%	20%
computer hardware	33%	50%	20%
cars	25%	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 - 2011, 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 2007-2011 were € 1.367.066. In 2011 € 50.523 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 under the allocated funds. Future losses on loans and costs of funds management will be deducted from these funds through the Statement of Income and Expenditures.

■ 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 2012. 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 2011 of all Amsterdam personnel. For further clarification, please refer to the explanation provided under Annex C.

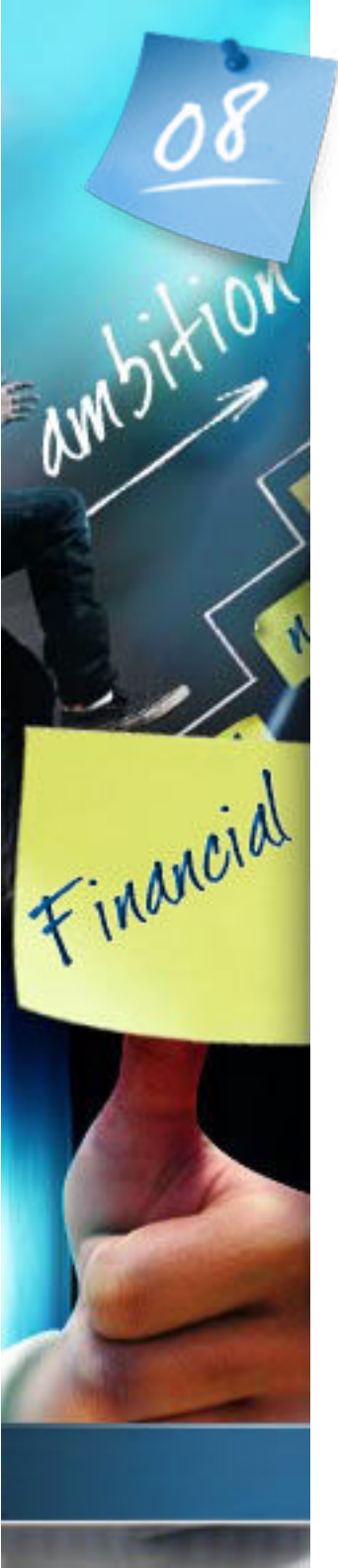
■ Income from own fundraising - Contributions in kind

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.

■ Housing

As of 2005, free office space offered by the University of Amsterdam (UvA) is demonstrated in the annual report. The contribution from the UvA is calculated based on the office rent charged for comparable office space nearby.

■ Other in kind contributions

For the MFS II & IBCM projects, several in kind contributions are demonstrated in this annual report. The municipality of Mitrovica provided SPARK with free usage of land for the purpose of establishing the International Business College Mitrovica. 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

ASSETS		31 december 2011	31 december 2010
Fixed assets			
Furniture		9,849	9,111
Computer hardware		22,009	15,947
Cars		41,076	40,115
		72,934	65,173

Fixed assets	Total 2011	Furniture	Computer hardware	Cars
Bookvalue previous year	€	€	€	€
Purchase value	181,113	28,533	76,409	76,172
Accumulated depreciation	115,940	19,421	60,461	36,057
Book value 31 December 2010	65,173	9,111	15,947	40,115
Mutations				
Purchases	48,688	4,166	16,461	28,061
Disposals	-7,684	-	-	-7,684
Depreciation	33,243	3,428	10,399	19,416
	7,761	738	6,062	961

Explanatory notes to the Balance Sheet Statement

Fixed assets	Total 2011	Furniture	Computer hardware	Cars
Bookvalue year end	€	€	€	€
Purchase value	222,117	32,699	92,870	96,549
Accumulated depreciation	149,183	22,849	70,861	55,473
Bookvalue 31 December 2011	72,934	9,849	22,009	41,076

	31 december 2011	31 december 2010
	€	€
Fixed assets used for operations (furniture & hardware)	31,859	25,059
Fixed assets directly allocated to the objectives (cars)	41,076	40,115
Bookvalue 31 December 2011	72,934	65,173

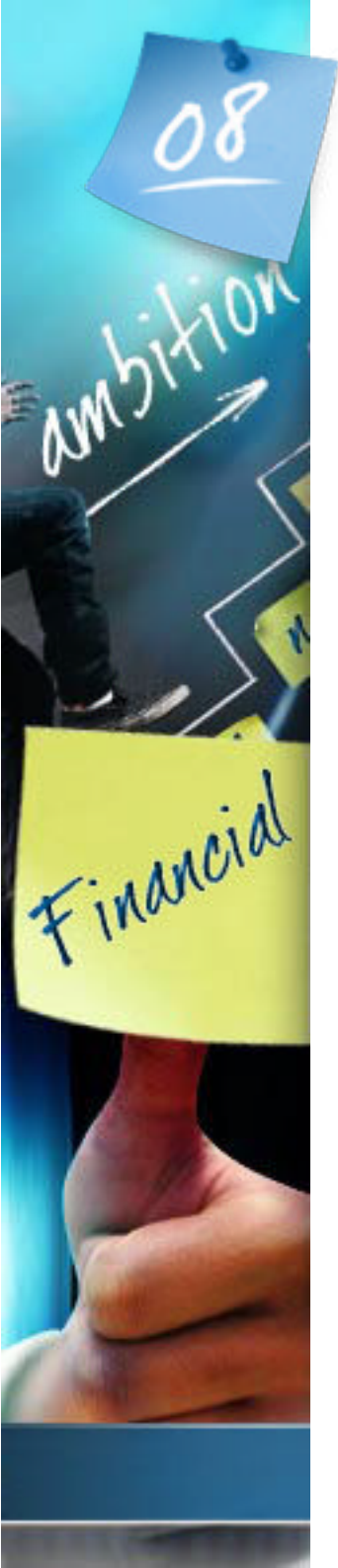
Financial Fixed assets	31 december 2011	31 december 2010
Participation micro credit fund	€	€
Balance 31 december 2010	1,185,135	922,471
Mutation 2011	-7,544	262,664
Balance 31 december 2011	1,177,591	1,185,135

The financial fixed assets are directly allocated to the objective Private Sector Development.

For the explanation of the usage of these funds, please see the description of the allocated revolving funds, under the Liabilities.

Explanatory notes to the Balance Sheet Statement

Current assets - Receivables & Accruals	31 december 2011 €	31 december 2010 €
Prepaid Grants for donors	702,011	1,191,515
Accounts receivables and pre paid expenses	296,352	164,847
	998,363	1,356,362
Prepaid Grants for donors		
Project King Badouin Foundation Phase II	8,999	1,077
Project EC Tempus Georgia	0	11,544
Project IBCM SIDA / Denmark	0	549,694
Project Bridging the Divide - NLMFA	670,573	627,408
Project World Bank Liberia	21,526	0
Project EC RED - EU	913	0
Project PSD/BSCK II - NLMFA	0	1,792
	702,011	1,191,515
Accounts receivables and pre paid expenses		
Prepaid expenses	574	12,700
Receivables from Partners	260,613	117,109
Other receivables	35,165	40,778
	296,352	170,587
Reserve uncollectable receivables	0	-5,740
	296,352	164,847



Explanatory notes to the Balance Sheet Statement

Cash & Cash equivalents	31 december 2011 €	31 december 2010 €
Cash Amsterdam	2,050	30
Current & savings accounts The Netherlands	2,368,977	998,896
Cash abroad offices	2,740	3,890
Current accounts abroad offices	746,898	156,867
	3,120,665	1,159,683

All liquidities are directly accessible

Explanatory notes to the Balance Sheet Statement

Specification of reserves	31 december 2011 €	31 december 2010 €
Continuity reserve	622,214	348,979
Allocated reserve for fixed assets	72,934	65,173
Balance 31 December	695,149	414,153

Specification of reserves	Continuity reserve €	Fixed assets
Balance 31 december 2010	348,979	65,173
Mutation 2011	273,235	7,761
Balance 31 december 2011	622,214	72,934

General reserve

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

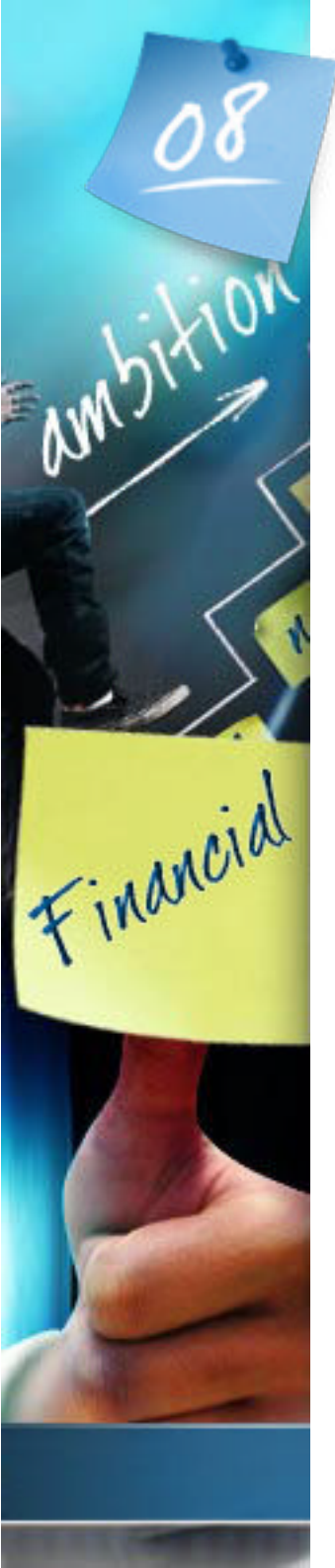
From this reserve salary expenses of operational personnel and housing expenditures can be paid.

A sufficient level of reserve is estimated at 100% of the annual organisational costs (€ 1.000.000 in 2011 incl. feasibility studies).

(in comparison to the maximum 150% of the annual costs of the working organisation from the "Richtlijn Reserves Goede Doelen" of the Vereniging Fondswervende Instellingen VFI). Currently reserves are 62% of the organisational costs 2011.

Allocated reserves

An amount of euro 72.934 is reserved in fixed assets.

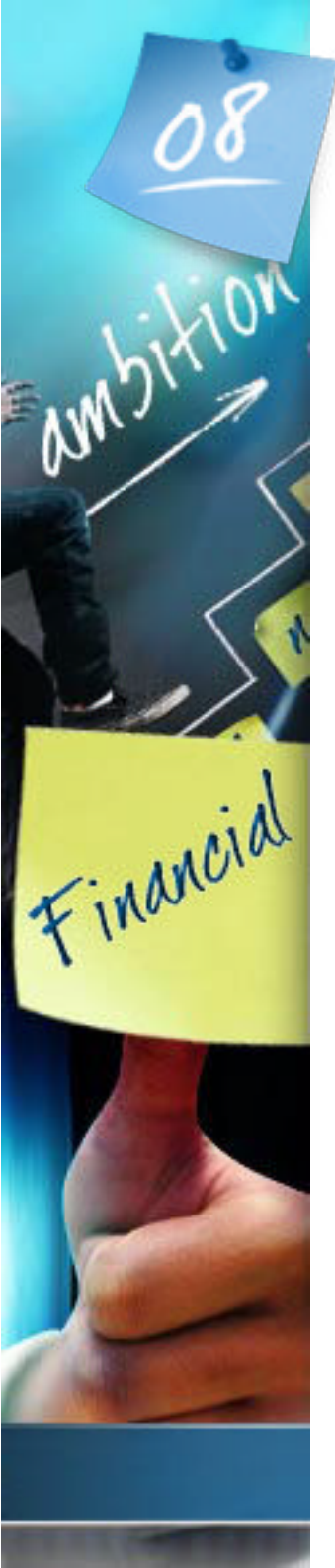


Explanatory notes to the Balance Sheet Statement

Specification of allocated funds	31 december 2011 €	31 december 2010 €
Allocated reserve for IBCM	316,800	71,391
Revolving Microcredit fund	1,277,068	1,335,135
	1,593,868	1,406,526
Allocated fund for IBCM		
Balance 31 december 2010		71,391
Mutation 2011		245,409
Balance 31 december 2011		316,800

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 2010		1,335,135
Mutation 2011		-58,067
Balance 31 december 2011		1,277,068



Explanatory notes to the Balance Sheet Statement

In the period 2007 - 2010, 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 of € 1.367.066 in 2007-2011 are financed by NLMFA through project grants. Most of the funds are cash collaterals deposited at local micro-finance institutions or banks for a fixed period. Thus the banks / institutions disburse the loans from their own funds and the deposit minus administrative costs and defaults, plus gained interest on the deposit (or from the entrepreneurs) is returned to SPARK after a certain period.

The balance in SPARK's annual accounts therefore does not take into account the disbursed and repaid amounts by entrepreneurs, except for the fund in Liberia. In Liberia, the deposits + expected interest from the entrepreneurs are transferred to a bank account which is both accessible for SPARK and the local institution. SPARK has the contractual possibility to withdraw repaid loans and interest from that account, when quarterly reports have been approved by both parties.

Total microcredit fund mutation since 2007 can be summarized as follows:

Deposits into the funds	1,367,066
Withheld administrative costs for banks	-18,775
Received interest added	41,364
Deducted bankrupt / delayed loans	-112,588
Balance 31 december 2011	1,277,068

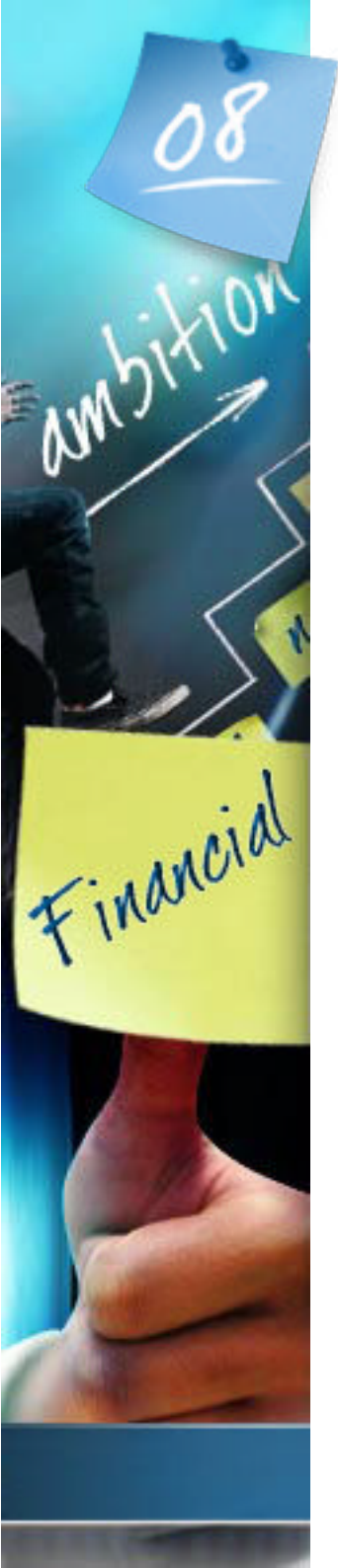
The revolving microcredit funds are € 96.193 higher than the counterpart financial fixed assets on the balance sheet. This is due to a € 96.193 reservation made for microcredit fund deposits in Liberia which have not been transferred to the local bank yet.

Since the start of the fund an amount of € 1.378.062 has been disbursed to entrepreneurs.

Of this amount, € 594.504 has been paid back at the end of 2011.

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

Current liabilities - Payables & Accruals	31 december 2011 €	31 december 2010 €
Grants	2,216,203	624,957
Partner obligations and payables	631,884	1,175,605
Shortterm debts, payables & accruals	232,450	145,113
	3,080,537	1,945,676
Grants		
Project MFS 2007-2010 - NLMFA	192,568	192,568
Project IBCM - NLMFA	369,475	222,349
Project IBCM - MEST	500,000	0
Project MFS II - NLMFA	857,929	0
Project YEP - NLMFA	235,312	0
Project PSD/BSCK II 2008-2011	56,986	0
Project MYP 2009-2011 - NLMFA	0	40,178
Project UNDP - Entreprise development N.Kosovo	3,933	16,246
Project EC Red - EU	0	153,616
	2,216,203	624,957

Explanatory notes to the Balance Sheet Statement

Partner obligations and payables		
Project MFS 2007-2010	0	3,242
Project MFS II 2011-2015	61,164	0
Project PSD/BSCK II 2008-2011	2,063	175,401
Project Mitrovica College	250,000	61,293
Project Bridging the Divide	313,209	930,963
Project MYP 2009-2010	1,460	4,706
Project EU RED 2010-2012	3,988	0
	631,884	1,175,605

Short term debts, payables & accruals		
Auditing costs	59,195	34,339
Wages tax & social security premiums	15,279	14,900
Vacation days & allowance	24,849	20,515
Project related accounts payables	111,192	57,833
Other short term debts and accounts payables	21,935	17,525
	232,450	145,113

The total amount of outstanding holidays 2011 is € 7.752.



OF BALANCE SHEET COMMITMENTS

The following projects relate to periods exceeding the year 2011:

Name	Donor	Period	Total project grant
The European College Business Studies & Public Administration in Mitrovica, Kosovo (College)	NLMFA	1/11/2009-31/12/2013	2,154,000
VIP Business support Program (MATRA/Bartimeus)	Bartimeus	1/11/2009-31/12/2012	35,235
Bridging the Divide	NLMFA	1/9/2010-30/8/2012	1,216,334
EU RED (EU Aid)	EU	1/12/2010-30/11/2012	417,827
Medefinancieringsstelsel II (MFS II)	NLMFA	1/1/2011-31/12/2015	21,347,600
Youth Engagement Program (YEP)	NLMFA	1/1/2012-31/12/2015	1,882,500

■ 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 2011, SPARK realized a percentage of 49% (excluding Alliance partner BiD Network; see section about Percentages).

■ Outstanding VAT reclaim

As a result of discussion between The Ministry of Finance and Partos (the branche organisation for aid organisations in The Netherlands) it has become clear that Dutch aid organisations can apply the 0% VAT rule in certain circumstances. SPARK belongs to those organisations.

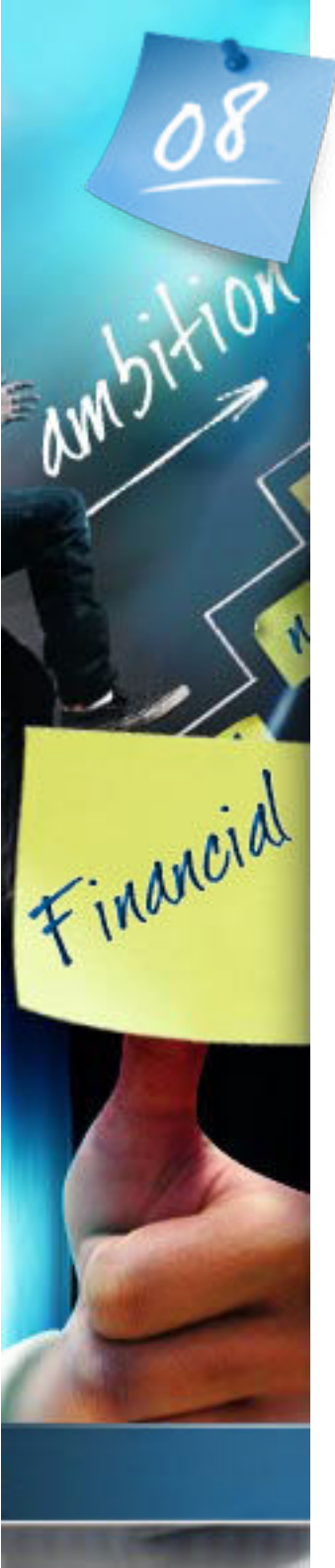
In 2011 we have therefore reclaimed VAT paid in The Netherlands of an amount of € 112.405 concerning the period 2006 - 2010.

Until today however, we have not received a final decision by the tax authorities regarding this reclaim.

Of this total an amount of approximately € 28.000 concerns VAT paid on subsidized project expenses and this will be returned to the donors.

An amount of € 84.000 concerns VAT paid on indirect costs and will be added to the continuity reserve when refunded by the tax authorities.

The amount of paid VAT 2011 to be reclaimed is approximately € 24.000 of which € 14.000 on indirect costs.



OF BALANCE SHEET COMMITMENTS

■ Rental obligations

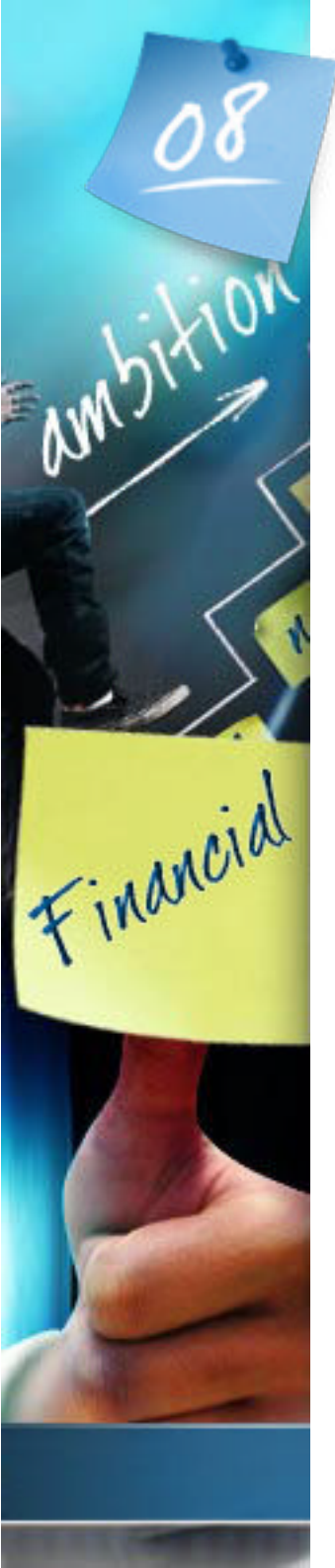
As of 1 January 2010 SPARK relocated to another location near Central Station. These new premises are rented together with BiD Network. The total expenses per year are € 32.500. The contract ends on 11 May 2012.

■ 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.

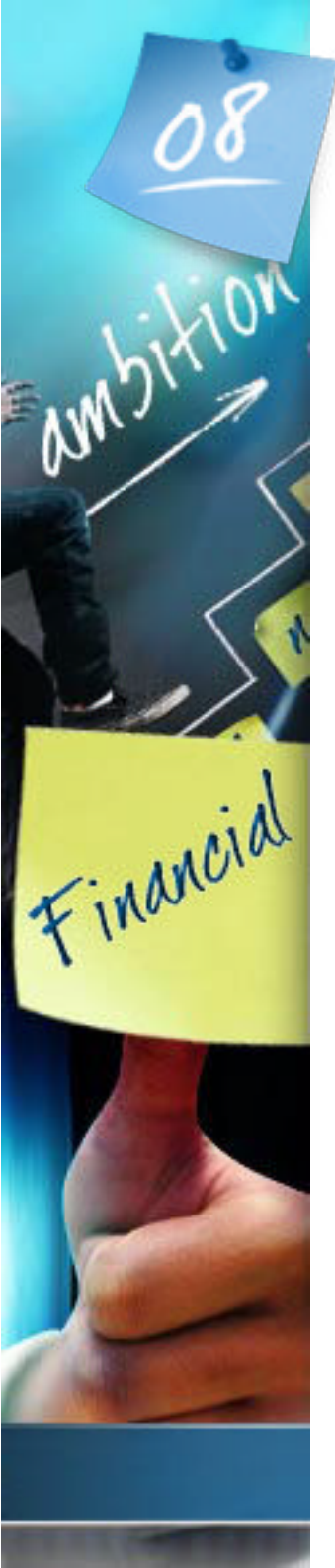
■ Bank Guarantee Office rent

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

INCOME	2011 €	2010 €
Income from own fundraising		
Grants Summer Universities - in kind contributions visiting professors / other	14,840	11,130
Private Sector Development in kind - Int. trainers and other	0	800
MFS II - in kind contributions	3,060	15,374
IBCM - in kind contribution land	8,578	8,578
Grant King Badouin Foundation - scholarship database	7,922	10,076
Contribution in kind - rent University of Amsterdam	8,000	8,000
IBCM - in kind contribution books	6,601	0
World Bank - Liberia research	25,871	0
Stichting Doen - BSC Zimbabwe	14,209	0
Miscellaneous income projects	0	2,054
	89,082	56,012
Governmental grants		
Grants NLMFA (MFS, PSD-BSCK II, MYP, Mitrovica College, Bridging the Divide)	4,196,298	3,817,150
Grants EC - Tempus Programme (Tempus Georgia)	0	61,910
Grant SIDA / Denmark - Mitrovica College	1,767,998	1,806,357
Grant UNDP - Entreprise development Northern Kosovo	87,669	74,954
Grant Bartimeus / MATRA - VIP Moldova	8,430	3,972
Grant EU - EC Red	154,206	852
	6,214,600	5,765,195



Explanatory notes to the Statement of Income and Expenditure

INCOME	2011 €	2010 €
Other Income		
Other miscellaneous income & private donations	17,056	19,452
	17,056	19,452
Total income	6,320,738	5,840,659

Most grants still need final approval of the donor.

The grants include an amount of € 9003 for obligations towards partners under MFS II that SPARK has committed itself to transfer in 2012, as well as an obligation of € 24.067 concerning 2012 under the EU RED project for partner Fractal.

From total income an amount of € 1.045.220 is used for project management and overhead; an amount of € 5.275.518 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

EXPENDITURES	2011 €	2010 €
Spent on objectives		
Grants and contributions	4,209,015	3,817,856
Direct costs obtaining governmental grants	43,626	90,307
Publicity and Communication	18,844	289,549
Personnel Costs	994,278	716,045
Housing costs	98,902	66,839
Office- and General costs	396,337	260,080
Depreciation and Interest	91,398	33,070
Total - Income from own fundraising	5,852,400	5,273,746

Grants and contributions	2011 €	2010 €
Private Sector development programs		
Remunerations 3rd parties involved in projects (partners, experts, trainers, teachers, etc)	156,320	682,389
Project travel and accommodation costs SPARK & 3rd parties	10,555	104,898
Capacity building of partners - non travel / remuneration	804,616	351,259
Direct poverty allevation - non travel / remuneration	1,257,873	72,881
Policy making - non travel / remuneration	158,837	122,162
Bridging the Divide Mitrovica project - non travel / remuneration	-64,545	850,563
Contingencies	0	0
Own contributions students / participants	0	0

Explanatory notes to the Statement of Income and Expenditure

Grants and contributions	2011 €	2010 €
Higher Education programmes		
Summer / Winter courses	135,573	149,178
Establishing International business College Mitrovica	1,788,396	1,401,355
Other Higher Education project costs	0	96,817
Contingencies	0	307
Own contributions students / participants	-38,611	-13,952
	4,209,015	3,817,856

Obtaining governmental grants	2011 €	2010 €
Feasibility studies and project acquisition	43,626	90,307
	43,626	90,307

Publicity and Communication	2011 €	2010 €
Amsterdam office - project promotion and advertising	9,843	3,236
Projects - project promotion and advertising	9,001	286,313
	18,844	289,549

Explanatory notes to the Statement of Income and Expenditure

Personnel Costs	2011 €	2010 €
Amsterdam		
Gross salaries	621,188	485,702
Social security premiums & Pensions	70,932	61,392
Other personnel costs	24,517	15,793
Staff training (including field office staff)	32,798	19,402
Field offices		
Local project coordination & officers	244,842	130,708
Other personnel costs	0	3,048
	994,278	716,045

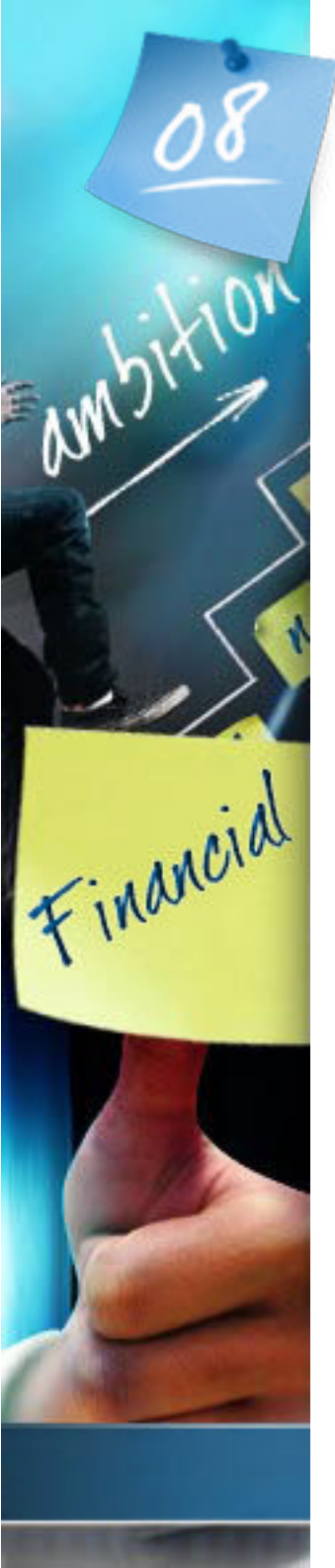
In 2011, the organisation had 15 (2010: 15) staff members on average in Amsterdam / Project Management (including interns) and 30 (2010: 14) in the local offices.

Personnel operating under the IBCM project (with the exception of SPARK Kosovo field office personnel) is presented under the Direct project expenditures in 2011 (and 2010).

Explanatory notes to the Statement of Income and Expenditure

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	-	-
	93,947	66,394
Social securities employer	7,404	7,404
Pension contribution employer	4,267	2,952
Other	-	-
Total 2011	105,618	76,750
Total 2010	80,523	59,217

Housing costs	2011 €	2010 €
Rent and utilities - Amsterdam office	46,947	47,793
Rent and utilities - field offices	51,955	19,047
	98,902	66,839



Explanatory notes to the Statement of Income and Expenditure

Office and general costs	2011 €	2010 €
Amsterdam		
Office supplies, telecommunication & postage, other office costs	13,148	24,514
IT infrastructure services - maintenance	9,108	10,889
Project evaluation and reports	2,665	3,030
SPARK support/donations to projects in NL and NL visibility	8,023	2,121
Special projects (Monrovia Summer courses, Scanning project)	9	14,715
Organisational fees and memberships	2,614	7,860
Administration and auditing	22,488	30,548
Quality assurance	6,110	7,490
Development of IT infrastructure	230	0
Development / Purchase of Finance Software	11,121	115
Insurances	4,097	2,024
Representation	871	3,663
Other general expenditures	4,600	0
Contingencies	17,300	30,408
Field offices / projects		
Office supplies, telecommunication & postage, other office costs	155,864	35,844
Project evaluation and reports	83,852	41,446
Administration and auditing	46,299	37,600
Representation	7,939	7,357
Other general expenditures	0	455
	396,337	260,080

Explanatory notes to the Statement of Income and Expenditure

Depreciation and Interest	2011 €	2010 €
Depreciation fixed assets	31,870	9,411
Bank fees, costs and interest	1,420	1,631
Interest, costs and default loans microcreditfunds	58,127	11,336
Bank fees, costs and interest projects	-18	10,693
	91,398	33,070
TOTAL EXPENDITURES	5,852,400	5,273,746

RESULT	468,338	566,912
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RESULT CLEARED FOR MUTATION ALLOCATED FUNDS	280,996	82,857
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Project income and expenditures

In Annex 1 project income and expenditures are stated per project.

Annex C - Statement of division of expenditures

Objectives	Objective		Costs Fundraising		Management & Administration	Total 2011	Budget 2011	Total 2010
Costs of implementation	Higher Education Development	Private Sector Development	Own funds	Governmental Grants				
Grants and contributions	1,885,357	2,323,657				4,209,015	9,365,436	3,817,856
Obtaining governmental grants				43,626		43,626	75,000	90,307
Publicity and Communication	4,952	4,048	9,843			18,844	74,241	289,549
Personnel Costs	152,564	688,414	1,743	16,297	135,259	994,278	911,015	716,045
Housing costs	17,410	71,825	109	1,019	8,459	98,821	95,629	66,839
Office- and General costs	62,951	312,508	238	2,228	18,493	396,418	472,093	260,080
Depreciation and Interest	13,464	58,914	216	2,022	16,782	91,398	25,000	33,070
Total	2,136,698	3,459,366	12,150	65,192	178,993	5,852,400	11,018,414	5,273,746

% spent on objectives/total income	88.53%	95.08%	84.56%
% spent on objectives/total income taking microcredit fund deposits & repayments into account	83.73%	95.53%	88.92%
% spent on objectives/total expenses	95.62%	95.79%	93.65%
% spent on own fundraising/income own fundraising	13.64%	8.42%	7.05%

The main cause of the deviations opposed to the budget 2011, is the underspending under the IBCM project compared to the budget 2011.

This is mainly due to the fact that the construction of the College was postponed until 2012.

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.

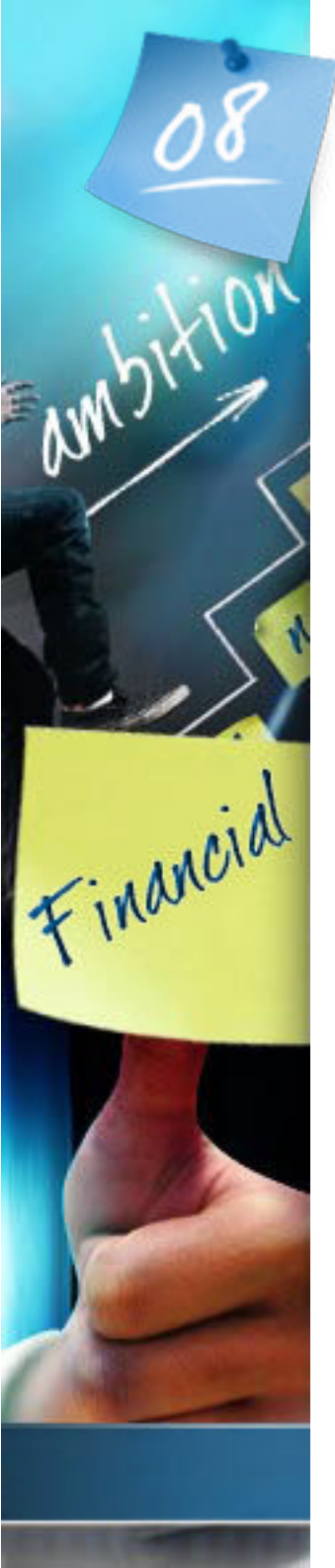
Division of the expenditures relevant for SPARK (HE, PSD, Obtaining of own funds, Obtaining governmental grants and Management & Administration) takes place as follows:

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 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.



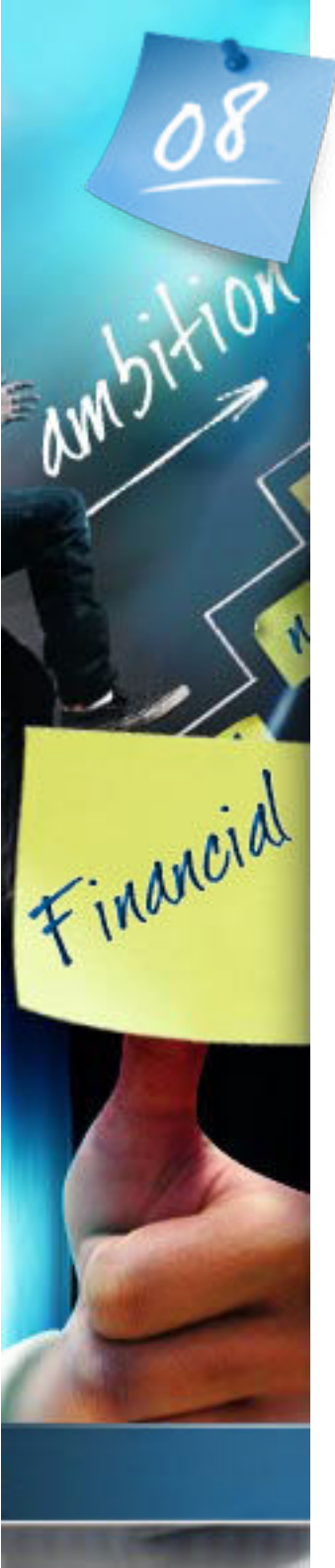
Indirect hours regarding Finance, IT, Organisation and Personnel are allocated to Management & Administration (=overhead). Absence days were not taken into account when allocating, except when the total number of estimated working days was determined for the budget.

(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.

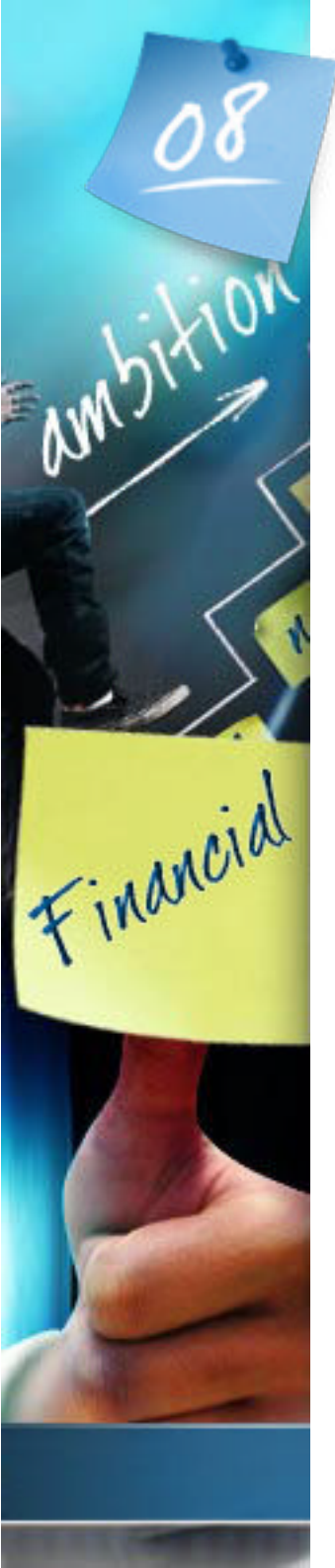
SPARK's own funds mainly consist of in kind contributions, like contributions of partners of training space, renovation costs of incubators that partners paid, free office space or usage of land, and (employers of) professors and trainers who forfeit any reimbursement for the time and effort they spent on our projects.

Also the university of Amsterdam has provided us with free office space, which now is used as an incubator for young innovating NGO's. Obtaining these contributions doesn't require a lot of time and money. Hence, only a small percentage of the operational and organisation expenses (0,23% in 2011) as well as general promotion and advertisement costs, are presented as costs for obtaining own funds.



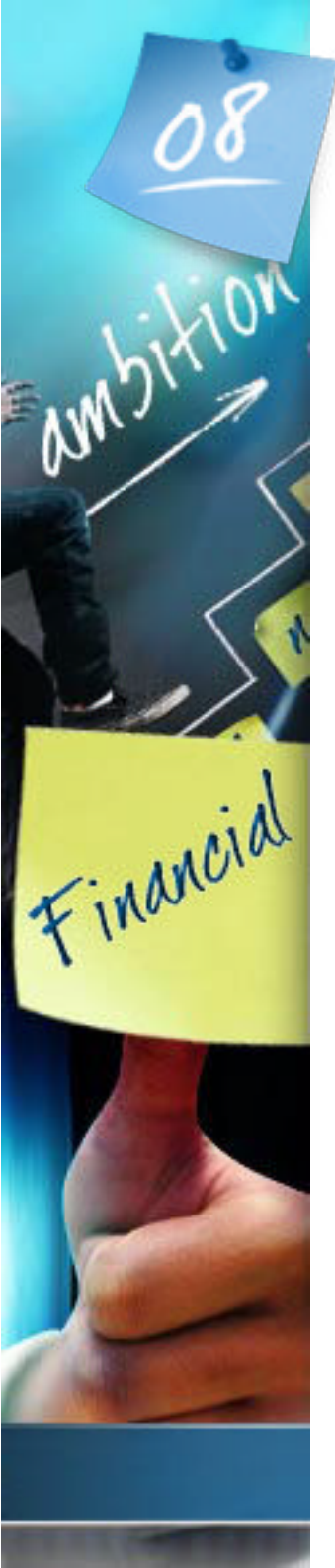
Percentages: per programme & donor and efficiency indicators

INCOME	Realisation 2011 €	Realisation 2011 %
Project (cash) grants from donors		
Grant Medefinancieringsstelsel II 2011 -2015 - NLMFA	3,502,191	55.41%
Grant PSD/BSCK II 2008-2011 NLMFA	42,418	0.67%
Grant Entreprise dev. Northern Kosovo - UNDP	87,669	1.39%
Grant Bridging the Divide - NLMFA	43,165	0.68%
Grant EC Red programme - EU Aid	154,206	2.44%
Grant Mitrovica Youth Programme 2009-2011 - NLMFA	140,578	2.22%
Grant Liberia research project - World Bank	25,871	0.41%
Grant King Badouin Foundation - scholarship database	7,922	0.13%
Grant VIP Moldova - Bartimeus / MATRA	8,430	0.13%
Grant IBCM - SIDA	1,767,998	27.97%
Grant IBCM - NLMFA	467,946	7.40%
Grant BSC Zimbabwe - Stichting DOEN	14,209	0.22%
	6,262,602	99.08%



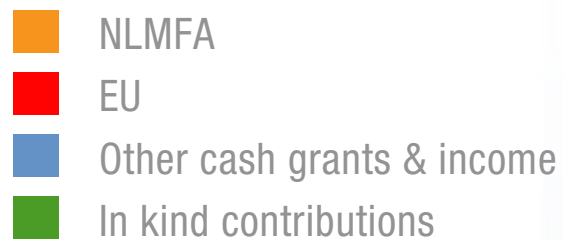
Percentages: per programme & donor and efficiency indicators

INCOME	Realisation 2011 €	Realisation 2011 %
Other income		
Grant Medefinancieringsstelsel in kind - rent, human resources and other	3,060	0.05%
MYP in kind - visitation professor remunerations	14,840	0.23%
IBCM - land contribution from municipality	8,578	0.14%
IBCM - books donated	6,601	0.10%
Contribution in kind - rent University of Amsterdam	8,000	0.13%
Other miscellaneous income	17,056	0.27%
	58,136	0.92%
Total income	6,320,738	100.00%



Percentages: per programme & donor and efficiency indicators

Income & Percentages per donor / origin	2011 €	2011 %
NLMFA	4,204,727	66.52%
EU	154,206	2,44%
Other cash grants & income	1,920,725	30.39%
In kind contributions	41,079	0.65%
Total	6,320,738	100.00%

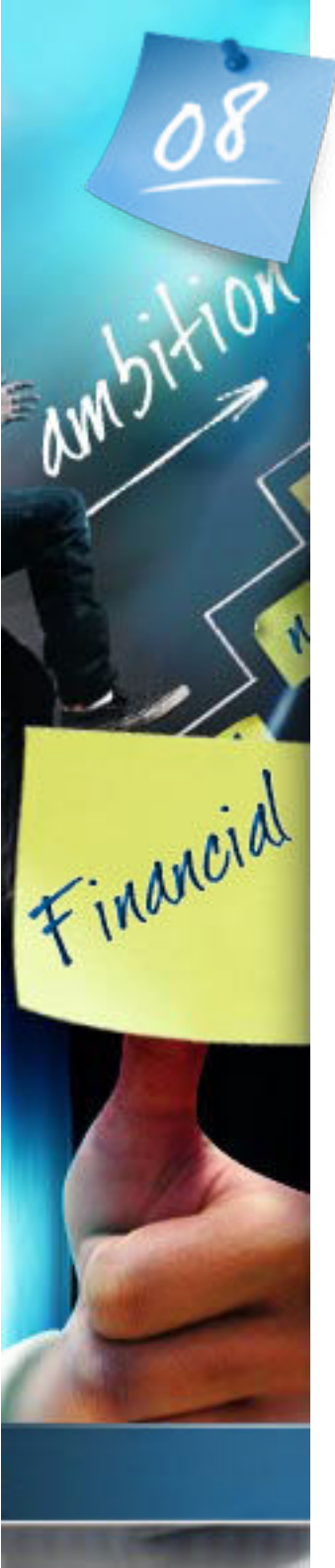


Percentages: per programme & donor and efficiency indicators

25% other funding obligation MFS:

2011 CALCULATION ON ACCRUAL BASIS IN KIND CONTRIBUTIONS INCLUDED	2011 €	2011 %
Total MFS 2011 grant NLMFA BiD Network part included	3,502,191	62.34%
Non - NLMFA grants & contributions 2011 SPARK Total incl in kind	2,116,011	37.66%
	5,618,201	100.00%
Other NLMFA Grants SPARK 2011	702,536	
Total income SPARK 2011	6,320,738	

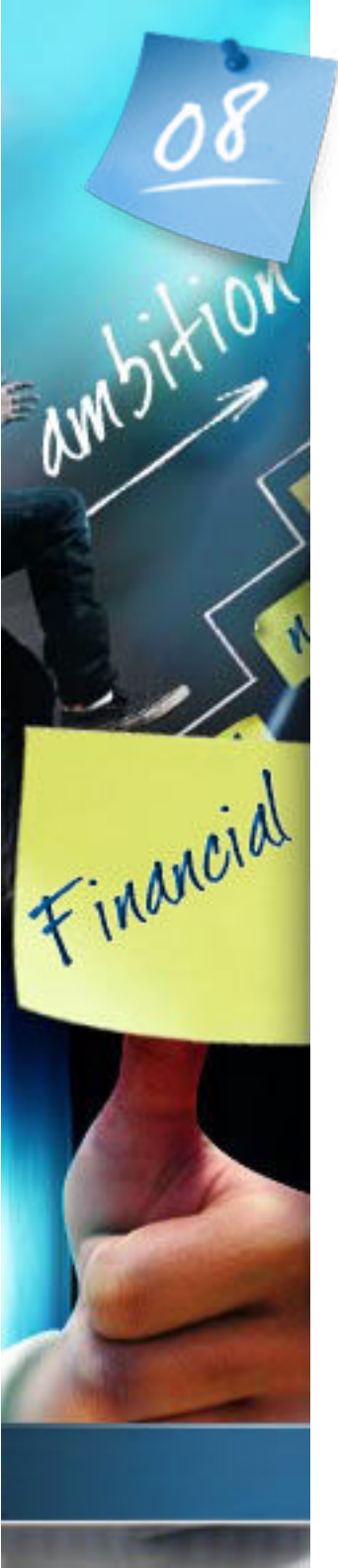
2011 CALCULATION EXCLUDING BiD NETWORK GRANT MFS II	2011 €	2011 %
Total MFS 2011 grant NLMFA BiD Network part excluded	2,273,212	51.79%
Non - NLMFA grants & contributions 2011 SPARK Total incl in kind	2,116,011	48.21%
Total	4,389,222	100.00%



Percentages: per programme & donor and efficiency indicators

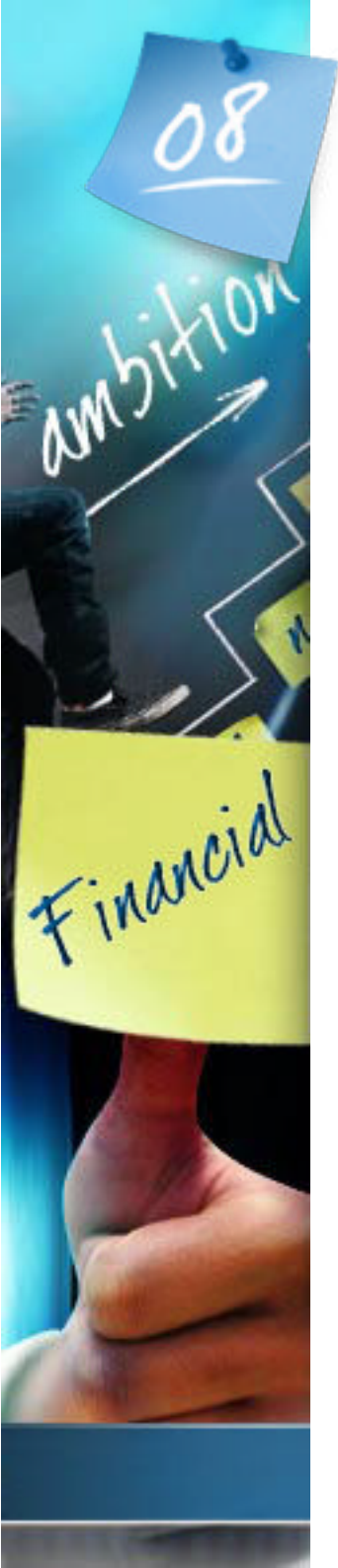
Other percentages of interest	Realisation 2011 %	Budget 2011 %
Overhead %	3.06%	2.70%
AMS organisational (personnel, office, fixed organisation) costs versus total costs	14.86%	7.52%
AMS versus total costs	17.86%	9.28%
AMS labor costs versus total costs	12.25%	6.06%
AMS labor versus total labor costs (ex non-SPARK)	74.53%	76.11%
AMS labor + local labor costs versus total costs	16.43%	7.96%
AMS + local office & labor costs versus total costs	25.59%	12.45%
NL vs local costs organisational costs	62.92%	-
% spent on objectives/total expenses	95.62%	95.79%
% spent on own fundraising/income own fundraising	13.64%	8.42%
Programme spending ratio	79.94%	90.46%

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



Abbreviations used:

Projects	
College	The European College Business Studies & Public Administration in Mitrovica, Kosovo (College)
EU Red	EU Support for Regional Economic Development, Northern Kosovo
IBCM	The European College Business Studies & Public Administration in Mitrovica, Kosovo (College)
KBF II	Maintenance scholarship database KBF
MFS	Medefinancieringsstelsel subsidie
MYP	Mitrovica Youth Programme (, from exclusion to regional intergration)
PSD/BSCK II	Enabling Private Sector Development in the Balkans
Tempus Georgia	Developing an Internal Quality Assurance System at the Telavi State University
UNDP	Entreprise development Northern Kosovo
VIP Moldova	VIP business support program financed by Bartimeus/MATRA
YEP	Youth Engagement Programme



Abbreviations used:

Donor Organisations

Bartimeus	Bartimeus International
CBM	Community Building Mitrovica
Denmark	The Ministry of Foreign Affairs of Denmark
EU Aid	EuropeAid
EC	European Commission
KBF	King Badouin Foundation
NLMFA	Dutch Ministry of Foreign Affairs
SIDA	Swedish International Development Cooperation Agency
UNDP	United Nations Development Programme
UvA	Universiteit van Amsterdam
World Bank	World Bank



Specification of the result 2011 per project

INCOME	NL	MFS II	PSD/BSCK II	UNDPII	Bridging the Divide	EC RED	MYP	WB Liberia	KBF - Phase II	VIP Moldova	Mitrovica College	BSC Zimbabwe	TOTAL 2011
Project grants from donors	€	€	€	€	€	€	€	€	€	€	€	€	€
Grant Medefinancieringsstelsel II 2011 -2015 - NLMFA SPARK	2,273,212	2,273,212											
Grant Medefinancieringsstelsel II 2011 -2015 - NLMFA BiD Netw.	1,228,979	1,228,979											
Grant PSD/BSCK II 2008-2011 NLMFA	42,418		42,418										
Grant Enterprise dev. Northern Kosovo - UNDP	87,669			87,669									
Grant Bridging the Divide - NLMFA	43,165				43,165								
Grant EC Red programme - EU Aid	154,206					154,206							
Grant Mitrovica Youth Programme 2009-2010 - NLMFA	140,578						140,578						
Grant World Bank Liberia Research	25,871							25,871					
Grant King Badouin Foundation - scholarship database	7,922								7,922				
Grant VIP Moldova - Bartimeus / MATRA	8,430									8,430			
Grant IBCM - SIDA	1,767,998										1,767,998		
Grant IBCM - NLMFA	467,946										467,946		
Grant BSC Zimbabwe - Stichting Doen	14,209											14,209	
	6,262,602	3,502,191	42,418	87,669	43,165	154,206	140,578	25,871	7,922	8,430	2,235,944	14,209	6,262,602

Specification of the result 2011 per project

INCOME	NL	MFS II	PSD/BSCK II	UNDPII	Bridging the Divide	EC RED	MYP	WB Liberia	KBF - Phase II	VIP Moldova	Mitrovica College	BSC Zimbabwe	TOTAL 2011
Other income	€	€	€	€	€	€	€	€	€	€	€	€	€
MFS II in kind - rent, human resources and other	3,060	3,060											3,060
MYP in kind - visition professor remunerations	14,840						14,840						14,840
IBCM - land contribution	8,578										8,578		8,578
IBCM - books donated	6,601										6,601		6,601
Contribution in kind - rent University of Amsterdam	8,000												8,000
Other miscellaneous income	17,056										1,000		17,056
	58,136	3,060	0	0	.0	0	14,840	0	0	0	16,179	0	58,136
Total Income	6,320,738	3,505,251	42,418	87,669	43,165	154,206	155,418	25,871	7,922	8,430	2,252,123	14,209	6,320,738

Specification of the result 2011 per project

EXPENDITURE	NL	MFS II	PSD/BSCK II	UNDP II	Bridging the Divide	EC RED	MYP	WB Liberia	KBF - Phase II	VIP Moldova	Mitrovica College	BSC Zimbabwe	TOTAL 2011
Labor costs international support staff	€	€	€	€	€	€	€	€	€	€	€	€	€
Gross salaries	621,188												621,188
Social security premiums	57,872												57,872
Pension schemes	13,060												13,060
Other personnel costs	24,517												24,517
	716,637												716,637
Amsterdam Office Costs													
Rent and utilities	46,867												46,867
Small office equipment	81												81
Office supplies	5,233												5,233
Telecommunication	5,742												5,742
Postage	1,247												1,247
IT infrastructure services - maintenance	9,108												9,108
Other office costs	927												927
	69,204												69,204
Abroad offices Labor costs project coordination		136,915	22,917	17,873		21,961	5,436				38,613	1,128	244,842
Abroad offices housing costs							1,500						1,500
Abroad offices office costs		136,915	16,188	4,428		6,971	2,382				38,613	823	206,319
Total	785,841	273,829	39,105	22,301	0	28,933	9,318	0	0	0	77,225	1,951	1,238,502

Specification of the result 2011 per project

Project Activities Costs	NL	MFS II	PSD/BSCK II	UNDP II	Bridging the Divide	EC RED	MYP	WB Liberia	KBF - Phase II	VIP Moldova	Mitrovica College	BSC Zimbabwe	TOTAL 2011
All programs remuneration partners, travel costs etc	€	€	€	€	€	€	€	€	€	€	€	€	€
Project coordination project partners		70,350	-7,417	37,870	-9,305	37,835	2,705			2,137			134,175
Volunteers/interns and logistic officers			-568				2,309				5,782		7,523
College staff remunerations											209,805		209,805
(Co-)professor / teaching staff remunerations							4,200				728,689		732,889
Committee, trainers and other remunerations							3,933					1,729	5,662
Local business consultants & jury members				1,814				18,542				3,333	23,689
Visiting professor remunerations - in kind							14,840						14,840
Consultancy / other human resources - in kind													0
Travel costs SPARK Staff			5,276	200	8,025		1,760			836	25,093	5,673	46,861
Travel costs Students / training participants (part in kind)							33,058						33,058
Travel costs teachers, professors, experts and trainers			-4,311				7,208			1,757	42,012		46,666
Travel costs Stakeholders and other participants			-12,763	927		794	3,229	4,143			51,392		47,723
Private Sector development programs													
Capacity building of partners													
Establishment Business Start-Up Centres, Incubators and BAC's						49,588							49,588
Establishment Business Incubators - in kind													0
Curricula development			-50,952			8,967							-41,985

Specification of the result 2011 per project

Project Activities Costs	NL	MFS II	PSD/BSC II	UNDP II	Bridging the Divide	EC RED	MYP	WB Liberia	KBF - Phase II	VIP Moldova	Mitrovica College	BSC Zimbabwe	TOTAL 2011
All programs remuneration partners, travel costs etc	€	€	€	€	€	€	€	€	€	€	€	€	€
Training / capacity building of partner institutions		379,980	23,543	1,839									405,362
Training / capacity building of partner institutions by Alliance partner		411,380											411,380
Support to regional Business Start-up centres													0
ICT development BSC's													0
SENSI network established													0
Coordination meetings			-19,725										-19,725
Training/conference facilities - in kind													0
Direct Poverty Alleviation													
Direct Poverty Alleviation		610,677											610,677
Direct Poverty Alleviation by Alliance partner		662,695											662,695
Business plan competitions			-7,379										-7,379
Course programmes / business trainings			-449	18,948									18,499
Internship programme			-8,000										-8,000
Consultancy & loans for SME's deposits in Microcredit funds			-20,000										-20,000
Introducing ISO standards													0
Other promotion & visibility			-779	2,146					15				1,381

Specification of the result 2011 per project

Project Activities Costs	NL	MFS II	PSD/BSCK II	UNDP II	Bridging the Divide	EC RED	MYP	WB Liberia	KBF - Phase II	VIP Moldova	Mitrovica College	BSC Zimbabwe	TOTAL 2011
Policymaking	€	€	€	€	€	€	€	€	€	€	€	€	€
Policy making		47,797						207					48,004
Policy making by Alliance partner		78,100											78,100
Conferences / events in NL													0
Regional conferences			32,733										32,733
Bridging the Divide													
Component I - Infrastructure Upgrades					-35,094								-35,094
Component II- M-M@G & Mi:2					-33,812								-33,812
Component III - Centre for Resources, Youth and Media (CRYM)					-13,574								-13,574
Other direct project costs (IT equipment)					17,935								17,935
Higher Education programmes													
Summer / winter courses													
Recreational programmes (part in kind)							4,512						4,512
Course programmes							0						0
Reading & Teaching materials							19,509						19,509
Translation of materials & interpretation							4,444						4,444
Certificates & information packs courses / training programs							924						924

Specification of the result 2011 per project

Project Activities Costs	NL	MFS II	PSD/BSCK II	UNDPII	Bridging the Divide	EC RED	MYP	WB Liberia	KBF - Phase II	VIP Moldova	Mitrovica College	BSC Zimbabwe	TOTAL 2011
Higher Education programmes	€	€	€	€	€	€	€	€	€	€	€	€	€
Summer / winter courses													
Forums, seminars & workshops							525						525
Stakeholder conferences							0						0
Training / capacity building of partner institutions							10,728						10,728
Establishing International business College Mitrovica													
Interim costs College & moving costs											144,243		144,243
Construction of College											140,528		140,528
Construction of College - in kind contribution land											8,578		8,578
Equipment of College											78,864		78,864
Running costs college											74,224		74,224
Start-up costs College including License											4,249		4,249
Transitional year programme											35,579		35,579
Books - in kind contribution											6,601		6,601
Curricula development											9,641		9,641
Promotion, Admission & Scholarships											154,140		154,140
Career & Alumni centre College including Internships											16,708		16,708
Quality Assurance Centre College											52,268		52,268

Specification of the result 2011 per project

Project Activities Costs	NL	MFS II	PSD/BSCK II	UNDP II	Bridging the Divide	EC RED	MYP	WB Liberia	KBF - Phase II	VIP Moldova	Mitrovica College	BSC Zimbabwe	TOTAL 2011
Other Higher Education projects	€	€	€	€	€	€	€	€	€	€	€	€	€
Scanning personnel							101						101
Development scholarship database KBF													0
Translation equipment							21,959						21,959
Contingencies													0
Own contributions participants							-2,465				-36,146		-38,611
Total Project Activities Costs	0	2,260,978	-70,792	63,744	-65,825	97,183	133,478	22,892	15	4,729	1,752,249	10,735	4,209,387

Other Activities Costs													
(Project) promotion and advertising	9,843					4,048	4,952						18,844
Project evaluation and reports	2,665	73,505	261				326						76,757
Project evaluation and reports by Alliance partner		6,700											6,700
Project evaluation and reports - consultancy hours in kind		3,060											3,060
Feasibility studies, fundraising, conferences and project acquisition	43,626												43,626
SPARK support/donations to projects in NL and NL visibility	8,023												8,023
Alumni programme	0						-370						-370

Specification of the result 2011 per project

Project Activities Costs	NL	MFS II	PSD/BSCK II	UNDP II	Bridging the Divide	EC RED	MYP	WB Liberia	KBF - Phase II	VIP Moldova	Mitrovica College	BSC Zimbabwe	TOTAL 2011
Other Activities Costs	€	€	€	€	€	€	€	€	€	€	€	€	€
Special projects funded by SPARK (incl deficit Scanning)	9												9
Contingencies	17,300												17,300
Total	81,466	83,265	261	0	0	4,048	4,908	0	0	0	0	0	173,948
Organization Costs													
Fixed organization costs													
Organizational fees and memberships	2,614		-3										2,611
Administration and auditing	22,488	17,322	-2,435	852		19,730					10,830		68,787
Insurances	4,097												4,097
Representation	871		223	722	37		244	1,842			4,843	27	8,810
Depreciation on fixed assets	31,870												31,870
Other general expenditures	4,600												4,600
Variable organization costs													
Quality assurance	6,110												6,110
SPARK staff training & development	32,798												32,798
Development / Purchase of Finance Software	11,121												11,121
Development of IT infrastructure	230												230
Total Organization Costs	116,798	17,322	-2,215	1,575	37	19,730	244	1,842	0	0	15,673	27	171,033

Specification of the result 2011 per project

Project Activities Costs	NL	MFS II	PSD/BSCK II	UNDP II	Bridging the Divide	EC RED	MYP	WB Liberia	KBF - Phase II	VIP Moldova	Mitrovica College	BSC Zimbabwe	TOTAL 2011
Interests and bank costs	€	€	€	€	€	€	€	€	€	€	€	€	€
Interest	-3,287	-1,568											-4,855
Interest received on microcredit funds	-16,464												-16,464
Administrative costs fund mgt & bankrupt loans	74,591												74,591
Bank transaction fees	6,275		-68	50									6,256
Total Interest and bank costs	61,115	-1,568	-68	50	0	0	0	0	0	0	0	0	59,528
TOTAL COSTS	1,045,220	2,633,826	-33,709	87,669	-65,788	149,894	147,949	24,734	15	4,729	1,845,148	12,713	5,852,400
PROGRAM MANAGEMENT FEES PER PROJECT / NET RESULT		871,425	76,127	0	108,953	4,311	7,469	1,137	7,908	3,700	406,976	1,496	468,338

INDEPENDENT AUDITOR'S REPORT

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

Report on the financial statements

We have audited the accompanying financial statements of Spark, Amsterdam, which comprise the balance sheet as at 31 December 2011, 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 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, 2011 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".

Report on the compatibility of the annual report and the financial statements

We report, to the extent of our competence, that the management board report is consistent with the financial statements.

Amsterdam, 26 April 2012

Dubois & Co. Registeraccountants

Signed on original:
G. Visser

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dr. E. van der
J.J.H.G. Steeghs
drs. G. Visser

WED. J. VAN DER WOUDE (REGISTERACCOUNTANT)

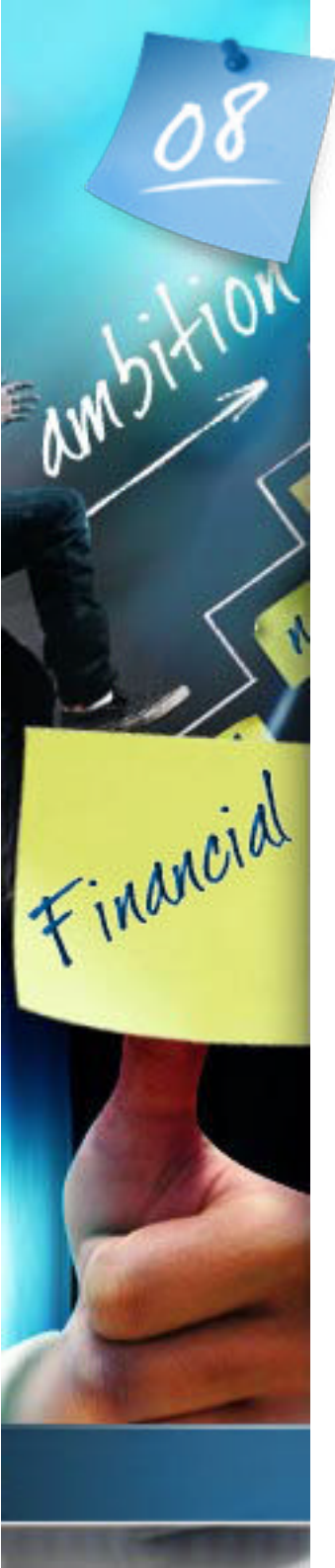
dr. B. van der

drs. P.A.J.M. Bontjes

drs. R.W.J. Blommestein

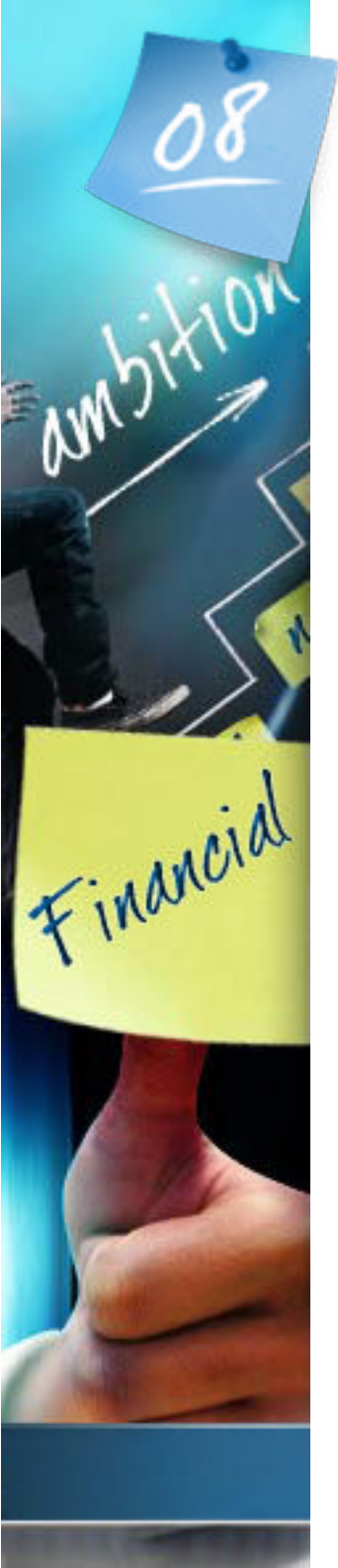
SENIORE ORANJE-NASSAU ADVISOR

drs. P.M.A. Kuylenstierna, EC



Acronyms

AFAB	Association des Femmes Entrepreneurs	FPCCIA	Federation of Palestinian Chamber of Commerce
ALU	Association of Liberian Universities	IATI	International Aid Transparency Initiative
APF	Agriprofocus Group	IBCM	International Business College Mitrovica
BAC	Business Advisory Centre	ISO	International Organisation of Standardisation
BiH	Bosnia and Herzegovina	JCI	Junior Chamber International
BPC	Business Plan Competition	LBBF	Liberia Better Business Forum
BSC	Business Start-up Centre (Business Service Centre)	LEAP	Local Enterprise Assistance Programme
BSCK	Business Start-up Centre Kosovo	LW	Leadership Weekend
BST	Business Skills Training	M&E	Monitoring and Evaluation
BTI	Business Technology Incubator	MDF	Management for Development Foundation
BWF	Business women Forum	MFSII	Medefinancieringsstelsel 2011-2015 (Co-financing System 2011-2015)
CBM	Community Building Mitrovica	MIS	Management Information System
CCE	Centre for Continuing Education	MSC	Mitrovica Summer Courses
CoE	Centre of Excellence	MWU	Mitrovica Winter University
COPED	Conseil Pour l'Education et le Développement	MYP	Mitrovica Youth Programme
CRYM	Centre for Research, Youth and Media	NLMFA	Netherlands Ministry of Foreign Affairs
CSO	Civil Society Organisation	PSD	Private Sector Development
DANIDA	Danish International Development Agency	PSF	Private Sector Federation
EFTA	European Free Trade Association	PSO	Personel Samenwerking in Ontwikkelingslanden (personnel Cooperation in Developing Countries)
ESU	European Students' Union		
FEM-NUR	National University of Rwanda		



Acronyms

PSU	Pristina Summer University
RCT	Randomised Controlled Trial
REJA	Réseau des organisations de Jeunes en Action pour la paix, la réconciliation et le développement
SEE	Southeast Europe
SENSI	Southeast European Network for Business Support Centres and Incubators
SIDA	Swedish International Development Agency
SME	Small and Medium sized Enterprise
SPACE	European Network for Business Studies and Languages
UEC	United Entrepreneurship Coalition
UM	University of Mitrovica
UP	University of Pristina
VIP	Visually Impaired Persons
YES	Youth Employment Systems



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SPARK **ANNUAL REPORT** *2011*

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