SPARK Corporate Social Responsibility Policy

SPARK's Corporate Social Responsibility (CSR) policy is based on the OECD guidelines for multinational corporations[1]. Where necessary, it is complemented by criteria from the IFC performance standards[2].

1. Concepts and Principles

SPARK promotes numerous other procedures to support our ethical stance. The following document is a compilation of the methods we use according to specific CSR areas to promote a fair internal and external social policy.

Terms and definitions

CSR is a process whereby an organisation assumes responsibility across its entire organisational structure for social, ecological and economic consequences of its activities. To this end an organisation constructively engages with all stakeholders to assure that issues concerning people, profit and planet are adequately safeguarded and fulfil relevant human rights standards.

Stakeholders are all parties involved in SPARK's activities in the HQ as well as in the regional offices, i.e. staff, co-operation partners (Dutch –based) and local partners (based in the regions). Donors including the Dutch Government become stakeholders through their financial or in-kind contribution. The term also applies to temporary staff such as consultants, volunteers and interns.

Beneficiaries are the targeted recipients of the services that SPARK offers through its projects and missions through partners or directly. Beneficiaries constitute an important part of our stakeholders in the framework of the CSR policy as they are residing in vulnerable regions and are directly relying on the services provided by SPARK-selected local partners. SPARK is aware of their susceptible position and consequently makes every effort to extend its CSR protection and checks to all of the stakeholders involved.

Stakeholders in SPARK's CSR policy
- Beneficiaries - peoples including future generations whose rights and prosperity we seek to protect and advance
- Donors
- Partner organizations (Dutch and in the target countries[3])
- Office staff, consultants, volunteers and interns

---

[1] OECD Guidelines for Multinational Enterprises, 2011, http://mneguidelines.oecd.org/text/

[2] International Finance Corporation Environmental and Social Performance Standards, 2012, http://www.ifc.org/wps/wcm/connect/115482804a0255db96fbffd1a5d13d27/PS_English_2012_Full-Document.pdf?MOD=AJPERES

[3] Generally least developed countries and specifically fragile states.

2. General Policies

SPARK's mission is to deveop higher education and entrepreneurship to empower young ambitious people to lead the conflict affected societies into prosperity.

SPARK works daily to protect, respect and fulfil basic economic, social and cultural rights in the post-conflict regions through employment creation and vocational education. Nevertheless, we acknowledge that there is no room for self-complacency in the development sector and that we need to strive for further improvement in human rights standards through the way we run our organisation. Working in post-conflict, fragile environments, we realize the importance of adhering to social and environmental norms.

SPARK has therefore been maintaining and developing documents such as the Staff Code of Conduct to safeguard the CSR issues. The Code, among other issues, contains clauses referring to prohibition of harassment, discrimination and corruption.

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

3. Disclosure

Therefore, we consider financial accountability, visibility and transparency a crucial part of the CSR plan. To this end SPARK has developed the TraSPARKency website for the publication of budget plans and financial reports. To add to our efforts in this area, we follow the International Aid Transparency International standards.

- In terms of transparency SPARK created the TranSPARKency website (http://transparkency.spark-online.org/). It is used to disclose financial reports, annual budgets and other fiscal information.
- In terms of customer satisfaction measures SPARK has developed a complaints procedure as part of ISO 9001 quality management system. An independent complaints committee is under consideration.
- SPARK has also in place Monitoring & Evaluation (M&E) indicators for efficiency control. All SPARK field staff is trained on how to formulate smart indicators.
- SPARK has been conducting internal audits as part of the International Organisation Standards (ISO) since 2007. ISO procedures cover numerous aspects of running the organisation such as partnership creation, financial procedure, crisis communication, etc. The audits ensure tighter internal scrutiny in addition to the external control.
- SPARK complies with the International Aid Transparency International standards, (IATI).

4. Human Rights

Therefore, SPARK promotes internationally recognised human rights as enshrined in the International Bill of Human Rights[4] as well as fundamental labour laws as set out in the core ILO conventions[5]. We acknowledge that CSR covers relations among all SPARK stakeholders in numerous social and environmental areas with special consideration for the safety for those to whom our projects are addressed. Maintaining high standards of ethical conduct requires active commitment of all SPARK-related parties, i.e. employees in the HQ and in the regions, consultants, volunteers, interns, beneficiaries, donors and partner organizations.

5. Employment and Industrial Relations

The following section outlines SPARK existing practices in terms of human rights protection of all stakeholders as well as labour rights and employment practices.

- SPARK has developed a Code of Conduct (CoC) to set out expectations in terms of personal and professional behaviour. Each member of staff must sign the CoC as part of their contract at SPARK. Consequently, this relates to staff in the HQ as well as regional offices, consultants, volunteers, interns and employees of local partner agencies. Among other issues, the Code obliges all employees to treat everybody with respect and courtesy and makes any form of harassment strictly forbidden.
- The Code also safeguards the autonomy of the Local Partners throughout their project mandate. Additionally, it contains a clause which gives Local Partners a lead and prime decision making power in their activities. Consequently, it provides checks and balances to avoid dominance from the Amsterdam HQ and country mangers.
- SPARK does not have an official diversity policy, however in practical terms diversity is successfully maintained on an ad hoc, informal basis. SPARK is well aware that diversity of its staff provides cultural awareness highly valued while working in sensitive regions. Currently SPARK employs staff of different nationalities and ethnic background. Some of SPARK vacancies are advertised only in the regions, which per se attracts solely applicants from the countries SPARK works in.
- SPARK has been conducting an anonymous staff survey since 2006. It is an opportunity for employees from the HQ and the regions to express their opinion on subjects such as work space and facilities, collaboration and atmosphere within the working environment, leadership, secondary working conditions, etc. Survey is conducted yearly, results are summarised in a report and a follow up document is drafted. Results are additionally brought to the attention of the BoD through the management review.

---

[4] International Bill of Human Rights consists of the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR). To read the full text, consult:
http://www.un.org/Depts/dhl/resguide/spechr.htm

[5] International Labour Organisations' Conventions can be found at
http://www.ilo.org/ilolex/english/convdisp1.htm

- One of SPARK's large funding schemes – MFS II – includes, among others, youth women and other marginalized groups into its target group. Some of our current Local Partners work with women as their sole beneficiaries (e.g. AFAB in Burundi, Business Women Forum in OPT, YEP). Consequently, SPARK has been continuously promoting gender issues through its projects.

- Within the International Organisation for Standardization (ISO) norms SPARK has developed a Partnership Procedure, which clearly defines the screening process of the prospective Local Partners. The procedure prescribes a careful examination by the Board of Directors, Project Manager and Head of Finance. The first selection criterion for the potential partner is to share SPARK's mission: SPARK supports people in developing countries to provide for their own means of subsistence by building the capacity of local economic and educational institutions.

- The partnership is concluded through signing of contract (also part of Partnership Procedure). Within the same procedure SPARK operates a Sanction Policy. It is mainly a financial monitoring tool; however it does enhance the commitment to our mission.

- SPARK has also developed Staff Manual and Human Resources Handbook. The Manual informs employees of the general office procedures, their rights and obligations, travel arrangements for SPARK and information on SPARK organization. Human Resources Handbook is an overview for employment processes of staff, interns and volunteers. Every new employee receives an employment pack with the two documents and other introductory material including staff Code of Conduct and employment contract.

- SPARK follows local laws for pension and health whilst maintaining a pension plan for Amsterdam staff and health insurance for international staff abroad.

- SPARK has a crisis communication procedure which refers to crisis situations in the field. It entails general security advice, information policy, 24-hour emergency telephone number, media and victims of crisis communication, and other measures. It adds to the security of staff in potentially dangerous regions.

SPARK has a comprehensive Security Policy which refers to SPARK international staff, including those on a local contract; SPARK national staff during working hours and assignments; consultants on short- or long-term missions; family members duly authorized to accompany or visit staff during missions; authorized visitors; volunteers in the field; interns; and any other person working formally and directly with SPARK. The Security Policy is a collection of SPARK principles for security management. It has been developed by the Board of Directors and reviewed regularly by the Security Officer (SO). It covers Context Analysis, Risk Analysis, Security Approach (acceptance by the locals, do no harm principle, staff protection, no deterrence), Standard Operating Procedures, Evacuation/Relocation and Hibernation, Incident Reporting, Employee Health and Stress Management, Security Incidents and other security issues. Recommendations:

- Find a way to give attention to diversity/gender without losing flexibility.
- Sanction policy within the partnership procedure could be developed to cover also sanctions in case of the HR violations.
- In terms of labour laws, to include in the contract with local partners clauses the following labour issues:
  - Child Labour
  - Migrant workers
  - Indigenous and tribal people

   o Occupational safety for local partners, consultants and any employees working in the South.

6. Environment

A. Environmental issues (resource efficiency, life cycle assessment, pollution prevention, energy policy – electricity, heating, refuse management, paper management as well as SPARK's transparency about these issues)

SPARK line of action:
- Heating - SPARK office has double-glazed windows.
- Electricity – SPARK is promoting measures in daily office management to save electricity usage. We put emphasis on turning off computers as well as other electrical devices for the night and fitting electricity-saving light-bulbs.
- Paper management – SAPRK offices are encouraged to use recycled printer paper. The SPARK head office uses recycled printer paper, but not all field offices do, partly because recycled paper is not always easy to obtain. SPARK is recycling paper as well as using default double-sided printing.
- Commuting/transport to work – majority of SPARK head office employees cycle the entire or part of their commuting distance to work.
- Telecommuting – a number of staff at the SPARK Amsterdam office are working from home for a few days a week.
- Teleconferencing & skype – SPARK uses conference calls and skype for internal and external meetings as much as possible in order to minimise travelling.
- Energy: all SPARK offices are encouraged to choose providers of sustainable energy or to produce their own energy through e.g. solar panels. In its current location, in the HNK co-sharing space in the Van Diemenstraat, the SPARK Amsterdam office cannot choose its own energy supplier and relies on the provider the owner of the building contracted collectively for all tenants.
- Carbon emission compensation – the carbon emissions of approximately two thirds of SPARK's flights are compensated through an offset scheme provided by SPARK's travel agency Raptim. The remaining flights are self-booked and aren't currently compensated.

Recommendations:
- Discuss environmental awareness twice a year during the weekly staff meeting.
- Introduce a footprint survey as awareness -raising tool.

7. Combating Bribery, Bribe Solicitation and Extortion
As a non-governmental organisation with a high public profile we must ensure transparency and accountability to donors, partners, the Dutch tax-payers and wider-public. We have introduced a range of measure discussed below to safeguard financial accountability and we continue improving these measures on the regular basis through learning from programs' assessment.

SPARK line of action:

- One of SPARK's anti-corruption tools is the ISO Internal Financial Control Procedure. This procedure aims to clarify and describe the actions that take place to ensure the correct handling of the financial administration & sufficient informal as well as formal internal financial control within SPARK. ISO partnership procedure where the process of screening future partners is explained. In addition to that, ISO Partnership Procedure defines a sanction policy in case local partner mishandles financial resources allocated to it by SPARK.
- In addition to the current measure SPARK has also:
    - Code of Conduct clause about anti-corruption and fraud.
    - Contracts with Northern and Southern partners containing a strict and comprehensive chapter on anti-corruption.
    - Anti-corruption training.
    - SPARK HQ finance office expertise with regards to fraud and corruption.

All field staff is trained to detect false receipts

8. Consumer Interests

SPARK mainly offers trainings, coaching, educational services or financial support. SPARK offers its services in compliance with local and international laws.

SPARK's services are advertised on the Internet, through printed material, but also through SPARK's local partners. In all cases there is the possibility to raise questions via email or telephone. Often there are information events about activities or intake events during which potential participants can clarify questions or concerns they may have.

- *how do we advertise our services (i.e. trainings, Summer Universities etc) (2nd point OECD section)*
- *dispute resolution*
- *how do we communicate about Loan Guarantee Funds and IGNITE Fund investments?*

SPARK has an ISO9001-certified complaints procedure in place that allows beneficiaries and other stakeholders to raise their concerns and complaints. The goal of the complaint procedure is to increase the overall service level provided to the client and to encourage continuous improvement at SPARK. Complaints are addressed within 14 days and there is a possibility for the complainant to appeal if she/he isn't satisfied with the handling of the complaint.

9. Science and Technology

Local capacity building and sustainable development are two underlying principles of SPARK's work in fragile states. SPARK puts these principles to practice in its higher education development and entrepreneurship development activities. Local beneficiaries are trained by experienced trainers according to the latest knowledge in the subject area. SPARK cooperates with local and international educational institutes, universities and knowledge platforms where relevant and possible. SPARK also

links local and international businesses to its beneficiaries for the exchange of knowledge and expertise. SPARK works on the empowerment and independence of local beneficiaries rather than furthering their dependency on other parties.

10. Competition

SPARK conducts higher education and entrepreneurship development, employment- and income generation activities in fragile states. SPARK's activities are (mostly) subsidised by donor agencies such as ministries of foreign affairs from various countries, embassies, international organisations such as ILO or UNDP and private businesses. There is a risk that SPARK's subsidised activities unduly compete with the activities of local NGOs and educational institutes or with those by local private businesses. It is SPARK's intention not to compete with local businesses or NGOs, but rather to complement local initiatives or incubate activities that aren't commercially feasible at the moment SPARK starts its activities. In all its projects, SPARK builds local capacity and strives for self-sustenance of the entrepreneurs, business support centres and other projects and organisations it supports or initiates.

To avoid undue competition with its activities, SPARK has established a number of principles for its work:

- Conduct a context analysis of local organisations, business and initiatives before designing an intervention, project or programme
- Based on the context analysis, identify gaps in the market for which there is a need and which are not currently commercially viable or existing activities which can be complemented with SPARK's expertise
- Cooperate with local partners with which activities can be conducted
- Identify local initiatives which can be strengthened or extended with SPARK's expertise
- Build local capacity and design interventions to be self-sustaining after a number of years
- Incubate activities for which there is a local need, but which are not currently commercially feasible and which have the potential to become commercially feasible and self-sustaining over time

11. Taxation

SPARK respects and complies with local tax regulations and fulfils its tax liabilities in all its host countries in a timely manner. SPARK employs trained financial staff at its head office and in most of its local offices. All financial staff members as well as management are sensitised to (local) tax issues. SPARK collaborates with Dutch and local accountants which regularly audit SPARK's financial activities. Moreover, SPARK has an ISO9001 Finance procedure and publishes its finances on its website and as part of the IATI initiative.

12. Land Acquisition and Involuntary Resettlement

SPARK usually works with local farmers or entrepreneurs, who either already own or have usage rights for (small plots of) land or for whose work land isn't a primary concern. In any potential situation in which SPARK and/or SPARK stakeholders activities would compromise the usage of land by indigenous people or lead to involuntary resettlement SPARK will assess its (and that of stakeholders) compliance with respective IFC CSR guidelines.

13. Indigenous People

SPARK's target group include primarily youth, including young women and marginalised groups. These target groups are particularly important in conflict affected settings. At the minimum SPARK ensures in its programmes that these groups have equal access to educational and entrepreneurship services and activities and that these directly or indirectly preserve their identity, religion, beliefs etc. Where possible:

- SPARK sets and monitors targets related to equal access for marginalised groups, e.g. % of individuals representing marginalised groups participating in activities.
- SPARK designs interventions that exclusively or pro-actively target marginalised groups

14. Cultural Heritage

At the minimum SPARK ensures a *do no harm* approach to cultural and natural heritage in the course of the programmes implemented by SPARK and its stakeholders, thereby helping to protect cultural heritage and promoting equal access and use of cultural heritage.

Implementation and compliance

The described "line of action" activities are in compliance with SPARK's ISO procedures and staff manual. Objectives for CSR policy will be defined along the line of People, Profit, Planet (3P).

Amsterdam, 23 July 2015

Michel Richter
Co-directeur