

A young woman with a pink hijab and a black dress stands in a hydroponic greenhouse. She is smiling slightly and looking towards the camera. The greenhouse is filled with rows of green plants growing in a structured system. The background shows the metal frame and translucent panels of the greenhouse structure.

spark

2020 Annual Report

Nancy AlZaghal, 20, lives in Hebron, in the occupied Palestinian Territories. With a scholarship from SPARK and Al Fakhoora, a programme by Education Above All, she received entrepreneurship training to start her hydroponics business.

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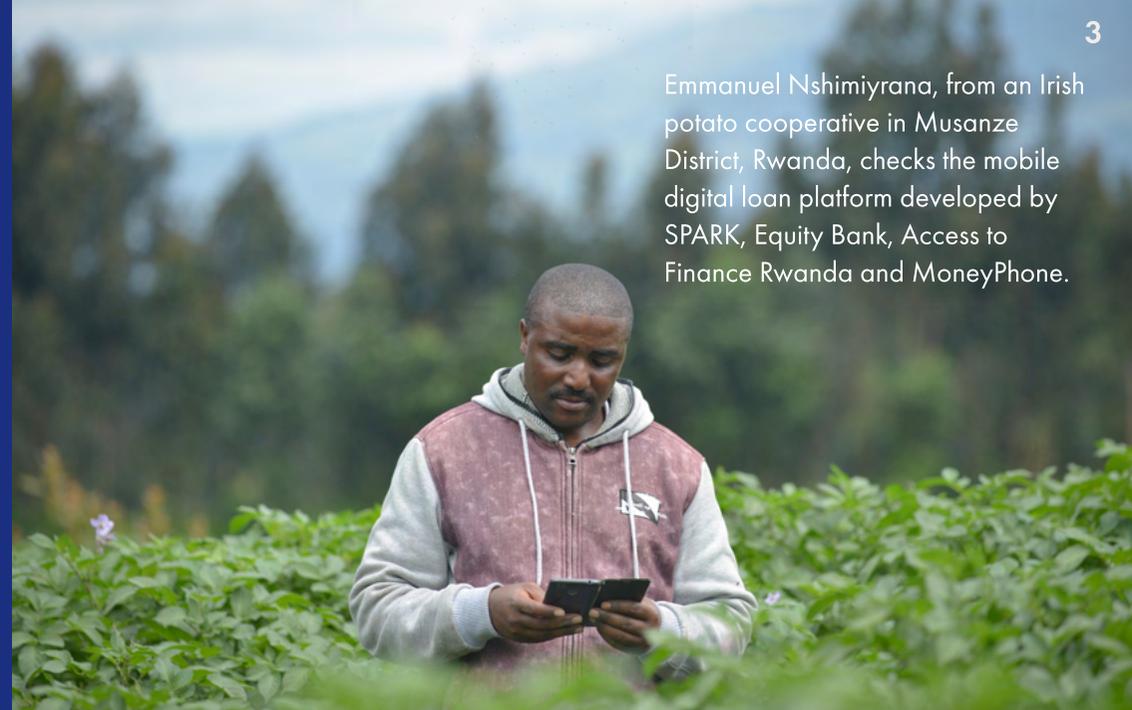
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● Foreword

In the early stages of the COVID-19 pandemic, it quickly became clear that the people who would be most affected by global lockdowns were the very people we support: those living in fragile states, young entrepreneurs and new startups, youth with already limited job prospects. In order to safeguard higher education and jobs, and continue to grow businesses in some of the world's most vulnerable places, we had to act fast.



Emmanuel Nshimiyana, from an Irish potato cooperative in Musanze District, Rwanda, checks the mobile digital loan platform developed by SPARK, Equity Bank, Access to Finance Rwanda and MoneyPhone.

Job opportunities are scarce in every country that SPARK operates in, and in 2020 unemployment rates significantly increased due the effects of global economic shutdowns. Throughout the year we supported the creation of over 1,535 new jobs by scaling up 675 existing enterprises, training 1,693 people in entrepreneurship/business skills online, and providing virtual coaching and mentorship to 2,910 entrepreneurs.

Access to finance remains one of the most pressing challenges faced by new enterprises and keeping this access open was acutely necessary during the pandemic. We partnered with a number of microfinance institutions and developed loan guarantee funds with leading banks to provide over 1,400 entrepreneurs and cooperatives with the financial support they needed. By optimising most of our support for digital, our programmes became more accessible. We made a [COVID-19 Survival Guide for Refugee Businesses](#) and other helpful publications free and available, and virtual events brought entrepreneurs together across the world. Adjustments to our programmes and new initiatives to respond to the unprecedented challenges brought on by the pandemic led to some significant delays in implementation and results being achieved and evaluated.



Maryam Mandu, is a Syrian woman living in Turkey. With a scholarship from SPARK and the EU, she graduated with a BA in Economics. Since taking part in entrepreneurship training she founded her business designing and manufacturing electronic circuit boards.

We supported the creation of over 1,535 new jobs by scaling up 675 existing enterprises.

However, having worked in fragile and conflict-affected regions for almost three decades, we knew that innovative interventions would be needed for the most vulnerable, often rural, populations without access to digital solutions. For example, in South Sudan, we designed a [training via radio for rural farming communities](#). The training show was broadcast across local radio stations in several local languages to expand farmers' yield potential in the wake of food shortages caused by border closures.

For higher education to continue during COVID-19 lockdowns and restrictions, a major shift towards online and blended forms of learning was necessary. Apart from the technical equipment required, it also demanded a different teaching and pedagogical approach. As one of the largest providers of scholarships for Syrian refugees in the Middle East and Turkey, we invested in making this digital transition successful. We provided digital training to hundreds of professors and teachers, developed new online curricula including digital skills training, and facilitated digital and in-person internships for youth. Over 1,000 new scholarships were awarded and 1,389 students graduated (virtually) in 2020. In close collaboration with our partners, we also supported universities with [hardware and software](#) to boost online learning.

We established new partnerships with the Qatar Fund for Development, Arab Fund for Social and Economic Development and UN Women for COVID-19 response and recovery interventions. Existing partnerships with the Islamic Development Bank, the European Union and the Dutch Ministry of Foreign Affairs were pivoted and upscaled to respond to the changing situation.

Our operational model has been fine-tuned, and we continue to practice localisation principles by co-creating programmes with local organisations, businesses and (semi) governmental partners. We do not see local organisations as suppliers, but as true partners, that we aim to serve and strengthen. Building on our partners' ideas, approaches and programmes is the only way to create a more sustainable development impact beyond our presence. However, internal studies show that there is still room for sharpening our interventions and approaches to partners to create an even better pathway to jobs for vulnerable youth.

Looking ahead to 2021, with hope in our hearts, we plan to return to some in-person programming and scale up digitalisation of our programmes. The focus on job creation and support for entrepreneurs and businesses will be undoubtedly greater due to the huge impact of global economic shutdowns. Many jobs and livelihoods will have been lost or reduced, leaving already vulnerable communities at risk of poverty, dangerous migration journeys (in search of economic opportunities) and radicalisation. As a leading organisation in developing economic resilience and job creation in fragile states, SPARK and its network of expert local partners, are committed to take on the challenges that lie ahead. In 2021, as in 2020, our objective to co-create new programmes with partners is even more vital, and we aim to sharpen our thinking and we aim to improve the way we measure the impact of the jobs we help create.. In 2021, the whole organisation will implement several new IT systems and we'll continue to manage programmes via our three main hubs in Istanbul, Kigali and Tunis. To scale and expand our programmes we will keep our focus on the twelve countries where we maintain offices, registration and presence.



Yannick Du Pont, Michel Richter, Addie van Dalen and Esther Bosgra
Board of Directors, SPARK

● Supervisory Board statement

2020 has been a challenging year for all, including SPARK. We nevertheless look back at a year full of innovation and fast programme adjustment. Thankfully, we have been able to continue supporting young students and entrepreneurs despite the pandemic.

The Supervisory Board (SB) wishes to express their respect for how quickly and efficiently SPARK teams have adapted. The flexibility and cooperation of our donors and partners has also been crucial to SPARK's operations throughout the year, and we thank them all for their continued support and trust in us to innovate in order to meet the needs of vulnerable youth in fragile and conflict-affected regions.

SPARK is used to working in complex and fragile settings, but travel bans, remote working and programmatic adjustments challenged the Board of Directors (BoD) to find new ways to align all teams together. COVID-19 catalysed the process of digitalisation of programmes in the Middle East and Africa. However, digital does have its downsides. For vulnerable youth, especially those with refugee backgrounds, digital can even become another barrier in the path to education, entrepreneurship and jobs. Now more than ever, SPARK's services in job creation, higher education and SME development are needed to help young people pursue their careers.

In June 2020, the SB were pleased to welcome a new member, André Veneman, who brings with him a wealth of experience having served 12 years as the chair of the SB of IDH, The Sustainable Trade Initiative, as well as corporate and NGO experience. In 2021, the SB will expand further to welcome two more members with expertise in finance, education, digitalisation and decentralisation. Going forward, the SB will continue to guide the BoD in the development of SPARK's strategic plans in order to best support the organisation in its ambition to become a leader in education and business development for young people in fragile regions.

Hans Huygens (Chairman)

On behalf of the Supervisory Board, SPARK

Our work in numbers

Results

1,402 loans
provided or
facilitated for
entrepreneurs

1,535 jobs created

1,065
scholarships
provided

1,389
students
graduated

2,910 businesses received
coaching and mentoring

675
businesses
grown

1,693 people trained in
entrepreneurship/business
skills

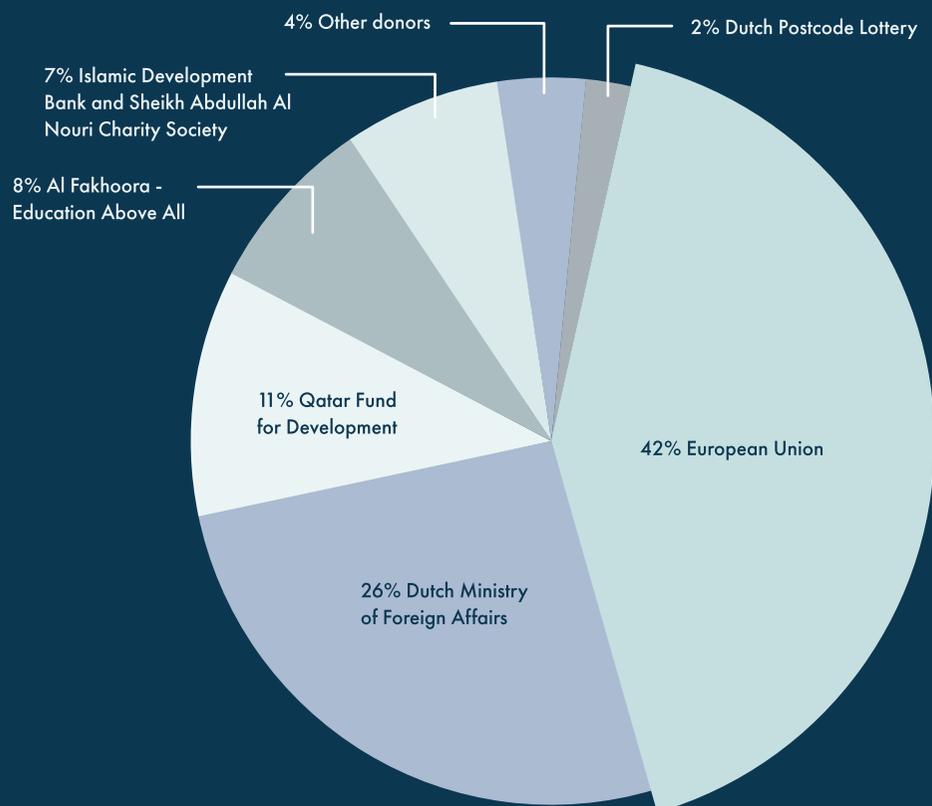
28% scholarship graduates took part in an internship*

37% scholarship graduates are now employed*

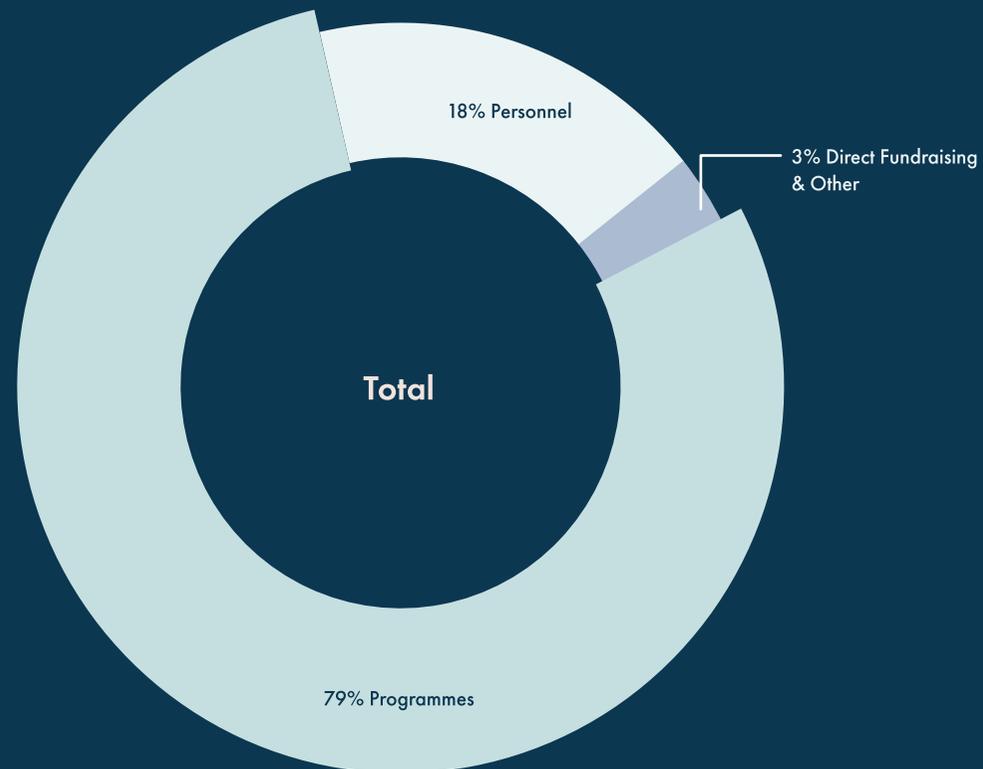
Of those graduates that started a business with SPARK's support, **82%** are still operational*

*based on a 2021 alumni survey

Where our funding comes from



How we distribute funds



• How we create pathways to jobs

Mission

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

Vision

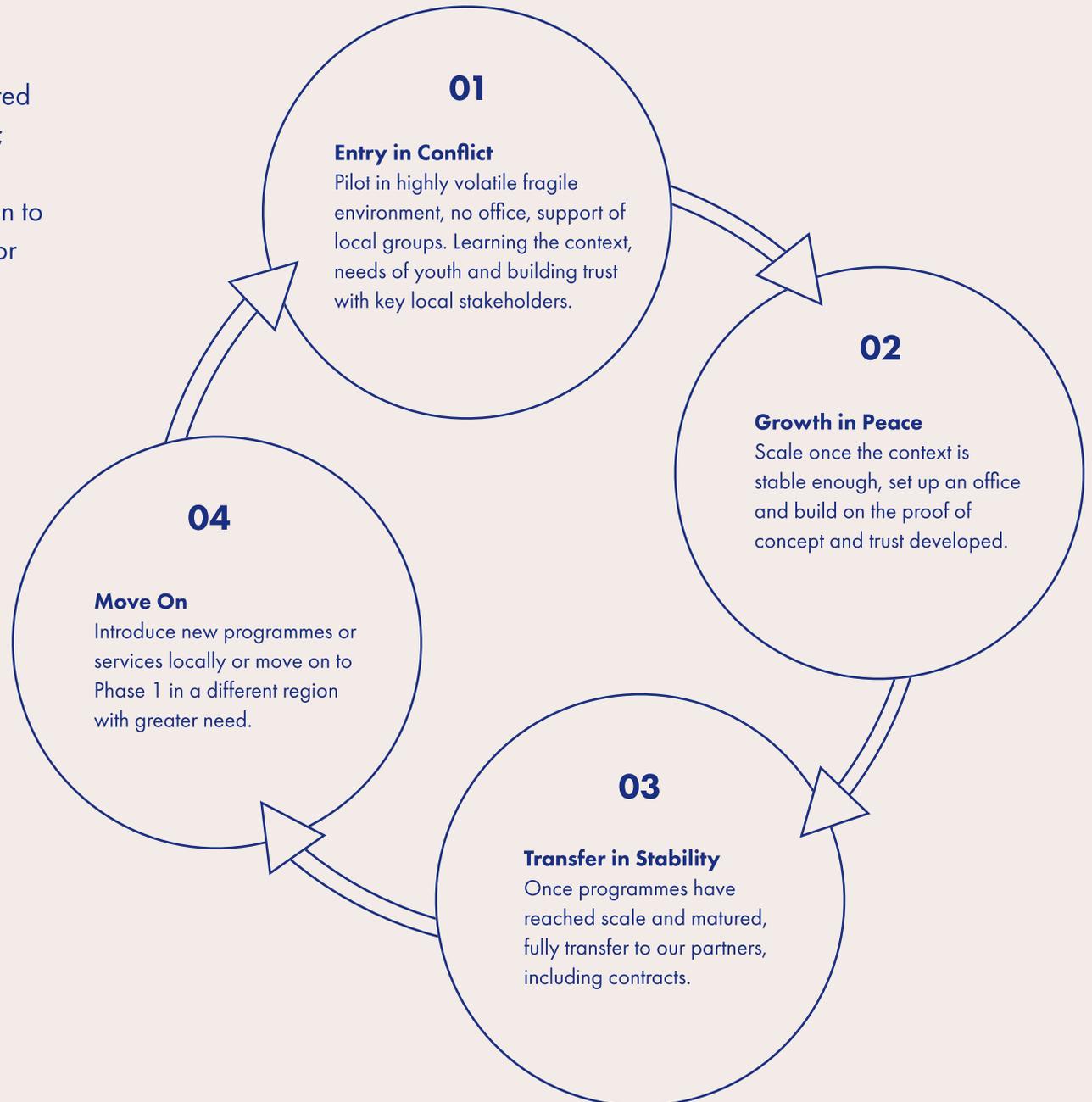
SPARK aims to become a leader within the niche of higher (vocational) education, entrepreneurship and MSME development in fragile and conflict-affected states. In the coming years SPARK will continue expanding its services in the Middle East to reach more refugees and vulnerable youth from host nations, as well as improve services in North and Sub-Saharan Africa.

Values

- Trust in us to be reliable, fair and have integrity.
- Ignite innovative responses to the ever changing needs of the countries we work in.
- Care for what we do and who we work with.
- A can-do attitude is how we achieve our best results.
- Courageous in who we are, what we do and who we support.

Our model of engagement

Our model of engagement in fragile and conflict-affected regions follows four steps: entry during conflict periods; growth following peace settlements or stable periods; handover once stability has occurred; finally, moving on to either introducing new products in the same locations, or supporting youth in other fragile states.



● Interventions

The following chapters outline some of our most successful interventions and projects from 2020. In some cases the COVID-19 pandemic fast tracked our planned activities towards digitalisation, such as distance learning, online marketing and e-commerce for SMEs. However, the adjustments required to deal with the fallout from the pandemic had a significant impact on our programmes and in some cases negatively affected our ability to reach the most vulnerable groups in the countries where we work. These challenges are noted in the relevant chapters.

In developing our programme adjustments and new responses to COVID-19, we analysed the environments, surveyed SMEs and students, and created an overall response strategy that informed all our programmes. This took some time - from March to August 2020 - and naturally some delays were incurred. However, not all programmes experienced delays and for those where deliverables were not reached, the catch-up will take place in 2021.

Moder Sharaf, 20, is a Syrian intern at Craft Fashion in Jordan and has dreams of becoming a fashion designer. He is supported by SPARK's internship programme, sponsored by the Dutch Postcode Lottery.



Story

Founder: Rawan Al Zaidy

Company: Nakhla

Location: Baghdad, Iraq

Nakhla is Iraq's first agritech company, using AI technology to measure soil conditions, as well as the humidity, temperature, water and nutrients of individual palm trees. Nakhla also provides pruning, fertilisation, covering, vaccination and harvesting services. Despite the differing atmospheric conditions across Iraq, Nakhla helps farmers produce higher quality dates and save on time, manpower and costs. With technical and financial support from SPARK, financed by the Dutch Ministry of Foreign Affairs, Nakhla is developing a mobile app that allows farmers to upload photos of their palm trees, which AI technology then analyses to assess what the trees need.



“Iraq was the leading country for exporting dates, with the highest number of palm trees in the world. In the last 40 years, Iraq has lost half of its palm trees. That was our awakening point,”

says 23-year-old, Rawan Al Zaidy, Administrative Director at Nakhla.

• Job creation in the Middle East

 Digital internships in Iraq received over 8,500 applications

Our efforts to create more employment opportunities in the Middle East focused on: entrepreneurship; Small and Medium Enterprises (SME) support; and job placements for refugees.

In January, a regional job creation programme was launched across Turkey, Jordan, Lebanon, Iraq and Syria to boost employment for Syrian refugees and host communities by creating jobs over the next four years. The programme design is built on five years of piloting activities across the Middle East and an extensive co-creation process with local partner organisations and donors. There are four main pillars: Skill-up; Match-up; Start-up; and Scale-up.

Scale-up

Jobs are created by scaling growth-oriented SMEs through coaching and facilitating better access to finance and markets.

Start-up

Jobs are created by supporting promising, high-potential entrepreneurs with coaching and access to finance and markets.

Skill-up

More entrepreneurs emerge by making curricula more market-relevant and introducing entrepreneurship training.

Match-up

Enabling youth to access jobs through market-relevant (higher) vocational education and internships/ traineeships.

Despite early difficulties in finding a suitable microfinance institution partner, we worked with Microfund for Women to support 300 SMEs and home-based businesses (HBBs) in Jordan with technical assistance to scale-up their businesses and to build resilience in response to COVID-19. Assistance included coaching and advisory services related to marketing, access to (international) markets, new product development, financial management, innovation and adjustments in operations in response to COVID-19.

In Lebanon, 213 students completed a combination of soft, digital and entrepreneurial skills training through the Masar project, an initiative by our partners Injaz Lebanon and Kiron International. Following this, 18 students attended an online entrepreneurship bootcamp at the Lebanese International University (LIU). This ultimately resulted in six start-ups being supported with coaching and mentoring from our partner Berytech.

“Jusoor is proud to have partnered with SPARK for three years now with our annual Roadshow, supporting Syrian and host community entrepreneurs and small business owners across the Middle East. This year, due to COVID, we had to take our programme online, which actually enabled us to reach more people, especially in remote areas - we registered over 6,000 people for the bootcamp phase! SPARK is an ideal partner, always willing to listen and adapt and provide support where needed.”

Mrs. Grace Atkinson, Executive Director, Jusoor

Entrepreneurship development partner in the Middle East



Businesses are increasingly asking for our support in access to e-commerce and other online sales opportunities. In 2020, in cooperation with Hepsiburada.com - a leading Turkish online marketplace - we helped register 13 SMEs and women-owned HBBs to the e-commerce platform, providing entrepreneurs (particularly Syrian refugee-owned businesses) with new sales channels to grow and safeguard jobs within their businesses.

Almost 1,100 entrepreneurs across the Middle East received support to start and/or register their new businesses and 83 startups were newly established. Our partners, including BINA, Jusoor and the Microfund for Women, were able to reach out to 136% more entrepreneurs than planned by moving their outreach and training online. However, we faced significant delays in contracting partners in Jordan and an ongoing legal dispute with a formerly contracted partner.

Internships provide students with skill sets required for decent employment and complement their academic theoretical knowledge with the practical skills and work experience often required by employers. Working with our partners, who included United Work (Turkey), the Lebanese International University (Lebanon), Smithson (Iraq), The Station Foundation (Iraq) and Point (Iraq), we matched 179 refugee and local youth to job placements and internships in 2020.

Our partners, including BINA, Jusoor and the Microfund for Women, were able to reach out to 136% more entrepreneurs than planned by moving their outreach and training online.

"We have had a great experience working with SPARK in delivering programmes that not only support existing SMEs, but also allow youth to take important steps in their careers through digital internships. This pilot has also allowed us to identify key areas where we can work to ensure that both companies and graduates can realise the value and potential for comprehensive internships. We are really excited to see how we can build on these preliminary steps through future collaboration to continue supporting the Iraqi private sector, as well as the different communities across the country."

Mr. Ashley Barlow, Programmes Manager, The Station Foundation for Entrepreneurship
Entrepreneurship development partner in Iraq



However, we were only able to reach 30% of the original target for internships in 2020. This is largely due to the impact of COVID-19 restrictions on public gatherings in workplaces, as well as companies choosing to safeguard their current operations and not hire new staff. Where possible, we facilitated digital internships and job placements with SMEs already supported by one of our programmes, which has proven to be a successful model. In Iraq, for example, within a week of opening digital internships positions, over 8,500 students had applied. The Station Foundation worked closely with university career centres and shortlisted a pool of 500 candidates for the pilot. We were able to place 30 students in digital internships within local SMEs, and our partners (including The Station Foundation, Smithson and Point) developed a preliminary list of international businesses interested in hosting interns at their workplaces. The enormous interest from young people to participate, and positive responses from companies, show that even in these challenging times, on-the-job work experience opportunities are vital. The digital internships are continuing into 2021, when the full impact will be assessed.

Throughout 2020 we invested heavily in tailoring our services better to Syrian entrepreneurs and students. Outreach, training sessions, materials and coaching are now delivered in Arabic, English and Turkish. We have also expanded our team with private sector and finance specialists, many of whom are Syrian entrepreneurs, who provide technical support to our partners.

Story

Name: Nour Elhouda

Occupation: Translator

Location: Istanbul, Turkey

Nour came to Turkey in 2012 from Syria. In 2016, she enrolled at Hatay Mustafa Kemal University to study nursing with a scholarship from SPARK and the European Union. After graduating in 2020 she was matched to a job that utilises her language skills in Turkish, Arabic and English. She now works as a translator for Euro-Estetik, a medical company that trains international health and cosmetic care students. She translates articles, live presentations and conferences. Her background in nursing is highly relevant as she understands the medical terminology used.



“Now I feel strong and independent. Unlike most girls my age, I don’t want to start a family until I fully become a self-sufficient woman,”

says Nour, who sees this job as a crucial step in her career path.

● Microfinance institutions in Tunisia

📈 Loans created 378 new jobs and sustained 461 jobs during COVID-19

As job creation throughout 2020 decreased due to the pandemic, SPARK's focus in North Africa shifted towards helping entrepreneurs maintain existing jobs and shoring up the supporting networks that provide services to entrepreneurs, such as business support institutions and incubators.

In Tunisia, where SPARK supports thousands of entrepreneurs, start-ups, existing businesses and business incubators, it was clear from various surveys conducted by our local partner organisations in 2020 that one of the most urgent needs was the availability of liquidity, access to loans and other financing opportunities. The COVID-19 pandemic threatened to destabilize many MSMEs and therefore many thousands of jobs.

In response, SPARK partnered with the leading Islamic microfinance institution (MFI) in Tunisia, Zitouna Tamkeen, whose funding approach is different from traditional MFIs.



It is based on supporting young entrepreneurs in selecting their suppliers, providing them with equipment and looking for the best value for money products. This partnership developed and strengthened value chain projects, provided loans for existing and new MSMEs in five cities (Seliana, Gabes, Sfax, Kebili and Sibi Bouzid), and ensured that companies received appropriate coaching over six months.

“When we talk about COVID-19 in Tunisia, we must mention directly the increased unemployment rate that is expected to reach 20%. Unemployment and poverty are, in my opinion, the biggest social dilemmas. We are really happy and proud of the partnership with SPARK. Its global objective is to provide financial support to small businesses impacted by COVID-19. SPARK is a very serious and innovative NGO and their team has shown swiftness and agility to assist us through a multi-outcome project, which will positively impact entrepreneurs during this critical period.”

Mr. Nabil Kasraoui, CEO of Zitouna Tamkeen
Microfinance institution partner in Tunisia



The results exceeded all our expectations: 266 loans were provided to youth and 92 (25%) loans were awarded to women-owned MSMEs. This led to the growth of 350 MSMEs, including 95 (27%) women-owned. 8 new MSMEs were created, half of them women-owned. Up to 378 jobs were created, while 461 jobs were sustained throughout the most critical lockdown period. Zitouna Tamkeen funded small and micro enterprises with a total amount of €800,928.84 (with an average loan size of €2,200).

The pilot partnership with Zitouna Tamkeen has been a great success as it responded to the needs of business owners with a complete package that includes tailored coaching on technical skills, as well as the funding to expand businesses. SPARK will build on this programme into 2021 by working with 3 MFIs in Tunisia.

Story

Founder: Maher Bayaoui

Company: Mini Market

Location: Sidibouzir, Tunisia

With the onset of the COVID-19 pandemic, Maher needed to mitigate its economic effects on his business and diversify his inventory, which was mostly food products. With the support of a loan from SPARK's microfinance partner, Zitouna Tamkeen, he began stocking and selling personal protective equipment and cleaning products. Maher also received tailored coaching on managing stock and daily operations. "For me, owning a minimarket is very challenging. You must satisfy all the needs of different clients. Zitouna Tamkeen has supported me in achieving this goal."



"Having a business means that you always have to be open to new opportunities and willing to take chances,"

says Maher Bayaoui, owner of a minimarket in a vulnerable region of southern Tunisia.

• Blended and online education

📎 37% of scholarship graduates are now employed
(based on a 2021 alumni survey)

The COVID-19 pandemic demanded an adjusted approach in the realm of higher education, with an emphasis on online and distance learning. We worked closely and quickly with our university partners to ensure teaching and scholarship activities could be continued digitally.

As many countries around the world began to lockdown in March, we conducted an extensive survey of our student alumni in order to assess their access to online education. The results found that almost 80% had no experience with online learning, with 44% asking for more academic support and 40% asking for psychosocial support. Compared to other Middle Eastern countries, students in Turkey had considerably better access to regular internet connection (81%) and internet-enabled devices (74% of students have a smartphone). This survey and discussions with our partners, led to some serious programmatic shifts in order to respond to rapidly changing needs. Examples of these shifts are outlined in the following paragraphs.

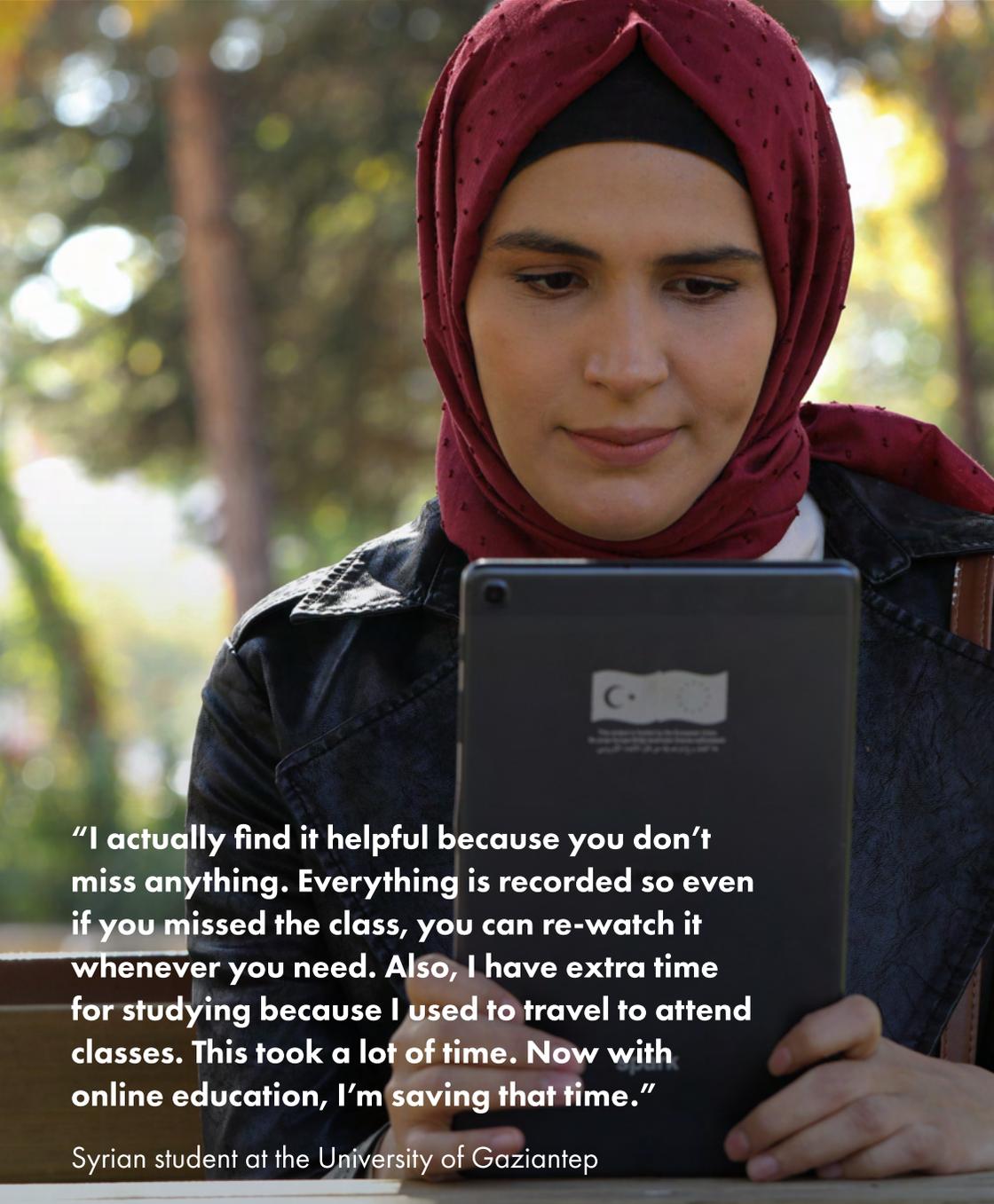


In Lebanon, daily psychosocial support via online video conferencing connected students with a certified psychologist, who delivered group sessions in wellbeing, coping with anxiety and depression, mindfulness techniques and time management. One student said, "It helps us to follow our studies in these difficult circumstances, and relieve the psychological pressure that we might feel as we are always busy with studying for our lectures."

Over 300 Iraqi professors, from universities including Erbil Polytechnic University and the University of Mosul in Iraq, attended SPARK's sessions on online learning. This resulted in the first online classes and exams in the history of Iraq. Across the Middle East, similar sessions were organised to boost lecturers' and professors' skills in online teaching, which has benefited knowledge sharing and boosted the digital literacy of institutions.

In Turkey, we took swift action in coordination with the European Union to purchase hardware and software, including computers, servers and distance learning platforms, for our seven university partners: University of Gaziantep; Mersin University; Mustafa Kemal Atatürk University; Kahramanmaraş Sütçüimam University; Harran University; Kilis 7 Aralık University; Osmaniye Korkut Ata University. In addition, we donated laptops and tablets to the most vulnerable students – those from low income families and those with disabilities – so they could have the best chance to succeed during COVID-19. As a result the number of Turkish university students that attended online education increased to 16,600.

SPARK is working towards blended forms of learning, rather than fully replacing in-person teaching altogether.



“I actually find it helpful because you don’t miss anything. Everything is recorded so even if you missed the class, you can re-watch it whenever you need. Also, I have extra time for studying because I used to travel to attend classes. This took a lot of time. Now with online education, I’m saving that time.”

Syrian student at the University of Gaziantep

However, this shift to online and blended forms of learning was not always quick or easy. For example, in the Kurdistan Region of Iraq, the postponement of the academic year by the government meant that we faced delays in the enrolment of scholarship students in 2020. The hardware and software equipment donations in Turkey were plagued by complicated procurement processes, and in Lebanon the ongoing economic collapse and hyperinflation led to the devaluation of our scholarships and financial stipends. These financial issues, political unrest and the Beirut explosion in August, which damaged SPARK’s Lebanon office, led to significant delays in providing the much needed financial and educational support to youth.

Additionally, we found that many vulnerable youth, especially those living in refugee camps, are excluded from online education as they lack access to hardware, strong internet or viable study environments. This is creating divisions between poorer and wealthier groups. With this in mind, SPARK is working towards blended forms of learning, rather than fully replacing in-person teaching altogether. Blended education may even have the capacity to integrate more vulnerable groups, such as women, who might lack access to safe or reliable transportation, for example.

Our scholarship programme remains one of the largest providers of scholarships for Syrian refugees in the Middle East. Over the course of the year 1,422 students were enrolled in Bachelors and TVET scholarships that include financial stipends and tuition fees, and 903 of these students graduated. New partnerships with universities serving fragile regions, including the University of Mosul in Iraq, were initiated in 2020 and became fruitful in early 2021.

Our continued support for online education focuses on: training professors in online and blended learning; providing technical equipment and software to students (especially refugees and vulnerable students unable to otherwise study online) and universities (e.g. laptops, servers and online learning platforms); improving curricula of TVET institutions and universities to enhance the labour market connection; connecting higher education institutions with each other; providing support and guidance for (digital) internships; setting up programmes for academic counselling and psychosocial support. In this way, not only can education systems and new generations cope with the current situation, they can also become more resilient.



“Having worked under the unfortunate and challenging circumstances that Lebanon has recently witnessed, we at CIS have gained better knowledge of our NGO partners. During these times we have grown closer to SPARK and the team responsible for the management of our project. We had to work closely together to find mitigations for many of our problems and I believe we have successfully done so. The flexibility and responsiveness offered by the SPARK team made it all possible. We hope to continue our joint efforts and achieve further successes, impacting many more lives.”

Dr. Wael Mekdach, Vice President of CIS College
Higher education partner in Lebanon

Story

Name: Mohammed Yousef Kinat

Occupation: Engineer

Location: Gaziantep, Turkey

During his final year of studies, Mohammed participated in SPARK's entrepreneurship programme to support students with business ideas. His idea won funding, which helped him to start a company that simultaneously designs and prototypes engineering products. He now has more than five clients, and also works as an engineer in a factory where he applies his skills designing new machines.



“During the COVID-19 pandemic, they [teachers] didn’t leave us alone. While online education was going on, they were giving us new assignments. Exams were continuing and it was very good for us.”

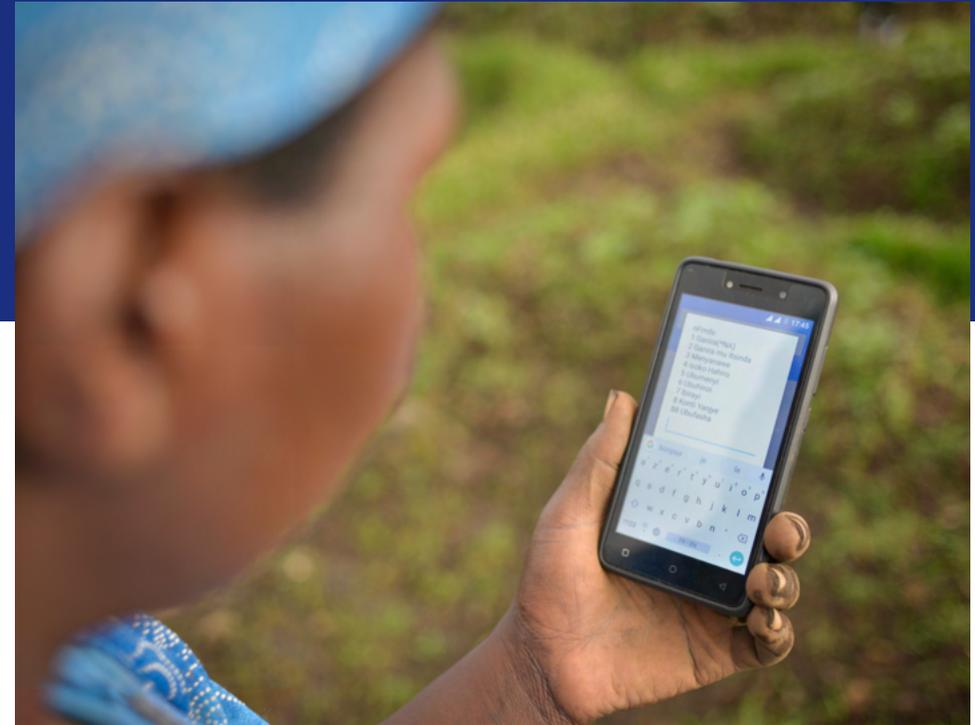
Mohammed Yousef Kinat arrived in Gaziantep in 2013 from Syria. He received a scholarship from SPARK and the European Union to study Mechanical Engineering at the University of Gaziantep.

• Digital access to finance in Rwanda

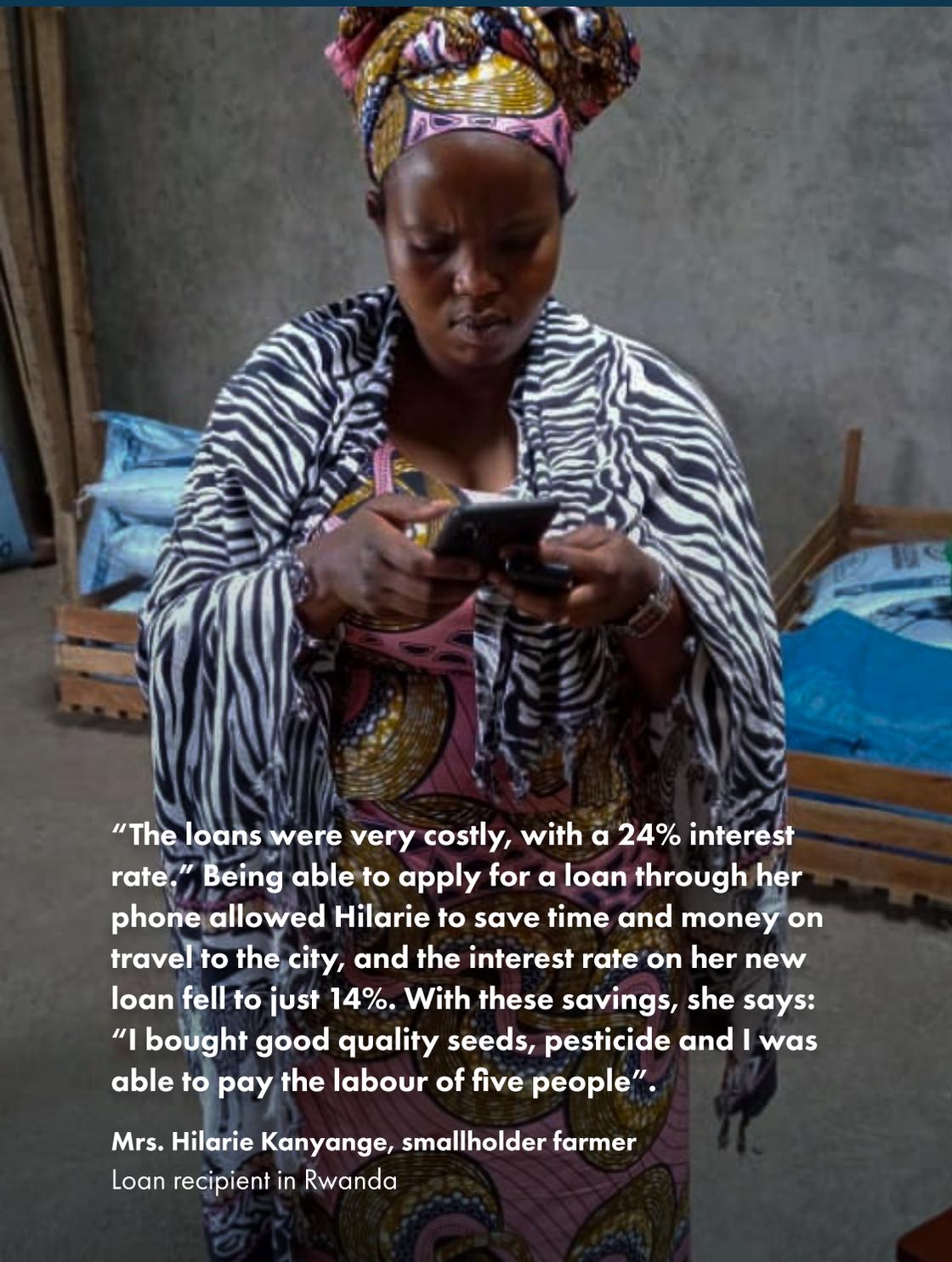
 Almost 300 smallholder farmers received digital loans

Historically the production levels of rural smallholder farmers (SHFs) in Sub-Saharan Africa have been impacted by limited access to markets and agricultural inputs (e.g. fertiliser, quality seeds). In Rwanda, where farming is the most important economic activity, and with the added challenges of COVID-19 restrictions in 2020, it was even more urgent for SPARK to roll-out its planned solution: a digital loan platform.

The platform was designed in collaboration with Equity Bank, Access to Finance Rwanda, and built on MoneyPhone's loan origination technology. It provides Rwandan Irish potato farming cooperatives and SHFs with digital loans, lower interest rates and adjusted collateral requirements via mobile phones. The platform has enabled 296 SHFs, including 84 women, to access digital bank accounts, control their own finances, create bankable data, cut travel costs and decrease transactional delays.



It was initially difficult to find a committed microfinance institution (MFI) to partner with. MFIs are risk averse and need extra motivation to serve unbanked farmers. The programme asked for two big adjustments from the MFI: to trust farmer's historical data and to use a digital loan origination tool. A loan guarantee fund (LGF) was needed to build trust in the programme, so SPARK's LGF agreed to de-risk the loans by 100% in the first intake and 60% in the second.

A woman wearing a zebra-print shawl and a colorful headwrap is looking down at her smartphone. She is standing in what appears to be a rural setting with wooden beds in the background.

“The loans were very costly, with a 24% interest rate.” Being able to apply for a loan through her phone allowed Hilarie to save time and money on travel to the city, and the interest rate on her new loan fell to just 14%. With these savings, she says: “I bought good quality seeds, pesticide and I was able to pay the labour of five people”.

Mrs. Hilarie Kanyange, smallholder farmer
Loan recipient in Rwanda

However, once the programme was operational, Equity Bank provided loans in December 2020. The automated processes, administration and distribution of money via mobile meant the bank was able to offer decreased loan interest rates for the SHFs. Besides reduced interest rates, the loans are more inclusive and accessible as farmers are scored by the bank on their historical records of supply at the co-operatives. This replaces the bank’s collateral requirements, which are often unrealistic for SHFs. This type of data collection, in combination with the central role of the co-operative, is new in Rwanda, and a shift in the formal financial sector towards a more inclusive future. Digitalisation is a behaviour-change process that needs contextual understanding to drive uptake. Initially we found that farmers and co-operatives were distrustful of the digital platform. By upskilling 11 ‘Youth Fellows’ and 6 coaches, they were able to address digital illiteracy among SHFs and change mindsets towards the use of technology.

Over the year 7,487 SHFs from 64 co-operatives were also trained in governance, leadership and business skills, which resulted in an exponential growth in membership from 15,000 to 26,875 members. Co-operatives with enhanced market positions were then able to manage their own Irish potato collection centres, which increased the supply to market by 25 times compared to two years ago (15,773 tons in 2018 to 418,674 tons in 2020).



“Working with SPARK has been a rewarding journey and taught us that the success of any project depends on a consortium of experienced organisations pooling resources together to achieve common objectives.”

**Eric Musizana, Project Officer, Agriculture & Rural Finance,
Access to Finance Rwanda**
Donor of SPARK in Rwanda

The full scale of the impact of these digital solutions continues to be measured into 2021, but there has been a marked increase in trust between SHFs and MFIs like Equity Bank. Farmers and cooperatives are now operating as businesses with strong formal market relations and improved access to information on price and market demand.

Summary of programmes

Programme	Donor	Country(ies)	Theme	Duration	Overall Objective	Key 2020 Results
ABIN	Dutch Ministry of Foreign Affairs (NLMFA)	Burundi	Entrepreneurship	2014-2020	To increase the availability of quality food and creation of decent jobs, especially for women and youth from rural areas. The long-term programme provides sustainable solutions for each of the three incubation centres established under the programme, to ensure they continue operating with local private and public partners after SPARK steps out.	261 participated in entrepreneurship/business skills training 29 loans provided/facilitated for entrepreneurs 45 agri-entrepreneurs received coaching/mentoring 5 new business created 29 existing businesses grew 375 jobs created
Akazi Keza	Dutch Ministry of Foreign Affairs (NLMFA)	Burundi	Entrepreneurship	2020-2024	To boost the skills of young people to better align with labour market demand and build capacity of promising start-ups and existing businesses, with a special lens on female entrepreneurship in rural and peri-rural communities. The programme contributes to the development of entrepreneurial ecosystems, facilitating (agri-transformation) business incubators, boosting artisanal entrepreneurs and making long-term impact by creating decent jobs.	Inception began in July 2020, with the organisation of the team, baseline study, selection of partners and selection of value chains/sectors/provinces.
Arab Fund	Arab Fund for Economic and Social Development	Jordan, Lebanon	Higher Education, Employability	2020-2021	To develop curricula for higher education institutes (HEIs) and place women and youth in 3 month internships in the private sector to enable students to have better access to the labour market.	4 technical needs assessments of relevant HEIs 3 curricula developed for youth 4 ToT activities conducted 254 youth enrolled in TVET

Summary of programmes - Continued

Programme	Donor	Country(ies)	Theme	Duration	Overall Objective	Key 2020 Results
CASS	The Netherlands Organisation for Scientific Research (NWO)	Rwanda, Burundi	Entrepreneurship	2019-2022	To test, evaluate and upscale end-user-preferred cassava varieties with strong resistance to Cassava Brown Streak Disease and Cassava Mosaic Diseases through different types of cassava agribusiness seed systems models.	<ul style="list-style-type: none"> 121 beneficiaries participated in leadership training 148 beneficiaries participated in entrepreneurship/business skills training 50 beneficiaries received coaching/mentoring 2 new business created 2 existing businesses grew
EMEN-UP	European Commission (EC)	The Netherlands, Germany, Italy, Spain, United Kingdom	Entrepreneurship	2017-2020	To contribute to the effective engagement of diverse European actors in improvement and promotion of existing schemes and lobbying for more opportunities for creation and growth of migrant enterprises.	<ul style="list-style-type: none"> 44 member organisations represented in the Network 18 countries represented in the Network 194 people who successfully completed workshops 558 participating stakeholders at national activities
EU MADAD NCE/HES	EU MADAD Fund	Turkey, Lebanon, Iraq, Syria	Higher Education	2017-2020	To tackle the acute and overwhelming need to improve pathways to employment for Syrian and host community youth through higher education (blended learning), internships and entrepreneurship in Syria (SIG), Iraq (KR-I), Jordan, Turkey and Lebanon.	<ul style="list-style-type: none"> 2 scholarships awarded 394 students received student services 317 students graduated 90 students offered an internship 217 students received coaching/mentoring 6 new business created

Summary of programmes - Continued

Programme	Donor	Country(ies)	Theme	Duration	Overall Objective	Key 2020 Results
EU MADAD Iraq/HES	EU MADAD Fund	Iraq	Higher Education	2020-2021	To tackle the acute and overwhelming need to improve pathways to employment for Syrian and host community youth through higher education (blended learning), internships and entrepreneurship in Iraq.	224 scholarships awarded
EU MADAD Turkey 2	EU MADAD Fund	Turkey	Higher Education, Employability	2019-2022	To create access to higher education at Bachelor and TVET level (blended learning) for disadvantaged youth, including refugees, women and vulnerable Turkish youth.	265 scholarships awarded 783 students received student services 52 students graduated 8 students offered an internship
EULAP	EU	Liberia	Entrepreneurship	2018-2023	To improve the productivity and sustainability of nutrition sensitive agriculture at the level of smallholder farmers.	85 beneficiaries participated in entrepreneurship/business skills training 20 beneficiaries participated in business plan competitions 20 loans provided/facilitated for entrepreneurs 10 beneficiaries received coaching/mentoring 10 new business created 10 existing businesses grew 35 jobs created

Summary of programmes - Continued

Programme	Donor	Country(ies)	Theme	Duration	Overall Objective	Key 2020 Results
HES (AF)	Al Fakhoora (AF), a programme by Education Above All (EAA)	Turkey, Lebanon, Iraq, Jordan, Palestinian Territories	Higher Education, Leadership, Entrepreneurship	2016-2022	To promote the basic right of Syrian and Palestinian youth affected by crisis to enjoy access to higher education and employment opportunities.	518 students received student services 558 students graduated
IEO	Dutch Ministry of Foreign Affairs (NLMFA)	Jordan	Entrepreneurship	2016-2020	To prepare for the reconstruction of Syria by creating employment and entrepreneurship opportunities for Syrian and host community youth.	618 loans provided/facilitated for entrepreneurs 65 existing businesses grew
IPOVAF	Access to Finance Rwanda (AFR)	Rwanda	Entrepreneurship	2018-2020	To increase access to (digital) financial services that enhance productivity, income and job opportunities for Irish Potato smallholder farmers and cooperatives in Rwanda.	480 beneficiaries participated in entrepreneurship/business skills training 296 loans provided/ facilitated for entrepreneurs 2,291 beneficiaries received coaching/mentoring 29 new business created 57 existing businesses grew 414 jobs created

Summary of programmes - Continued

Programme	Donor	Country(ies)	Theme	Duration	Overall Objective	Key 2020 Results
ISDB-AN/ HES	Islamic Development Bank (ISDB), Sheikh Abdullah Al Nouri Charity Society (AN)	Turkey, Lebanon, Jordan, Iraq	Higher Education	2018-2023	To provide access to higher and vocational education for Syrian refugees and IDPs, as well as economic empowerment and entrepreneurship support for Syrian refugees and IDPs.	574 scholarships awarded 462 students graduated 31 graduates found employment 281 students participated in entrepreneurship/business skills training 210 students participated in business plan competitions 52 loans provided/facilitated for entrepreneurs 52 beneficiaries received coaching/mentoring 52 new business created
J&P	Dutch Ministry of Foreign Affairs (NLMFA)	Jordan, Iraq	Higher Education, Entrepreneurship	2019-2023	To improve prospects for refugees and vulnerable host communities in Jordan and Iraq (KR-I) in the field of education, entrepreneurship and access to decent jobs.	20 beneficiaries offered an internship 20 loans provided/facilitated for entrepreneurs 65 beneficiaries received coaching/mentoring 30 jobs created
LEAD 2	Dutch Ministry of Foreign Affairs (NLMFA)	Somalia, Tunisia	Higher Education, Entrepreneurship	2020-2023	To work with local partners in the public and private sector to promote entrepreneurship and boost business creation, growth, and employment.	80 beneficiaries offered an internship 687 beneficiaries found employment 219 beneficiaries participated in entrepreneurship/business skills training 358 loans provided/facilitated for entrepreneurs 30 new business created 451 existing businesses grew 671 jobs created 461 jobs sustained during COVID-19

Summary of programmes - Continued

Programme	Donor	Country(ies)	Theme	Duration	Overall Objective	Key 2020 Results
NoC	Dutch Ministry of Foreign Affairs (NLMFA)	Iraq	Deradicalisation	2019-2022	Through empowering Kurdish youth as leaders and innovators, training teachers, social workers, and parents in identification and mitigation skills regarding early radicalisation, and opening dialogues through on- and offline activities of the Youth Digital Workforce teams, SPARK will provide new pathways to success for young people in the KR-I, preventing them from turning to radicalisation as a last resort or out of economic despondence.	111 beneficiaries participated in leadership training
PCL 2	Dutch Postcode Lottery (PCL)	Turkey, Jordan, Lebanon	Entrepreneurship	2020-2022	To support economic resilience for refugees, IDPs and vulnerable host communities through sustainable job creation in Syria and its surrounding countries.	23 beneficiaries offered an internship
QFFD	QFFD	Turkey, Jordan	Entrepreneurship	2020-2024	To support the creation of an enabling environment for increased employment opportunities and labour market access in cooperation with the local private sector.	43 beneficiaries received coaching/mentoring

Summary of programmes - Continued

Programme	Donor	Country(ies)	Theme	Duration	Overall Objective	Key 2020 Results
SANAD 2	Citibank Europe plc, Luxembourg Branch	Lebanon, Palestinian Territories, Tunisia	Entrepreneurship	2020-2021	To safeguard jobs and create new employment opportunities through providing financial and technical support to MSMEs (safeguarding, scale up and startup) through the SPARK SME Credit Fund in response to the impact of COVID-19.	6 beneficiaries received coaching/mentoring
SSADPII	Cordaid	South Sudan	Entrepreneurship	2018-2023	To improve food security, income and employment of farmer households in selected counties, based on the Making Markets Working for the Poor (M4P) approach and aims at enhancing the food security, buying power and employment position of vulnerable population in Yambio, Torit and Bor counties.	167 beneficiaries participated in entrepreneurship/business skills training 9 loans provided/facilitated for entrepreneurs 124 beneficiaries received coaching/mentoring 7 new business created
THSN	Fondazione Generali - The Human Safety Net ONLUS	Italy, Germany, Switzerland	Entrepreneurship	2017-2020	To realise refugees' business ideas through training, coaching, and access to workspaces and financing.	SPARK has worked with the donor to design the programme Quality Standards to guide practitioners interested in entrepreneurship through a set of recommended standards for The Human Safety Net For Refugee Start-ups Programme.

Summary of programmes - Continued

Programme	Donor	Country(ies)	Theme	Duration	Overall Objective	Key 2020 Results
YECP	AfDB	Liberia	Entrepreneurship	2017-2020	To promote youth entrepreneurship through improving business skills and employability by empowering youth with relevant skills required by the local job market.	<ul style="list-style-type: none"> 9 beneficiaries found employment 52 beneficiaries participated in entrepreneurship/business skills training 52 beneficiaries participated in business plan competitions 52 beneficiaries received coaching/mentoring 9 new business created 7 existing businesses grew 5 jobs created
YMCB	EU	The Netherlands, Belgium, Italy, Austria	Entrepreneurship	2019-2021	To develop an innovative approach towards creating the appropriate ecosystem to support young migrants entrepreneurship through a combination of education and training, mentoring and access to finance. The approach will be tested in four target countries with the aim of scaling up and replicating it in other territories.	<ul style="list-style-type: none"> 237 organisations mapped and clustered in three categories: Outreach, Technical Skills and Infrastructure 28 training sessions created and delivered 27 mentors selected 31 beneficiaries received mentoring

Risk Analysis 1 (Low) - 5 (High)

Risk	Likely	Impact	Mitigation
Delays in implementation because of increased instability in countries	4	3	Continued monitoring and back up plan
Declined donor interest in Syria crisis/Turkey	3	5	Monitoring and gradual growth of projects with tweaked focus
Lack of sufficient progress in acquisition pipeline	3	5	Sufficient leads are developed
Balance innovation and programme implementation	4	4	Hiring experts, learning and collaboration acquisition/programmes
Tackling issues with unclear roles and bureaucratic processes	2	4	Proactive follow-up of issues, prioritisation of new finance structure
Not seizing upon the wish of staff to enhance culture of care	3	4	Well-defined HR processes, capacitating people managers

Story

Founder: Salomon Ndizeye

Company: Legal Representative of COIEDE
(Coopérative pour l'Innovation et Entreprendre
pour le Développement)

Location: Cibitoke, Burundi



SPARK coached Saloman and co-financed the construction of a processing unit to help him get his affordable product to market. Salomon has since created 24 permanent jobs for young people in his community. "When I met SPARK I was processing juices from tropical fruits. The coaching sessions became more and more interesting as I was asked to compare the ventures in terms of profits. The charcoals took the lead as they are not only innovative but affordable for the local market."

"These charcoals are made out of rubbish, which protects the environment and is also an effective way of managing waste and garbage."

Salomon Ndizeye, 29-years-old, creates charcoal blocks from waste products. 1kg of charcoal costs just 300 Burundian Francs (approximately €0.13).

● Organisation



Growing expertise to sharpen interventions

One of our key strategic directions is co-creating programmes and engaging in programme implementation with local partner organisations, whilst supporting them with expert advice and funds. In order to facilitate this process we hired and trained in-house experts on key topics such as blended learning, entrepreneurship, the private sector, and innovative finance.

At the same time, accurately measuring the impact of programmes on students and entrepreneurs through programmes remains vital. It's only with a true understanding of our impact that we can sharpen our programme design and implementation, and guarantee a good return on investment. With this in mind, our [Theory of Change](#) was updated in 2020 to help improve our organisational impact measurement framework. To measure our results on output and outcome level, we monitored relevant KPIs within our interventions and conducted various stakeholder (satisfaction and perception) surveys. These provided input for learning processes and expertise development in order to sharpen our interventions. Whilst we have traditionally conducted external impact studies on a project level, the next step for 2021 and beyond is to measure our organisation-wide results at impact level.

Decentralising and standardising

In 2020 we engaged in further decentralising and standardising key processes within our organisation. Creating a truly decentralised organisation in three regions is challenging. We have decentralised decision making to local management and have updated our decision-making policy, namely our RACI matrix. We also worked to upgrade partner organisation selection, and improve our contracting and evaluation processes.

After an extensive selection process, in 2020 we began updating the organisation's enterprise architecture and implementing new IT solutions, including a new programme management platform and a new accounting system that was launched in January 2021. These new systems mark a significant internal turning point, which will help to structure and create transparency around our work across 12 complex countries.



Saad Chouihna is a Syrian business-owner based in Gaziantep, southeastern Turkey. He is the CEO SaadPlast, a plastic company that employs both Syrian and Turkish workers.

Strengthening staff and partner conduct

We worked on structuring our operations and strengthening staff conduct by updating our staff manual, the staff Code of Conduct (CoC) and internalising the organisational values. The updated CoC provides the ethical framework in which our organisation operates, with a focus on values, transparency, non-discrimination and integrity. In 2020, the adoption of the CoC became strictly enforced as a prerequisite for signing employment contracts. A CoC was also introduced for partner organisations and service providers.

For ensuring sound conduct across our operations, we continued to implement our Whistleblower Procedure in 2020. This opened a channel for staff, beneficiaries and external stakeholders to report misconduct cases safely and confidentially. Although the external CBF agency for charities has assessed our policies in this regard as completely satisfactory, we are further enhancing them. We will set up in-country mechanisms for grievances in addition to our SPARK procedure, which is in line with recommendations made by the UK government's International Development Committee report 'Progress on tackling the sexual exploitation and abuse of aid beneficiaries'.

In 2020, SPARK addressed two misconduct cases that were reported through the whistleblower procedure. The first misconduct case was from a beneficiary who complained about the selection process of a SPARK partner.

The assessment showed that the selection process was sound and the beneficiary was rejected for valid reasons (e.g. not being an entrepreneur in the donor-assigned region). In the second misconduct case, there was a violation of the applicable procurement rules, but no misconduct was found beyond that.

Additionally, SPARK found financial irregularity in a local partner organisation. A conflict in the organisation's leadership led to unspent project funds, and to date, a departing director has blocked the return of the funds. We evaluated this issue and reported it to the programme's funder and regulatory organisations. We are hopeful that ongoing legal proceedings will successfully repatriate the funds. The incident has led to various new measures to help avoid such situations in the future.



COVID-proof staff care

At the onset of COVID-19 lockdowns, with uncertainty and worry everywhere, it was decided that internal communication across the organisation required a boost. The newsletter, which had been published every quarter, became a monthly newsletter filled with vital updates related to the changing situation, stories from students and entrepreneurs, and the successes (and failures) of innovative COVID-19 response programmes both within and outside the organisation.

Internal webinars and virtual 'parties' ensured motivation and continued learning opportunities for staff. One such webinar invited the former SPARK Liberia Country Manager to discuss his experiences and lessons learned from the Ebola outbreak in 2014, with recommendations for programme continuation during the COVID-19 pandemic.

With restrictions on travel and public gatherings impeding usual training and development opportunities, several experts within the organisation were trained to become online trainers.

An external trainer brought together an expert from each department, including monitoring and evaluation, programme management, communications, finance and human resources. Over the course of several weeks, experts were coached and developed SPARK-specific, web-based training materials in their areas of expertise. Each expert then provided relevant staff members with a 2-4 hours training, known as the SPARK Academy.

In addition, people managers were offered the opportunity to join a training trajectory during the year (also virtual) with an external trainer, to enhance their skills on managing themselves and their teams.

A new performance and talent management system was developed and piloted in 2020. As of 2021, a continuous Objectives and Key Results performance system has been implemented to track employee performance and talent development throughout the year.



15,600 new followers on social media channels*

(+37.4% compared to 2019)

65.7% increase in number of posts published*

(compared to 2019)

Almost 8 million social media impressions*

(+101% compared to 2019)

*excluding YouTube

Social media channels: Facebook, Instagram, Twitter, LinkedIn	Amount	% compared to 2019
Audience growth	15,627	+37.4%
Engagements	253,889	+18.8%
Post link clicks	22,343	+84.7%
Impressions	7,912,012	+101%
Published posts	1,438	+65.7%

Boosting digital communication

The COVID-19 pandemic intensified the already pressing need to boost our online presence. Throughout the year, conferences, graduation ceremonies and campaigns went digital. In May a virtual conference was organised in collaboration with Al Fanar Media on the impact of COVID-19 on refugee students and businesses in the Middle East. This early adoption of digital events allowed us to position ourselves as front runners in the COVID-19 response. After postponing our annual IGNITE conference, usually held in Amsterdam, we replaced it with a series of virtual conferences and events under the umbrella of 'The IGNITE Sessions'. These online events enabled us to broaden our reach, refresh our networks and create new partnerships that directly address the effects of the pandemic on young entrepreneurs and existing businesses.

In order to keep up and compete with global increases in social media usage in 2020, we designed a solid but creative social media strategy that saw over 15,500 new followers join us across all platforms. Targeted social media campaigns led to a significant surge in following and engagement across all platforms. Experiments with user-generated video and student and entrepreneur 'takeovers' of SPARK channels have resulted in strong visibility for SPARK, our donors and partners - and the work that we do together.

● Finance



Investment Policy

Financial resources are available in the short-term to carry out SPARK activities, and in the long-term to guarantee the continuity of the organisation. SPARK does not invest in shares, bonds or real estate. Liquid assets that are not required for activities in the short-term are kept in a savings bank account. These liquidities can be retrieved directly from the bank accounts.

Fraud prevention and correction

SPARK is committed to preventing and addressing fraud and corruption within the organisation, its local partners and contracted external parties. To do so, we have appropriate financial and administration procedures, a Complaints Handling Process (which includes a Whistleblower Policy) and specific contractual conditions for partner organisations.

SPARK complies to a comprehensive Anti-Fraud and Corruption Policy. This combines the control measures of other processes and procedures and promotes efficiency and effectiveness in preventing and addressing fraud and corruption within the organisation.



Cooperative member and smallholder farmer in Rwanda carries Irish Potato produce to a collection centre

Board of Directors and Supervisory Board Remuneration

The Supervisory Board (SB) has determined the level of the Board of Directors (BoD) remunerations. These remuneration levels are evaluated and updated periodically. The last evaluation of the BoD remuneration levels was in June 2020 and did not lead to any adjustments.

To determine BoD remuneration levels, SPARK follows the [Directors Remuneration Policy for Charity Organisations](#), which is within the boundaries of the Dutch 'Standards for Remuneration Act' (Wet Normering Topinkomens). The policy defines the maximum for annual remuneration of the BoD, based on weighting criteria.

The levels and the composition of the remuneration of SPARK's BoD are explained in the annual financial statements, in the 'Remuneration of the Board of Directors' section.

The SB members receive only a tax-free compensation for voluntary hours invested. In 2020, this compensation remained €1,500 per board member.

Financial Results

Considerable drop in income due to COVID-19

In 2020, SPARK's income and expenditure level decreased to €18 million - 25% less than 2019, which was €24 million, and €1 million lower than the budget that was revised at the start of the COVID-19 period. The decrease was a combination of closing projects that peaked in 2019 and delays in project implementation or postponement of new projects. Our ambition to grow to a €25 million portfolio remains. For further details on financial results, please see the Financial Statements.

Positive operational result

The bottom line net result was €143,000 negative for 2020. However, despite the enormous challenges faced throughout the year, there was still a positive operational result of €174,000. This is a positive outcome due to the fast adjustment of expenses and keeping general costs low. The general costs for income generation, management and accounting stayed within €1.3 million in 2020, on par with 2019.

Financial Results

Negative financial result and exceptional loss

Due to the large decrease in the value of the US Dollar, we faced a revaluation loss of €210,000 expressed in the Euro value. This financial loss did not negatively affect the actual purchase value for the project activities locally so the projects were still implemented according to plan and budget.

There was an additional provision made for a loan to IBCM for €110,000, categorised under 'exceptional loss' in the Statement of Income and Expenditure.

Negative net result

The results stated above add up to a net bottom line result of €143,000 negative, of which €73,000 will be charged to the Continuity Reserve and €70,000 to the Loan Guarantee Fund.



Continuity Reserve

The negative charge to the Continuity Reserve causes this reserve to decrease from €1.7 million to €1.6 million. This level is deemed rather slim but sufficient for now. Our ambition is to let this reserve grow, similar to the intended income growth over the coming years. The continuity reserve will assure continuation of operations in case of a drastic reduction in donor funding or a major incident. SPARK principles and policies with regard to this reserve are further explained in the Financial Report.

Financial Results

Loan Guarantee Fund

Besides regular programme activities, SPARK has provided financial access (support) through loans and/or guarantees instead of grants. Loans are predominantly disbursed through financial institutions in SPARK's intervention countries. The funds that were provided by donors for this purpose, and repaid amounts of these loans and/or guarantees, are administered in the Loan Guarantee Fund which totaled €1 million at the end of 2020, which is slightly lower than at the end of 2019.

2021 Budget summary

The 2021 budget was approved by the SB in December 2020. It shows a forecasted increase in income to €22 million compared to €17 million in 2020. The underlying assessment is that COVID will not affect us at the same level in 2021 and new or postponed contracts will come through in 2021. At the same time, the exact financial implications are very difficult to predict with a reasonable level of certainty. Financial forecasts will be updated at regular intervals in 2021 and when needed, the budget will be adjusted and reapproved in case of considerable deviations.

The approved 2021 budget shows a small negative bottom-line result of €69,000. This is due to cost-cutting, mainly in organisational costs, whereby the investment in the new IT backbone (financial and project management administration systems) are prioritised.

Statement of income and expenditures

Approved 2021 budget, rounded figures in Euros

Income from projects	To realise reimbursement of direct project expenses excluding staff costs and "overheads"	17,079,000
	To realise reimbursement and profit charge on staff costs	3,966,000
	To realise "overhead" charges	1,367,000
Write-offs	Write-offs, non-reimbursable project expenses	(100,000)
Other income		30,000
Total Income		22,342,000
Expenditures	Reimbursable project expenses excl. staff costs and overheads	17,079,000
	All staff costs	4,437,000
	Other organisational costs, non-reimbursable	860,000
Total expenditure		22,376,000
	Balance before financial income and expenditure	(34,000)
	Financial income or expenditure, non-reimbursable	(35,000)
Total statement of income and expenditure		(69,000)
	Addition to/withdrawal from:	
	Operational result to be deducted from continuity reserve	(69,000)
	Distribution of result	(69,000)

spark

Financial Report

2020

Balance Sheet

(all amounts in Euros)

Assets	31 December 2020	31 December 2019
Fixed Assets		
Tangible fixed assets	32,044	48,903
Financial fixed assets	301,302	350,438
	333,345	399,341
Current Assets		
Receivables and accruals	2,963,451	3,428,252
Cash and cash equivalents	5,930,011	6,068,233
	8,893,462	9,496,485
Total	9,226,808	9,895,826

Reserves and Liabilities	31 December 2020	31 December 2019
Reserves and funds		
Reserves - Continuity reserve	1,593,044	1,666,670
Funds - Loan Guarantee Fund	1,016,072	1,085,419
Current Liabilities		
Payables and accruals	6,617,692	7,143,736
Total	9,226,808	9,895,826

Statement of Income and expenditures

(all amounts in Euros)

		Realisation 2020	Budget 2020	Realisation 2019
Income				
Income from companies		41,249	523,427	111,494
Income from government grants		15,206,888	16,356,754	19,591,598
Income from other non profit organisations		2,321,581	2,042,531	3,672,671
Income for services		108,688	20,288	218,676
Write-off non-eligible government grants		(209,294)	-	(9,315)
Other income government subsidy NOW		162,750	-	7,029
Total income		17,631,862	18,943,000	23,592,153
Expenditures				
Spent on objectives - Higher Education		8,923,632	10,000,000	16,483,902
Spent on objectives - Private Sector Development		7,205,900	7,901,913	5,548,961
	92.4%	16,129,532	93.5%	17,901,913
				94.6%
Cost of income generation	3.6%	624,644	3.1%	600,000
Management and accounting	4.0%	703,243	3.4%	650,000
			2.4%	561,291
Total expenditures	100%	17,457,420	100%	19,151,913
			100%	23,291,146
Balance before financial income/expense		174,443	(208,913)	301,007
Balance of financial income and expenditure		(207,416)	(30,000)	9,009
Exceptional losses		(110,000)	-	(154,674)
Balance of income and expenditure		(142,973)	(238,913)	155,342
Distribution of result - Addition to/withdrawal from:				
Allocated loan guarantee fund		(69,347)	-	(19,101)
Operational result available for continuity reserve		(73,626)	(238,913)	174,444
Total		(142,973)	(238,913)	155,342

Cash Flow Statement

(all amounts in Euros)

	2020	2019
Cashflow from operational activities		
Result	(142,973)	55,342
Depreciation fixed assets (incl. cars)	26,522	28,807
Depreciation financial fixed assets	110,000	36,378
Gross cashflow from operation activities	(129,860)	220,527
Mutation in current assets	464,801	2,691,821
Mutation (decrease) in current liabilities	(526,046)	(3,115,894)
Net cashflow from operational activities (A)	(67,696)	(203,546)
Cashflow from investment activities		
Investment in fixed assets	(9,662)	(11,489)
Disposal of fixed assets	-	-
Investment in financial fixed assets	(60,863)	299,078
Cashflow from investment activities (B)	(70,526)	287,589
Cashflow from financing activities		
Donor-restricted cash limited to long-term purposes	-	-
Cashflow from financing activities (C)	-	-
Mutation in Cash and cash equivalents (A+B+C)	(138,221)	84,042
Cash and cash equivalents 1 January	6,068,233	5,984,190
Cash and cash equivalents 31 December	5,930,011	6,068,233
Mutation in Cash and cash equivalents	(138,221)	84,042

Specification and allocation of costs according to category (Model C)

(all amounts in Euros)

	Objectives		Costs Income Generation	Management & Accounting	Total 2020	Budget 2020	Total 2019
	Higher Education	Private Sector					
Costs of implementation							
Grants and contributions:							
Expenses excluding personnel	8,138,794	5,468,340	-	-	13,607,134	14,677,000	19,467,181
SPARK contribution projects	-	105,878	-	-	105,878	-	-
Personnel costs country offices	722,963	672,210	-	-	1,395,173	2,384,552	1,143,472
Direct fundraising	-	-	142,063	-	142,063	149,000	318,028
Publicity and Communication	-	-	-	-	-	32,100	-
Personnel costs Ams & Belgrade	51,249	794,698	414,291	550,938	1,811,177	1,255,761	1,902,589
Housing costs	2,964	45,963	9,991	22,282	81,199	126,000	101,461
Office and general costs	6,846	106,160	56,411	125,812	295,230	499,500	336,564
Depreciations	816	12,650	1,888	4,212	19,566	28,000	21,851
Total	8,923,632	7,205,900	624,644	703,243	17,457,420	19,151,913	23,291,146

Specification and allocation of costs according to category (Model C) - Continued

(all amounts in Euros)

Total number of staff (full-time equivalent):

For 2020: 124, compared to 133 for 2019

Explanation related to grants and contribution:

The total of grants and contributions was slightly lower than the budgeted amount.

Explanation distribution of expenditures:

Cost of income generation as a percentage of total income is: 3.5%

For other costs as a percentage of total expenditure, see the Statement of Income and Expenditure.

SPARK has an office in Amsterdam and Belgrade and several field offices in the countries where the projects are implemented.

SPARK's programmes serve two objectives: Higher Education (development) (HE) & Private Sector Development (PSD).

Under PSD SPARK supports the growth of existing SMEs and start-ups, in fragile states. For instance, by training and coaching for SMEs, providing them access to finance and markets. We do so by supporting and capacitating local organisations. In addition, Policy Making activities are undertaken to facilitate private sector development.

Division of the expenditures for HE, PSD, Costs of Income Generation and Management and Accounting:

Expenses which can be qualified as programme expenditures (for instance reimbursements to partners, rent of lecture rooms and training space, reimbursements to trainers, travel and accommodation expenses of participants and trainers, reading materials, partners activities etc.) are directly allocated to the objective HE and PSD. These expenditures are presented under "Grants and Contributions" in Model C.

Operational and organisational costs of the field offices ("Publicity and Communication", "Personnel costs", "Housing costs", "Office and general costs" and "Depreciation") are also directly allocated to the objectives. If a field office has worked on projects with different objectives, the expenditures are allocated towards the objectives HE and PSD based on the time spent (hour registration) on different programmes.

Operational and organisation costs of the Amsterdam office are allocated to the objectives using the time registration of all International (mostly Amsterdam based) Management, Administrative and Support personnel. An exception to this are the promotion expenses occurred in The Netherlands, and direct costs for obtaining grants and other income. These are directly allocated towards the objective "Costs Income Generation". Project management, Finance and IT hours directly registered on projects/programmes, are allocated to the objectives HE and PSD.

Indirect hours regarding Finance, IT, Organisation and Personnel are allocated to Management and Accounting.

(Indirect) Hours regarding Fundraising Governmental grants are allocated to the objective "Costs Income Generation".

Accounting principles

General

The 2020 annual accounts have been drawn up according to generally accepted accounting principles in the Netherlands and RJ 650 for Fundraising organisations. The accounts include the financial statements of Stichting SPARK in Amsterdam, The Netherlands, and the regional offices in Serbia, Kosovo, Macedonia, Liberia, Palestine, Burundi, Rwanda, South Sudan, Turkey, Somalia, Iraq, Lebanon, Tunisia and Jordan.

Principles of valuation

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

Fixed assets

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

	NL	Rwanda	Burundi	Liberia	Palestine	South Sudan	Lebanon	Jordan
Furniture	25%	20%	20%	20%	10%	25%	-	-
Computer hardware	33%	50%	20%	25%	20%	25%	20%	-
Cars	25%	25%	20%	25%	25%	25%	n.a	20%

	Kosovo	Serbia	Yemen	Gaziantep	Somalia	Iraq	Tunisia
Furniture	20%	20%	25%	25%	33%	46-48%	20%
Computer hardware	20%	20%	33%	25%	33%	46%	33%
Cars	25%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a

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

Accounting principles continued

Financial fixed assets

SPARK has signed contracts with local partners to manage loan guarantee funds that benefit start ups and SMEs established under the Private Sector development projects. The participation is stated at its actual value at year end.

Costs of fund management, defaults, interest received and currency revaluations are presented as expenditures or income in the Statement of Income and Expenditures. These financial fixed assets are financed from an earmarked Loan Guarantee Fund. See below for further explanation about the fund.

Liabilities - implementing partner obligations

Liabilities - implementing partner obligations

SPARK entered into contractual obligations with implementing partner organisations and transferred project responsibilities to them. The project grants as well as the project expenses include amounts that are funded to and expended by implementing partner organisations. SPARK books expenses and income related to implementing partner contracts 1) as per instalment paid as the most accurate estimate of work in progress or 2) as soon as a contractually agreed intermediate or final expenditure report is available, based on this expenditure report.

Liabilities - strategic partner obligations

SPARK also entered into contracts with strategic partner organisations or entities. These contracts lack de facto the one-sided enforceability on SPARK side to retrieve money. Examples are strategic partnerships demanded by donors or agreements with local or national government entities. The accounting principle is the same as for implementing partners with the following addition: if a transfer to the partner is de facto non retrievable and is an unconditional obligation, the amount expensed off will not be adjusted by any expenditure report.

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 proportion to the progress of the 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 for 2020 of all Amsterdam personnel. For further clarification, please refer to the explanation provided under "specification and allocation of costs according to category" (Model C).

Income from own fundraising - Contributions in kind

In kind contributions are stated at their fair value, however, in 2020 no such contributions were received. 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 Balance Sheet (all amounts in Euros)

Assets	31 Dec 2020	31 Dec 2019			
Tangible fixed assets					
Renovations	-	-			
Furniture	9,834	7,495			
Computer hardware	16,093	28,337			
Cars	6,115	13,071			
	32,043	48,903			
Fixed assets	Total 2019	Renovations	Furniture	Computer hardware	Cars
<i>Book value previous year</i>					
Purchase value	493,889	36,072	80,542	250,945	126,330
Accumulated depreciation	(444,987)	(36,073)	(73,047)	(222,608)	(113,259)
Book value 01 January 2020	48,903	-	7,495	28,337	13,071
<i>Mutations</i>					
Purchases	9,662	-	8,064	1,598	-
Disposals	-	-	-	-	-
Depreciation	(26,522)	-	(5,724)	(13,841)	(6,956)
	(16,860)	-	2,340	(12,243)	(6,956)
<i>Book value year end</i>					
Purchase value	503,552	36,072	88,606	252,543	126,330
Accumulated depreciation	(471,509)	(36,073)	(78,772)	(236,449)	(120,215)
Book value 31 December 2020	32,043	-	9,834	16,093	6,115
Fixed assets used for operations (renovations, furniture & hardware)			25,928		35,831
Fixed assets directly allocated to the objectives (cars)			6,115		13,071
			32,043		48,903

Explanatory notes Balance Sheet - Continued (all amounts in Euros)

Assets	31 Dec 2020	31 Dec 2019
Financial Fixed Assets		
Participation loan guarantee funds		
Balance 1 January 2020	235,438	534,516
Mutation 2020	60,863	(299,078)
Balance 31 December 2020	296,301	235,438

Specification mutation 2020:

New loan guarantee contracts and new loans	90,000	
Defaults	-	
Reimbursement and closed contract with banks/participants	(21,500)	
Interest, provisions and exchange rate differences	(7,637)	
Total mutation	60,863	

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 funds, under the Liabilities.

Loans (IBCM)	5,000	115,000
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The loan of €151,379 has been revaluated during 2019 to €115,000 as agreed between IBCM and SPARK.

In 2020, a further provision has been made and the book value has been decreased to €5,000.

Total Financial Fixed assets	301,302	350,438
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Explanatory notes Balance Sheet - Continued (all amounts in Euros)

Assets	31 Dec 2020	31 Dec 2019
Current assets		
Prefinancing by SPARK on donor grants	2,585,623	3,197,101
Accounts receivables and prepaid expenses	377,828	231,151
	2,963,451	3,428,252
Prefinancing by SPARK on donor grants		
Project MADAD EU	1,069,116	-
Project Al Fakhoora	-	364,178
Project ABC	-	216,815
Project IBCM - EU	-	85,299
Project ISDB+NUR, IsDB	419,596	752,653
Project ISDB+NUR, Al Nouri	78,916	-
Project KEEN - EU	-	34,646
Project TBB&TBBX	-	4,537
Project UNDP Burundi 2018-2019	-	1,390
Project BCP	-	2,006
Project ABIN	105,752	35,958
Project AHE	-	340,560
Project EULAP	183,554	55,059
Project IEO - MFW	580,000	415,347
Project IPoVaF	-	64,444
Project MTK	-	761,929
Project YMCB	-	4,355
Project YWE	-	34,011
Project MTK02 EU	-	23,914
Project JAP	116,596	-
Project FSA	32,543	-
	2,585,623	3,197,101

Assets	31 Dec 2020	31 Dec 2019
Accounts receivables and prepaid expenses		
Prepaid expenses	82,274	61,529
Receivables from implementing partner organisations	-	22,060
Other receivables	111,074	31,035
Other receivables - Service contracts:		
AfDB	167,364	107,066
BTC OPT	-	9,462
EIB	17,116	-
	377,828	231,151
Cash & Cash equivalents		
Cash Amsterdam	11,593	397
Current & savings accounts The Netherlands	4,103,385	4,557,937
Cash abroad offices	41,595	23,381
Transfers underway	-	-
Current accounts abroad offices		
Kosovo	44	15,274
Serbia	40,752	9,606
Macedonia	-	-
Rwanda	31,730	51,587
Burundi	88,981	17,941
Liberia	62,115	94,165
Palestine	7,374	17,079
Somalia	35,192	11,917
Turkey	670,909	480,230
South Sudan	142,376	19,576
Yemen	35	35
Lebanon	26,787	109,400
Iraq	308,152	487,423
Jordan	358,992	172,284
	5,930,011	6,068,233

All liquidities are directly accessible.

Explanatory notes Balance Sheet - Continued (all amounts in Euros)

Reserves and Liabilities	31 Dec 2020	31 Dec 2019
Continuity reserve	1,593,044	1,666,670

Continuity Reserve	
Balance 01 January 2020	1,666,670
Mutation 2020	(73,626)
Balance 31 December	1,593,044

Continuity Reserve

The continuity reserve covers all remaining risks that are not addressed in any other allocated reserve. The continuity reserve should, for example, compensate unforeseen, sudden and temporary stagnation of income or unforeseen excessive expenses. The Executive Board and the Supervisory Board have set general guidelines to determine the maximum requirement of continuity reserve. When determining the maximum of the reserve, SPARK takes the "Richtlijn Goede Doelen Nederland "Financial management for Charities" into account (maximum 150% of the annual costs of the executive organisation).

The main guidelines to determine the height of the reserves are as follows: SPARK does not aim for large savings because the focus should be on our final beneficiaries; Country offices costs are not counted as annual organisational costs because they are directly connected to available project funding. The continuity reserve is €1.6 million on 31 December 2020. The annual costs of the executive organisation can be defined as the Personnel costs for Amsterdam and Belgrade office staff, housing costs and office and general costs (see Explanatory notes to the Statement of Income and Expenditure for the amounts), some regional offices coordinating staffs and they add up to approximately €2.6 million as per level of 2020. The continuity reserve on 31 December 2020 is therefore 60% of the annual costs of the executive organisation and are well below the maximum of 150% explained above.

Loan Guarantee Fund	31 Dec 2020	31 Dec 2019
Revolving Loan guarantee fund business start-ups	1,016,072	1,085,419

Continuity Reserve	
Balance 01 January 2020	1,085,419
Mutation 2020	(69,347)
Balance 31 December	1,016,072

SPARK has been contracting local partners to manage loan guarantee funds facilitating access to finance for starting and growing businesses. This is part of SPARK's Private Sector development projects. In 2020 funds are cash collaterals deposited at local micro-finance institutions or banks for a fixed period. Common practice in these facilities is that Micro Finance Institutes or banks disburse and manage loans from their own funds; the deposit minus administrative costs and minus defaults, plus gained interest on the deposit (or from the entrepreneurs) is returned to SPARK after a certain period. The fund is credited for these returns that stay earmarked in this fund for new, future investments.

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

Cumulative deposits into the funds:	2,099,181
Withheld management costs for banks:	(48,648)
Received interest added:	165,451
Exchange rate differences / currency revaluations:	4,335
Deducted bankrupt / delayed loans losses	(827,526)
Loan amounts not used and returned (2016, 2017)	(144,574)
Funds transferred to external parties (up to 2020)	(232,145)
	1,016,072

The Revolving Loan guarantee fund is €719,770 higher than the current investments from the fund per end of year, which are represented as €296,302 of financial fixed assets on the balance sheet. This means that €719,770 is available for new (re)investments at the end of 2020. The cumulative table above shows, among others, how much has been deposited in the fund since the start and how much has been deducted because of bankrupt lenders and write offs on loans. Entrepreneurs pay interest rates, mostly ranging from 5% to 15%, which are lower than commercial market rates.

Explanatory notes Balance Sheet - Continued (all amounts in Euros)

Reserves and Liabilities	31 Dec 2020	31 Dec 2019
Current liabilities		
Grants received in advance	5,353,106	4,646,276
Other service contracts - received in advance	-	22,306
Partner obligations and payables	679,624	1,063,529
Creditors	1,259	345,179
Other payables	583,703	1,066,446
These current liabilities are further specified below:	6,617,692	7,143,736
Grants received in advance		
Project MADAD	-	2,754,157
Project IEO - NLMFA	157,413	-
Project LEAD - NLMFA	-	172,276
Postcode Loterij (NPL)	-	60,608
Project EME - EU	33,294	120,053
Project THSN Germany - Generali	-	48,451
Project THSN Global - Generali	31,230	72,479
Project Asfari Foundation	20,380	20,380
Project CASS	71,652	94,454
Project NOC	353,204	188,296
Project J&P	-	331,754

Reserves and Liabilities	31 Dec 2020	31 Dec 2019
Project FSA	-	488,024
Project ISDB+NUR, Al Nouri	-	225,496
Project KRITERION	-	69,847
Project Al Fakhoora	438,204	-
Project MADAD Iraq	1,581,983	-
Project LEAD 02	380,322	-
Project MTK 02	182,379	-
Project AKAZI KEZA	335,018	-
Project ARAB FUND	78,321	-
Project New PCL	765,152	-
Project QFFD	788,487	-
Project YMCB	1,873	-
Project ISDB Tad	95,943	-
Project UN Women	38,250	-
	5,353,106	4,646,276
Other Service contracts received in advance:		
EBRD (Tur)	-	3,000
KWF	-	19,306
	-	22,306

Explanatory notes Balance Sheet - Continued (all amounts in Euros)

Reserves and Liabilities	31 Dec 2020	31 Dec 2019
Partner obligations and payables		
Programme PCL	-	-
Programme IEO	679,624	300,369
Programme LEAD	-	347,977
Programme YWE	-	7,941
Programme KRT	-	13,861
Programme EMEN-UP	-	27,618
Programme AHE	-	325,112
Programme MFS II	-	2,828
Programme FSA	-	37,822
	679,624	1,063,529
Short term debts & accruals		
Creditors	1,259	345,179
Other payables:		
Stipends and tuition fees	1,427	538,296
Procurements for projects	372,381	237,196
Project and general audit costs	81,122	114,607
Income tax, social security, pensions, severance	28,889	52,003
Vacation days & allowance	95,516	85,927
Prepaid tuition from IBCM students	-	-
Other short term debts	4,368	38,418
	583,703	1,066,446

The total estimated amount of outstanding holidays in 2020 is € 67.800 including field offices.

Explanatory notes Balance Sheet (all amounts in Euros)

Off Balance Sheet Commitments - Assets The following programmes/projects relate to periods exceeding the year 2020:			
Name	Donor	Period	Balance remaining to the end of period
Dynamic Futures Programme: Syrian Refugees and Palestinian Expansion (AF)	Education Above All Foundation	30/04/2016-01/05/2022	€ 2,528,960
MADAD Turkey 02	EU	01/09/2019-31/12/2022	€ 7,063,415
EU Liberia Agriculture program (EULAP)	EU	15/01/2018-31/12/2023	€ 860,953
Jobs and Perspectives (J&P)	NLMFA	01/08/2019-31/07/2023	€ 2,455,555
Networks of Change (NOC)	NLMFA	01/08/2019-31/07/2023	€ 1,216,050
Cassava Agribusiness Seed Systems (CASS)	International Institute of Tropical Agriculture	01/04/2019-31/03/2022	€ 202,507
Entrepreneurial capacity Building for young Migrants (YMCB)	EU	15/01/2019-14/01/2021	€ 27,911
Improving Access to Education for Syrian Refugee and IDPs in Syria Region through Providing Vocational Education for Employment in-order-to Empower a workforce for the Reconstruction of Syria (ISDB+NUR, Al Nuri)	Al Nouri Charity Society	16/08/2018-15/08/2023	€ 333,422
Improving Access to Education for Syrian Refugee and IDPs in Syria Region through Providing Vocational Education for Employment in-order-to Empower a workforce for the Reconstruction of Syria (ISDB+NUR, IsDB)	Islamic Development Bank	16/08/2018-15/08/2024	€ 814,368
Food Security through Agribusiness Project South Sudan (FSA)	Stichting Cordaid	16/08/2018-31/07/2023	€ 1,341,196
Akazi Keza	NLMFA	01/07/2020 -30/06/2024	€ 3,870,097
Implementation of the Program on Sustainable Economic Resilience and Job Creation for Refugees and Host Communities - ARAB FUND	Arab Fund	12/07/2020-12/07/2021	€ 434,588

Explanatory notes Balance Sheet - Continued (all amounts in Euros)

Off Balance Sheet Commitments - Assets The following programmes/projects relate to periods exceeding the year 2020:			
Name	Donor	Period	Balance remaining to the end of period
Support to Higher Education for Syrian refugees Iraq IDPs and valnerable Iraqi host community youth - Phase 2 - EU MAD IRAQ	EU MADAD	04/04/2020-01/11/2023	€ 4,891,098
COVID 19 in ISDBs Member Countries through its Tadamon CSO Pandemic Response accelerator - ISDB Tad	Islamic Development Bank	15/10/2020-15/09/2024	€ 1,124,685
Local Employment in Africa for Development phase II LEAD - LEAD2	NLMFA	01/01/2020-14/01/2021	€ 5,680,422
Access to HE for Syrian Refugees and IDPs to prepare for post-conflict reconstruction of Syria and integration in Host communities - MADAD	EU	01/01/2017-14/01/2021	€ 1,140,532
Internships and work for Syrian youth - NEW PCL	PCL	18/03/2020-18/03/2022	€ 800,089
Supporting Economic Resilience for Refugees, IDPs and Vulnerable Host Communities through Sustainable Job Creation in Syria and Countries of Surrounding Region - QFFD	Qatar Fund	17/06/2020-17/11/2024	€ 7,207,575
Human Safety Net for Refugee Start-Ups - THSN Global (Generali)	Generali	05/01/2017-30/05/2021	€ 64,578
Gender Equality and the Empowerment of Women - UN WOMEN	UN	07/10/2020-06/05/2021	€ 76,500

The nature of grants received is not structural or permanent but incidental and one-time for a period between two and four years mostly.

Off Balance Sheet Commitments - Liabilities

The following obligations to implementing and strategic partners relate to the period after 2020.

Per 31 December 2020, the still open contractual obligations to implementing and strategic partners amount to:

<i>Foreign currency - Euro equivalent</i>	
USD	2,700,000 - 2,200,000
Turkish lira	17,000,000 - 1,700,000
Jordanian Dinar	200,000 - 175,000
Euro	3,000 - 3,000

These rental obligations are payable for periods exceeding the year 2020:

As of 09 March 2020 SPARK is located at Haarlemmer Houttuinen 15H in Amsterdam the total expenses per year are € 34.608. The contract duration is up to 08 March 2025.

Spark's field offices rental obligations:

	contract period	yearly obligation
Rwanda	up to 30/04/2024	USD 14,256
Serbia	up to 14/12/2021	EUR 6,600
Tunisia	up to 30/06/2021	TND 29,988
Turkey	up to 20/11/2021	TND 33,000
Turkey	up to 01/03/2021	TND 66,000

Loan guarantee Funds / Loan obligations:

All signed contracts have been paid out in full before the end of 2020.

Explanatory notes Statement of Income and Expenditure (all amounts in Euros)

Income	Realisation 2020	Realisation 2019
For further details see section "Specifications of income"		
Income from companies		
Generali (HSN, THSN, THSN Global, THSN France, THSN Germany)	41,249	111,494
	41,249	111,494
Income from government grants		
Grants EU - Diploma recognition, KEEN, MADAD, IBCMEU, EME, EULAP, KRITERION, YM CB	7,401,022	7,602,239
Grants NLMFA - ABC, MIGR, CSP, CEEUS, SYRIN, ABIN, AHE, LEAD, IEO, DTT, BYB, YWE, NOC, JAP, AKAZI, KEZA	4,600,516	11,040,039
Grant IPoVaF, AFR	53,844	290,182
Grants UNDP - Entrepise development Burundi	-	36,346
Grant ISBD+NUR, IsDB&AI Nouri, SSDB Tad	1,272,860	622,791
Grants US - TBB, TBBX	-	-
QFFD	1,870,130	
Arab Fund	8,517	
	15,206,888	19,591,598

Income	Realisation 2020	Realisation 2019
Income from other non-profit organisations		
Al Fakhoora, Education Above All	1,379,166	2,805,573
Grant Postcode Loterij (NPL) (activity grant), New PCL	295,456	339,916
CDAIS, NRI	-	62,732
YEP, NWP	-	20,247
FSA, Coridad	520,567	427,802
CASS, IITA	126,392	16,401
	2,321,581	3,672,671
Subtotal of grants raised	17,569,718	23,375,763
Income for the delivery of products and/or the provision of services		
BDO SMEF Somalia (service contract)	-	138,248
AfDB (service contract)	60,298	33,675
BTC OPT (service contract)	-	21,321
SANAD (service contract)	-	7,973
KfW (service contract)	31,273	17,459
EIB (service contract)	17,116	-
	108,688	218,676
Write-off non-eligible expenses government grants	(209,294)	(9,315)
Other income		
Other income (2020: COVID NOW subsidy Dutch government)	162,750	7,029
Total income	17,631,862	23,592,153

Explanatory notes Statement of Income and Expenditure - Continued (all amounts in Euros)

Expenditures	2020	2019
Details of "Specification and allocation of costs according to category"(Model C)		
Grants and contributions	15,002,307	20,610,653
SPARK own contribution	105,878	-
Direct costs fundraising	113,581	255,548
Publicity and Communication	28,482	62,480
Personnel Costs	1,811,177	1,902,589
Housing costs	81,199	101,461
Office- and General costs	295,230	336,564
Depreciation	19,566	21,851
Total expenditures	17,457,420	23,291,146

Grants and contributions

<i>Private Sector development programs</i>		
Third parties involved in projects (partners, experts, trainers, teachers, etc.)	4,800,625	1,606,809
Project travel and accommodation costs SPARK & 3rd parties	162,148	248,069
Capacity building through partners	395,542	2,067,495
Direct poverty allevation	63,915	1,618
Policy making / Youth participation / Government legitimacy	32,835	19,374
Monitoring & evaluation costs	5,639	506,261
Country staff costs	672,210	262,999
Loan Guarantee and Credit Fund costs	7,637	24,172
Subtotal Private Sector Development	6,140,550	4,736,797

Higher Education programmes

Higher Education project costs - excluding staff costs	8,138,794	14,993,382
Higher Education project costs - staff costs	722,963	880,473
Subtotal Higher Education	8,861,757	15,873,856
Total Grant and contributions	15,002,307	20,610,653

Expenditures	2020	2019
SPARK own contributions		
IPoVaF	61,710	-
EULAP	44,168	-
Total	105,878	-

Direct costs fundraising	113,581	157,791
Feasibility studies and project acquisition	113,581	157,791
Publicity and Communication	28,482	62,480
SPARK general - promotion and advertising	28,482	62,480

Personnel Costs

<i>Amsterdam, Belgrade, Macedonia</i>	1,079,869	1,082,721
Gross salaries including holiday allowances	149,726	144,835
Social security premiums & Pensions	63,698	108,262
Other personnel costs	7,678	2,559
Staff training (including field office staff)		
<i>Field offices</i>	510,206	661,970
Field office coordinating personnel	1,811,177	2,000,346

Housing costs

Rent and utilities - Amsterdam office	35,348	57,180
Rent and utilities - field offices	81,199	101,461

Office and general costs

Amsterdam	19,973	14,822
Office supplies, telecommunication & postage, other office costs	7,704	2,881
IT infrastructure services - maintenance	14,181	-

Explanatory notes Statement of Income and Expenditure - Continued (all amounts in Euros)

Expenditures	2020	2019
Development of Finance Software	14,181	-
Organisational fees and memberships	13,230	10,253
Administration and auditing	57,221	87,500
Tax & legal advice	1,208	3,436
Quality assurance	2,027	3,636
Insurances	30,872	37,094
Representation	615	2,451
Contingencies	(2,195)	3,705
MASP Implementation	114,057	95,326
<i>Field offices / projects</i>		
Office supplies, telecommunication & postage, other office costs	6,117	29,297
IT infrastructure services - maintenance	352	462
Organisational fees and memberships	544	1,752
Administration and auditing	3,020	2,088
Tax & legal advice	27,611	40,969
Insurances	113	2,306
Representation	2,531	2,936
Other general expenditures (car costs)	6,773	(177)
Contingencies	(11,001)	(36)
MASP Implementation	275	5,179
	295,230	345,880

Expenditures	2020	2019
Depreciation		
<i>Amsterdam</i>		
Depreciation fixed assets	8,667	7,445
<i>Field offices/projects</i>		
Depreciation fixed assets	10,899	14,406
	19,566	21,851
Total expenditures	17,457,420	23,300,461
Balance before financial income/expense	174,443	282,376
Balance of financial income and expenditure	(207,416)	9,009
Exceptional losses		
Provision for receivables partner organisations before 2019	-	(27,279)
Depreciation of loan and receivables IBCM	(110,000)	(127,395)
	(110,000)	(154,674)
Balance of income and expenditure	(142,973)	155,342

Remuneration Executive Board (all amounts in Euros)

	Yannick du Pont	Michel Richter	Addie van Dalen	Esther Bosgra
Position	CEO	Programme Director	Finance Director	Operations Director
Employment agreement	Permanent	Permanent	Permanent	Permanent
Hours/week	40	40	40	40
Part-time percentage	100	80	80	80
Period	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Remuneration				
Gross salary	94,383	66,876	66,627	66,158
Holiday allowance	7,307	5,289	5,068	5,030
Fixed end of year allowance	-	-	-	-
Subtotal year income	101,690	72,165	71,695	71,188
Taxable allowances				
Pension costs (employer's share)	2,588	1,826	1,682	1,682
Total remuneration 2020	104,278	73,991	73,377	72,870
Comparative figure 2019	101,194	72,827	65,132	64,836

Remuneration Supervisory Board	E.P. Offerhaus	H.R.C. Huijgens	T.T. Schrofer	A. Venema
Position	Member	Chair	Member	Member
Period	Jan-Dec	Jan-Dec	Jan-Dec	Jul-Dec
Allowances				
Expense allowance	1,500	1,500	1,500	750

The Supervisory Board, upon advice of the Remuneration Committee, has determined the remuneration policy, the salaries and the amount of other remuneration components for the Board of Directors. The policy is updated periodically. The last evaluation was in July 2020.

For determining the remuneration policy, amounts and components, SPARK follows the Regulations for the remuneration of directors of charity organizations (see www.goededoelennederland.nl). These regulations take into account the Dutch legislation on maximizing senior level incomes (Wet Normering Topinkomens).

The regulations provide a maximum standard for annual income based on weighted criteria. The weighting at SPARK was done by the Remuneration committee. This led to a so-called BSD score of 365 points for the CEO with a maximum annual income excluding other remuneration 2020 of EUR 99.828 (40 hours/12 months) and a BSD score of 336 for the other BoD members with a maximum annual income excluding other remuneration 2020 of €88,310 (40 hours/12 months) or €70,648 (32 hours/12 months).

The actual annual income, see table above, of the CEO amounted to €101,690, slightly above the applicable ceiling of €99,828 of the applicable score. The annual incomes of the other Directors (80% FTE) amounted to €71,188 - 72.165, also slightly above the applicable ceiling of €70,648. Taking into account the absence of any other remuneration components, the Supervisory Board views the total remuneration, including the slight deviations for the annual income compared to the BSD scales, as acceptable and fair.

The taxable allowances/additions, the employer's pension contribution and other long-term benefits are low in proportion to the annual income and the rest of the market.

Specifications of Income (all amounts in Euros)

Income per donor		Realisation 2020 €	Realisation 2020 %
Project (cash) grants from donors			
Govt	Grant ABIN - NLMFA	472,050	3%
Govt	Grant YWE - NLMFA	9,294	0%
Govt	Grant IEO - NLMFA	228,525	1%
Govt	Grant IEO - NLMFA for MFW	580,000	3%
Govt	Grant LEAD2 - NLMFA	1,444,098	8%
Govt	Grant JaP - NLMFA	1,038,806	6%
Govt	Grant NOC - NLMFA	587,424	3%
Govt	AKAZI KEZA, NLMFA	240,318	1%
Subtotal NLMFA		4,600,516	26%
			0%
Govt	Postcode Loterij (active project)	60,608	0%
Govt	NEW Postcode Loterij	234,848	1%
Subtotal Postcode Loterij		295,456	2%
			0%
Govt	Grant MAD - EU	3,823,290	22%
Govt	Grant MAD IRAQ - EU	133,401	1%
Govt	Grant MTK 02 - EU	2,912,671	17%
Govt	Grant EULAP - EU	441,680	3%
Subtotal EU		7,311,041	42%

Specifications of Income - Continued (all amounts in Euros)

Income per donor		Realisation 2020 €	Realisation 2020 %
Govt	Grant ISDB+NUR, Al Nouri	529,909	3%
Govt	Grant ISDB+NUR, IsDB	735,269	4%
Govt	Grant EMEN -UP	86,762	1%
Govt	Grant YMCB	3,219	0%
Govt	Grant IPoVaF, AFR	53,844	0%
Comp	Grant THSN Generali	41,249	0%
Ngo's	Grant Al Fakhoora	1,379,166	8%
Ngo's	CASS	126,392	1%
Ngo's	FSA	520,567	3%
Govt	QFFD	1,870,130	11%
Govt	ABFD Arab Fund	8,517	0%
Govt	Grant ISDB TRADE	7,682	0%
Subtotal others		5,362,705	30%
Subtotal of grants raised		17,569,718	100%
Other	Income for the delivery of products and/or the provision of services	108,688	1%
Other	Write-off non-eligible expenses	(209,294)	-1%
Other	Other income (COVID NOW subsidy Dutch Government)	162,750	1%
Subtotal of other income		62,144	0
Total Income		17,631,862	100%

Signatories

Board of Directors

Yannick Du Pont - CEO

Member of the DIHAD International Scientific Advisory Board, Dubai (unpaid)
 Board member, Foundation Max van der Stoel, The Hague (unpaid)
 Board member, Littlebitz Foundation, The Hague (unpaid)
 Member of the advisory board, Centre for Theory of Change, New York (unpaid)

Michel Richter - Director of Programmes

Director, Stichting voor Bewaring van IGNITE Fund (unpaid)

Addie van Dalen - Director of Finance

Treasurer of the board, EO Metterdaad (unpaid)

Esther Bosgra - Director of Operations

Supervisory Board

Hans Huijgens - Chairman

Managing Partner Telling, The Netherlands

Tamar Schrofer

Programme coordinator Develop2Build, Netherlands Enterprise Agency (RVO)

André Veneman

Corporate Director Sustainability at AkzoNobel (retired)

Wassim Beaineh

Manager International Cooperation, MENA, Wageningen University & Research
 Co-Chair of the Advisory Board, Robert CARR Fund for Civil Society Networks

Fred de Vries

Head of Internationalization Strategy, University of Twente
 Digital Social Development Program Lead, African Higher Education, The MathWorks

Stichting SPARK
Haarlemmer Houttuinen 15H
1013 GL AMSTERDAM

INDEPENDENT AUDITOR'S REPORT

To: the Board of Directors and the Supervisory Board of Stichting spark

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the accompanying financial statements 2020 (page 48-70) of Stichting SPARK, based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting SPARK as at 31 December 2020 and of its result over the period 1 January 2020 up to 31 December 2020 in accordance with the Guideline for annual reporting 650 "Fundraising Organizations" of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2020 (with a balance sheet total of € 9,226,808);
2. the statement of income and expenditure for the period 1 January 2020 to 31 December 2020 (with a total negative result of € 142,973); and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the accompanying financial statements' section of our report.

We are independent of Stichting SPARK in accordance with the 'Verordering inzake de Onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening Gedrags- en Beroepsregels Accountants (VGBA, Dutch Code of Ethics).

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

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the report of the Board of Directors (page 3-47);
- list of abbreviations (page 73);
- contact (page 74).

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements, does not contain material misstatements and that all information is included which is requested by the Guideline for annual reporting 650 "Fundraising Organizations". We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the report of the Board of Directors and other information in accordance with the Guideline for annual reporting 650 "Fundraising Organizations" of the Dutch Accounting Standards Board.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors and the Supervisory Board for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 "Fundraising Organizations" of the Dutch Accounting Standards Board. Furthermore, the Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the company financial statements.

Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Was signed, Amersfoort, 30 June 2021.

WITh accountants B.V.
Drs. J. Snoei RA

Enclosure.

Enclosure to our auditor's report by the accompanying financial statements 2020 of Stichting SPARK, based in Amsterdam

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the company financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit 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 company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the company financial statements, including the disclosures; and
- evaluating whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

List of Abbreviations

ABIN - Agri Business Incubation Network programme	J&P - Jobs and Perspectives programme
AF - Al Fakhoora programme	KR-I - Kurdistan Region of Iraq
AfDB - African Development Bank	LEAD - Local Employment in Africa for Development programme
AFR - Access to Finance Rwanda	LGF - Loan Guarantee Fund
AN - Sheikh Abdullah Al Nouri Charity Society	MASP - Multi-Annual Strategic Plan
BoD - Board of Directors	MENA - Middle East and North Africa
BvS - Budget versus spent	MFI - Microfinance Institution
CASS - Cassava Agribusiness Seed System	MSME - Micro, Small and Medium Enterprises
CoC - Chamber of Commerce	M&E - Monitoring and evaluation
CoC - Code of Conduct	NGO - Non-Governmental Organisation
DA2F - Digital Access to Finance programme	NLMFA - Netherlands Ministry of Foreign Affairs
DTT - Deradicalisation Training Teachers programme	NoC - Networks of Change programme
EAA - Education Above All	OKR - Objectives and Key Results
EBDA - Entrepreneurship and Business Development Activities programme	PCL - Dutch National Postcode Lottery
EBRD - European Bank of Reconstruction and Development	PSD - Private Sector Development
EMEN-UP - Network for Migrant Entrepreneurs to Scale Up and Grow programme	QFFD - Qatar Fund for Development
EU - European Union	QUEST - Qatar Upholding Education for Syrians Trust
EU MADAD - European Union Regional Trust Fund in Response to the Syrian crisis	RACI - Responsible, Accountable, Consulted and Informed
EULAP - European Union Liberia Agriculture programme	RPD - Regional Programme Director
FCAS - Fragile and Conflict Affected States	SANAD - Start-up Bootcamp and Incubation for Young Entrepreneurs
F&C - Finance and control	SB - Supervisory Board
HBB - home-based business	SHF - Smallholder farmer
HE - Higher Education	SIG - Syrian Interim Government
HES - Higher Education Services programme	SME - Small and Medium Enterprises
HR - Human Resources	SSADP II - South Sudan Agribusiness Development Project II
HQ - Headquarters	TAMSS - Tunisian Association for Management and Social Stability
IBCM - International Business College Mitrovica programme	THSN - The Human Safety Net programme
IEO - Improving Employment Opportunities programme	TvA - Target versus achieved
INGO - International Non-Governmental Organisation	TVET - Technical and Vocational Education and Training
IPOVAF - Irish Potato Value Chain Financing programme	YEEP - Youth Entrepreneurship and Employment Project
IsDB - Islamic Development Bank	YMCB - Entrepreneurial Capacity Building for Young Migrants programme
ISFD - Islamic Solidarity Fund for Development	YWAE - Youth and Women Agribusiness Entrepreneurship programme

Contact

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General contact

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Newsletter

Subscribe to our newsletter via

www.spark.ngo

Bank account information

Account Holder Stichting Spark

Account Number 655131957

IBAN NL62 INGB 0655 1319 57

BIC INGBNL2A

Place Amsterdam, the Netherlands

The texts, numbers and design of this Annual Report are checked by the staff, Board of Directors and the Supervisory Board of SPARK.

Should you have questions or come across an error, please contact us at: spark@spark-online.org

spark



Where we work