

spark

Annual Report

2019



Farmer waters her crops on the banks of the Nile river in Bor, South Sudan

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Foreword

Dear readers,

In 2019, SPARK celebrated its 25th year working with youth in fragile states. We recognise that all we've achieved could only have been accomplished through the great work of our many local partners.

Over the year, we strengthened our focus on supporting growth-oriented Micro, Small and Medium Enterprises (MSMEs) and as such, on creating jobs for youth in the fragile and conflict-affected places we work in. New partnerships with the Islamic Development Bank and Sheikh Abdullah Al Nouri Charity Society (Kuwait) were matched with support from strong, existing partners such as the European Union, the Dutch Ministry of Foreign Affairs and Education Above All (Qatar).

We have consolidated our programmes in North Africa, East Africa and Liberia, as well as expanded in the Middle East. We are particularly proud that we're close to placing 10,000 Syrian and Palestinian refugee students in university scholarships, as well as local youth from vulnerable backgrounds in many refugee hosting countries. We want to provide all these young people with the best chances of entering regional labour markets.

Therefore, rather than considering our work done once youth have graduated, we're providing relevant technical and soft skills to help them stand out within competitive job markets. Alongside our specialised local partners, we have increased support to provide job placements, support for starting and growing business, as well as employability courses. All are designed to increase young people's job prospects in the region, and ensure youth can contribute to the reconstruction of Syria, and other fractious regions, in the near future.

As always, a main priority throughout 2019 was to shift the power towards local organisations. In light of the localisation principles of the 'Grand Bargain', SPARK co-creates programmes with local organisations, businesses and (semi) governmental partners. The continued challenge remains in strengthening partner capacity within core business services, as well as M&E, finance and accounting,

and acquisition, for example. SPARK sees local organisations as true partners, rather than suppliers, and better relationships with them are likely to yield more sustainable development impact. During 2019, we were delighted to join forces with the Islamic Development Bank and UNDP in an exciting new programme to strengthen local NGOs.

In a similar vein, SPARK is continuing the course of decentralisation, set in motion in 2018, which places ever-more responsibility with regional hubs in Kigali, Tunis and Istanbul. Into 2020, SPARK needs to fine-tune our operational model and continue to spread expertise between our donors and partner organisations.

It remains a privilege to support young people in fragile regions in becoming future leaders and we value your continued support of SPARK over 25 years.

Yannick du Pont, Michel Richter, Esther Bosgra & Addie van Dalen

Board of Directors

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Executive Summary

In 2019, SPARK celebrated its twenty-fifth anniversary. We are proud to have spent a quarter of a century contributing to stable jobs for youth and vulnerable groups, such as migrants, refugees and women, in some of the world's most fragile and conflict-affected regions. SPARK is tackling root causes of poverty, inequality, socio-economic exclusion and forced migration. We owe so much of our success to the strong partnerships we have built with local organisations, as well as business and government stakeholders.

2019 was a year of many firsts and much expansion. The annual IGNITE conference was for the first time spread over two days, a new conference in Istanbul called PROSPECTS attracted experts from across the Middle East region on how to create stable jobs for refugee youth and our programmes grew significantly.

Throughout 2019, SPARK continued to keep focused on our two areas of expertise:

MSME Development and Entrepreneurship

With a lack of job opportunities affecting every country that SPARK operates in, support for creating new businesses and growing existing ones is more important than ever. Yet creating new job opportunities for youth is still the most considerable programmatic challenge that we face. In 2019, SPARK supported the creation of over 1,000 new enterprises, as well as the scaling up of nearly 1,000 current Micro, Small and Medium Enterprises (MSMEs). Through ever-expanding programmes using business plan development, competitions that provide seed funding and partnerships with microfinance institutions, SPARK is boosting support for job creation.

Higher (Vocational) Education

With over 2,500 Syrian and host community youth graduating from scholarships in 2019 and many others transitioning into the final phase of their studies, SPARK shifted its focus towards access to jobs. While all scholarships are awarded for subjects tailored to the needs of the local business community or the post-conflict reconstruction of Syria, SPARK boosts the employability of students through entrepreneurship, job skills training and internships. This year, 1,300 youth were offered internships and 6,557 were trained in skills relevant to local labour markets. We provide youth with the greatest opportunities for sustainable employment in their communities. A higher education scholarship programme supported by the European Union in Turkey was finalised in 2019 and achieved the targets to provide job opportunities for youth post-graduation. The success led to a follow-on programme awarded by the EU into 2020 based in both Turkey and Iraq.

A full overview of our programmes and results are available in the Summary of Programmes table (page 28).



Aya Amad, 28, Jordanian, IEO Bedaya winner, Amman, Jordan

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Mission, vision and values

Mission

SPARK's statutory objective is to develop higher education and entrepreneurship so that young ambitious people are empowered to lead their post-conflict societies into prosperity. We do so by building the capacity of local economic and educational organisations and institutions. In order to achieve these objectives, SPARK follows this strategy:

1. to reduce poverty by supporting local institutional initiatives to promote employment with a direct impact on primary necessities of life;
2. to reinforce institutional structures by developing the managerial capacity of economic and educational institutions that are active in direct poverty reduction;
3. to promote a more effective participation of local economic and educational institutions in policy-making processes at a local level, a national level and an international level.

Vision

SPARK aims to become a leader within the niche of higher (vocational) education, entrepreneurship and MSME development in fragile and conflict-affected states (FCAS). In the coming years, SPARK will expand its services in the Middle East, to reach more vulnerable youth from host nations and refugees, as well as improve services in North and Sub-Saharan Africa. SPARK has focused its activities to 11 countries, down from 17 several years ago, to increase its impact and focus on delivering high quality programmes. SPARK actively solves problems and remains flexible in order to achieve the best results.

Values

- **Trust**

in us to be reliable, fair and have integrity.

- **Can Do**

attitude is how we achieve our best results.

- **Care**

for what we do and who we work with.

- **Courageous**

in who we are, what we do and who we support.

- **Ignite**

innovative responses to the ever changing needs of the countries we work in.

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Highlights of 2019

1,356

Scholarships Awarded



Students Graduated

2,317

6,557

Youth Trained



Offered Internship

1,300

7,947

Entrepreneurs Coached or Mentored



New Businesses Created

1,040

912

Existing Businesses Grown



Jobs Created

1,969



Mira Ayoub, 27, Lebanese founder of Casa Energy in Beirut, Lebanon

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Programmes

In 2019, SPARK operated 24 programmes across multiple regions (see summary of programmes table on page 28). Highlighted within this section of the report are the major programmes of 2019.

Higher Education Services (HES)

Less than 5 percent of Syrian refugees in the Middle East have access to higher education due to financial and regulatory barriers. SPARK is addressing this by creating pathways for the most vulnerable young people, such as refugees and women, from higher education to gainful employment that is relevant to the economies in the region.

The HES programme in Syria (SIG), Iraq, Turkey, Occupied Palestinian Territories (oPt), Jordan and Lebanon is financed by EU Madad Fund, EU Delegation to Turkey, Education Above All, Al Fakhoora, Islamic Development Bank, Sheikh Abdullah Al Nouri Charity Society and the Dutch Ministry of Foreign Affairs. HES partners with government counterparts, higher education institutions, education partners and other relevant partners. As well as providing scholarships for Bachelors degrees and vocational qualifications, the HES programme also ensures students have access to services such as language courses and psychosocial support, job skills training and entrepreneurship courses. This holistic approach builds an educated workforce of civic-minded and professional youth, with relevant employability skills for jobs in host countries or in Syria.

In 2019, SPARK provided new scholarship opportunities to 1,356 students in fields linked to the local labour market demands, predominantly Technical and Vocational Education and Training (TVET) degrees. In Turkey, for example, an e-commerce course was implemented in cooperation with the Chamber of Commerce in Gaziantep, from which 839 students graduated.

This year saw 2,189 students graduate and many others enter the final phase of their studies. As such, 2019 marked a shift towards enhancing post-graduation opportunities for current students. Activities focused on boosting the employability of students through entrepreneurship and job skills training, attended by 1,374 students, and a further 41 students were offered internships. In 2020, SPARK will continue to build on these achievements by expanding its internship and job skills components, as well as through its Alumni Network platform. This new, online platform will serve SPARK's former scholarship students with post-graduate opportunities and support.

In Lebanon, wide-scale civil unrest and the deteriorating economic situation at the end of 2019, significantly impacted SPARK's activities in the country and caused implementation delays. The HES programme revised its activities towards enhancing digital skills and online opportunities, especially e-commerce, because the political and economic situation in Lebanon has dramatically impacted the number of job opportunities for Syrian and local youth. In light of the current COVID-19 crisis, this shift towards digital skills is not only relevant in Lebanon, but throughout the entire Middle East region.



TURKEY

“You can shoot an arrow only by pulling it back”

Braa Bakfalouni, 25, is a Syrian refugee who lives in Gaziantep in Turkey. Fleeing from war in Syria, he faced many obstacles in his quest for education, losing four years of his life moving and resettling. To compensate for lost time, Braa focused on studying at the University of Gaziantep after receiving a scholarship from SPARK. He became one of the top students in the faculty of Mechanical Engineering. At the moment, Braa is working in a humanitarian organisation that provides medical aid in conflict zones. Besides this, he is pursuing his Master's education in Mechanical Engineering while continuing to teach undergraduate Engineering students.

Improving Economic Opportunities (IEO)

The IEO programme, which began in 2016 and created jobs for Syrian refugees and other marginalised youth in Jordan, was wrapped up in 2019. During the final year of the programme, most activities focused on coaching and mentorship for a total of 450 startups and MSMEs, in collaboration with our four partners. New entrepreneurs and existing MSMEs were supported to successfully launch or expand their businesses with a clear roadmap for growth.

SPARK in collaboration with three partners, TTI, EFE, and School for Hope was able to provide 350 new entrepreneurs with intensive one-on-one coaching and mentorship which covered business planning, modeling, marketing, and financial management for SPARK beneficiaries of our various entrepreneurship training programmes. During the MSME coaching programme, we found that it was very difficult for MSME business-owners to commit to long periods of coaching away from their businesses. As such, coaching was done in-house (in company), which allowed the coaching to be better tailored to their needs and potential.

In 2019, SPARK was able to partner with the Ministry of Digital Economy and Entrepreneurship to transform six existing Knowledge Stations into full-fledged Business Support Centers through a variety of revamps, including the purchase of equipment, revamping the space, as well as providing capacity building training to employees in order to create a governmental structure for entrepreneurship support. The Ministry can now support MSMEs and startups in

six governorates through the provision of co-working spaces and dedicated personnel and equipment to help businesses facilitate their growth.

This collaboration with the Government of Jordan and our public-private local partnerships were found to be highly effective. For example, in our MSME coaching programme, we partnered with both a private sector institution (Manafeth Consulting and Training) as well as JEDCO in order to maximise efforts of finding and selecting the highest growth potential businesses to enter the programme.

A total of 400 beneficiaries completed internships with SPARK partners in 2019, with a highly successful employment rate - 397 of them found full-time employment upon completion of their three month internships. The companies that partnered with SPARK showed a commitment to hire their interns post internships.



JORDAN

Prosthetics provide jobs

Entesar Asaker is a Syrian entrepreneur living in Jordan. She founded Mafaz Medical Equipment and Devices, a company that imports prosthetics and orthotics from Germany. The company also provides consultations and training for hospital staff and healthcare centres, working closely with patients. Over the years, Entesar has grown a sustainable business but she strived for more. Last year, she joined SPARK's IEO programme for growing MSMEs, which is supported by the Dutch Ministry of Foreign Affairs. Taqaddam (SPARK's local partner in Jordan) helped her identify her ideas, strengths and weaknesses, and she was able to develop her small company to also include a physiotherapy gym.

Local Employment in Africa for Development (LEAD)

The talent, ambition and motivation of youth in fragile and conflict-affected regions are too often stunted by poverty, a lack of economic opportunities and sociopolitical instability.

There is also often a mismatch between the skills young people have and the skills required by local employers. The LEAD programme, financed by the Dutch Ministry of Foreign Affairs, tackles this issue to reduce poverty, migration and potential radicalisation among youth.

Launched in 2016 in Tunisia, Libya and Somalia, LEAD creates sustainable jobs for youth, particularly women, by supporting new and existing MSMEs and startups with coaching, training and access to finance. Moreover, LEAD builds local entrepreneurial ecosystems and business mindset among targeted communities. In 2019, LEAD activities led to the creation of 63 new businesses and 700 new jobs, throughout the three implementing countries.

Throughout 2019, SPARK worked extensively to strengthen existing businesses by helping them to expand and breaking down barriers to new markets and clients. 544 existing business-owners (50 percent female business-owners) received bespoke support and training in various topics such as project, finance and supply chain management, coding and fisheries. Also, 90 MSMEs were supported to expand their businesses. These activities led to increased business for the MSMEs and opened up new job opportunities for youth.

One of the main obstacles noted in all countries

is the lack of capacities among institutions that support MSMEs and entrepreneurs, such as business incubators and training centres. So in 2019, SPARK focused its approach to empower local organisations and provide them with the necessary skills and tools, digital tools and services in particular.

In Tunisia, alongside local partner TAMSS, SPARK launched the first online platform bringing together 26 business-owners from Kef and Beja in the Northwest of Tunisia. Elfabrica (meaning 'small workshop') enables entrepreneurs to showcase and sell their handmade products to the national market.

In Somalia, SPARK and local partner, ZAMZAM, supported 294 aspiring entrepreneurs to develop their business plans and 110 business-owners scaled up their businesses with training in project and finance management. Additionally, 808 internships were provided to young Somali students. Working with local partner, Shaqodoon, a new crowdfunding platform was created for aspiring and early-stage entrepreneurs to help them sustain their businesses beyond the project lifecycle.

In Libya, despite an incredibly unstable security situation because of the political conflict, SPARK and its local partners trained and coached 338 MSME owners and aspiring entrepreneurs, including many women.



TUNISIA

Factory creates work for women

Marwen Cherni, 34, is an entrepreneur who officially started his career in June 2018. He was trained and coached to successfully run his textile company in Tunisia, however he couldn't get the land to establish it. Marwen was blocked by local administration and nearly dropped out from his startup. Thanks to a local advisor, he has received the land and created 120 jobs for mostly young women in his factory. His main product is clothes and currently he is employing 80 women and planning to extend.

Youth and Women Agribusiness Entrepreneurship (YWAE)

The agricultural sector in South Sudan is critically underdeveloped compared to neighbouring countries due to decades of conflict, as well as economic and environmental shocks. It is estimated that over 50 percent of the population is severely food insecure.

Despite the abundant rich agricultural and fisheries resources in South Sudan, smallholder farmers struggle to produce food above subsistence level due to poor agricultural practices, lack of quality inputs (seeds, fertiliser etc.) and a lack of funding.

The YWAE programme, financed by the Embassy of the Kingdom of the Netherlands, aims to address these issues by promoting agribusiness entrepreneurship amongst youth and women to progress them from subsistence farming to micro/small commercial producers. In 2019, the programme developed various agricultural value chains, such as moringa, honey, groundnuts, cassava and fisheries, and trained farmers in agricultural practices, as well as forming and managing community-level financing through Village Savings and Loans Associations (VSLAs) and Savings and Credit Co-Operative Society (SACCOs).

In 2019, 349 entrepreneurs, the majority low-literate, received business skills training through a context-specific training package especially developed for the programme. Training in record-keeping techniques had the biggest impact, according to the beneficiaries, as the ability to understand the cash flows, income and profit/loss, enabled them better to manage their businesses and household incomes.

Coaching played a key part in YWAE's successful activities because it reinforced concepts and consistently motivated the 218 entrepreneurs over the course of 6 months to a year. This was a challenge in some rural areas because of access issues, and there was a noticeable drop in participation in these areas. However, all entrepreneurs received regular, "unofficial" coaching by SPARK's business support officers to ensure the uptake of various skills and good agricultural practices.

In 2019, YWAE provided innovative financial products in the form of in-kind loans or rent-to-own schemes. Aside from the 281 new businesses that were started, many more were initiated as a result of either in-kind loans or financing through rent-to-own schemes. Additionally, not officially counted were the numerous micro-enterprises that were started as a result of funding by VSLAs and SACCOs that were supported by YWAE. This was particularly noticeable among farmers in value chains that take a long time to produce income, such as honey and cassava. They used VSLAs and SACCOs to earn income at times of the year when they would not normally do so. SPARK believes this is a strong indicator of changing mindsets to become more entrepreneurial.



SOUTH SUDAN

"Nobody dares to give it out for free!"

"We used it for fencing before in our community", said Monica Nyanthiec, from Agrobaar in Bor, "and only the fresh leaves were eaten, but now nobody dares to give it out for free!" After receiving training on drying and processing moringa, and learning about the nutritious and disease-fighting properties of the plant, the farmers are flourishing. Monica said, "we are now earning a living from the sale of moringa".

Agribusiness Incubation Network (ABIN)

In Burundi, most of the population lives beneath the poverty line and food insecurity is almost twice the average for sub-Saharan Africa, with around 1.77 million people in need of humanitarian assistance in 2019.

Agriculture is the main source of employment for almost 80 percent of the population, but it often doesn't generate enough income for people to step out of subsistence farming.

ABIN, launched in November 2014, promotes rural entrepreneurship by supporting existing and new cooperatives or MSMEs and women-led Village Savings and Loan Associations (VSLA) via sensitisation, training, coaching, access to finance and market linkage. ABIN targets youth between 18-35 years old, whose commercial and digital capacities are built upon or reinforced to strengthen businesses and create jobs for rural youth.

In 2019, ABIN focused on improving services offered within its two incubation centres in Cibitoke and Rumonge provinces that support the local community, cooperatives and MSMEs with agro-processing services. By reviewing the incubation centres' business models and conducting two studies, the centres were improved. One incubation centre was supported to purchase a mill so that both rural entrepreneurs and the local community could utilise its services to grind their cassava and maize produce to flour. The service is affordable and high quality compared to other processing units.

ABIN also trained the incubation centres in waste

recovery because current processing, treatment and conditioning of fruits, honey, cereals, fish etc. generates a considerable amount of waste that is unused and can cause environmental or health hazards. Trainings were developed to utilise the centre's waste products to generate extra income, for example, waste material to grow mushrooms and organic charcoal. As a result, 7 existing businesses grew, and 38 new jobs were created, majority permanent.

For example, a VSLA that partook in the waste development training went on to create a mushroom cooperative. The all-female agripreneurs have increased their mushroom production by five times in the first six months, to 25kgs per week, which has provided a huge increase in income.

In order to encourage the independence and support the local capacities of the cooperatives supported by incubation centres, ABIN co-financed three outstanding cooperatives with competitive and/or innovative products to set up their own small processing units, creating new, permanent jobs.

Indirect impacts were also felt: a decrease in rural youth unemployment; family reunions; and some youth returned from urban areas where they were searching for employment.



SPARK Stories

BURUNDI

Pineapple juice, jobs for six

The newly formed AFYA Juice cooperative produces and processes pineapple juice. In July 2019, the members joined the Incubation Centre of Cibitoke as individuals and by September had joined forces to register as an official agri-processing cooperative, creating six permanent jobs for young entrepreneurs (4 men and 2 women). In the early stages, they were selling between 600 and 700 litres of juice every week. By the end of 2019, within just three short months, AFYA is producing 1,200 litres because of increased demand. The juice is high quality and competitive in the local market because there are few other local juicing products.



Students study Industrial Vocational courses in Turkey

Summary of SPARK programmes

Programme	Donor	Country(ies)	Theme	Duration	Overall Objective	Key Performance Indicators 2019 Results
ABIN	NLMFA	Burundi	Entrepreneurship Development	2014-2019	To establish a network of agribusiness incubation centres and help marginalised groups in rural areas to start agri-businesses in order to improve their livelihoods in Burundi.	497 beneficiaries participated in entrepreneurship/business skills training 7 existing businesses grew 38 jobs created
AF (HES)	Al Fakhoora	Turkey, Lebanon, Iraq (KRG), Jordan, OPT	Higher Education and Entrepreneurship Development	2016-2022	Access to education for Syrian refugees and IDP's to prepare for post-conflict reconstruction of Syria and integration in host communities.	915 scholarships awarded 319 beneficiaries received student services 1547 beneficiaries graduated 447 beneficiaries participated in leadership training
AfDB YEOP	AfDB	Liberia	Entrepreneurship Development	2017-2019	To promote youth entrepreneurship through improving their business skills and to improve youth employability by empowering them with relevant skills required by the job market.	120 beneficiaries participated in entrepreneurship/business skills training
AHE (HES)	NLMFA	Turkey, Lebanon, Jordan, Iraq (KRG), Syria	Higher Education Development	2017-2019	To tackle the acute and overwhelming need to improve Syrian youth access to higher education in Syria (SIG), Iraq (KRG), Jordan, Turkey and Lebanon.	312 scholarships awarded 448 beneficiaries received student services 280 beneficiaries graduated 169 beneficiaries participated in leadership training 41 beneficiaries offered an internship 453 beneficiaries participated in entrepreneurship/business skills training
BTC	Belgian Development Agency	Occupied Palestinian Territories	Entrepreneurship Development	2017-2019	To facilitate the creation of MSMEs through incubation and to enhance their skills in becoming more competitive and financially sustainable.	50 loans provided/facilitated for entrepreneurs
CASS	NWO	Rwanda, Burundi	Entrepreneurship Development	2019-2022	Understand and address institutional constraints and opportunities for upscaling CASS agribusiness models in collaboration with seed certification and regulatory agencies.	Assessment conducted for the cassava seed systems in both Rwanda and Burundi In Rwanda, 3 cassava business models were recommended, while in Burundi, 2 cassava business models were identified and selected
CDAIS	NRI	Rwanda	Entrepreneurship Development	2017-2019	Strengthening the capacity of agricultural systems for innovating, at community and national level.	75 beneficiaries participated in entrepreneurship/business skills training 6 new businesses created 41 existing businesses that grew
DTT	NLMFA	Iraq (KRG)	Higher Education Development	2017-2019	To provide teachers with the skills needed to identify potential early stage radicalisation in youth and young adults, so that preventative or de-radicalisation measures can be taken.	62 professors and high school teacher's capacities built to identify early-stage radicalised youth 585 students at universities and high schools completed workshops and seminars 4 radicalisation awareness events for parents of students
EMEN-UP	EU	Netherlands, Germany, Italy, Spain, United Kingdom	Entrepreneurship Development	2017-2019	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.	The programme's migrant entrepreneurship network expanded, by containing 25 partners and spreading over 13 countries A policy brief has been drafted for advocacy meetings in EU
EULAP	EU	Liberia	Entrepreneurship Development	2018-2023	To improve the productivity and sustainability of nutrition sensitive agriculture at the level of smallholder farmers.	Entrepreneurship event organised focused on investment readiness and access to finance. Field assessments conducted for establishing the business ideation element of the programme.
EU MADAD (HES)	EU Madad	Turkey, Lebanon, Iraq (KRG), Syria	Higher Education Development	2017-2019	To tackle the acute and overwhelming need to improve Syrian youth access to higher education in Syria (SIG), Iraq (KRG), Jordan, Turkey and Lebanon.	31 scholarships awarded 514 beneficiaries received student services 357 beneficiaries graduated
SSADPII	Cordaid	South Sudan	Entrepreneurship Development	2018-2023	Farmers and Agri-businesses more Resilient to Shocks and Hazards and improved inclusive agri-business market functioning.	164 beneficiaries participated in entrepreneurship/business skills training 89 beneficiaries participated in business plan competitions 113 beneficiaries received coaching/mentoring

Programme	Donor	Country(ies)	Theme	Duration	Overall Objective	Key Performance Indicators 2019 Results
IEO	NLMFA	Jordan	Entrepreneurship Development	2016-2019	To reduce migratory and radicalisation tendencies amongst Syrian youth, and prepare for the reconstruction of Syria by creating employment and entrepreneurship opportunities.	432 beneficiaries offered an internship 1,266 beneficiaries participated in entrepreneurship/business skills training 500 new business created 700 existing businesses that grew 198 jobs created
IPoVaF	AFR	Rwanda	Entrepreneurship Development	2018-2019	Increased access to financial services to enhance productivity, income and job opportunities for Irish Potato smallholder farmers in Rwanda.	634 beneficiaries participated in entrepreneurship/business skills training 194 loans provided/facilitated for entrepreneurs 6,512 beneficiaries received coaching/mentoring 408 jobs created
IsDB	IsDB and Al Nouri Charity Society	Turkey, Lebanon, Jordan, and Iraq (KRG)	Higher Education Development	2018-2023	To provide access to higher and vocational education and economic empowerment and entrepreneurship support for Syrian Refugees and IDPs.	96 scholarships awarded
J&P	NLMFA	Jordan and Iraq (KRG)	Higher Education and Entrepreneurship Development	2019-2023	To improve prospects for refugees and vulnerable host communities in Jordan and Iraq (KRG) in the field of education, entrepreneurship and access to decent jobs.	Local labour market assessments conducted MoU signed with 3 partner universities and curricula were selected for improvement
KEEN	EU	Kosovo	Higher Education Development	2016-2019	To contribute to the improvement of employability of vulnerable groups in Kosovo and their inclusiveness in both the education sector and the labor market.	A website was developed and launched for promoting education and employment in Kosovo
Kriterion Monrovia	EU	Liberia	Entrepreneurship Development	2018-2019	To increase CSO sector capacity in addressing human rights issues, promoting social and economic development, and restoring cultural heritage in Liberia.	5 beneficiaries found employment
LEAD	NLMFA	Somalia, Libya, Tunisia	Entrepreneurship Development	2016-2019	To reduce irregular economic migration and radicalisation of young people to contribute to the stability of Africa.	827 beneficiaries offered an internship 1,207 beneficiaries participated in entrepreneurship/business skills training 63 new businesses created 90 existing businesses that grew 700 jobs created
NoC	NLMFA	Iraq (KRG)	Deradicalisation	2019-2021	To provide new pathways to success for young people in the KRI, preventing them from turning to radicalisation as a last resort or out of economic despondence.	17 beneficiaries participated in leadership training 293 parents of students participated in awareness training 60 educators recruited for deradicalisation training
EU MADAD Turkey	EU Madad	Turkey	Higher Education Development	2017-2019	Create access to Higher Education at Bachelor and TVET level for disadvantaged youth.	463 beneficiaries received student services 921 beneficiaries participated in entrepreneurship/business skills training 42 new business created
EBDA	PCL	Jordan, Lebanon, Turkey	Entrepreneurship Development	2018-2019	Provide support for MSMEs in the form of coaching, mentoring and financial support.	192 beneficiaries participated in entrepreneurship/business skills training 33 loans provided/facilitated for entrepreneurs 26 new businesses created
SANAD	Citibank Europe	Occupied Palestinian Territories	Entrepreneurship Development	2018-2019	To improve employment opportunities for business minded vulnerable Palestinian students.	5 beneficiaries received coaching/mentoring
THSN	Generali	France, Germany	Entrepreneurship Development	2017-2019	Equip refugee entrepreneurs with skills & tools to set up businesses & create jobs.	The programme was inactive for most of 2019 and due to this no key results were achieved
UNDP Burundi	UNDP	Burundi	Entrepreneurship Development	2017-2019	To integrate former refugees in Burundi.	21 loans provided/facilitated for entrepreneurs 46 new business created 625 jobs created
YWAE	NLMFA	South Sudan	Entrepreneurship Development	2017-2019	Increase economic opportunities for youth and women in the fields of agriculture. Improve food security for communities in selected project areas.	349 beneficiaries participated in entrepreneurship/business skills training 393 loans provided/facilitated for entrepreneurs 281 new businesses created

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Organisation

Monitoring

In 2019, SPARK developed a new version of its Management Information System (MIS) in order to further enhance the organisational wide tracking of program progress. For this purpose general Key Performance Indicators (KPIs) and measuring protocols were set. Together with this, organisational and programmatic monitoring processes were updated to improve the quality, accessibility and usage of data needed for steering our work towards the desired impact.

In addition to this, a lot of focus and effort remains on facilitating the donor specific monitoring and reporting requirements in a timely and accurate manner.

The above is part of a more holistic and decentralised process of annual planning and reporting which was initiated in 2019. By doing this, we facilitate better monitoring of progress against plan (both financial and programme progress) and link programme planning to staff performance management.

Evaluation and Learning

In 2019, SPARK conducted two external, final evaluations of the LEAD and ABIN programmes. Additionally, beneficiary surveys were conducted, mainly among our scholarship recipients in the Middle East.

Through these evaluations and surveys, we learned that factors that contribute to our effectiveness in supporting and creating local businesses are the understanding of the local context/markets and the baseline entrepreneurship aptitude of our beneficiaries, as well as engaging local experts within our programmes. Moreover, we learned that there is an increased demand by our target groups for scholarships in Master studies and in IT fields, as well as that students' drop out risks are higher for our male scholarship recipients.

Quality Assurance

Significant quality assurance work has taken place throughout 2019. By updating existing and introducing new policies and processes within the organisation, we have moved further towards decentralisation and standardisation within our growing organisation, as well as paving the way for the implementation of a new IT system to facilitate the financial administration of our programme management.

By conducting numerous beneficiary satisfaction surveys, we identified that in 2019 we exceeded our quantitative target in beneficiary satisfaction; on a scale from 1 to 5, with 5 indicating the highest beneficiary satisfaction, we scored 4.2, exceeding our organisational target of 4. Furthermore, historical data on beneficiary satisfaction indicate a continuous increase over the past 3 years on beneficiary satisfaction scores.

Staffing

SPARK employees fulfill a pivotal role in our organisation. The core of SPARK staff focuses on facilitating proper project implementation and around 80% of our staff is from the region and working in the countries of implementation. Over 2019, staff attrition is relatively high in SPARK. This is partially due to the

project nature of our work and the limited opportunity for promotion but also has a component of voluntary attrition which can be prevented further.

To measure the impact of the decentralisation process, 3 short ‘pulse’ surveys were held, in which it showed that staff was generally satisfied. Some opportunities for improvement were identified in the Middle East hub.

To strengthen our human resource management various procedures were strengthened and training held. This included finetuning our recruitment and on/off boarding process, development of a competency framework and salary grid, reiterating our SPARK values and the start of a training cycle to further enhance the skills of our staff in project cycle management and people management.

Communication

SPARK’s 25th anniversary marked a special year for the communications team. It was a year of many ‘firsts’ and an opportunity to promote SPARK as a thought-leader and expert in the niche market of higher education and entrepreneurship development in fragile states. By working with a host of creatives in 2019, including copywriters, web developers, graphic designers, photographers, videographers and journalists, SPARK was able to boost its profile and refine its brand image further.

The annual IGNITE conference took place at the

Muziekgebouw in Amsterdam and welcomed collaboration partners, International Finance Corporation (IFC), City of Amsterdam and IKEA Foundation. With a strong focus on job creation, the programme was filled with diverse and relevant speakers and created new pathways for youth to enter labour markets. The conference included an exhibition about SPARK’s history, which is now presented on our website. For the first time, IGNITE became a two-day event, with an exclusive donor collaboration meeting, as well as two expert workshop sessions the day before the public conference. The public conference this year received less visitors than in previous years, likely due to less high-profile keynote speakers than in 2018.

In 2019, SPARK also organised the PROSPECTS conference in Istanbul for the first time, supported by the Dutch Ministry of Foreign Affairs, the Islamic Solidarity Fund for Development and Islamic Development Bank. The event had a strong regional focus on pathways to jobs and was attended by more than 200 participants including partners, stakeholders and beneficiaries.

The communications team developed an entirely new website (www.spark.ngo) in 2019, based on stories of beneficiaries, showcasing strong local partnerships and streamlining SPARK’s messaging by clearly exhibiting our core work. Central to the website is SPARK’s new brand film, which has been well received by donors, partners and visitors alike.

Throughout the year, two content (photography, audio and story writing) collection trips were organised, one in Sub-Saharan Africa and one in the Middle

East. Impactful stories from young students and entrepreneurs, including refugees, about survival, failure and success are given a platform by SPARK.

Content and output was boosted in 2019 by the first communications training organised in Beirut for 10 members of SPARK’s communications team. Four days of diverse training from internal specialists on strategy, campaigning, branding and Adobe InDesign, as well as social media training from an external consultant,

resulted in team unity and improved consistency across regions. This training also boosted our internal communication, which saw strong improvement on our story writing and use of the internal newsletter.

SPARK’s social media performance improved compared to 2018 (see table) due to more activity online, and two major events - PROSPECTS and IGNITE conferences.

Social media performance:

	2019	2018	2017
Facebook (general account)	13,000	12,153	9,490
Twitter	3,200	2,500	2,269
Instagram	2,294	1,238	686
Website page views	223,520	319,648	92,614
IGNITE web page views	2,255	5,567	6,614

Supervisory Board:

The board composition during 2019 was:

- **Edo Offerhaus**, Chairman from 2015, Secretary from 26 September 2019, Executive Director at NLinBusiness
- **Hans Huygens**, Secretary from 2015, Chairman from 26 September 2019, Managing partner at Tellingq
- **Tamar Schrofer**, General Board member from 2017, Programme coordinator at Develop2Build, Netherlands Enterprise Agency (RVO)
- **André Veneman**, General Board member from 2019, Corporate Director Sustainability at AkzoNobel

Supervisory Board (SB) members hold their position for a maximum of four years, with the possibility of reappointment for one more period of a maximum of four years. In 2019, Frank Knaapen left the SB. SB members receive a remuneration of 1.500 euro annually. Further details on the remuneration of the SB and the BoD can be found in the Financial Report and the remuneration policy is available online.

Report by the Supervisory Board

The Supervisory Board supports SPARK in the pursuit of its mission and its continuous drive for quality, transparency and innovation in all its activities.

The SB's main responsibilities are to supervise the BoD and to ensure that SPARK's activities are in line

with its mission statement and the annual (financial) plan.

In 2019, the 12th year of its existence, the SB, and the BoD held 4 formal Supervisory Boards meetings and several informal meetings. The SB adheres to the Code Wijffels, the SPARK Statutes and the regulations of the SB. In line with CBF regulations, the SB established a Supervisory Board Accountability Statement (available at: www.sparkonline.org/about-us/organisation). The accountability statement specifies how:

- The SB executes its supervision of the BoD's work;
- The SB monitors the organisation's spending of funding in relation to the impact attained by its work; monitoring criteria are cost-efficiency and effectiveness of activities;
- The SB monitors whether the organisation communicates with and provides information to its stakeholders in a transparent manner. This includes control of SPARK's implementation of recommendations and its complaints management.

In 2010, SPARK introduced an evaluation mechanism for the SB. The SB self-evaluates its own decisiveness, its monitoring performance and the clarity and transparency of its relationship with the BoD.

The members of the BoD are appointed by the SB.

The BoD's members in 2019 were:

- Yannick du Pont (Director)
- Michel Richter (Director of Programmes)

- Addie van Dalen (Finance Director)
- Esther Bosgra (Director of Operations)

Yannick du Pont holds three other positions without receiving remuneration for these. He is a board member of the Foundation Max van der Stoel and the Littlebitz Foundation and a member of the advisory board of the Centre for Theory of Change in New York. Michel Richter is (unpaid) director of the Stichting voor Bewaring van IGNITE Fund. Addie van Dalen is penningmeester van het bestuur van EO Metterdaad.

The SB is charged with the performance assessment of the members of the BoD. The assessments review the BoD's performance on organisational targets as well as personal ambitions and management style. The SB monitors an efficient and effective execution of the multi-year plan and, based on that, the annual plan. The main targets of the annual plan are approved by the SB, while the other activities fall under the supervision of the BoD.

In 2019, the SB approved, decided on and/or discussed:

- The Annual Account and Report 2018
- SPARK's Multi-annual Strategic Plan 2017-2022 (Plan 2022)
- The Financial outlook and budget 2019 and 2020
- The appointment of the auditors, and the follow up of the recommendations
- The smooth functioning and (new) roles and responsibilities of the enlarged BoD
- Internal organisation and enlargement of the SB

Besides the formal SB meetings, several informal meetings were held to discuss operational and strategic issues and the progress of projects.

Yours faithfully,
SPARK Supervisory Board Members,
Amsterdam, July 2020

Hans Huygens (Chairman)
Managing Partner, Tellingq
Edo Offerhaus (Secretary)
Director, NL International Business Foundation
Tamar Schrofer (General Member)
Programme coordinator Develop2Build, Netherlands Enterprise Agency (RVO)
André Veneman (General Member)
Corporate Director Sustainability, AkzoNobel

Code of Conduct and Social Responsibility

SPARK works according to five values; Trust, Can Do, Courageous, Care, and Ignite. These values are our core principles in all the work we do. Maintaining high standards of ethical conduct requires the active commitment of all related parties. All employees sign a Code of Conduct (CoC), which includes clauses on the prohibition of harassment, discrimination and corruption, for example. This sets the standard of our behaviour and we expect the same behaviour from our partners. In addition to the regular complaints procedure, SPARK has a Whistleblowers Procedure

for staff and partners to use in case of inappropriate behaviour of employees or partners.

SPARK received 46 complaints in 2019 through the implementation of its Complaints Handling Procedure. The majority of these complaints were expressed by beneficiaries in the Middle East region. Almost half of the complaints received were related to dissatisfaction of the beneficiaries with SPARK's selection processes in business plan competitions, organised within one of our programmes in Jordan and Turkey. All of these complaints were followed up individually by the programme team. Another recurring theme in the complaints that we received in 2019 was related to SPARK's untimely payment of stipends to scholarship recipients, mainly in Iraq (KRG) and Lebanon. However, the number of complaints is small compared to the number of stipends that were administered in these countries throughout 2019. This suggests that this issue didn't affect the majority of our scholarship recipients. Another recurring complaint was related to coordination issues with partner organisations (e.g. issuing of certificates, provision of study-related documentation and scholarship registration issues), mainly received in Turkey and Jordan. Overall, it is clear from the complaints received in 2019 and previous years that timely, comprehensive communication between staff and beneficiaries is of utmost importance, especially when concerning their applications for, and participation in, SPARK programmes.

Furthermore in 2019, SPARK received one report

related to sensitive issues through the Whistleblowers Procedure. This issue was investigated by SPARK's external confidential advisor and the outcome of this investigation indicated that the allegations made were not valid.

Reflecting on our internal systems for preventing inappropriate behaviour on behalf of our staff, we identified that contributing to increased equality and inclusion is rightfully at the core of our programme interventions. Also, engaging more our local partners in the outreach and implementation of our complaints handling and whistleblowers procedures can promote further their effectiveness.

Looking ahead to 2020

We are expecting new partnerships with the private sector, philanthropists and partners in the Gulf into 2020. However, at the time of writing the unexpected COVID-19 pandemic will slow down programming. On the other hand it will offer exciting new opportunities by accelerating our blended and online education efforts, e-commerce and online work programming.

As 2020 is about 'gearing up' and balancing between consolidating and accelerating, we need to make sure we have the right tools to do our work properly. In light of that, gearing up is all about us becoming even more effective by finalising our decentralisation process in regional hubs, fine-tuning our project implementation, (financial) processes and

upgrading our IT system, for example.

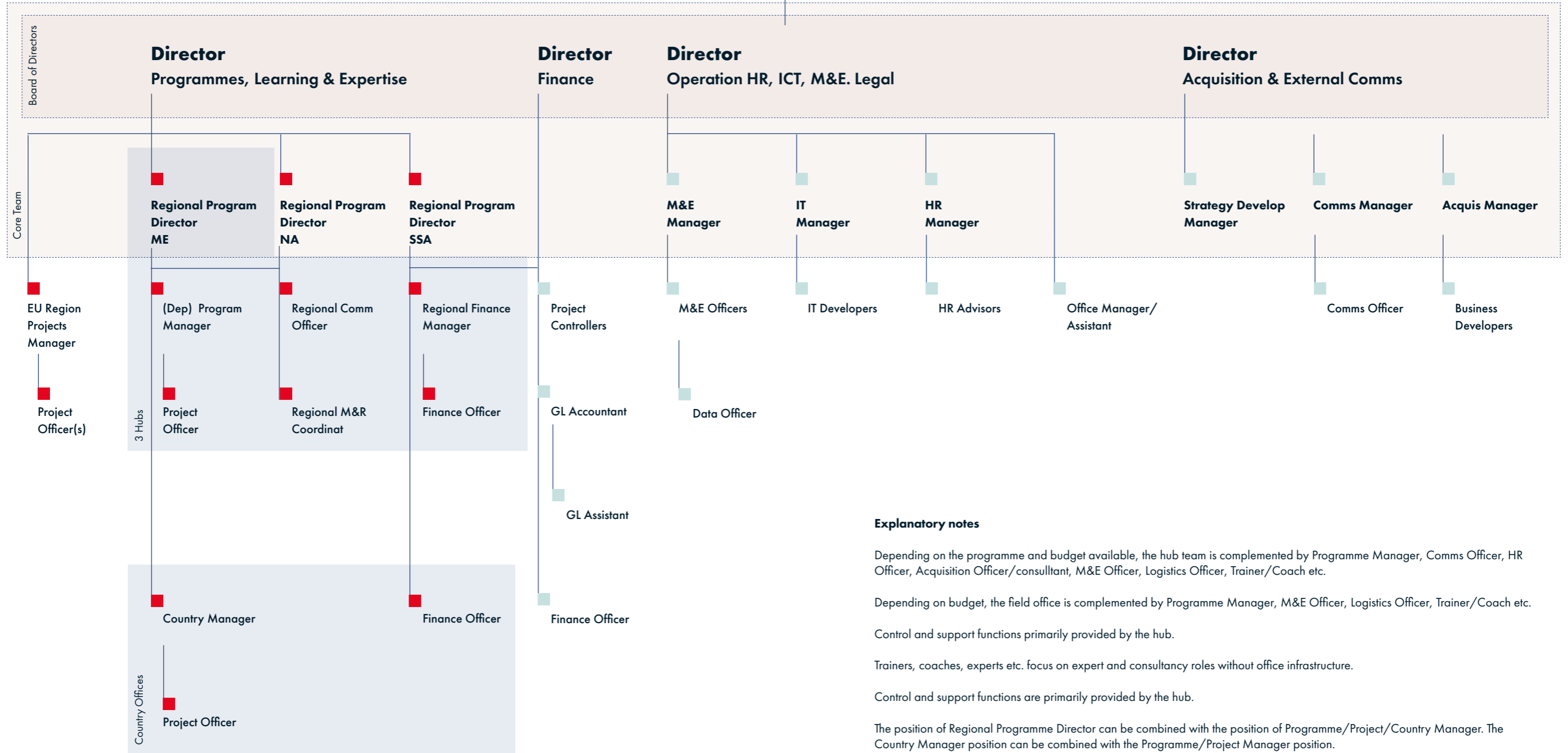
Next year, SPARK will focus on capacitating employees to excel in and enjoy their job. By engaging hands-on in house specialists and experts, we will continue to improve the quality of our programme cycles; from inception, to portfolio management, and professionalising the way in which we generate financial and M&E information. We want to ensure timely implementation (on target and on budget), to greatly enhance our ability to generate new innovative programmes.

Entrepreneurship training for MSMEs and startups will scale up in 2020. Increasingly, support will focus on existing businesses that produce more sustainable jobs for youth in the Middle East, North and sub-Saharan Africa. This will prepare a strong, educated and skilled workforce who can contribute to the reconstruction of conflict-affected regions and benefit hosting economies with weakened economies.

Our efforts to 'gear up' imply that we want to pick up speed, to be ready for challenging and unique journeys in 2020 and beyond. In light of that, we need to sharpen our interventions, work smart and further work with our local and international partners to capacitate them to take over our work.

Organisational Chart (as of early 2019)

Supervisory Board



Explanatory notes

Depending on the programme and budget available, the hub team is complemented by Programme Manager, Comms Officer, HR Officer, Acquisition Officer/consultant, M&E Officer, Logistics Officer, Trainer/Coach etc.

Depending on budget, the field office is complemented by Programme Manager, M&E Officer, Logistics Officer, Trainer/Coach etc.

Control and support functions primarily provided by the hub.

Trainers, coaches, experts etc. focus on expert and consultancy roles without office infrastructure.

Control and support functions are primarily provided by the hub.

The position of Regional Programme Director can be combined with the position of Programme/Project/Country Manager. The Country Manager position can be combined with the Programme/Project Manager position.

In the regions, SPARK has local offices that are separate legal entities in line with local legislation. Stichting SPARK Amsterdam has control over these local legal entities.

Risk Analysis

Most important risks 2019						
General and Programmatic Risks	Probability	Impact	Impact description	New development as compared to last year	Problem	Mitigation Strategy
Loss of added value as development organisation	**	***	Declined (financial) support for SPARK mission but still need for activities related to creating jobs for youth	As last year	Decrease in SPARK's value added as other development organisations engage in this field	Learning, innovation and continuous development of distinctive approaches in fragile and conflict affected environments specifically, i.e. focus on this niche. Adding value with our knowledge. expertise in between donor and partner organisation
Discontinuation of programme activities due to increase instability in country	**	**	Delay in execution of programme activities		SPARK works in many fragile countries in which by nature stability is erratic. Waves of unrest in counties cause program implementation delays easily	
Insufficient capacity of local partner organisations	***	**	Lack of sustainable results and financial irregularities in reporting of partner organisations	As last year	Building local capacity takes time, while funding local partners have an interest in fast job creation to rapidly increase the level of stability	Identification of strategic partners with whom we work towards a partnership approach (vs funder - IP set-up). This might require additional capacity building. Continued administrative training where needed
Financial Risks						
High dependence on a limited number of donors and 'traditional grant funding'	*	***	Weaker organisational sustainability	As last year	Substantial funding from NLMFA and EU. Heavy reporting burden and limited funding available for innovation outside of the core programs scope	Continue diversification of donor portfolio and active approach towards other funding mechanisms than traditional grant funding. Sufficient capacity available for programme development and fundraising

Organisational Risks						
High staff turnover	**	**	Investment in staff capacity is lost and a substantial amount of time has to be spent on training and recruiting new staff	As last year	Limited budget is available to reward staff and remunerations are not always competitive. In addition, short contract durations are not exceeding the projects durations in order to limit financial risks	Internal training and identification of opportunities for development; handover procedure. Create a higher financial buffer to retain staff in moments of downturns. Scale existing programmes to allow for better remuneration and longer duration of contracts; Manage expectations regarding personal development and remuneration
Staff security - health issues, safety, kidnapping	**	***	Financial and reputational damage for the organisation. Psychological and physical harm for employees	As last year	In FCAS there is an increase potential for employees being mugged, attacked or kidnapped	Security policy and staff training; adequate response measures; insurance
Bureaucratism/ loss of agility - flexibility	***	**	Delays in target attainment & overworked staff		Growth and decentralisation can lead to bureaucratism and loss of agility/flexibility. This is one of our USPs	Smart automation of key financial/programme management processes. Continues awareness of the need for balancing agility and accountability
* = low ** = medium *** = high						

No improvements were necessary to the existing risk management system.

7

Finance

Investment Policy

Financial resources should be available in the short term in order to carry out SPARK activities, as well as 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 transferred to a savings account with ING Bank. These funds can be retrieved directly from the bank accounts.

Fraud Prevention and Correction

SPARK is committed to prevent and address fraud and corruption within the organisation, its local partners and contracted external parties. To do so, SPARK has appropriate financial and administration procedures, a Complaints Handling Process which includes a Whistle-blower Policy and specific criteria for partner organisations in the partner selection procedures.

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

Remuneration of the Board of Directors

SPARK's Supervisory Board (SB) has determined the level of the BoD remuneration and the level of other remuneration components. These remuneration levels are evaluated and updated periodically. The last evaluation of the BoD remuneration levels was done in June 2020.

To determine BoD remuneration levels, SPARK follows the Directors Remuneration Policy for Charity Organisations (see also www.goededoelennederland.nl), 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 directors, based on weighting criteria.

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

The Supervisory Board receives a tax free compensation of costs. In the current year this compensation was €1,500 per board member.

Financial Ratios

Our fundraising methods focus on institutional donors and private funds. For information about the annual or recurring nature of our income, and for information about the ratios between income and costs, please see the financial statement.

Financial Results

Considerable Growth in 2019

For further details on financial results, please see the Financial Statements.

In 2019, the income and expenditure level of SPARK grew to €23 million which is a considerable increase of 38% compared to the €17 million of 2018. The increase of €6 million is caused by an increase of grants from the Dutch Government with approximately €5 million and the EU with approximately €1 million. As a result, the donor portfolio 2019 of total €23 million consisted of the EU for one third, Dutch government for almost half and other donors for one sixth. The actual level of €23 million in 2019 was slightly lower than the ambitious target over 2018 of €24 million.

Positive Result in 2019

The balance of income and expenditure over 2019 also ended with a positive amount of €155,342, compared to €258,241 in 2018. The decrease in positive result of approximately €100,000 can be explained by a more positive result in regular operations (€120,000 less costs than 2018) but simultaneously less financial income (€70,000 lower than 2018) and incidental losses that occurred in 2019 (€150,000 against €0 in 2018).

Although the portfolio size increased significantly in 2019, the general costs have not increased but decreased by €120,000 mainly due to less general staff costs that could not be charged to projects (€180,000 less), other costs (€30,000 less) but more acquisition and communication costs (€90,000 more).

Less financial income (€70,000) was mainly caused by less currency revaluation gains in 2019.

The incidental losses in 2019 (€150,000) were caused by provisions that had to be made for old partner receivables and an outstanding loan.

Continuity Reserve

The positive result over 2019 has led to a further strengthening of the continuity reserve up to €1.7 million per 31 December 2019. The continuity reserve will assure continuation of operations in case of a drastic reduction in donor funding or a major incident. The level of €1.7 million per 31 December 2019 is considered sufficient to serve its purpose for now but needs a review in 2020 also in the light of COVID implications for future financial results. SPARK principles and policies with regard to this reserve are further explained in the financial report.

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 target 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 €1.1 million at the end of 2019, which is similar to the end of 2018.

Budget 2020 Summary

The budget 2020 as approved by the Supervisory Board showed a decrease in total budget to a level of €21 million with a moderate positive net result of €65,000. However, due to COVID, immediate and longer-term delays in project execution and signing of new contracts are expected. The exact financial implications are very difficult to predict with a reasonable level of certainty. To monitor the financial position, the original budget has been replaced by

financial COVID forecasts that are updated regularly. The June version of this forecast shows an estimated total budget level for all 2020 of €19 million (€2 million less than original budget) and a net result of €240,000 negative (€305,000 less than original budget). Most likely is that further updates throughout 2020 may give a different forecasted result again.

The version of this forecast per June 2020 was:

Statement of Income and Expenditures		
	Realised reimbursement of direct project expenses excl. staff costs & overhead	14,677,000
Income from projects	Realised reimbursement and profit charge on staff costs	3,189,000
	Realised "overhead" charges	1,177,000
	Write offs	(100,000)
Total Income		18,943,000
	Reimbursable project expenses excl. staff costs & overhead	14,677,000
Expenditures	All staff costs	3,640,313
	Other organisational costs, non-reimbursable	834,600
Total Expenditure		19,151,913
Balance before financial income and expenditure		(208,913)
Financial income or expenditure, non-reimbursable		(30,000)
Total Statement of Income and Expenditure		(238,913)
Addition to/withdrawal from		
Operational result to continuity reserve		(238,913)



Regis Umugiraneza, agri-preneur and founder of CARL Group in Rwanda



Financial Report 2019

Balance Sheet

Assets	31 December 2019	31 December 2018
Fixed Assets		
Tangible fixed assets	48,903	66,220
Financial fixed assets	350,438	685,894
	399,341	752,114
Current Assets		
Receivables & accruals	3,428,252	6,120,074
Cash & cash equivalents	6,068,233	5,984,190
	9,496,485	12,104,264
TOTAL	9,895,826	12,856,378

Reserves and liabilities		
Reserves		
Continuity reserve	1,666,671	1,492,227
Funds		
Allocated funds	1,085,419	1,104,521
Current Liabilities		
Payables & accruals	7,143,735	10,259,630
TOTAL	9,895,826	12,856,378

Statement of Income and Expenditures

		Realisation 2019	Budget 2019		Realisation 2018
Income		€	€		€
Income from companies		111,494	1,076,289		241,489
Income from government grants		19,582,583	20,701,721		12,989,200
Income from other non profit organisations		3,672,671	2,144,469		3,466,341
Income for services		218,676	300,000		373,238
Other income		7,029	100,000		20,759
Total Income		23,592,153	24,322,479		17,091,027
Expenditures					
Spent on objectives					
Higher Education		16,483,902	16,140,592		11,342,604
Private Sector Development		5,548,961	6,917,397		4,679,906
	94.6%	22,032,863	23,057,989	94.7%	16,022,510
Cost of income generation	3.0%	696,991	545,150	1.9%	322,481
Management and accounting	2.4%	561,291	756,350	3.3%	565,674
Total Expenditures	100%	23,291,146	24,359,489	100%	16,910,665

	Realisation 2019	Budget 2019	Realisation 2018
Balance before financial income/expense	301,007	(37,010)	180,361
Balance of financial income and expenditure	9,009	(40,000)	77,880
Exceptional losses	(154,674)	-	-
Balance of income and expenditure	155,342	(77,010)	258,241

Distribution of result					
Addition to/withdrawal from:					
Allocated loan guarantee funds	(19,101)	-			(15,060)
Operational result to continuity reserve	174,444	(77,010)			273,301
Total	155,342	(77,010)			258,241

Cashflow Statement

Cashflow from operational activities		
	2019	2018
	€	€
Result	155,342	258,241
Depreciation fixed assets (incl. cars)	28,807	28,817
Depreciation financial fixed assets (IBCM loan)	36,378	-
Gross cashflow from operation activities	220,527	287,058
Mutation in current assets	2,691,821	(3,269,661)
Mutation (decrease) in current liabilities	(3,115,894)	(1,385,278)
Net cashflow from operational activities (A)	(203,546)	(4,367,881)
Cashflow from investment activities		
Investment in fixed assets	(11,489)	(31,055)
Disposal of fixed assets	-	-
Desinvestment of financial fixed assets	299,078	173,886
Cashflow from investment activities (B)	287,589	142,831
Cashflow from investment activities (C)	-	-
Mutation in Cash and cash equivalents (A+B+C)	84,042	(4,225,050)
Cash and cash equivalents 1 January	5,984,190	10,209,239
Cash and cash equivalents 31 December	6,068,233	5,984,190
Mutation in cash and cash equivalents	84,042	(4,225,050)

Specification and Allocation of Costs According to Category (Model C)

	Objectives		Cost of income generation	Management & Accounting	Total 2019	Budget 2019	Total 2018
	Higher Education Development	Private Sector Development					
Costs of implementation							
Grants and contributions							
Expenses excluding personnel	14,993,382	4,473,798	-	-	19,467,181	19,872,489	14,142,116
Personnel Costs Country offices	880,473	262,999			1,143,472	1,200,000	
Direct Fundraising			255,548		255,548	220,000	190,793
Publicity and Communication	-	-	62,480	-	62,480	30,000	37,575
Personnel Costs Ams & Belgrade	491,327	654,111	305,165	451,987	1,902,589	2,134,000	2,084,344
Housing costs	31,929	42,507	10,892	16,132	101,461	191,000	100,129
Office and general costs	79,367	105,663	61,075	90,460	336,564	682,000	326,891
Depreciations	7,424	9,883	1,831	2,712	21,851	30,000	28,817
Total	16,483,902	5,548,961	696,991	561,291	23,291,146	24,359,489	16,910,665

Total number of staff (Full Time Equivalent):
For 2019 133 compared to 131 for 2018,

Explanation related to grants and contributions:

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

Explanation distribution of expenditures:

Cost of income generation as % of total income is: 3.0%. For other costs as % of total expenditure, see the Statement of Income and Expenditure.

SPARK has one office in Amsterdam (headquarter) and several field offices in the countries where the projects are executed.

SPARK's programmes can be divided into two objectives: **Higher Education (development) (HE) & Private Sector Development (PSD)**.

Under PSD SPARK stimulates entrepreneurship and development in the private sector in post conflict

Accounting principles

areas/fragile states by, for instance, organising business plan competitions, training and MSME financing facilities for young (starting) entrepreneurs. Coaching and other trainings aimed at partners for local capacity building are other PSD activities. In addition Policy Making activities are undertaken to influence local/regional/national policy makers to facilitate private sector development.

In all our programmes local & regional partners are stimulated to work together as much as possible and to contribute to our projects.

Division of the expenditures for HE, PSD, Costs obtaining governmental grants and Management & Administration) is done as follows:

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

Operational and organisational costs of the field offices ("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 & 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 & Administration (=overhead).

Indirect hours regarding Fundraising Governmental grants are allocated to the objective "Costs Income Generation".

General

The annual accounts 2019 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, Occupied Palestinian Territories, Burundi, Rwanda, South Sudan, Yemen, Turkey, Somalia, Iraq, Lebanon, Tunisia and Jordan.

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

Fixed assets

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

Principles of valuation

Assets and liabilities are stated at face value

	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 kilometer registration.

Financial Fixed Assets

SPARK has signed contracts with local partners to manage loan guarantee funds which benefit the startups and MSMEs 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.

Cash and Cash Equivalents

All amounts presented under the Cash and Cash Equivalents heading, are directly accessible.

Foreign currency accounts are valued at the EURO - foreign currency exchange rate per 31 December 2019.

Reserves and Funds

SPARK can freely access the amounts presented under the Continuity Reserve.

The earmarked Loan Guarantee Funds were originally financed by the Dutch Ministry of Foreign Affairs through project grants such as MFS, BSCK and others. The ownership of the funds has been

transferred to SPARK. SPARK pledges to keep using the funds for purposes in line with the original objectives. Therefore, the funds are presented as allocated reserve under the Reserves & Funds. The additions to and withdrawal from the fund from the start up to current book year can be found in the explanatory notes to the balance sheet.

Liabilities - Partner Obligations

SPARK entered into contractual obligations with 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 partner organisations. SPARK books expenses and income related to partner contracts as per installment paid since this is the most accurate estimate of the progress of work at hand by the partner. Expenses and income are adjusted to the exact correct amounts as soon as the partner contract is completed and the total expenditures occurred under the contract are clear and can be settled.

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 2019 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 2019 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

Assets	31 December 2019	31 December 2018
Tangible fixed assets	€	€
Renovations	-	-
Furniture	7,495	10,998
Computer hardware	28,337	35,195
Cars	13,071	20,027
	48,903	66,220

Fixed assets	Total 2019	Renovations	Furniture	Computer hardware	Cars
Bookvalue previous year	€	€	€	€	€
Purchase value	482,400	36,072	79,075	240,923	126,330
Accumulated depreciation	(416,180)	(36,072)	(68,077)	(205,728)	(106,303)
Book value 01 January 2019	66,220	-	10,998	35,195	20,027

Mutations					
Purchases	11,489		1,467	10,022	-
Disposals	-				
Depreciation	(28,807)	-	(4,971)	(16,880)	(6,956)
Total mutations	(17,318)	-	(3,503)	(6,858)	(6,956)

Bookvalue year end					
Purchase value	493,889	36,072	80,542	250,945	126,330
Accumulated depreciation	(444,987)	(36,072)	(73,047)	(222,608)	(113,259)
Bookvalue 31 December 2019	48,903	-	7,495	28,337	13,071

Fixed assets	31 December 2019	31 December 2018
	€	€
Fixed assets used for operations (renovations, furniture & hardware)	35,831	46,193
Fixed assets directly allocated to the objectives (cars)	13,071	20,027
Total	48,903	66,220

Financial Fixed assets	2019	2018
Participation loan guarantee funds	€	€
Balance 01 January	534,516	708,402
Mutation	(299,078)	(173,886)
Balance 31 december	235,438	534,516

Specification mutation	
New loan guarantee contracts and new loans	-
Defaults	-
Reimbursement and closed contract with banks / participants	(279,977)
Interest, provisions and exchange rate differences	(19,101)
Total mutation	(299,078)

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)	115,000	151,378
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The loan of 151,379 has been revaluated to 115,000 as agreed between IBCM and SPARK. According to the agreement the loan will be repaid over a period of 4 years.

Total Financial Fixed assets	350,438	685,894
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Current assets	31 December 2019	31 December 2018
	€	€
Prefinancing by SPARK on donor grants	3,197,101	5,569,209
Accounts receivables and prepaid expenses	231,151	550,865
	3,428,252	6,120,074

Prefinancing by SPARK on donor grants	31 December 2019	31 December 2018
	€	€
Project MADAD EU	-	4,184,627
Project Al Fakhoora	364,178	696,495
Project ABC	216,815	211,758
Project THSN Global	-	138,078
Project IBCM - EU	85,299	85,299
Project ISDB+NUR, IsDB	752,653	84,015
Project ISDB+NUR, Al Nouri	-	45,847
Project KRITERION	-	38,416
Project BYB NLMFA	-	34,351
Project Diploma Acceptance 2 EU	-	16,855
Project KEEN - EU	34,646	16,342
Project TBB&TBBX	4,537	7,211
Project UNDP Burundi 2018	-	3,971
Project UNDP Burundi 2018-2019	1,390	-
Project CDAIS	-	3,937
Project BCP	2,006	2,006
Project ABIN	35,958	-
Project AHE	340,560	-

Prefinancing by SPARK on donor grants	31 December 2019	31 December 2018
	€	€
Project EULAP	55,059	-
Project IEO	415,347	-
Project IPoVaF	64,444	-
Project MTK	761,929	-
Project YMCB	4,355	-
Project YWE	34,011	-
Project MTK02 EU	23,914	-
	3,197,101	5,569,209

Accounts receivables and prepaid expenses	31 December 2019	31 December 2018
	€	€
Prepaid expenses	61,529	61,529
Receivables from implementing partner organisations	22,060	22,060
Other receivables	31,035	31,035
Other receivables - Service contracts:		
AfDB	107,066	196,487
BTC OPT	9,462	113,936
BDO SMEF Somalia (service contract)	-	87,992
SANAD	-	15,869
Research project MMP	-	13,599
	116,528	427,883
	231,151	550,865

Cash & Cash equivalents	31 December 2019	31 December 2018
Cash Amsterdam	397	1,056
Current & savings accounts The Netherlands	4,557,937	3,902,176
Cash abroad offices	23,381	21,925
Transfers underway	-	(11,928)
Current accounts abroad offices		
Kosovo	15,274	343,736
Serbia	9,606	14,047
Macedonia	-	1,849
Rwanda	51,587	311,018
Burundi	17,941	36,544
Liberia	94,165	8,838
Occupied Palestinian Territories	17,079	11,022
Somalia	11,917	46
Turkey	480,230	593,183
South Sudan	19,576	4,803
Yemen	35	35
Lebanon	109,400	160,977
Iraq	487,423	321,556
Jordan	172,284	263,305
	6,068,233	5,984,190

All liquidities are directly accessible.

RESERVES AND LIABILITIES	31 December 2019	31 December 2018
	€	€
Continuity reserve	1,666,671	1,492,227

Continuity reserve	31 December 2019
	€
Balance 01 January 2019	1,492,227
Addition from result over 2019	174,444
Balance 31 December 2019	1,666,671

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 increased to €1.7 million on 31 December 2019. 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 €2.5 million as per level of 2019. The Continuity Reserve on 31 December 2019 is therefore 70% of the annual costs of the executive organisation and are well below the maximum of 150% explained above. The Continuity Reserve has increased compared to 2018 but, certainly in the light of growth of the total portfolio, is still considered moderate.

Loan Guarantee Fund	31 December 2019	31 December 2018
	€	€
Revolving Loan guarantee fund business start-ups	1,085,419	1,104,520
	1,085,419	1,104,520

Loan Guarantee Fund	2019
Balance 01 January	1,104,520
Addition from result over	(19,101)
Balance 31 December	1,085,419

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. Few direct loans were provided to businesses in Afghanistan, Kosovo and Liberia. In 2019, 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:

	31 December 2019
	€
Cumulative deposits into the funds:	2,099,181
Withheld management costs for banks:	(48,648)
Received interest added:	164,623
Exchange rate differences / currency revaluations:	12,799
Deducted bankrupt / delayed loans losses	(827,526)
Loan amounts not used and returned (2016, 2017)	(144,574)
Funds transferred to external parties (up to 2018)	(170,435)
	1,085,419

The Revolving Loan guarantee fund is €849,981 higher than the current investments from the fund per end of year, which are represented as €235.438 of financial fixed assets on the balance sheet. This means that €849,981 is available for new (re) investments at the end of 2019. At the end of 2018 this amount was €570,101. The cumulative table on

page 68 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.

Current liabilities	31 December 2019	31 December 2018
	€	€
Grants received in advance	4,646,276	8,056,456
Other service contracts - received in advance	22,306	3,000
Partner obligations and payables	1,063,529	1,297,237
Creditors	345,179	109,828
Other payables	1,066,445	793,110
Total	7,143,735	10,259,630

Grants received in advance	31 December 2019	31 December 2018
	€	€
Project MADAD	2,754,157	-
Project IEO - NLMFA		2,864,454
Project LEAD - NLMFA	172,276	1,502,843
Project MTK		1,048,468
Project Access to Higher Education - NLMFA		915,912
Project YWE - NLMFA		401,122
Postcode Loterij (NPL)	60,608	400,524
Project ABIN - NLMFA		389,992
Project IPoVaF, AFR		225,738
Project EULAP		58,165
Project EME - EU	120,053	51,847
Project HSN - Generali		43,494
Project THSN France - Generali		34,006
Project THSN Germany - Generali	48,451	30,992
Project THSN Global - Generali	72,479	-
Project DTT - NLMFA		24,878
Project Asfari Foundation	20,380	20,380
Project YEP NWP		19,387
Project UNDP 2018-2019		14,850
Project EXXON - NOCAL		9,404
Project CASS	94,454	-
Project NOC	188,296	-
Project J&P	331,754	-
Project FSA	488,024	-

Grants received in advance	31 December 2019	31 December 2018
Project ISDB+NUR, Al Nouri	225,496	-
Project KRITERION	69,847	
	4,646,276	8,056,456

Other Service contracts received in advance:	31 December 2019	31 December 2018
	€	€
EBRD (Tur)	3,000	3,000
KWF	19,306	19,306
	22,306	22,306

Partner obligations and payables	31 December 2019	31 December 2018
	€	€
Programme PCL	-	345,117
Programme IEO	300,369	333,655
Programme LEAD	347,977	164,788
Programme YWE	7,941	150,972
Programme KRT	13,861	137,726
Programme EMEN-UP	27,618	111,760
Programme Al Fakhoora	-	29,426
Programme CSP	-	10,849
Programme HES	-	6,430
Programme AHE	325,112	3,687
Programme MFS II	2,828	2,828
Programme FSA	37,822	
	1,063,529	1,297,237

Short term debts & accruals	31 December 2019	31 December 2018
	€	€
Creditors	345,179	109,828
Other payables:		
Stipends and tuition fees	538,296	713,431
Procurements for projects	237,196	
Project and general audit costs	114,607	
Income tax, social security, pensions, severance	52,003	27,840
Vacation days & allowance	85,927	47,654
Prepaid tuition from IBCM students		1,313
Other short term debts	38,417	2,872
	1,066,445	793,110



Ousama Sayed Bakri, Syrian graphic design student in Kurdistan Region of Iraq

Off balance sheet accruals and commitments Continuity

Name	Donor	Period	project grant
Improving Employment Opportunities in Jordan (IEO)	NLMFA	01/12/2016-30/06/2020	€ 928,827
Dynamic Futures Programme: Syrian Refugees and Palestinian Expansion (AF)	Education Above All Foundation	30/04/2016-01/05/2022	€ 3,807,001
MADAD Turkey 02	EU	01/09/2019-31/12/2022	€ 9,976,086
Network for Migrant Entrepreneurs to Scale Up and Grow (EMEN-UP)	EU	01/10/2017-01/10/2020	€ 194,543
EU Liberia Agriculture program (EULAP)	EU	15/01/2018-31/12/2023	€ 1,753,140
Jobs and Perspectives (J&P)	NLMFA	01/08/2019-31/07/2023	€ 3,470,200
Networks of Change (NOC)	NLMFA	01/08/2019-31/07/2023	€ 1,836,792
Cassava Agribusiness Seed Systems (CASS)	International Institute of Tropical Agriculture	01/04/2019-31/03/2022	€ 330,935
Entrepreneurial capacity Building for young Migrants (YMCB)	EU	15/01/2019-14/01/2021	€ 31,802
Youth Entrepreneurship and Employment Project (YEEP/AfDB)	AfDB	10/05/2017-10/05/2020	€ 37,303
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	€ 817,484
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	€ 2,218,275

Name	Donor	Period	project grant
Nationale Postcode Loterij	Nationale Postcode Loterij NV	01/03/2018-1/3/2020	€ 69,418
Food Security through Agribusiness Project South Sudan (FSA)	Stichting Cordaid	16/08/2018-31/07/2023	€ 2,289,565
KfW	KfW Development Bank	11/13/2019-1/7/2020	€ 55,120

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

Obligations to implementing partner organisations:

All signed contracts do not exceed the year 2019; any receivable or payable position per end of 2019 is included in the Balance Sheet. Contracts for the period 2020 have been signed in 2020.

These rental obligations are payable for periods exceeding the year 2019:

As of 9 March 2020, SPARK's headquarters office is located at Haarlemmer Houttuinen 15H in Amsterdam. The total expenses per year are €34,608, The contract duration is until 8 March 2025.

Spark's field offices rental obligations::	contract period	yearly obligation
Burundi	up to 31/12/2020	USD 10,200
Rwanda	up to 08/12/2020	USD 18,000
Serbia	up to 14/12/2020	EUR 6,600
Somalia	up to 31/03/2020	USD 3,000
Turkey - Gaziantep	up to 14/11/2020	TRL 30,000
Turkey - Istanbul	up to 30/09/2020	TRL 66,000
Liberia	up to 31/12/2022	USD 18,000
Tunisia	up to 30/06/2020	TND 14,875

Explanatory notes Statement of Income and Expenditure

Income	Realisation 2019	Realisation 2018
Income from companies	€	€
Generali	111,494	228,314
EXXON BiaB, Nocal	-	13,175
	111,494	241,489
Income from government grants		
Grants EU	7,602,239	5,965,483
Grants NLMFA	11,030,724	6,012,133
Grant IPoVaF, AFR	290,182	501,907
Grants UNDP - Entreprise development Burundi	36,346	315,904
Grant ISBD+NUR, IsDB&Al Nouri	622,792	129,862
Grants US - TBB, TBBX	-	63,911
	19,582,583	12,989,200
Income from other non profit organisations		
Al Fakhoora, Education Above All	2,805,573	2,720,271
Grant Postcode Loterij (NPL) (activity grant)	339,916	599,476
CDAIS, NRI	62,732	136,429
YEP, NWP	20,247	7,613
BCP, Bpeace	-	2,551
FSA, Coridad	427,802	-
CASS, IITA	16,401	-
	3,672,671	3,466,341

Income	Realisation 2019	Realisation 2018
Income for the delivery of products and/or the provision of services	€	€
BDO SMEF Somalia (service contract)	138,248	161,926
AfDB (service contract)	33,675	98,129
BTC oPt (service contract)	21,321	90,690
SANAD (service contract)	7,973	15,869
EBRDME (service contract)	-	4,113
EBRD (Tur) (service contract)	-	2,512
KfW (service contract)	17,459	-
	218,676	373,238
Other income	€	€
Other income (rent & training fees)	7,029	20,759
Total income	23,592,153	17,091,027

EXPENDITURES	2019	2018
Details of "Specification and allocation of costs according to category" (Model C)	€	€
Grants and contributions	20,610,653	14,142,116
Direct costs fundraising	255,548	190,793
Publicity and Communication	62,480	37,575
Personnel Costs	1,902,589	2,084,344
Housing costs	101,461	100,129
Office and General costs	336,564	326,891
Depreciation	21,851	28,817
TOTAL expenditures	23,291,146	16,910,665

Grants and contributions	2019	2018
Private Sector development programs	€	€
Third parties involved in projects (partners, experts, trainers, teachers, etc)	1,606,809	1,397,882
Project travel and accommodation costs SPARK & 3rd parties	248,069	309,632
Capacity building through partners	2,067,495	1,733,085
Direct poverty alleviation	1,618	44,612
Policy making / Youth participation / Government legitimacy	19,374	68,695
Monitoring & evaluation & other - excluding country staffs	506,261	440,206
Country staff costs	262,999	-
Loan Guarantee and Credit Fund costs	24,172	(21,540)
Subtotal Private Sector Development	4,736,797	3,972,572
Higher Education programmes		
Higher Education project costs - excluding staff costs	14,993,382	10,209,522
Higher Education project costs - staff costs	880,473	-

Grants and contributions	2019	2018
Own contributions students / participants	-	(39,977)
Subtotal Higher Education	15,873,856	10,169,545
Total Grant and contributions	20,610,653	14,142,116
Direct costs fundraising		
Feasibility studies and project acquisition	255,548	190,793
	255,548	190,793
Publicity and Communication		
SPARK general - promotion and advertising	62,480	37,575
	62,480	37,575

Personnel Costs	2019	2018
Amsterdam & Belgrade	€	€
Gross salaries including holiday allowances	984,964	971,412
Social security premiums & Pensions	144,835	143,102
Other personnel costs	108,262	66,106
Staff training (including field office staff)	2,559	2,451
Field offices		
Field office coordinating personnel	661,970	901,274
	1,902,589	2,084,344

Housing costs	2019	2018
	€	€
Rent and utilities - Amsterdam office	44,280	46,523
Rent and utilities - field offices	57,180	53,607
	101,461	100,129

Office and general costs	2019	2018
	€	€
Amsterdam		
Office supplies, telecommunication & postage, other office costs	14,822	14,461
IT infrastructure services - maintenance	2,881	5,492
General evaluation and reports (not under direct Programme costs)	-	2,541
Organisational fees and memberships	10,253	6,416
Administration and auditing	87,500	146,910
Tax & legal advice	3,436	31,524
Quality assurance	3,636	6,442
Insurances	37,094	23,285
Representation	2,451	1,366
Contingencies	3,705	(133,305)
Write off project expenses	(12,808)	28,156
MASP Implementation	95,326	74,534
Field offices / projects		
Office supplies, telecommunication & postage, other office costs	29,297	32,056
IT infrastructure services - maintenance	462	617
Organisational fees and memberships	1,752	823
Administration and auditing	2,088	9,591
Tax & legal advice	40,969	86,332

Office and general costs	2019	2018
Insurances	2,306	5,124
Representation	2,936	879
Other general expenditures (car costs)	(177)	(4,238)
Contingencies	(36)	(15,124)
Write off project expenses	3,493	-
MASP Implementation	5,179	3,011
	336,564	326,891

Depreciation	2019	2018
	€	€
Amsterdam		
Depreciation fixed assets	7,445	6,688
Field offices / projects		
Depreciation fixed assets	14,406	22,129
	21,851	28,817
Total expenditures	23,291,146	16,910,665
Balance before financial income/expense	301,007	180,361
Balance of financial income and expenditure	-9,009	-77,880
Exceptional losses		
Provision for receivables partner organisations before 2019	27,279	-
Depreciation of loan and receivables IBCM	127,395	-
Total exceptional losses	154,674	-
Balance of income and expenditure	155,342	258,241

Remuneration Board of Directors

amounts in €	Yannick du Pont	Michel Richter	Addie van Dalen	Esther Bosgra
Position	CEO	Programme Director	Finance Director	Operations Director
Employment agreement	Permanent	Permanent	Year contract	Year contract
Hours/week	40	40	40	40
Part time percentage	100	80	80	80
Period	Jan-Dec	Jan-Dec	Feb-Dec	Mar-Dec
Remuneration				
Gross salary	91,337	65,779	56,353	51,230
Holiday allowance	7,104	5,062	1,639	1,230
Fixed end of year allowance	-	-	-	-
Subtotal year income	98,441	70,841	57,992	52,460
Taxable allowances	150	150	150	150
Pension costs (employer's share)	2,603	1,836	1,562	1,420
Total remuneration 2019	101,194	72,827	59,704	54,030
Comparative figure 2018	96,792	68,989	-	-

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 organisations (see www.goededoelennederland.nl). These regulations take into account the Dutch legislation on maximising senior level incomes (Wet Normering Topinkomens).

The regulations provide a maximum standard for annual income based on weighted criteria. The weighing 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 2019 of EUR 97,871 (40 hours / 12 months) and a BSD score of 336 for the other BoD members with a maximum annual income 2019 of EUR 86.578 (40 hours/ 12 months).

The actual annual income of the CEO amounted to EUR 98.441, slightly above the applicable ceiling of EUR 97.871 of the applicable score. The annual income of the Programme Director, recalculated to 40 hours/ 12 months, amounted to EUR 88,551, slightly above the applicable ceiling of EUR 86,578. Taking into account the relatively low level of the other remuneration components, the Supervisory Board views the total remuneration, including slight deviations for the annual income compared to the scales, as acceptable and fair. For the other BoD members, the annual incomes, recalculated to 40 hours/ 12 months, remained within the applicable scales.

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

Amounts in €	H.R.C. Huygens	E.P. Offerhaus	T.T. Schrofer	F. Knaapen
Position	Chair	Secretary	Member	Member
Period	September 2019 - present	September 2019 - present	Jan-present	Jan-Jun 2019
Allowances				
Expense allowance	1,500	1,500	1,500	750

Specifications of Income

	Income	Realisation 2019 €	Realisation 2019 %
	Project income		
Govt	Grant ABIN - NLMFA	491,328	2%
Govt	Grant AHE - NLMFA	2,164,893	9%
Govt	Grant DTT - NLMFA	58,901	0%
Govt	Grant YWE - NLMFA	435,133	2%
Govt	Grant IEO - NLMFA	4,191,396	18%
Govt	Grant LEAD - NLMFA	3,341,059	14%
Govt	Grant JaP - NLMFA	140,832	1%
Govt	Grant NOC - NLMFA	207,182	1%
Govt	Postcode Loterij (active project)	339,916	1%
Govt	Grant MTK - EU	3,682,897	16%
Govt	Grant KEEN - EU	18,304	0%
Govt	Grant MAD - EU	3,697,209	16%
Govt	Grant IBCMEU, EU	23,914	0%
Govt	Grant ISDB+NUR, Al Nouri	(45,847)	0%
Govt	Grant ISDB+NUR, IsDB	668,637	3%
Govt	Grant KRT - EU	(101,263)	0%
Govt	Grant EULAP - EU	259,472	1%
Govt	Grant EMEN -UP	2,323	0%
Govt	Grant YMCB	19,382	0%
Govt	Grant Burundi Rural Entrepreneurship - UNDP	36,346	0%
Govt	Grant IPoVaF, AFR	290,182	1%

	Income	Realisation 2019 €	Realisation 2019%
Comp	Grant THSN Generali (HSN, THSN Global/France/Germany)	111,494	0%
Ngo's	Grant Al Fakhoora	2,805,573	12%
Ngo's	Grant CDAIS, NRI	62,732	0%
Ngo's	Grant YEP, NWP	20,247	0%
Ngo's	CASS	16,401	0%
Ngo's	FSA	427,802	2%
		23,366,448	99%

	Other income	Realisation 2019 €	Realisation 2019%
	Other income (rent & trainings)	7,029	0%
	Other miscellaneous income SPARK	218,676	1%
		225,705	1%
	Total Income	23,592,153	100%

	Income & Percentages per donorr/origin	Realisation 2019 €	Realisation 2019%
	NLMFA	11,030,724	47%
	Postcode Loterij	339,916	1%
	EU	7,602,239	32%
	UNDP	36,346	0%
	Other cash grants & income	4,582,927	19%
		23,592,153	100%



Lado Santo lights a bee smoker at the Hagana Processing Company in Juba, South Sudan

Signatories of the Annual Report 2019

Signed in Amsterdam in September, 2020

Hans Huygens

Chairman, SB

Edo Offerhaus

Secretary, SB

Tamar Schrofer

General board member, SB

André Veneman

General board member, SB

Yannick du Pont

CEO

Michel Richter

Director of Programmes

Addie van Dalen

Director of Finance

Esther Bosgra

Director of Operations

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 2019 included in the annual report

Our opinion

We have audited the accompanying financial statements 2019 (page 48-88) 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 2019 and of its result over the period 1 January 2019 up to 31 December 2019 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 2019 (with a balance sheet total of € 9,895,826);
2. the statement of income and expenditure for the period 1 January 2019 to 31 December 2019 (with a total positive result of € 155,342); 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 'Verordening 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 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 4-47);
- list of abbreviations (page 92-93);
- contact (page 94).

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 in Amersfoort, 30 September 2020.

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

Enclosure.

Enclosure to our auditor's report by the accompanying financial statements 2019 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

ABC	Agri Business Creation
ABIN	Agri Business Incubation Network
AHE	Access to Higher Education
AF	Al Fakhoora
AfDB	African Development Bank
AFR	Access to Finance Rwanda
Asfari	Trainings for young Syrian and Turkish entrepreneurs
AUB	American University of Beirut
BoD	Board of Directors
BYB	Boosting Your Beliefs
CDAIS	Capacity Development for Agricultural Innovation Systems
CSP	Cooperative Support programme
CoC	Chamber of Commerce
DTT	Deradicalisation Training Teachers
EBDA	Entrepreneurship and Business Development Activities
EBRD	European Bank of Reconstruction and Development
EMEN-UP	Network for Migrant Entrepreneurs to Scale Up and Grow

EU	European Union
EU MADAD	EU Regional Trust Fund in Response to the Syrian crisis
EULAP	EU Liberia Agriculture Programme
FCAS	Fragile and Conflict Affected States
HE	Higher Education
HES	Higher Education Services
HQ	Head Quarters
IACE	Institut Arabe des Chefs d'Entreprises
IBCM	International Business College Mitrovica
IEO	Improving Employment Opportunities
INGO	International Non-Governmental Organisation
IPOVAF	Irish Potato Value Chain Financing
IsDB	Islamic Development Bank
KEEN	Kosovo Education for Employment Network
KR-I	Kurdistan Region of Iraq
LEAD	Local Employment in Africa for Development
M&E	Monitoring and Evaluation

MFI	Micro-Finance Institution
MSME	Micro, Small and Medium Enterprises
NGO	Non-Governmental Organisation
NLMFA	Dutch Ministry of Foreign Affairs
PCL	Dutch Nationale Postcode Loterij
PSD	Private Sector Development
MASP	Multi Annual Strategic Plan
MENA	Middle East and North Africa
SANAD	Start-up Bootcamp and Incubation for Young Entrepreneurs
SB	Supervisory Board
SSADP II	South Sudan Agribusiness Development Project II
SME	Small and Medium Enterprises
SIG	Syrian Interim Government
TAMSS	Tunisian Association for Management and Social Stability
TBB	Talent Beyond Boundaries
THSN	The Human Safety Net
TVET	Technical and Vocational Education and Training

YEEP	Youth Entrepreneurship and Employment Project
YWAE	Youth and Women Agribusiness Entrepreneurship

Contact

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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