

# SPARK Multiple Year Plan 2011 - 2015

## Introduction

This multi year plan succeeds the four-year ATA Plan 2007-2010, and lays out SPARK's ambitions for a relatively long period of five years. This 5-year period corresponds with the expected 5 year MFS II program, which together with the IBCM project is expected to account for the bulk of SPARK's project portfolio in the coming year(s).

The starting point of our five year is SPARK's mission. From this mission we derive our activities in the developing countries we work in and define how we should shape our own organisation to achieve a maximum impact. We also look at how SPARK intends to influence the Development Debate in the Netherlands. We start with key external developments which will influence SPARK's playing field. This will be followed by a brief SWOT analysis of the organisation. This brief internal and external assessment will be a prelude to envisaged results that are expected to contribute to the realisation of SPARK's mission on activity level. Thereafter we will touch on planned results related to the organisation in general.

Given the long period of time covered by this plan, it reflects general strategic decisions rather than describing a implementation strategy for them. In this light, activity-related indicators for the internal organisation and on project level that were present in the previous multiple year plan are not presented. This is also due to the fact that a decision on our largest grant application (MFS2) is still pending whilst we developed this plan. A break-down into these sub-indicators will be available, on a yearly basis, in Annual Plans.

Moreover, an actual comprehensive vision and strategy towards 2015 is not (yet) included in this plan and will be added in a updated version.

## Developments

*The following global developments are expected to affect the medium term course of action:*

- The number of territories in conflict or emerging from conflict will remain significant;
- A considerable engagement and involvement from the international community in these areas remains needed;
- There will be increasing attention from the donor community (especially also the Netherlands Ministry of Foreign Affairs) in the field of private sector, SME development, aiming to achieve economic growth;
- Youth unemployment and that of other marginalised groups, is a particularly delicate issue in a post-conflict setting. Especially in post-conflict settings, young people between 18-35 years of age, have been interrupted in their educational careers. Many are not equipped for few jobs that do exist, or to become employers themselves, i.e. start or grow their own businesses and contribute to SME development. Such unemployes, under skilled youth constitute a significant stability risk;
- Global crises in relation to food production, climate and finance further complicate development efforts, e.g. SME development is not only expected to serve an economic agenda only, but must also be sustainable.

*The following developments in the national and international development environment are expected to affect SPARK:*

- Post-conflict countries or territories and fragile states are increasingly recognised as areas with their own specific context characterised by a high level of complexity and risk. Such a context requires a level of specialisation, experience and expertise.
- Private sector development is increasingly seen as essential for development and stability in post conflict areas.
- Education is still perceived as essential for (private sector) development, but the focus seems to remain on primary education. Vocational training is increasingly seen as vital for the development of an employable work force. University education seems to remain largely excluded from the scope for education development by institutional donors.

- The development of a middle class in developing countries is increasingly acknowledged, but the emphasis is expected to remain on the weakest in society; vulnerable and marginalised groups.
- The public at large has adopted a critical attitude towards development organisations in terms of cost-efficiency, effectiveness, coherence (fragmented and lack of cooperation) and transparency.
- It seems the relationship between development organisations and local civil society organisations is developing towards a more equal relationship. Local civil society organisations are predominantly involved as partners, subcontractor or target group of development organisations, but they may gradually evolve towards competition for development organisations as institutional donors start to open tenders and application procedures to them as well.
- Good governance, transparency, upward and downward accountability, quality management, learning and knowledge sharing and cooperation between development organisations are issues that have gained weight.
- The interest of the private sector, notably enterprises from developed countries in development cooperation (CSR) continues to grow.

### **SPARK SWOT:**

#### *Main Strengths:*

- The administrative/financial organisation is solid;
- The (cost) efficiency of the organisation is excellent (also compared to other organisations);
- Good governance meets requirements and has been externally certified (CBF);
- The organisation has an internationally acknowledged management quality certificate (ISO 9001);
- The organisation works in a demand driven way;
- The organisation is highly transparent;
- The organisation is an active and involved discussion partner concerning the development sector in The Netherlands;
- The organisation has a strong track record with SME development / Youth entrepreneurship and higher education development in the Western Balkans;
- The organisation has built expertise in the fields of entrepreneurship, higher education and project development in post-conflict environments;
- The organisation has a coherent approach towards the development of entrepreneurship: The total package of competitions, training & coaching, access to finance and incubator targeting aspirant and existing entrepreneurs; Building the capacity of business development organisations, educational institutions, and; Advocacy for SME development;
- The staff in the organisation are generally young, ambitious and flexible, and gutsy.

#### *Main Weaknesses:*

- The organisation needs to further formalise elements of good governance: fundraising, volunteer policy and transparency;
- The current capacity of middle management limits further growth. More senior, experienced staff is needed;
- The organisation's M&E capacity and expertise on outcome and impact levels is limited, also in relation to local partners;
- The organisation's expertise regarding financial instruments for entrepreneurship is limited;
- The organisation's capacity and experience to directly contribute to building the capacity of partner organisations through coaching and training is limited;
- The organisation's fundraising capacity is limited to a few individuals;
- The organisation lacks a "roll-out package" or "project in a box" for the start of new programs;
- The organisation's capacity for PR and communication is limited;
- The organisation relies, to a significant extent, on generally young staff, which limits expertise and leads to high turnover;
- The organisation's own equity is relatively low (as compared to annual budgets).

#### *Main Opportunities:*

- Donors are increasingly interested in youth entrepreneurship, SME development and vocational education;
- Donors are increasingly interested in development organisations interested and experienced in working post conflict environments;

- A prompt and appropriate response towards growing criticism on development organisations from the public at large, transparency and quality issues will enable the organisation to distinguish itself among others that move slowly;
- The increasing focus on local civil society organisations as direct contractors to donors and the need to strengthen their capacities is an opportunity to develop services that address these needs, especially for organisations in the field of education and SME development;
- Continuing interest in CSR.

*Main Threats:*

- The number of and different types of actors in development cooperation, and private sector development specifically, increases in the next years;
- Funds available for development cooperation through institutional donor will decrease in the next years;
- The lack of interest from institutional donors in developing higher education (university) in post conflict countries.

**Impact & Mission:**

As per its statutes, SPARK has the following mission:

- SPARK’s mission is to support people in developing countries to provide for their own means of subsistence by building the capacity of local economic and educational institutions (mission);
- Thereby, SPARK will contribute to poverty reduction and improved standards of living of people in developing countries (impact).

Although the mission remains unchanged in the statutes, SPARK has manoeuvred towards what presented itself as an appropriate niche for SPARK. The non statutory mission addressed this niche more specifically:

**Main external mission:**

*SPARK develops higher education and entrepreneurship so that young ambitious people are empowered to lead their post-conflict societies into prosperity.*

**Main internal objectives to achieve this mission:**

- Successful implementation of current project portfolio (i).
- Establish a continuously learning organisation for sustained quality, efficiency and sustained growth (ii).
- Successful growth of project portfolio; thereby reaching a greater number of institutions, and ultimately, young people (iii).

***i and ii are a precondition for iii***

**Main results on impact level:**

- Number of new/starting registered businesses increases with 10% per year;
- Number of jobs created (via training, start-ups a.o.) grows by more than 10% on average per year;
- Number of youth trained and found employment grows by 10% on average per year as of 2012;
- Average participant satisfaction score consolidates at 4.5 as of 2013;
- Average local partners and their clients’ satisfaction score consolidates between 3.5 and 4 or higher after two years;
- Programs have contributed to World Bank doing business indicators (at least 5 per target area) (qualitative measurement & outcome mapping);
- Income generated by BSCs, compared to program funding, grows to 50+% by the end of 2015;
- Number of created businesses that survive after two years increases: default rates consolidate at 25% or below in 2015.

*Key Performance Indicators for outcome, impact & sustainability 2011-2015:*

<b>KPI</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
# of starting businesses created	+10%	+10%	+10%	+10%	+10%
# of jobs created	+5%	+5%	+15%	+15%	+15%
# of youth trained and found	+5%	+10%	+ 10%	+15%	+10%

employment)					
Average participant satisfaction score	3.5	4	4.5	4.5	4.5
Average local partners and their clients satisfaction score	-	-	3.5	3.5	4
# World Bank Doing Business indicators improved in target areas	-	-	-	-	5/target area
% Income generated by BSCs as part of total support in Euros received through project	15%	25%	25%	35%	50%
# of starting / created businesses that survive two years after start	8%	8%	35%	30%	25%

### Main results on project output level:

- Number of businesses supported grows by 10% on average per year;
- Number of youth trained per year grows by 15% on average per year;
- Number of consultancy & coaching hours provided grows by 10% on average per year;
- Growth of partner and other institutions supported stabilises at 5% in 2013;
- The number of courses/training reformed/introduced decreases in 2011 and increases again in 2012-14.

### Key Performance Indicators for outputs on project level 2011-2015:

KPI	2011	2012	2013	2014	2015
# of businesses supported	+10%	+10%	+10%	+10%	+10%
# of youth trained	+15%	+15%	+15%	+15%	+15%
# of consultancy & coaching hours provided	+10%	+10%	+10%	+10%	+10%
Local partners and other institutions supported (MoUs)	+30%	+20%	+5%	+5%	+5%
# trainings & courses reformed or introduced at (HE) institutions	-10%	+10%	+20%	+5%	+5%

### Main results on the level of the internal organisation:

1. Project Development & Fundraising: acquire Non-NLMFA funding on existing and new projects and surpass 25% benchmark imposed by MFS II and in view of donor diversification. In this context exposure & branding is essential: Attain MFS II funding as lead applicant thereby staying in the "Dutch Major League" of development organisations facilitates SPARK exposure. Maintain focus on young ambitious people in post-conflict areas or fragile states. Increase "SPARK awareness" in Dutch development sector, and on a European level through active involvement in Dutch development sector debates and initiatives;
2. Planning Monitoring & Evaluation: Improve SPARK's PME capacity especially towards partners that are responsible for implementation;
3. ICT applications: facilitate data and knowledge sharing through streamlined intranet with more user friendly tools. This includes a well functioning Management Information System;

4. General Quality Assurance of operations and Transparency: Optimise transparency through Transparkency by adding MIS data to merely financial data and provide combined data such as cost per job created. Make Transparkency fully IATI compliant. Attain ISO 9001 recertification on a broader scope, including business skills training and develop a new ISO certification system for Development NGOs. Adjust procedures to new cooperation with implementing partners. Create BSC-in-a-box or roll out packages based on well defined business ideas (existing or innovative).
5. Human Resources: Develop internal capacity for PME, training and coaching, and maintain staff satisfaction;
6. Finance & Administration: Prepare administration for MFS II and financial monitoring of partners. Overhead consolidates at 6%, maximum 7%. Own equity grows to Euro 1 million by 2015, sufficient to run operations to survive 1 year without funding.

*Key Performance Indicators for outputs on the level of the internal organisation 20011-2012:*

<b>KPI</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
% of non-NLMFA funds of total portfolio	25%	25%	25%	30%	40%
# IS debates & initiatives involved in.	4	5	6	7	8
# Staff trained on PME	6	6	2	2	2
ICT tools related score from staff satisfaction (on a scale from 1-5)	Above 3.5	Above 3.7	Above 3.7	Above 3.8	Above 3.8
# KPI on output, outcome, impact & sustainability indicators reflected in MIS	10	12	12 or higher	12 or higher	12 or higher
# KPI & finance combined indicators Transparkency	4	6 or higher	6 or higher	6 or higher	6 or higher
Staff satisfaction score (on a scale from 1-5)	Above 3.5	Above 3.5	Above 3.5	Above 3.5	Above 3.5
% Overhead	10%	6%	6%	6%	6%
Amount € own equity	400k	550k	750k	950k	1 million or higher