

spark

ANNUAL
REPORT '09

2009

The background is a dark, textured blue with abstract light trails and a bright, glowing blue area on the right side. The year '2009' is rendered in a stylized, glowing font with multiple overlapping lines, giving it a sense of motion and depth. The overall aesthetic is futuristic and high-tech.

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1. Preface by the Board of Directors

Dear Reader,

It is with great pleasure and pride that we present the Annual Report of 2009. It has been another exciting year and highlights include the development of the International Business College in Mitrovica, the start of new Summer University programs in Nablus and Moldavia and the establishment of our first Business Start-up Centers outside South East Europe. We are also proud to have introduced the tranSPARKency website, further showing our commitment to transparency and quality.

The global financial situation deteriorated severely during 2009, and SPARK felt that banks became more reluctant to provide micro-credits in some of the areas we operate in. Looking forward the economic climate in many countries might prove to be problematic, with banks introducing tougher lending standards and donors having more limited financial means available. It will remain important for SPARK to keep track of the changing economic climate, both in the global economy and in the areas we operate in.

The development sector is also changing as donors and the general public demand that NGO's become more efficient and that we maintain a high level of quality and transparency in our work. Collaboration between NGO's and working in broad consortias is becoming increasingly important as development assistance is becoming an ever more competitive and crowded field. This is as much a risk as an opportunity and means that SPARK will need to further reform itself in order to remain relevant. We are meeting several of these challenges, by opening our tranSPARKency website, making our financial information available to anyone, and through our work for an international ISO standard for the development sector. Furthermore, our newly formed alliance with the Dutch NGO BiD Network underscores our emphasis on collaboration and shows that we are adapting to new realities in the development sector.

We want to make sure that our aid continues to support stabilization in the regions we work in and we will continue to work towards our mission to empower young people to lead their post-conflict society into prosperity in 2010. This is what we believe in and are passionate about. We continue to work for more transparency in the development sector, and to improve the quality and transparency of our own work, as we continue to strive towards becoming the most transparent Non-Governmental Organization in Europe.

We hope this Annual Report will answer all your questions about our work in 2009, and do not hesitate to contact us if you have any questions or need further information.

Yours truly,

Yannick Du Pont, Director

Michel Richter, Co-Director

Amsterdam, 27 April 2010



02

EXECUTIVE
SUMMARY

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02 EXECUTIVE SUMMARY

In 2009, SPARK embarked on several new projects, taking the organization to the new countries as well as initiating a process that will make the Business Start-Up Centers in South East Europe independent.

Further are some highlights that are featured in the Annual Report for this year.

Educational Initiative Highlights

In 2009, SPARK established the International Business College Mitrovica (IBCM) that will offer EU licensed 2 year vocational professional qualifications as well as 3,5 year Bachelor programmes.

The Summer University at the University of Pristina took place once again and gathered 348 students. The University is now completely in charge of organizing the event that continues to be important for local teachers and students by exposing them to international teaching methods and discussions. New initiatives include The Liberia Faculty Enrichment Program, which gathered 83 participants that gained new knowledge and teaching skills, and the Nablus Summer Academy, with 22 students and two international professors that taught human rights law and other subjects, has brought our educational support missions to new areas.

SPARK also launched a Scholarship Database for Western Balkan students in 2009 which collects a wide range of scholarships for students and researchers who want to study abroad. The transfer of Medical students from Tetovo University, which successfully enabled almost 300 Medical students to complete their studies, and scanning of University documents at the Pristina and Mitrovica Universities, which made available over 50,000 students records that were lost since the conflict in 2009, underline our broad range of activities that help young people reach their full potential and act as a positive force in the development of peaceful societies.

Entrepreneurship Highlights

Our entrepreneurial support initiatives reached an important stage in 2009 when the SPARK-run Business Start-Up Centres (BSC's) in South East Europe began their path towards becoming self-sustainable and independent.

In 2009, they created 706 jobs, helped start 163 new SME's and trained over 4,500 people.

SPARK will remain involved in these centres as an active donor, but it is a true testament to our mission of providing sustainable projects that our local actors now take ownership of the BSC's. As the BSC's in South East Europe become independent, two new ones were opened in 2009, one in Liberia's capital Monrovia and one in Birzeit in the Palestine Territories. Our continued support for sustainable entrepreneurship projects also included the established South East European Association of SME Agencies, which hosted the fourth Annual European day of Entrepreneurs which gathered over 500 participants and 27 speakers, and The Enterprise Europe Network which help Montenegrin companies to enter the EU market. SPARK also hosted the Entrepreneurship Development Conference 2009 which gathered 170 people during two days and enabled successful networking between International SME's and Dutch partners.

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SPARK for improvement Highlights

SPARK's focus on quality and improvement continued during 2009 by being in the forefront in the work towards an International ISO standard for NGO's.

An externally audited structure would ensure that we live up to international standards and can be competitive when applying for grants and funding from international partners. Another key development during 2009 was the launch of the tranSPARKency website which provides all SPARK's financial details concerning our projects to the general public down the very receipt level. SPARK also wants to have a positive impact in the Netherlands; therefore we continue to offer incubation space and training for Dutch NGO's through our Young Pro's scheme. Furthermore, SPARK organized the 'Good Intentions, Brilliant Failures' conference together with the Institute for Brilliant Mistakes in October where attention was drawn to the need for entrepreneurs to learn from their mistakes instead of trying to hide them.

03



BACKGROUND
AND
MISSION

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03 BACKGROUND AND MISSION

SPARK started in 1994 by focusing on support to Higher Education institutions, which continues to be one of the founding principles, and is using its long tradition of supporting educational institutions and establishing good governance within the institutions themselves in South East Europe.

It is crucial to understand the political dynamics in these societies and sense how to operate in these sometimes tense situations in order to make a lasting impact. These areas are often plagued by corruption and renewed conflicts can halt, or even retract, the work we do. Even though the countries we operate in are very different, in terms of culture and the reasons behind the recent conflicts, uncertain political climates and weak institutions present problems that all organizations face in these areas.

SPARK's mission is to develop education and entrepreneurship so that young and ambitious people are empowered to lead their post-conflict society into prosperity. We build the capacity of local economic and educational institutions so they can empower their own populations. The organization actively mobilises support for this within the Dutch society, especially with economic and educational institutions.

SPARK wishes to uphold its mission so that we can assist post-conflict countries in transition by transferring our experience and knowledge from South East Europe to the new post-conflict territories. As our South East European partners have first-hand experience in post-conflict construction and all have undergone, or are undergoing, complex economic and educational reform processes, they are the ideal 'experts' for this transfer.

We work hard to ensure that our projects do not cause harm in the post-conflict societies; we aim to develop by making sure that our financial contributions do not go to activities that might offset a positive and peaceful development. We work towards our mission by combining activities that support local educational institutions and Universities, and by facilitating Summer Universities and other capacity building educational support programs.

Our entrepreneurship programs include a series of SPARK supported Business Start-Up centers that provide a number of important services that encourage entrepreneurs to take the leap and start their own businesses.

It is the combination of these efforts that creates value in these societies. The total package of competitive elements such as business plan competitions, training of skills, coaching, mentoring and micro credit makes a great difference as it is often difficult for organizations that help the young to connect with financial actors. The other problem is that investors are looking for good business plans, but lack the resources or tools to identify and support them. SPARK puts these things together into one inclusive program and in this way we overcome the match-making problem.

SPARK's vision is that sustainable economic growth is essential for creating self-reliance and thereby poverty alleviation. Our mission takes this one step further and stipulates that we work towards this vision by supporting people in developing countries to provide their own socioeconomic security by reinforcement of the local economic and educational institutions or grow an existing SME.

Strategy

We work on three strategic levels to accomplish this:

1. Direct Poverty Alleviation through growth and employment generation;
2. Capacity Building of economic and educational partner institutions;
3. Policy Making & Advocacy to support more effective participation of these partner institutions.

Key/guiding principles

Key principles for our work are outlined below.

- A demand-driven approach that pinpoints the needs and priorities of local beneficiaries;
- The promotion of local ownership as a precondition for sustainability;
- A society-oriented focus that ultimately benefits society as a whole;
- The support of long-term cross-regional and international cooperation processes.



ORGANIZATION

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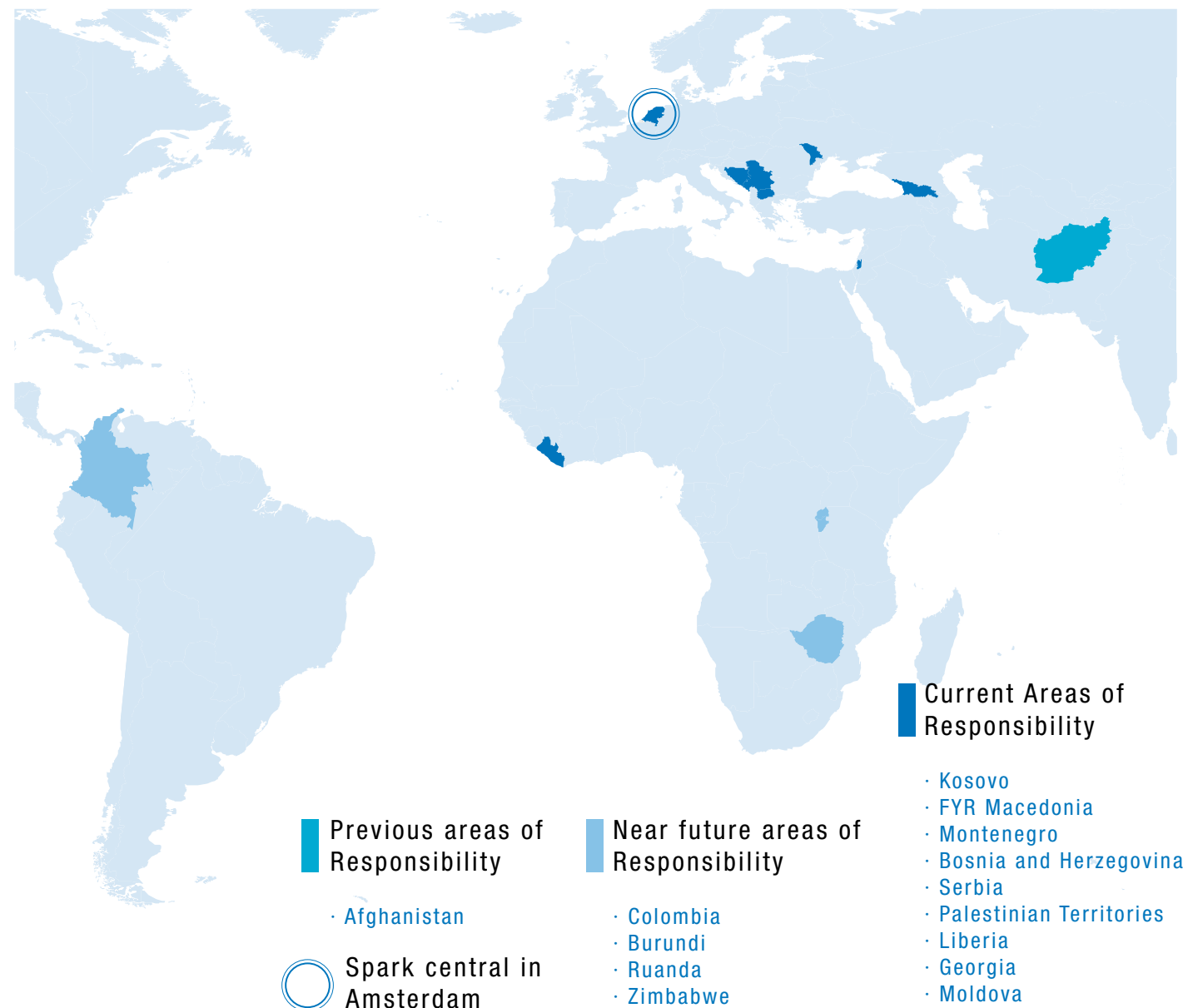
04 ORGANISATION

Based in Amsterdam, SPARK is an independent non-profit foundation with field offices in Belgrade, Skopje, Mitrovica and Pristina and SPARK-supported Business Start-Up Centres in Bar, Bitola, Kragujevac, Pristina, Zenica, Skopje and Monrovia. In 2009 the SPARK run Business Start-Up Centers in South East Europe began their path towards becoming self-sufficient and independent BSC's while new ones were being planned in other post conflict regions.

The field office in Skopje was closed in 2009 as the running projects were finished and no new projects proposals were accepted.

Areas of Responsibility

Map with the country locations:



4.1 Organisational actors

Committee of Recommendation

Networking is the primary function of The Board of Recommendation.

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

Supervisory Board

The Supervisory Board of SPARK, started in 2008, monitors and evaluates the Board of Directors. The Supervisory Board follows SPARK Statutes and the internal regulations of the board.

Chairman: Erik Dirksen MSc	Lecturer at the Faculty of Economics and Business Studies, University of Amsterdam, The Netherlands.
Olaf Bartelds M.A	Senior Project Manager, Netherlands Foreign Investment Agency, The Hague, The Netherlands.
Dennis van Achthoven M.A. until June 2009	RA Manager at PriceWaterhouseCoopers Accountants, The Netherlands
Dineke Woldringh as of November 2009	Interim Manager/Advisor to the Board of Directors EVEAN Group
General Member:	
Ruurd Brouwer MSc until November 2009	Director Africa, Director Investment Promotion, FMO N.V. (Dutch Development Finance Company), The Netherlands.
Dugajin Popuvci as of November 2009	Director of the Kosovo Education Centre (KEC), Pristina, Kosovo.
General member: Johan te Velde MSc	Senior Advisor Fragile States at PSO Capaciteit in ontwikkelingslanden.
General member: Mare Faber M.A	Senior staff member and editor-in-chief of monthly magazine Socialism & Democracy, -Wiardi Beckman Stichting, The Netherlands.
General member: Marjolein Lem M.A	Senior Consultant International Development, Berenschot, The Netherlands

Board of Directors

The Board of Directors oversees daily operations and management of the organization, as well as decision making regarding policy, project development and innovation

Director: Yannick du Pont

Co-director: Michel Richter

Remuneration: members of the Board of Director receive salaries based on VFI (Vereniging Fondswervende Instellingen) guidelines for NGO's with two directors. The salary amounts are mentioned in the specification of the Statement of Income and Expenditures of the financial report.

Other positions and Affiliations:

Yannick du Pont: Member of the editorial board of Vice-Versa, Branche Magazine for development cooperation (pro bono).

Michel Richter: Member of the Partos commission for quality improvement. Partos is the main branch/platform organization for development cooperation (pro bono).

Staff

On June 30th 2009, the number of staff employed by SPARK in the Netherlands, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia was 49.

Regarding these employees, 24 were female and 25 male. The average age of the employees was 31.4.

Nationalities

Bosnia & H	7 (14%)	England	1 (2%)	NL	6 (12%)
Croatia	1 (2%)	Kazakhstan	1 (2%)	Serbia	7 (14%)
Kosovo	10 (20%)	Liberia	1 (2%)	USA	1 (2%)
Macedonia	8 (16%)	Montenegro	6 (12%)		

Interns

SPARK regularly provides internship opportunities for young and motivated people that want to gain experience working in an international NGO.

The Interns assist SPARK employees in a variety of functions and bring enthusiasm that helps make SPARK a more fast moving and vibrant organization. During 2009, SPARK had 21 interns in its various offices. The tasks and responsibilities of the interns range from minor administrative tasks to substantial independent work. Each intern has a supervisor that evaluates and gives feedback during the internship period. The volunteers are valuable to SPARK as they bring fresh perspectives and help to maintain good relations with higher educational institutions in the Netherlands.

One of the Interns in 2009, Kim Solberg, explains her time at SPARK as:

'A great opportunity to learn about the internal organization of an NGO and the development sector. I was given the chance to take on a varied set of responsibilities around the office and to become involved in a significant grant application to the Dutch Ministry of Foreign Affairs.' Being an all-round intern, I was able to touch upon many interesting themes such as quality and aid effectiveness and to learn both about the internal organization of an NGO, as well as its projects. SPARK gave me the chance to participate in one of its stimulating and engaging projects in the Balkans - the Mitrovica Winter University. I would highly recommend the SPARK internship to anyone who would like to get a good insight of a dynamic NGO. SPARK is a unique organization with a young and ambitious team.'

Volunteer

Most foreign teachers and experts that participate in the Summer Universities are volunteers, meaning that they do not get paid for their work and that we only pay for their travel and accommodation.

4.2 HR policy

Important steps have been taken in order to strengthen SPARK's Human Resource Management. Since 2007 an evaluation & assessment system has been introduced and the information from the evaluation and assessment meetings are used to set up a training plan for further development of staff. Furthermore, staff has been given the opportunity to develop skills in project development and fundraising. **In 2009, a job satisfaction survey was carried out for the third time. It showed overall satisfaction among the staff and good scores on tasks and responsibilities and quality and organization. It also found that staff is very positive about collaboration and the atmosphere within the organization. Some points that need further attention include communication and information sharing.**

SPARK introduced a Code of Conduct in 2007 that is signed by all employees as part of their SPARK employment contract. The purpose of the Code of Conduct is that staff is aware of the expected behavior when working for SPARK. Transparency and integrity are central in the Code of Conduct.

SPARK does not have an official diversity policy regarding the hiring of personnel, but in practice diversity is reached through an active informal policy. An official diversity policy statement will be introduced by July 1st 2010.

4.3 ICT and Knowledge management

SPARK's IT investments are important since they enhance transparency, minimize opportunities for fraud and make our work more measurable. IT systems also reduce labour intensity in our programs and facilitate management transfer to local partners, essential when making them financially sustainable. In 2009 the TranSPARKency website was introduced (see section on TranSPARKency via hyperlink) which is a Developments Management Information System that in the future will provide data that will enable people to not only see the financial information, but also be able to relate them to the amount of jobs created, for instance.

During 2009, SPARK also developed a full ICT infrastructure and software package for the new International Business College in Mitrovica. Furthermore, a Scholarship Database that will enable Western Balkan Students to find available scholarships for studies in EU countries was launched in 2009 (include hyper-link: <http://scholarshipsforwesternbalkans.eu/>).

During the past year, IT development and support for the Pristina Summer University and the BSC Centers was also carried out. Sharing know-how by using and adapting what someone else has already learned is one important way to achieve more efficiency and effectiveness within SPARK. The importance of intensive knowledge sharing with support of user friendly and tailor made IT solutions is more crucial than ever as SPARK continues to grow.

05



PARTNERS AND STAKEHOLDERS

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05 PARTNERS AND STAKEHOLDERS

SPARK is widely supported by an extensive network of experts, trainers, partners and (international) organizations. This has been crucial for successfully carrying out projects and as the development sector is moving towards closer cooperation between different NGO's, SPARK is well placed for these demands.

Our collaboration with BiD Network, now located in the same office as SPARK Amsterdam, is a further testament of SPARK's ambition to learn and combine resources and knowledge to become even better in the future.

5.1 Partner policy

SPARK works with partners that either have a mission to support economic development and/or education reform.

Our current partners are local NGO's specialized in Entrepreneurship and Education reform promotion, business centers and incubators, and educational institutions such as universities and vocational training schools. SPARK also partners with microfinance institutions and banks (as partners that guarantee funds for starting entrepreneurs); business intermediaries (chambers of commerce and business alliances) and local and national government (institutions) with mandates to work on economic development and education issues.

As SPARK focuses on post-conflict (fragile) states, building capacity of partners in these states is usually a matter that requires special attention. SPARK supports the capacity development of its partners, aimed at their independence, in three ways:

1. **SPARK gives Southern partners the lead** in designing as well as implementing projects. We believe that the best way to learn is to assure ownership and responsibility with the partners, and let them learn – and build their capacity-by doing.
2. **Each program has a strong capacity building component.** Under these components, resources are made available to support capacity building measures at the Southern partner institutions. The exact support provided varies for each partner, and ranges from training in project cycle management, upgrading of paper bookkeeping system to an automated system, study visits, etc.
3. **SPARK field office staff and project managers have key responsibility to support Partners capacity building.** Annually, the respective Project Manager, together with local field office staff, evaluates the partnership with each Southern partner in an official evaluation visit.

5.2 Communication to stakeholders

In line with our focus on transparency SPARK evaluates our various projects and communicates the results to the wider public via our website.

All participants that take part in our business plan competitions and other projects answer surveys to ensure

that our work is evaluated and constantly improved. Projects within the MFS grant scheme are evaluated annually through surveys and discussions with partners to ensure a high quality throughout the project.

The external communication continues to be focused on the SPARK website, where continuous project updates, evaluations and general news regarding our operations are outlined. The print newsletter, which in 2009 began to be published four times a year, complements our online presence by presenting our work in an innovative way through its design.

[In 2010 a Facebook fan page will be initiated to ensure closer relationships with our stakeholders and provide one more arena where feedback is possible.](#)

Adjustments based on communication with stakeholders

SPARK listens very carefully to stakeholders and if needed based on this information adjustments are made. The complaint procedure is a source of input but also regularly communication with stakeholders.

In 2008, a few partners indicated that our capacity building efforts were not taking off and that they failed to benefit enough from the MFS program. SPARK believes that it is important to listen to our stakeholders and it was decided to make capacity building a priority in 2009.

The changes made our partners more aware of the possibilities and encouraged them to take own initiatives. The partners reacted very positively to these changes and programs including administration support and efficient work practices ensured that partners and business development organizations became more active in the capacity building processes.



06

OUR
PASSION

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06 OUR PASSION

Education and entrepreneurship are two crucial areas when rebuilding a society after a conflict. SPARK believes that our focus on youth is the key when helping these societies to prosper peacefully.

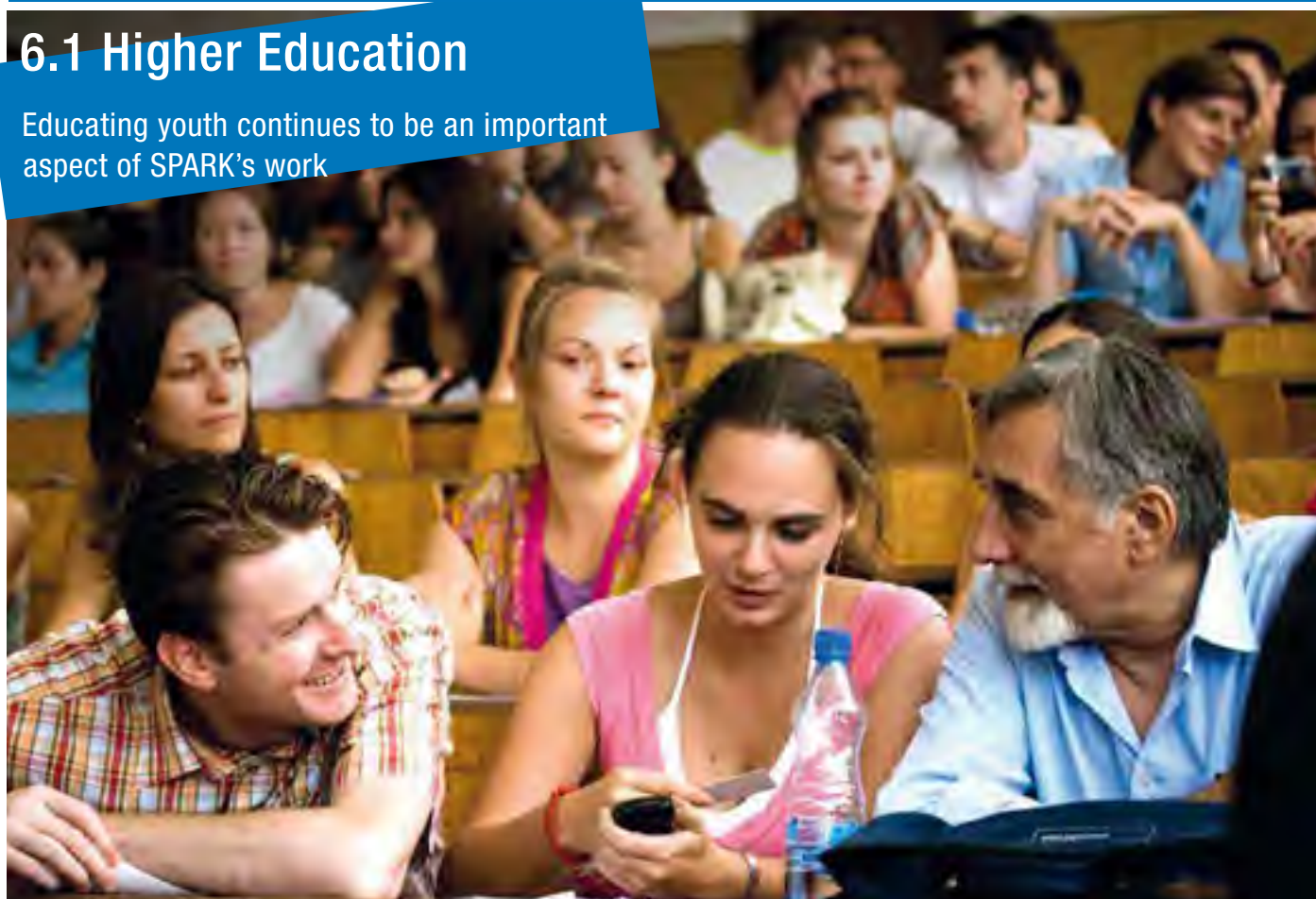
The post-conflict countries, or fragile states, that we work in provide challenging environments and there are few, if any, NGO's in these areas that focus on youth in a similarly conclusive fashion as SPARK does. We are devoted to empower the young people in the local communities so that they can create businesses and increase their employability, ultimately becoming attractive on the labour market.

Job creation is crucial in post-conflict countries since large numbers of underemployed people increase the fragility of a society. The areas in which SPARK operates are in urgent need of rebuilding basic societal functions. This demands health workers, architects and other competent people that have knowledge that is primarily generated in Universities and Higher Vocational Institutions. These need both financial and capacity building support. SPARK provides this through our Summer Universities

and other programs that aim to help local actors to provide the education that the youth in these societies deserve. Our entrepreneurship operations are equally important as SPARK found that many graduates failed to find a job following their studies. Education fails to have a positive impact if there are no job opportunities available. Therefore SPARK launched a number of Start-up Centres in order to create a more sustainable businesses climate in our project areas.

6.1 Higher Education

Educating youth continues to be an important aspect of SPARK's work



Higher education continues to be at the heart of SPARK and in 2009 a variety of programs that aim to strengthen the academic institutions, and create forums for discussions in societies with recent scars from conflict, were launched.

The projects bring together youth on a neutral platform where it is possible to learn from each other. In 2009, supporting and building capacity for Higher Education took SPARK to many different places, such as The Palestine Territories where the first Nablus Summer Academy was held. It also brought us through scanning of almost two million student documents that had been lost since the conflict at the Mitrovica and Pristina Universities, and to Liberia and our Faculty Enrichment Program that empower local teachers. Through these, and many more programs and initiatives, SPARK continues to strengthen societies by supporting Educational Institutions in post-conflict societies.

■ International Business College Mitrovica

Introduction on the 1st day of teaching



Target group: Kosovo youth aged 18+ and future civil servants.

Total project costs: 15, 534,803 Euro (2008-2013). **Financed by:** Swedish International Development Cooperation Agency, The Ministry of Foreign Affairs Denmark, The Netherlands Ministry of foreign Affairs – embassy in Belgrade. **Partners involved:** The Ministry of Education, Science and Technology in Pristina (MEST).

The establishment of The International Business College Mitrovica (IBCM) was one of the key developments for SPARK in 2009.

It is an internationally registered not-for profit educational foundation which SPARK established with donations from Swedish SIDA, the Danish Ministry of Foreign Affairs and the Netherlands Minister for Development Cooperation.

The IBCM will offer EU licensed 2 year vocational professional qualifications as well as 3,5 year Bachelor programmes. Courses will be integrated into the European Credit Transfer System (ECTS) and it will be possible for students to expand their qualification into a BA degree.

All courses are taught in English by qualified teaching staff, a majority of these have international academic credentials. The aim is to create a sustainable and truly inclusive higher vocational institution that produces young professional civil servants and business leaders in the region.

A provisional Supervisory Board was formed in 2009. Dr. Paul Sudnik was recruited as a Director of the IBCM. The Lillebaelt Academy of Professional Higher Education in Denmark won an open international tender to be the IBCM's partner and will issue the diplomas.

The College buildings and facilities are currently being built and student recruitment and teaching will start in early 2010 in temporary refurbished buildings.

The IBCM will be unique in the region and by forming an EU-partnership the College will be able to recruit students from the whole region and provide education in an international learning environment.

North group first day



Pictures from the International Business College Mitrovica

About our passion

“It has been said that the object of education is to prepare the young to educate themselves throughout their lives – this is a principle that as Director of the International Business College Mitrovica support completely” – Dr Paul Sudnik

■ SPARK Summer Universities in Mitrovica and Pristina

Target group: Students from local universities and from universities in South East Europe and EU/other. Local University staff.

Total project costs: 700,937 Euro (2009-2011, 2 years)

Financed By: The Netherlands Ministry of foreign Affairs – embassy in Belgrade.

Partners involved: The Universities in Pristina and Mitrovica, Jelena Anjouska, Fractal.

The Mitrovica Youth Program and the Pristina Summer University (PSU) are the largest international academic programs in the Western Balkans. The aim with the programs is to create neutral learning environments, spur regional academic cooperation and improve the higher education quality in the region. The Summer Universities function as platforms for inter-university cooperation that improve relations

among students and academic staff from universities in South Eastern Europe as well as other parts of Europe. The programs also support the process of Europeanization in education through the Bologna Reform Process. The process seeks to create a European Higher Education area by making standards of academic degree and quality assurance more comparable and compatible throughout Europe. SPARK organised trainings, study visits and workshops throughout the year for local students and professors to enhance the quality of education at the local universities and accelerate their path to be considered a European Higher Education area.

Students in action at a SPARK Summer University



The process seeks to create a European Higher Education area by making standards of academic degree and quality assurance more comparable and compatible throughout Europe.

Project Description and goal

Due to unforeseen circumstances the Mitrovica Summer University did not take place during 2009, but was postponed to early 2010 and renamed the Mitrovica Winter University 2010. This will be reported on in the 2010 Annual Report. The Pristina Summer University 2009 went ahead as planned and offered courses on a variety of topics ranging from Law, Economics, Public and Business Administration to Gender, Education Science, Teacher Training and Conflict Studies and European Integration.

Results	Pristina Summer University		
Item	2007	2008	2009
Courses offered	15	15	15
International professors	15	17	15
Co-professors	16	15	16
ECTS per course	4	5	5
Forums/debates organised	5	6	6
Applications	2212	1283	
Participants	374	312	348
Issued certificates	10	215	228
Student evaluation forms handed in	177	221	164
Overall Satisfaction (based on the statement "On the whole, the quality of the course was high") <scale 1-5>	4.22	4.32	4.56

The Pristina Summer University continues to be the biggest international project of the University of Pristina and both the general conclusion, and student evaluations, point to a very successful 2009. The University of Pristina (UP) took over all financial issues in 2009 and is now completely in charge of organizing the Summer University. The increase in the overall satisfaction of the students can be attributed to effort to host the regional and international students by the PSU office with improved accommodation facilities at the University of Pristina dormitories. The project continues to support UP in the integration of the Kosovo Higher Education System into the Bologna Action Lines.

Success story

Cultural diversity was celebrated amongst the students during the Pristina Summer University and the local and regional students organized a traditional night by themselves where they exhibited national food and folk dances in an informal setting.

Impact

The University of Pristina continues to increase relations with the international field through the Summer University. In 2009, SPARK also supported the University's Student Parliament in attending international conferences and raising capacities and cooperation with other universities in the region and the world. The Summer University is also important for local professors as they get a chance to teach in an international environment at home and update their personal knowledge while sharing information and co-teaching with international professors.

For the University of Pristina students the Summer University is a great chance to meet peers from countries in the region and wider Europe. Students get to experience new teaching methodologies and have access to additional reading materials and books. The regional and international students share information and real life professional cases which contribute to better regional understanding and the possibility to learn and understand different cultures.

Lessons learned

The Summer University Team should make more efforts in promoting the event in due time before the Summer University takes place. The contact with academic staff of University representatives from the countries involved should be more direct. It was also learned that Professors should not be accommodated together with the students unless they wish to. This will enable professors to rest more and prepare better for their lectures.

About our passion

“The Summer Universities are exceptionally energetic and the weeks in July are incredibly busy. The Mitrovica Youth Program team works throughout the year supporting the university to achieve European standards through training and workshops. However, the weeks surrounding the Summer Universities in July are where we all get our renewed inspiration and energy. It is incredibly rewarding to see so many students and professors from different countries and academic backgrounds in Mitrovica or Pristina for a few weeks in the summer. The fact that so many students and professors request to come back each year is a testament that we must be getting something right.” – Elizabeth Heath, Education Project Manager

“The project is very challenging but it also offers a lot of fun for everyone who’s involved and the actual impact it has in improving inter-ethnic relations is large, especially in the Kosovar society.” – Guri Shkodra

■ Liberia Faculty Enrichment Program

Target group:

Primarily: Teaching faculty of any academic discipline from ALU member universities.

Secondary: Senior undergraduate students and teaching faculty of teacher training institutes and colleges, university-department chairs, staff working in government institutions, MoE paid teachers participating in Reading Liberia. Tertiary: any students participating in a demonstration classroom.

Total project costs: 19,967 Euro (2009).

Financed by: SPARK.

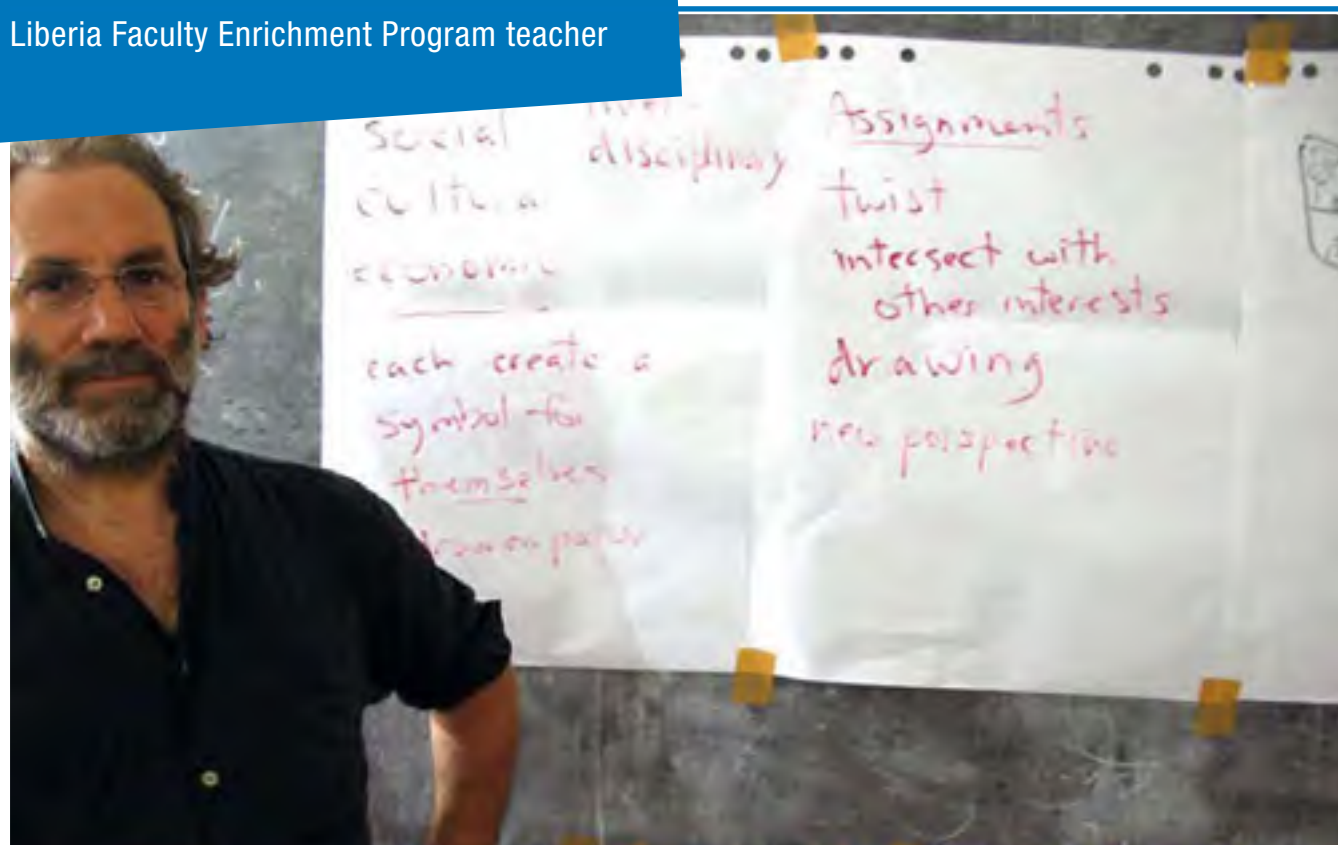
Partners involved: the Association of Liberian Universities (ALU) and its university members, and the Ministry of Education of Liberia.

Project Description

The Liberia Faculty Enrichment Program (LFEP) provides senior undergraduate students and teaching faculty from member universities of the Association of Liberian Universities (ALU) the chance to improve their writing, teaching, research and business development skills. The LFEP combines the joint efforts of SPARK, the Association of Liberian Universities (ALU) and its university members, and the Ministry of Education of Liberia.

Post-conflict Liberia is in the process of reconstruction and development and the entire education system is severely damaged. Higher education institutions are unable to deliver human resources, knowledge and research necessary for the development of the country. The main objectives of the LFEP include improving teaching and research skills of the teaching faculty through two summer courses. SPARK aims to enhance their teaching and research skills and thereby empowers them to perform more effectively when developing themselves as academics. The program also aims to make participating faculties more attractive for grant schemes and other training opportunities, including those offered abroad. The program also aims to increase the international academic network of ALU member universities, build the capacity of ALU and generate spin-off cooperation.

Liberia Faculty Enrichment Program teacher



SPARK wants to contribute to the improvement of long term quality of higher education in Liberia.

The 2009 pilot project was the first step towards an annual summer school. It was held from Monday 6 July to Friday 17 July at the University of Liberia and gathered a total of 83 participants. During a fortnight period teaching faculty and senior undergraduate students were trained to improve their teaching and research skills by a team of international professors and (co-)professors from ALU member universities. In addition to the summer courses, an open to the public debating program on topics relevant to Liberia today enriched the course program.

Evaluation

Each course was evaluated through interviews with visiting professors, co-instructors and participants. In addition, a thorough participant survey was conducted that was filled out by all participants at the end of the courses. The Faculty Enrichment Program proved to be a great success as it answered directly to several very specific Liberian needs. Both professors and participants were inspired and encouraged by the program, and all of the participants claimed to have gained new knowledge and skills in the evaluation forms. Participants and stakeholders involved continuously emphasized the great need for such capacity building programs in Liberia and, judging by the overall response to this program, the organizers anticipated the full range of opportunity that they could offer in an impressive way

Lessons learned

There was an overwhelming interest in the program—resulting in the participation of 83 rather than 50 persons, which illustrated the great need for this type of capacity building in the country. The LFEP pilot edition was directly financed by SPARK, however, the increase in the number of participants accounted for significant challenges to the budget and the aspired quality standards of the program. The available total sum of sitting fees had to be divided among many more participants (in the end, each participant received only half of the budget initially appointed).

Class at Liberia Faculty Enrichment Programme



Teaching faculty and senior undergraduate students were trained to improve their teaching and research skills by a team of international professors and (co-)professors

Also, the budget reserved for reading materials did not allow the distribution of reading materials to more than 25 participants per course, resulting in quite a number of participants not having access to any reading materials at all. The higher number of participants also made it difficult for the professors to develop a sense regarding the level and learning of each individual participant, thereby making it hard to assess them realistically.

Impact

Participants acquired new knowledge and expertise they all intended to apply to their own teaching in the future. Furthermore, the two international professors who traveled to Liberia greatly enjoyed their involvement in the Program, indicating a desire to continue cooperation in the future.

The Nablus Summer Academy

Target group: Students
Total project costs: \$25,952 (2009)
Financed by: SPARK
Partners involved: An-Najah National University, SPARK, NDC

Between 5 and 16 July 2009 SPARK together with An-Najah National University (NNU), hosted summer courses in International Human Rights Law, Public International Law, and International Humanitarian Law in Nablus.

An-Najah National University is a Palestinian non-governmental public university that is located in the mountainous region of the northern West Bank in the city of Nablus. The university has 19,000 students and 300 professors in 19 faculties and is one of the most innovative and well-established universities in the area. The Nablus Summer Academy (NSA) was the first such project undertaken by the Faculty of Law and attracted 22 students, including five from abroad. The goal of NSA is to provide a unique learning experience for students and staff. It also aims to familiarize visiting academics and students with the situation in Palestine.

Results	Nablus Summer Academy
Item	2009
Courses offered	3
International professors	3
Co-professors	3
Participants	22
Issued certificates	27
Student evaluation forms handed in	8
Overall Satisfaction (based on the statement "On the whole, the quality of the course was high") <scale 1-5>	4,3

Student evaluation Statement	NSA
1: strongly disagree, 5: strongly agree	2009
Participating in the NSA is important for my career and will help me to find better jobs or opportunities for studying abroad	3,8
During the NSA, I learnt better how to understand other cultures	4,5
The NSA helped me to establish an international network that can be important for my future career	4,4

Results

The external evaluator concluded that the NSA was a good first step as it proved that there are possibilities of creating a reoccurring Summer Academy at the University. The evaluator also argued that NSA should be continued in the future as it makes an important contribution in exposing NNU professors and students to foreign colleagues as well as providing professors and students from outside Palestine a glimpse of the situation in the region.

Student evaluations were also conducted through questionnaires that were provided to professors and students. However, due to administrative problems not all questionnaires were circulated in the International Humanitarian Law class. An effort to readdress these failures was made by contacting the professors and students who did not complete questionnaires.

Evaluation results

A small number of the NSA students were law students and the recruitment within the law faculty was very poor and needs to be improved. About two-third of the students were from NNU, mainly from the natural sciences, and subsequently many felt that they did not have sufficient background knowledge to participate in the courses. Still, most students valued the experience as the “first” and welcomed the opportunity to interact with foreign students and professors.

While the local professors had been briefed by the Dean of the Faculty of Law and the NSA Administrative Assistant, it appears that the nature of the project was not understood well enough to enable them to maximize the value of their participation. Closer cooperation with the international teachers and more planned lectures was seen as important for the future. The local professors still stated that they enjoyed having the experience of working with visiting professors and teaching students from outside their faculty.

Lessons learned

The communication between the project organizer and the professors need to improve to create a truly successful project. There was a great deal of miscommunication in the project’s requirements and goals which could have been avoided had there been more focus on organizational meetings that included the teaching staff leading up to the start of the project. This would have made the professors more comfortable with what was expected from them and made it clear to them how important their role was within the program.

About our passion

“It was a great step in the direction of increased cooperation between the Law Faculty at An-Najah National University and international professors and partners. It is very important to build these bridges for academic distinction. Professors and students were able to benefit from this new experience and although there were organizational difficulties, the students were able to profit from the course material and exchange. I was motivated to work on this project due to a belief in increased international cooperation and the hope to build a stronger network for those interested in International Law and expanding that knowledge to students who wouldn’t otherwise have been exposed to it.” - Daniela McBane, Project Coordinator Summer University

■ Internal Quality Assurance at Telavi State University

Target group: Teaching, administrative staff and students of Telavi State University

Total project costs: Euro 262.850 (2008-2010, 2 years)

Financed by: European Commission - Tempus
Partners involved: HAN University of Applied Sciences-Telavi State University (Georgia), Philipps-Universität Marburg (PUMa) (Germany), USPMF-Grenoble-II (France) and individual Tempus experts from Italy, Germany and UK.

Financed by: European Commission – Tempus

Since Georgia's independence in 1991 many new higher educational institutions have been established in the country. Telavi State University (TeSaU), the only accredited higher education institution in the Kakhetia Region, is dealing with major transitions in its curricula. This requires a stable system for quality assurance (QA) in order to implement changes in the existing curricula, the teaching process and the management system of the University.

The project involves various tailor-made quality assurance training sessions, expert meetings with partners from EU universities, study visits

to EU universities and program reviews that promote the introduction of quality assurance. Other project activities include trainings and discussions on topics, such as quality assurance for students and study advisors, for teaching and administrative staff and for the research department and publications. During 2009 four tailor-made training sessions on quality assurance were organized for the University staff, including a study visit to Marburg. Furthermore, 219 staff was trained in various training sessions on QA. TeSaU staff had direct contact with their counterparts in various EU universities in order to establish long-term professional links that will last also after the project period.

QA Training and Consortium meeting in TeSaU



TeSaU staff had direct contact with their counterparts in various EU universities in order to establish long-term professional links that will last also after the project period.

It's hard to overestimate the importance of a quality assurance system for Georgian universities, which still face a lot of challenges. Collaboration between the quality assurance offices of different universities - both within the country and internationally - is, probably, one of the best ways to find solutions for the existing problems. - Prof. Tinatin Zurabishvili, head of QA Department of TeSaU, Georgia

Success story

As a part of this project, 3 pilot faculties of TeSaU were involved in the program review, using the European Credit Transfer System (ECTS) as a tool for curriculum development and quality assurance. The most promising possibility for sustainable cooperation was established between the Dentistry Departments of Telavi State University and Philipps-Universität Marburg and both departments will look for possibilities to intensify their cooperation outside the framework of this Tempus project in 2010.

Lessons learned

One of lessons learned is the need for improved English communication skills among the staff involved in international projects and international mobility at TeSaU. This would yield significantly more results as it would enable the TeSaU representatives to communicate directly with EU counterparts without translators. The above-named success story for the dentistry departments was carried out directly in German which meant that this part of the project evolved far more dynamically and most likely also with a higher grade of sustainability.

About our passion

“Working on this project in Georgia together with EU universities was a great challenge for me and required my full intercultural knowledge as well as linguistic skills, especially when communication in English occasionally failed and was substituted by Russian. In 2009 the project partners, characterized by quite different mentalities and objectives, grew together as a team and therefore important project results were reached and opportunities for future cooperation between Georgian and EU Universities were created. Working in this large international team and reaching concrete results was a pleasure and a valuable experience for me.” – Dimitry Kouine, Senior Financial Officer

■ Scholarship database Western Balkan Students

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

Total project costs: 30,055 Euro.

Financed by: King Baudouin Foundation.

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

Education is key when contributing to EU integration, therefore SPARK launched a scholarship database in 2009 for Western Balkan students who want to study in EU countries. The database aims to promote student mobility of Western Balkan students and is a collaborative effort together with the King Baudouin Foundation.

The database lists a wide range of scholarships offered to Western Balkan students and researchers and provides information on financial aid for Bachelor, Master, Master of Science and Doctorate degrees. The database covers seventeen fields of studies in thirty-three countries all over Europe and gives Western Balkan students access to structured funding information and opportunities to study abroad. This will enable Western Balkan students to gain experience living in a different cultural setting and bring these experiences back to their home countries.

A study initiated by the King Baudouin Foundation, 'Student mobility in Western Balkan countries' highlighted the key problems that exist with Western Balkan student mobility into EU member states and EFTA countries. Of the students interviewed that would not consider study abroad, 51% cited insufficient money as a very important reason. Similarly, even when students were considering studying abroad, 62.4% answered that not finding enough money was a big problem. This project was therefore designed to better inform students from the Western Balkans about available study abroad opportunities, scholarships and stipends to enable integration with the rest of Europe.

Results

A nearly complete handbook providing an overview of existing scholarships & stipends served as a starting point for discussion at the conference on scholarships, organized by Czech EU-Presidency in May 2009. The online tool was available by the end of 2009 including a complete inventory facilitating the promotion, provision & searching of information and application or contacting.

About our passion

"This is a small project that will make a big difference. By pooling all scholarship information in one place, students will have a higher chance of finding the right scholarship for them. It facilitates student mobility at the individual level which is hugely rewarding." – Elizabeth Heath, Project Manager

■ Transfer of Medical Students of Tetovo University to Skopje, Pristina and Tirana

Target group: Medical Students Tetovo University.

Total project costs: 487,480 Euro (2006-2009)

Financed by: The Netherlands Ministry of Foreign Affairs, embassy Skopje

Partners involved: Faculties of Medicine of the universities in Pristina, Skopje and Tirana.

The Tetovo State University was previously a non-accredited Albanian university with 14 faculties. On 1 October 2004 it re-opened with 5 faculties as part of the Ohrid Agreement in Macedonia. The Faculty of Medicine was among the eliminated faculties, which caused unrest among medical students and lead to disruptive protests. In January 2005 an agreement was signed between the Ministers of Education from Macedonia, Kosovo and Albania to transfer the medical students from Tetovo University to the Faculties in Skopje, Pristina and Tirana in order to resolve the issue.

The Ministry of Education of FYROM, and the Netherlands Embassy in Skopje, requested SPARK to act as a neutral monitoring agency during this process and to manage the international funds related to the transfer. SPARK was also asked to perform necessary quantitative (accounting) and qualitative monitoring at the host universities. The project assured that the medical students could continue their studies at the Medical Faculties in Skopje and Pristina. The cross-regional cooperation reached with this transfer is of regional significance. However, the University of Tirana was excluded from the project by the donors in 2006, due to a failure to deliver required information necessary for the transfer.

Results

The project also had positive effects for the host Universities in Pristina and Skopje as they received donations of equipment that benefitted all students. Furthermore, the Universities were compensated for the extra cost the sudden influx of new students resulted in. The process was deemed successful although the University of Pristina found it difficult to facilitate all new students as it substantially added to their normal student base. The project has attained about 80% of its set results and most importantly all transferred students in all cities were given a fair chance to complete their medical studies.

Results	Students Transferred	Students fully integrated into curricula	Equipment installed and in use
Pristina	188	180	Yes
Skopje	39	31	Yes
Tirana	57	-	-

Impact

Students were at risk to lose their education; this project allowed them to have a fair chance to graduate and no student was left without his or her right to education. It is important that the students are not affected by political developments. SPARK believes that everyone has the right to education in post conflict areas and this project ensures that this is the case also for the medical students at Tetovo. A failure to act on this could have produced a major irritant among young people who were denied their education and could potentially have developed into a destabilizing situation.

■ Scanning of student and professor documentation in Kosovo

Target group: Student, professor and administration files.

Total project costs: 89,520 Euro (2007-2009)

Financed by: The Netherlands, Norway, Austria & SPARK

Partners involved: The University of Pristina and University of Mitrovica.

Since May 2008 SPARK, together with funds from the Dutch, Austrian and Norwegian government, has carried out the first ever exchange of University documents, previously lost due to the 1999 conflict in Kosovo, at the Universities of Pristina and Mitrovica. These records are crucial for past students in order to prove that they have completed exams or obtained a degree. Staff also needs these records in order to be eligible for inter alia pensions. Most importantly, the documentation has an important emotional value. This project aims to digitalize all documents that allow exchange among the universities.

The Registration and digitalization at the University in Mitrovica (UM) was completed in 2009 while the registration and digitalization at the University of Pristina (UP) is expected to be concluded in 2010. The first handover of documents between the University of Mitrovica and the University of Pristina was made on 11 March 2009 and marked the first cooperation between the two universities since 1999. In addition, this handover was made in public through two press conferences, one in Pristina and one in Mitrovica.

Results

1. The UM handed over 5156 original student files at the faculty of technical sciences at the UP;
2. The UM handed over 11 529 students files in electronic format to the UP (including various faculties).
3. The UP handed over 37 506 students' files in electronic format to the University in Mitrovica.

Impact

People lost access to their diplomas or work history during the conflict; we enable them, through a non political intervention, to obtain their rights for education, access to their pensions by providing documents or work history. We estimate that over 2 million pages will be scanned when the process is finished. Both Universities agreed about this cooperation on the highest level and requested SPARK to take a technical role to ensure that the agreement developed in a successful matter. This is a very positive sign since SPARK aims to spur projects with strong local ownership. The project also demonstrates that actions that improve people's lives are still possible in regions with a history of ethnic conflicts.

About our passion

"This is the first time ever that these two universities cooperate and we are proud to lead and enable this process to happen. We create an environment where good things can happen and we witness and experience the change in spirit that hopefully lead to new opportunities for those involved." – Valentina Quarri, SPARK representative

6.2 Entrepreneurship



Discussions at BSC Kragujevac, now on the road to become independent

In 2009 The Business Start-Up Centers in south East Europe that SPARK has been running started their route towards independence, a process that continues in 2010. The objective for the private sector development is to support job creation and entrepreneurship in various ways. In 2009 that meant hosting an Entrepreneurship Development Conference in Brussels, to discuss entrepreneurship in developing countries, and continued capacity building in the South East European Business Start-Up Centers.

■ Southeast European Business start-up Centers network

Target group: 18 to 35 year olds with entrepreneurial aspirations.

Total project costs: 9,395,542 Euro (2007-2010)

Financed by: The Netherlands Ministry of Foreign Affairs, under MFS

Partners involved: National Ministries and SME Development Agencies, Universities, Municipalities, Chambers of Commerce, Regional Economic Development Agencies and Business Associations.

Project Description and goal

Motivating young entrepreneurs

Promoting entrepreneurship is crucial to the reduction of poverty and to spur economic development in South East Europe. The Business Start-up Centers directly tackle poverty alleviation by offering business-skills training, coaching and consultancy, and micro-credit to young entrepreneurs. By acting on market opportunities entrepreneurs create and develop businesses that drive economic growth and

provide necessary jobs. SPARK supports five Business Start-Up Centers (BSCs) in Southeastern Europe. These centers support young and ambitious (potential) entrepreneurs in the discovery of business opportunities, as well as the creation and development of successful businesses. These centers are joint ventures by Ministries, local governments, Chambers of Commerce and Universities. Start-ups can receive support for business registration and get access to working spaces in Business Incubators. Business Plan Competitions are used to select award winning ideas and awarded entrepreneurs are offered loans and personal consultants who assist in turning good ideas into successful businesses.

Proud owner of 'Little plant'



Business supported by BSC Kragujevac

Together with local partners, the Business Start-up Centers monitor bureaucratic obstacles faced by the start-ups and other small and medium-size enterprises (SMEs).

In 2009, four local business barrier studies were commissioned and published in Zenica, Bar, Kragujevac and Bitola.

Each Center has also partnered with local institutions of higher education to promote curriculum development and incorporate entrepreneurship courses into standard University curricula. In order to expand into the large and lucrative EU market South East Europe (SEE) businesses must guarantee that the quality of their products and services meet international standards. Through matching grants, SPARK offers support for Quality Standard Training and Certification (ISO/HACCP) to businesses that aspire to expand beyond SEE borders.

Creating partnerships is crucial when starting a business. Therefore each Business Start-up Center organizes events and conferences for young entrepreneurs to meet and network within their region and occasionally beyond. In case of larger national SME conferences, the Centers can arrange the transportation and registration for some of their more vibrant businesses. This has enabled some young start-ups to gain access to the wider business community, creating previously unattainable opportunities.

Results	Result 2008	Target 2009	Result 2009
New SMEs (companies) established	100	120	163
Jobs generated	463	240	706
People (beneficiaries) trained ¹	2944	3210	4543
Satisfaction with quality of Business Skills Training ²	9,12	>7.00	9.20
Does the BPC increase the motivation to take action to start-up a business after writing the business plan?	72.25%	75%	72.84%
Does the BPC accelerate the process of putting their ideas into a business plan (due to deadlines and 'competition element'?)	59.58%	75%	63.33%
Survival rate of BSC businesses after 2 years	-	80%	97.75%

1 - Beneficiary: 1 person that completed 1 training course (average 20 hours).

2 - On a scale of 1-10 where 10 is highest quality

Explanation on results

In 2009 a sharp spike in the number of new SMEs created, or younger existing companies strengthened, was seen. 163 companies was created, or strengthened, during the year – beating our target by 43 businesses. The positive development has also dramatically expanded the number of jobs created to 706. The BSC trainings came into their own in 2009, nearly doubling the previous year's mark, with 4,543 participants. The BSCs' reputation in each country has allowed for expansion of local trainings in their cities, neighboring towns and, in some instances, nationwide.

This in turn is reflected in the satisfaction of the quality of the Business Skills Trainings (BST) at a score of 9.2 (on a scale from 1-10). The motivation of the BSC training participants to start-up their own businesses remained high (72.85%) in 2009, near the motivation level of 2008.

What matters in the end is the survivability of the businesses created or strengthened. The quality of the selection of business plans for registration; financing and post-start-up consulting has shown its merits. To date, the BSC program businesses started up or strengthened enjoys 97.75% survival rate, directly attributed to the rigorous selection procedure and assistance provided through the 5 BSCs

Impact

The true impact is that youths are now able to realize their entrepreneurial potential. The Business Skills Trainings provide the self-assurance they need to develop their business plans and the BSCs are there to assist them after they start with on-demand consulting and technical assistance. The work with these start-up and younger existing businesses is resulting in more innovative type of industries, especially through university students, and expanded job creation. The beginning is difficult for these youthful entrepreneurs and income might be less than working for someone else, but through hard

work and diligence, the entrepreneurs' perseverance usually result in established companies that are viable and competitive on the local market. The 5 BSC's have helped 163 new start-up companies and younger existing in 2009. During the course of the year, three out of the five Business Start-up Centers became independent from SPARK and are under management of local partners. These independent centers will administer the current donor funds until the end of 2010, but are developing commercial services with financial support of local founding partners.

BSC training participants at class



The 5 BSC's have helped 163 new start-up companies and younger existing in 2009.

These independent centers will administer the current donor funds until the end of 2010, but are developing commercial services with financial support of local founding partners. The regional micro-credit fund has reached (total all centers) 900,000 Euros to finance start-up business activities. Four Business Incubators, providing 51 tenant spaces, are now open and two SME Conferences and Fairs were held in Kragujevac (Serbia) and Zenica (Bosnia-Herzegovina) attracting 170 conference participants and 69 fair exhibitors.

"When I first entered the BSC Bar offices, I thought I would have to meet some dubious and impervious people who know a lot more than I do. I do know my way around design but am not that business savvy, but with the help of BSC Bar staff it felt so easy to seriously think of starting my own business. Something that amazed me was the accessibility of the BSC staff...they explained everything to me and the communication with them is so easy that I got more than I expected – I got knowledge in business and I got new friends." - Sanja Tomašević, owner "Start Design Studio" located in the BSC Bar Business Incubator.

Success story

A former manager of two diagnostic centres in Bitola, Borce Vasilevski stepped out into the unknown when he opened Bitolska Labouratorija in 2009 by submitting one of 10 best business plans in BSC Bitola's business plan competition allowing him to use the possibility of the centres' credit facility and consulting.

Everything is done transparently in Bitolska Labouratorija. "We don't hide the number of patients or the price of the services. We had 320 patients the first month, which was surprising for us in a positive way. The high number is due to the politics of our work - to put ourselves directly at the patients' disposal."

Borce says that they have determined the target groups, made contract with the Association of Pensioners from Bitola, to whose members they give free services for certain services, combined with home visits from the Laboratory team. "We don't charge more than what's needed and we work with quality. We work the analysis of each patient 2 or 3 times, which is like making an advert through the media, because we think that the best advertisement is from mouth to ear. And you will all agree that is the best way of communication in Bitola." - Borce Vasilevski, 33 years old owner of the "Bitolska Labouratorija" health Laboratory in Bitola, Macedonia

Brilliant mistake

In 2007, Bar, Montenegro was awarded the Business Start-up Center project to develop entrepreneurship activities in the south of Montenegro and to open a business incubator. The municipality of Bar pledged 700 m2 of 4th floor space in an adjoining municipal administrative building to win the BSC project over other competing cities. SPARK engaged a consultant to write a feasibility study and to develop the direction and theme of the new incubator. The study recommended that the incubator instead should be opened in an old school complex on the edge of Bar which would enable production type activities.

The municipality officials stood behind this idea and allocated 300,000 Euros to rebuild the complex. But alas, the intended space was promised for other business activities, making it impossible to house the BSC Bar incubator. In the end, the incubator was finally opened February 2010 in the originally pledged 4th floor space.

Why is this a brilliant mistake? One would think this is a brilliant tragedy? The consultant had recommended that production type activities should be developed in Bar, but with the opening of the Incubator it became clear the interest from services businesses to move into the incubator space was much greater than anticipated. Owing to the overall coastal region economy of Montenegro, the main activities are services, trade and tourism, which is now reflected in the operations in the businesses incubator. The incubator tenant space has been completely filled to date and BSC Bar is now planning another 350 m2 of incubation space on the second floor of the same building which will host even more tenants during 2010.

About our passion

“After a number of years working on economic development projects in South East Europe, I realize that the greatest area of potential that required attention is youth start-up and operated businesses. Too many of the best and brightest youths are leaving the Balkans for jobs abroad or simply going to work for large conglomerates or banks, not realizing their full potential.

That aside, the most difficult sector of development is starting up businesses for youth. The “hand holding” process to get youths to bring their business ideas to the surface and then work with them after they start is so much more involved than working with existing businesses. But from my perspective, anything that is easy is not interesting. We as SPARK can always work with a company that has been around for 10 years and employs 20+ persons, but the factor of “what if?” is no longer there. It is more satisfying, and in many cases even fun, to take a youth who has a good idea and walk them through the process to develop their business idea into a full registered business. It is never easy, but then again, what in life is?” - Philip Hostert, Regional Project Manager Business Start-up Centers and Incubation Project in South East Europe

■ Regional Private Sector Development in South East Europe

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

Total project costs: 1.784.640 EUR.

Financed by: The Netherlands Ministry of Foreign Affairs, embassy Skopje.

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

The private sector development in the Western Balkan is slowly making progress. Both the IMF and the World Bank have repeatedly indicated that economic growth will primarily be achieved through regional economic cooperation. EU officials stress that Western Balkan's future lies in enlarged and boosted regional cooperation. Such regional economic cooperation can only be maximized if key national institutions work with their regional counterparts.

At present, however, these (such as National SME Agencies, business alliances, universities etc.) are nationally oriented. SPARK tries to

tackle the demand within the Regional Private Sector Development project by promoting regional cooperation between Governments, higher education and business sectors in the region.

The projects focus on the entrepreneurial aspect of private sector development and regionalization of economic and academia cooperation activities and that the established Southeast European Association of SME Agencies will be self-sustainable.

Business supported by BSC Zenica



Entrepreneurs would benefit from closer regional collaboration

The aim is to strengthen partners' capacities and incorporate stakeholders into the implementation of the project activities so that all activities run independently from SPARK at the conclusion of the project. Intended results include regionalization of existing EU Days and Trade Fairs, the introduction of a regional Masters Program and Bachelor Course in Entrepreneurship at partner Universities, Partner Capacity Development Program implemented and to make Southeast European Network for Business Support Centers & Incubators (SENSI) self-sustainable.

Results

The SME Association Statute is in progress and national SME Agencies from Serbia, Kosovo, Macedonia and Montenegro have met twice to discuss the model and legal status of the Association. Serbian and Kosovo SME Development Agencies have made the first official contacts and the visual identity for the SEE SME Association has been developed.

The European day of Entrepreneurs was organized for the 4th time and was part of the Macedonian SME Week. The conference gathered more than 500 participants, 27 local, regional and international speakers focusing on 5 different topics related to SME development, economic and SME development in economic crisis, local economic development, and entrepreneurship education. Three private sector development partners participated as speakers.

- The regional MA program on entrepreneurship was developed with six partner Universities and an expert from the Nyenrode University Netherlands. The Serbian Ministry of Kosovo and Metohija supported the attendance of professors from the University of Pristina during the preparatory meetings and work shops in Novi Sad. The MA course started and 27 students are enrolled.
- Partners completed capacity building training on EU project Development
- Partner institutions developed 1 joint project proposals for donor funding
- SENSI officially registered as a membership based organization; 2 capacity building workshops organized - on EU fundraising and business angel networks

Impact

The project directly contributed to strengthening regional cooperation initiatives by encouraging partners to create networks and work together through joint initiatives. It strengthens national institution capacities hence having a long term positive impact in each country's development and progress. The regional network adds value to the regional cooperation initiatives since partners are jointly working on development of regional activities. This enables them to directly share experiences and knowledge that can improve the private sector environment in their own countries.

“The PSD project created a framework under which regular meetings between similar institutions from the Western Balkan shall meet and work together”, - Serbian National Regional Development Agency

Lessons learned

The project activities in the field often require changes on high political and policy levels rather than on the local level where project partners can influence. PSD implies that changes are initiated from the bottom levels, i.e. from local institutions which do not have mandate and capacities to change higher politics. Therefore, building capacities of local institutions will continue in order to enable them to carry out the necessary changes.

About our passion

“The possibility to contribute to the strengthening of regional cooperation as well as to build capacities of local partners to focus their daily working routine to better regional cooperation motivates me to work on this project.” – Alekandra Milenković Bukumirović, Head of SPARK Belgrade Office

■ Business Start-Up Center Monrovia

Target group: Young, ambitious men and women.

Total project costs: 279,525 Euro (2009-2010)

Financed by: The Netherlands Ministry of Foreign Affairs, under MFS

Partners involved: The BSC Monrovia is a pilot project of the Association of Liberian Universities (ALU) and an initiative of the ALU, SPARK and the Ministries of Education, Youth and Sports, Labour and Commerce.

Project Description

BSC Monrovia was set up in 2009 and will host its first Business Plan competition in 2010. The BSC will develop and spur entrepreneurship and education so that young ambitious people are empowered to lead their societies into prosperity.

The BSC Monrovia will help to build the capacity of universities and vocational schools. It will also support existing businesses run by young people to start and develop their operations through a combination of business skills training, coaching & mentoring and finance along a business plan competition. In addition, the BSC Monrovia offers a range of employability training courses for youth, women and man with the purpose to increase their chances to become employed in the existing job market, e.g. job interview skills, writing and presentation skills etc.

■ ICT Incubator Palestine

Target group: Students of Birzeit Universities, West Bank.

Total project costs: 165,641 Euro (2009-2010)

Financed by: The Netherlands Ministry of Foreign Affairs, under MFS

Partners involved: The Najjad Zeenni IT Center of Excellence at Birzeit University, Palestinian Ministry of National Economy, Palestinian Information and Communication Technology Incubator (PITI), Palestinian IT Association of companies (PITA) and Palestinian Educational Initiative at the Palestinian Ministry of Education

In 2009 SPARK and Birzeit University began the process of establishing an ICT incubator in the Business and IT sector in Ramala, in the Palestine Territories. Each year, 1.600 students graduate from Palestinian Universities, but because of a lack of job opportunities most of them remain underemployed.

With this project, of which a pilot edition of 12-18 months is expected to take place during 2010, SPARK and the Birzeit University aim to encourage students to practice their entrepreneurial skills, enabling them to make the most of the local market potential and start a profitable business in the future.

The ICT Incubator was established at the University to train students in business management skills, a specific grant program was also put in place to support the students' best business plans. The pre-incubation project will build a stronger, more cohesive entrepreneurial environment that will encourage new business start-ups and spur an entrepreneurial spirit and self employment attitude that will lead to job creation and increased local economic development. It will provide a university based platform for development of new resources to help entrepreneurs learn about business management and planning skills. It will enable participants to better understand the modern demand driven economy and market conditions as well as the positioning of SMEs in the global economy.

Students of ICT Incubator Bir Zeit



The first evaluation of the project will be conducted in March 2010 and will be presented in the Annual Report 2010.

■ Enterprise Europe Network

Target group: Small and medium enterprises in Montenegro.

Total project costs: 180,000 Euro

Financed by: European Commission

Partners involved: Directorate for development of SMEs, Chamber of Economy of Montenegro, Mechanical Engineering faculty.

Project Description and goal

The objective of this project is to improve the competitiveness of Montenegrin small and medium enterprises in the national and European markets.

The network will provide integrated services in support of business and innovation through the mobilization of the efforts of the major players in Montenegro.

The goals of the project include increasing synergies among the partners through integrated services, maintaining and continuously improving access, proximity, quality and professionalism of the integrated services provided by the partners.

The network will also carry out impact assessment studies for the Commission by consulting businesses and obtaining their opinion on the community policy options and work complementarily with other relevant service providers. During 2008 – 2013 the consortium will provide its clients with three main areas of services:

- a) Information, feedback, business co-operation and internationalization.
- b) Innovation, technology and knowledge transfer services encouraging the participation of SMEs in the Community.
- c) Framework Program for RTD.

Sucess story BSC Bar



Enterprise Europe Network support and strengthen Montenegrin Businesses

■ Entrepreneurship Development Conference 2009

Target group: practitioners, policy makers, entrepreneurs and researchers in the fields of Entrepreneurship Education and Business Creation.

Total project costs: 74,814 Euro (2009)

Financed by: Part of BSC MFS project

Partners involved: INHolland University of Applied Sciences and Triodos Facet.

Gender, Education Science, Teacher Training and Conflict Studies and European Integration.

Project Description

The two-day Entrepreneurship and Development Conference 2009 (www.eD2009.org) focused on analysis, development and discussion concerning Entrepreneurship Education and Business Creation programs. It took place on 29 and 30 October and consisted of a number of keynote speeches, a wide variety of workshops, simulation games, a visit to the Creative Factory, and a brainstorm session. Participants critically analyzed Entrepreneurship Education and Business Creation programs while exploring new opportunities and possible solutions. The conference allowed for extended networking and sharing of knowledge and

experiences. A wide variety workshops focusing on Entrepreneurship was provided such as “Entrepreneurship education in vocational education and training institutions”, “Making business creation work” and “Entrepreneurship and job creation in re-emerging countries”. The main objectives for the conference was to create an event where participants could inspire one another, share ideas and learn from each other. SPARK also wanted to facilitate a possibility to network and build vital business relationships as well as discussing and addressing issues that relate to entrepreneurship development and education.

Results

An estimated 170 people participated in the two-day conference, 58% of them being international, representing 33 countries, and the remainder Dutch (42%).

Participants included practitioners, trainers, experts, policy makers and entrepreneurs. The overall quality of the conference was mostly rated as high (see fig 3. below) which suggests that the expectations of the respondents were met or even exceeded. More than a fourth of the respondents found that the quality of the conference was very high while 85% was satisfied with the quality of the conference and almost 90% saw an added value of visiting a future follow up conference; 69% made between 5-10 new contacts (fig1), of which a large part were contacted in the week after the conference (fig2).

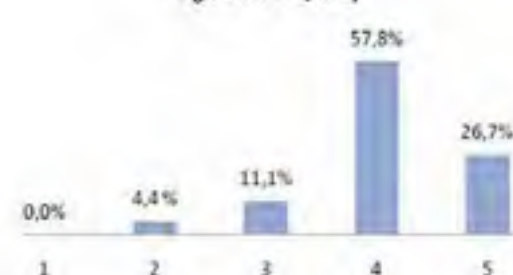
Fig.1 Number of new contacts made



Fig.2 Contact follow-up after eD2009



fig.3 Overall Quality



About our passion

“It was nice that the project was in the interest of both Dutch parties and our international partners. Matching these networks turned out really positive; we actually facilitated mutual learning and new contacts.” – Marieke Pluk – Project Manager

6.3 Project Development and Fundraising

SPARK's goal, in 2009 was to submit at least ten full proposals for new activities at a total value of at least 10 million Euros in new post-conflict environments outside of Southeast Europe. Nine proposals were submitted.

A project developer was hired during 2009 to increase the capacity of the development and fundraising unit. However, the contract was not prolonged. Furthermore, a special effort was made in 2009 to secure cash and in-kind contributions from local beneficiary institutions, as these improve ownership of projects and increase the likelihood of sustainability.

Starting in 2009 the NLMFA donor conditionality obliges SPARK to annually raise 25% of the Dutch contributions on SPARK's largest grant. Something which SPARK comfortably did, raising 49,64 % of that grant in 2009. Failing to achieve this target might lead to repayment on the MFS grant.

The experience with the projects in Liberia and Palestina were of value for the assess

ments for the grant application MSFII (Medefinancieringsstelsel) to the NLMFA which took place in the end of 2009 together with BiD Network. SPARK wishes to uphold its mission to assist post-conflict countries in transition.

Therefore the assessments for MFSII were conducted in Colombia, Burundi, Ruanda, Kenya and Sudan. As our SEE partners have firsthand experience in post-conflict construction and all have undergone or are undergoing complex economic and educational reform processes, they are the ideal 'experts' for this transfer.

In terms of program content the focus is primarily on youth employment-generating activities through business skills training, business plan competitions, micro/meso-credit and coaching and consultancy. The educational component remains very much represented in this predominantly private sector developing activity as universities and vocational schools will remain important partners in the implementation of these activities, particularly business skills training to become a normal and recognized part of education structures. In addition, these educational institutions accommodate SPARK's main target group. Predominantly educational development activities such as quality assurance, curriculum reform and faculty development, e.g. through summer university events will still be developed but with less priority than youth employment activities.

The aforementioned MFS application will mostly include the latter type of activities.

Fundraising	Results 2008	Target 2009	Results 2009
# proposals submitted at value of at least 10 Million	10	10	9
NLMFA income in Euros	2,895,636	3,628,503	5,975,523
% of income of NLMFA	83,59%	36,95%	84,31%
Non NLMFA donor in Euros (excl EU & in kind)	155,185	5,865,919	910,260
% of cash income of non NL MFA donors	4,48%	59,73%	12,84%
In kind contributions in Euros	274,157	157,960	145,293
% of non-NLMFA income of in-kind contributions	7,91%	1,61%	2,05%
European Funds in Euros	138,961	168,950	56,656
% of non-NLMFA income of European funds	4%	1,72%	0,80%

07

SPARK
FOR
IMPROVEMENT

ANNUAL
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07 SPARK FOR IMPROVEMENT

The continuous development of SPARK follows the line of quality, transparency and innovation and is exemplified by our rigorous evaluation procedures and publishing these, and many other documents, online. During 2009 SPARK has been in the fore front in the work towards an International ISO standard for NGOs which has a strong focus on quality and transparency. It is important for SPARK to also have a positive impact also in the Netherlands; therefore we offer incubation space and training for Dutch NGO's through our Young Pro's scheme.

7.1 Quality

SPARK aims to provide its target group with activities that are of the highest quality. This is realized by securing that the internal organization functions in the most effective way and by creating an environment where learning is constantly encouraged. Honest external and internal communication of achievements and failures and the implementation of a quality management system further emphasize SPARK's devotion to quality.

The maintenance of a good quality system includes a streamlined human resource policy that contributes to proper task delegation among staff and improves the efficiency of our daily work.

SPARK staff performance is evaluated and feedback is provided continuously through reports based on evaluation and assessment meetings. Ongoing and planned impact studies and external evaluations are expected to provide a more accurate view on attained results of the programs.

ISO certificate, ANBI and CBF

SPARK holds a number of markers of quality including the ISO 9001:2000 quality management label, SPARK is also registered by the Dutch Tax Administration as an entity with General Benefits Objectives (Algemeen Nut Beogende Instellingen, ANBI), making donations tax deductible. Furthermore, SPARK holds a "CBF certificate," which evaluates the principle of good governance and reliability of spending funds by non-profit funding organizations. CBF (Centraal Bureau Fondswerving) is a member of the International Committee on Fundraising Organizations (ICFO).

SPARK's quality management system involves procedures and requirements for our most important business processes such as the organization of summer courses and business plan competitions as well as the handling of complaints, and planning, monitoring and evaluation processes.



ISO 9001
Cert. No. QSC 554



Quality standard for development sector

SPARK is a member of Partos Quality Committee that has a mandate to do a pre-research to map the possibilities for an International Quality standard for the International Development sector.

We believe that an international quality assurance would greatly improve the possibility to assess organizations in an international context. This would enable SPARK to raise money from international donors and create a framework that recognizes the quality of our work also outside the Netherlands. The Quality standard could also facilitate peer review and learning among organizations, something that will improve the sector as a whole. The general ISO 9001 is not tailored to the development sector which makes it difficult to apply to civil society organizations with a large number of different stakeholders and partners.

The whole development sector has come under scrutiny the last couple of years as certain organizations and individuals have made mistakes that damaged the sector as a whole. This, together with corruption scandals in various organizations, means that there is external pressure, from the public at large and donors, on our sector to show that we do things well by being open about our work. There is a bigger focus among the general public and donors to see clear results and impact from the money that is going into our sector. This is something that we need to be aware of and we acknowledge. An international ISO standard would be a clear message that we take this seriously. The Partos Quality Committee meetings will continue in 2010 in order to try and move the process forward and to identify the problems and possibilities an international quality assurance system would have on the sector as a whole.

Complaint policy

Three official complaints were submitted in 2009, compared to three in 2007 and one in 2008. The complaints were handled according to the prescribed procedure. The complaints were handled immediately and in a serious manner by stating our sincere apologies in case this was deemed necessary, or by clarifying why a certain incident occurred. As during previous years, preventive action was taken by informing the relevant staff member who made the mistake in order to prevent this from happening in the future.

SPARK has a formal ISO certified complaint procedure and the right to complaint is open to all partners, final beneficiaries and the general public. Expression of disapproval or discontent can be made via the website, in writing, or in person (verbal) to a member of SPARK staff. In case of a verbal complaint, this has to be written down by the staff member. The complaint form, as well as SPARK's complaint policy and an explanation of the policy are externally easily accessible through the internet and can be requested by anybody in hardcopy from head and field offices.

7.2 Transparency

Transparency is a key value at SPARK and we believe that being open with our work and impact is beneficial for everyone working with us and who are involved in our programs. Evaluations from our projects are continuously presented on our website and with the launch of the TranSPARKency we now display all financial information for anyone interested.

TranSPARKency

transparkency.online

One of the major developments for SPARK during 2009 was the launch of the tranSPARKency website. Since our establishment in 1994, SPARK has published detailed annual reports, project reports and external evaluations on our website. The evaluations provide an external and independent judgment on the quality and impact of our work.

We are proud of our successes and want to learn from our mistakes, and we are not afraid to share both openly. SPARK believes that it is important to be open with how we use the money we receive from donors and enable people to find everything from the salary of the Directors of SPARK to the percentage of funds that we spend to maintain our own organization.

Our new website, TranSPARKency Online, provides the general public with all financial details, down to the receipt level, regarding our projects. Every euro we spend is accounted for. Linking financial data with impact result will increase the level of information and transparency even further. This requires an incorporation of the Management Information System that holds impact data into TranSPARKency, we hope to have this in place in the future. For now the built-in clarification request system (the button with the blue question mark) can help answer questions about receipts that are found online.

By 1 July 2010 SPARK aims to have the link between our outcome and impact, and the financial records fully integrated. However, putting the numbers online does not mean that we are completely transparent and SPARK will continue to improve this service by including information about over-head and how much money that goes to each area we operate in. **In the future we aim to provide data that will enable people to not only see the numbers, but also relate them to the amount of jobs created for instance. This will make the numbers more meaningful and ensure that SPARK continues its quest to become the most transparent NGO in Europe.**

Brilliant mistakes

SPARK organized the 'Good Intentions, Brilliant Failures' conference together with the Institute for Brilliant Mistakes in October 2009. The initiative originates in a

project initiated by ABN AMRO that was originally established to create learning opportunities in business development and is based on the experience of entrepreneurs who failed to achieve the desired results from their business. The conference draw attention to the need for development organizations to learn from their mistakes instead of trying to hide them. In 2010 the 'Briljant Mistakes Award' will be given to the best learning moment/instrument in the development sector as a way to further showcase the value of failures.

The focus on brilliant mistakes, in line with SPARK's transparency focus, is also supported by Partos, who signed the Manifesto which was created during the conference. It showcases flawed procedures as one way to sustain a upward learning curve in participating organizations. The event drew attention to transparency and learning in and all participants emphasized the need for greater transparency and quality in the sector. Furthermore, the initiative to engage with each other on a more frequent basis was welcomed by the participants and lead to a signed Manifesto where the participants incorporated a series of guidelines that aims to place transparency and quality higher on the agenda:

- Openness and transparency should be a key competence of the non-profit sector, for example through exemplary behaviour of government and an annual 'Briljant Mistakes Award'
- Ensure that organizations are aware of the general public they involve in their mission and aims
- Remove the expectation gap between stakeholders in the non-profit sector
- No more fear! Dare to experiment
- Distinguish between the communication of an objective and the instruments for measuring its impact
- Make a budget available for innovation and learning in the development projects
- Develop "communities of practice" to be able to learn from each other's experience

7.3 Innovation

One of SPARK's key assets is our flexible and creative staff and our ability to find innovative and original solutions to tackle internal and external barriers. The Brilliant Mistakes conference, the tranSPARKency website and our focus on an international quality norm for the development sector are three examples how we do this. We strive to improve and do things differently and in 2009 staff from our South East Europe offices participated in activities outside their regions which is in line with our ambition to empower SPARK employees outside the Netherlands.

Our capacity building efforts are not limited to supporting entrepreneurs and building capacity in post-conflict societies, SPARK also believes that it is important to have a positive effect in the Netherlands. We see many young and talented development organizations in the Netherlands that rarely get a chance to develop their ideas. The SPARK supported Young Pro's platform try and tackle this by helping NGOs in the Netherlands that seek to professionalize their projects and organizations. We provide incubation space and offer training sessions that we hope will strengthen the sector as a whole. Since 2007 thirteen NGOs have been trained on professionalization issues such as: organizational structure, monitoring and evaluation. The Young Pro Incubator is located in Amsterdam and offers free office space at the University of Amsterdam and the training program offers professional training (free of charge, or for a reduced price) to a network of 40 young NGOs. During 2009 preparations were made for an association that will be established early 2010. The association will organize capacity building training and help to spur information exchange between its members. Additionally joint lobby for mutual interests will be made possible as well as participation in the debate about international cooperation where needed.

A hand holding a magnifying glass over a glowing sparkler against a dark blue background with light trails.

08

REPORT BY
SUPERVISORY
BOARD

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08 REPORT BY THE SUPERVISORY BOARD

In 2009, the third year of its existence, the Supervisory Board met four times (February, April, June and November) with the Board of Directors to discuss projects, progress and strategic issues. SPARK's mission and continuous aim for more quality, transparency and innovation makes it a big pleasure and honor to be a member of the Supervisory Board.

The main responsibilities of the Supervisory Board are to supervise the Board of Directors and to ensure that SPARK's activities are in-line with its mission statement.

The Supervisory Board functions according to the "Code Wijffels", the SPARK Statutes and the regulations of the Supervisory Board. In-line with the CBF regulations, the Supervisory Board has signed a Supervisory Board Accountability Declaration explicating:

1. How it executes its supervisory role vis-à-vis the steering and management responsibilities of the Board of Directors;
2. How the monitoring of costs relates to the impact attained, that is cost-efficiency and effectiveness of activities;
3. Monitoring of transparent communication and the provision of information by the organization vis-à-vis its main target group and stakeholders, including the implementation of recommendations and handling of complaints, with the purpose of developing optimal relations with partners, donors and target groups.

The Supervisory Board appoints the members of the Board of Directors (BoD). The current members of the Board of Directors, Mr. Yannick du Pont and Mr. Michel Richter hold the positions of respectively, Director and Co-Director.

The BoD is responsible for organizational planning, policy making, project development and fundraising, daily management including quality management of projects and the organization as a whole. Performance Assessment meetings with the members of the Board of Directors did not take place in 2009 but are planned for April 2010. The assessments will address performance on organizational targets for 2010 as well as personal ambitions, management style, etc.

An evaluation mechanism for the Supervisory Board was planned to be introduced in 2009, but is postponed to 2010. Linked to this self-evaluation, a mutual evaluation will be planned concerning the reciprocal functioning of both the Supervisory Board and the Board of Directors.

The Supervisory Board has not installed an audit commission or remuneration commission. The Supervisory Board decided that its members are qualified and responsible enough to discuss the topics that are normally discussed in these commissions. However, the treasurer of the Supervisory Board is fully qualified to deal with the financial policy of SPARK and as such is functioning as the financial expert within the Supervisory Board.

By the end of 2009, the Supervisory Board consisted of 7 members. In 2009 two of the members concluded their work on the Supervisory Board, resulting in two vacant positions, Treasurer and general member which were filled in at the end of 2009. The general member position is filled with a representative of "the field".

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

The Supervisory Board monitors an efficient and effective execution of the multiple year plan and, based on that, the annual plan. The main points are approved by the Supervisory Board while the other activities fall under the supervision of the BoD. In 2009, the Supervisory Board approved amongst other issues the following:

- The Annual plan 2009;
- The Annual report including the financial report for 2008;
- Determination of measures based on the SIDA audit and interim Management Letter Dubois;
- The MFS 2 proposal.

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

- Procurement of land and the construction of College Buildings – College for (Vocational Training) Business Administration and Public Administration in Mitrovica
- The progress of the development of the College in Mitrovica
- Transparency in communicating project, fundraising and overhead costs and achieved impact results to stakeholders. I.e. making available all financial transactions on the SPARK website (TransPARKancy)

SPARK communicates on various platforms with all our stakeholders to ensure that our work is transparent. The SPARK website is continuously updated with the latest developments. Furthermore, evaluations from projects are presented on our website and the recently launched tranSPARKency website, where all our financial information is disclosed, is further proof that SPARK finds it important to be transparent to outside.

SPARK also prints a quarterly newsletter which is sent to our partners and other interested parties every four months.

The importance of a functioning feedback structure is ensured by the ISO-certified complaint system which enables anyone to post a formal complaint directly via the website. The complaints are handled according to the procedure and corrective actions are taken when needed.

Sincerely Yours,

The SPARK Supervisory Board Members, Amsterdam, 27 April 2010

09

MAIN TARGETS AND BUDGET

ANNUAL
REPORT '09



09 MAIN TARGETS AND BUDGET 2010

In 2010 SPARK takes further steps towards supporting entrepreneurship in Burundi, Ruanda, Colombia, Kosovo, Liberia, The Palestinian Territories and Zimbabwe and with the opening of the International Business College in Mitrovica.

Targets 2010

Project targets 2010

Private sector development

Create 240 jobs on running project portfolio
Create 135 businesses on running project portfolio
Facilitate the employment of 3370 individuals through business skills training
Build capacity of 32 partners through trainings

Higher Education Development

Open a Private International College in Mitrovica
Realize 10 summers courses
Provide summer courses to 250 students and grant ECTS credits acknowledged by the local universities
Assist faculties with adopting 6 new courses into existing curricula

Project development and fundraising

Submit Big grant from Dutch Ministry of Foreign Affairs (NLMFA) proposal
Submit 2 non-NLMFA proposals
Conduct 7 assessments / exploratory missions (MFSII + 1)
Fundraising visit to US
Submit application to Postcode lottery
Develop Business Idea South East Europe, Business Idea for higher vocational college and Business Idea for MFSII Program proposal

Finance, administration and Reporting

Complete field coverage of finance software
Introduce real time budget versus spend
Incorporate Management Information System into TranSPARKency
Update financial procedures in terms of partners

ICT and knowledge management

Enhance and extend the Management Information System (incorporation with TranSPARKency)
Improve resource persons' databases and tools
New back-up procedure in place

Quality Management

Expand ISO scope and introduce new procedures
Organize staff refresh/ update / awareness events
Execute voluntary external audit checks on partners under its capacity building component of the programs

HR

Introduce an official diversity policy statement
Introduce an evaluation mechanism for the Supervisory Board

Transparency, Public relations and Young Pro's

Organize brilliant mistake award
Establish a communication strategy.
Publish quarterly SPARK Newsletter.
Develop incubator action plan
Start of Young NGO association

STATEMENT OF INCOME AND EXPENDITURES - BUDGET 2010

INCOME		Budget 2010 €
Income from own fundraising		213,360
Governmental grants		11,577,462
Other Income		10,000
Total Income		11,800,822
EXPENDITURES		Budget 2010 €
SPENT ON OBJECTIVES		
Higher Education *		6,483,046
Private Sector Development		4,386,475
Total		10,869,521
SPENT ON OBTAINING FUNDS		
Costs own fundraising		30,783
Costs obtaining governmental grants		63,132
Total		93,915
MANAGEMENT AND ADMINISTRATION		
Costs of Management and Administration		238,324
Total expenditures		11,201,759
RESULT		599,063
RESULT CLEARED FOR MUTATION MICROCREDIT FUNDS		63

EXPENDITURE NOTES

* The Mitrovica College Project is currently presented under Higher Education, since we also budgeted it that way in 2009.

However, the main funder of that project (SIDA), has placed it under Private Sector Development - projects in their own administration.

STATEMENT OF INCOME AND EXPENDITURES - BUDGET 2010

DISTRIBUTION OF RESULT 2010 (2008)		Budget 2010 €
ADDITION TO/WITHDRAWEL FROM:		
allocated reserves		0
other reserves		63
allocated funds (microcredit funds)		599,000
Total Income		599,063
OVERHEAD % > M&A SET OFF AGAINST TOTAL COSTS		2.13%

ANNEX C - STATEMENT OF DIVISION OF EXPENDITURES

OBJECTIVES	Objective		Costs Fundraising		Management & Administration	Total budget 2010
COSTS OF IMPLEMENTATION	Higher Education Development	Private Sector Development	Own funds	Governmental Grants		
Grants and contributions	6,094,512	3,550,304				9,644,816
Publicity and Communication	90,117	155,067	15,000			260,183
Personnel Costs	216,454	381,841	10,340	41,358	156,128	806,121
Housing costs	14,221	19,472	811	3,245	12,251	50,000
Office - and General costs	63,965	269,003	4,208	16,830	63,534	417,540
Depreciation and Interest	3,778	10,789	425	1,698	6,410	23,100
Total	6,483,046	4,386,475	30,783	63,132	238,324	11,201,759
% spent on objectives/total income						92.11%
% spent on own fundraising/income own fundraising						14.43%

OVERVIEW IMPORTANT % AND INDICATORS

INCOME	Budget 2010	Budget 2010
PROJECT (CASH) GRANTS FROM DONORS	€	%
Grant Medefinancieringsstelsel 2007 -2010 - NLMFA	3,657,122	30.99%
Grant Medefinancieringsstelsel 2007 -2010 - NLMFA Palestine	118,945	1.01%
Grant Medefinancieringsstelsel 2007 -2010 - NLMFA Liberia	264,377	2.24%
Grant Mitrovica Youth Programme 2009-2010 - NLMFA	489,949	4.15%
Grant PSD/BSCK II 2008-2010 NLMFA	866,500	7.34%
Grant Mitrovica College - SIDA / Denmark / other donors non NLMFA	5,737,989	48.62%
Grant Mitrovica College - NLMFA	300,000	2.54%
Grant UNDP: enterprise development	142,580	1.21%
Total	11,577,462	98.11%

OTHER INCOME	Budget 2010	Budget 2010
Summer Universities 2008 in kind - visiting professors	59,360	0.50%
Summer Universities 2008 in kind - other contributions	10,000	0.08%
Medefinancieringsstelsel in kind - rent, human resources and other	126,000	1.07%
PSD/BSCK II in kind - rent, human resources and other	10,000	0.08%
Contribution in kind - rent University of Amsterdam	8,000	0.07%
Other miscellaneous income	10,000	0.08%
Total	223,360	1.89%

TOTAL INCOME	11,800,822	100.00%
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INCOME & PERCENTAGES PER DONOR		2010 €	2010 %
NLMFA		5,696,893	48.28%
Other cash grants & income		5,890,569	49.92%
In kind contributions		213,360	1.81%
Excluding own contributions participants (tuition College and training fees MFS I)		11,800,822	100.00%

25% OTHER FUNDING OBLIGATION MFS:

CALCULATION ON ACCRUAL BASIS IN KIND INCLUDED		2010 €	2010 %
Total MFS budget 2010 grant NLMFA		3,657,122	37.47%
Non - NLMFA grants & contributions 2010 SPARK Total incl in kind *		6,103,929	62.53%
TOTAL		9,761,051	100.00%

CALCULATION ON CASH BASIS IN KIND INCLUDED		2010 €	2010 %
Total MFS budget 2010 cash grant NLMFA (prefinancing)		3,650,000	62.15%
Non - NLMFA grants & contributions 2010 SPARK Total incl in kind *		2,223,360	37.85%
TOTAL		5,873,360	100.00%

* it is possible that the E 126.000 in kind income for MFS may not be capitalized under SPARK's income, but that it should be under the BSC's established under MFS. The % other contribution would then be 62,04% and 36,49%



OTHER PERCENTAGES OF INTEREST		Budget 2010
		%
Overhead		2.13%
AMS organisational (personnel, office, fixed organisation) costs versus total costs		5.56%
AMS versus total costs		7.11%
AMS labor costs versus total costs		4.32%
AMS labor versus total labor costs (ex non-SPARK)		62.30%
AMS labor + local labor costs versus total costs		6.94%
AMS + local office & labor costs versus total costs		10.80%
Programme spending ratio		94.32%
The programme spending ratio is the percentage of total spending on the projects divided through total income.		



10

FINANCIAL

ANNUAL
REPORT **'09**

BALANCE SHEET

ASSETS					31 December 2009		31 December 2008		
Fixed Assets									
Fixed Assets				72,152				31,830	
Financial fixed assets				922,471				289,398	
				994,624				321,229	
Current Assets									
Receivables & Accruals		2,393,257				82,764			
Cash & cash equivalents		1,052,729		3,445,986		2,727,514		2,810,278	
TOTAL				4,440,609				3,131,507	

RESERVES AND LIABILITIES	31 December 2009	31 December 2008
Reserves and funds		
Reserves		
- allocated reserves	72,152	31,830
- continuity reserve	259,145	301,560
	331,297	333,390
Funds		
- allocated funds	922,471	289,398
Current Liabilities		
Payables & Accruals	3,186,842	2,508,718
TOTAL	4,440,609	3,131,507

STATEMENT OF INCOME AND EXPENDITURES

INCOME	Realisation 2009 €	Budget 2009 €	Realisation 2008 €
Income from own fundraising	176,033	379,960	390,641
Governmental grants	6,880,078	9,436,372	3,059,293
Other Income	24,677	5,000	14,006
Total Income	7,080,787	9,821,332	3,463,940

EXPENDITURES			
Spent on objectives			
Higher Education	1,042,639	6,087,828	1,031,673
Private Sector Development	4,993,467	3,292,724	2,063,920
	6,036,106	9,380,552	3,095,593
Spent on obtaining funds			
Costs own fundraising	4,089	39,925	5,353
Costs obtaining governmental grants	196,321	44,850	58,317
	200,410	84,775	63,670
Management and Administration			
Costs of Management and Administration	213,292	268,883	176,961
Total expenditures	6,449,807	9,734,210	3,336,224
Result	630,980	87,121	127,715

DISTRIBUTION OF RESULT 2009 (2008)		
Addition to/withdrawal from:		
allocated reserves	40,322	-23,867
other reserves	-42,415	102,684
allocated funds	633,073	48,898
Result	630,980	127,715

The net result 2009 after allocation towards microcredit funds is - € 2.094

CASHFLOW STATEMENT

CASHFLOW FROM OPERATIONAL ACTIVITIES	2009 €	2008 €
Result	630.980	127.715
Depreciation fixed assets (incl. cars)	27.394	25.117
Gross cashflow from operation activities	658.374	152.833
Mutation in current assets	-2.310.493	443.295
Mutation (increase) in current liabilities	678.123	2.023.731
Net cashflow from operational activities (A)	-973.996	2.619.859

CASHFLOW FROM INVESTMENT ACTIVITIES	2009 €	2008 €
Investment in fixed assets	-70.587	-6.250
Disposal of fixed assets	2.871	0
Investment in financial fixed assets	-633.073	-48.898
Cashflow from investment activities (B)	-700.789	-55.149
Cashflow from financing activities (C)	0	0
Mutation in Cash and cash equivalents (A+B+C)	-1.674.785	2.564.710
Cash and cash equivalents 1 January	2.727.514	162.804
Cash and cash equivalents 31 December	1.052.729	2.727.514
Mutation in Cash and cash equivalents	-1.674.785	2.564.710

Accounting principles

General

The annual accounts 2009 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 / business start up centres in Belgrade, Mitrovica, Skopje, Pristina, Bar, Bitola, Kragujevac, Zenica and Liberia.

Principles of valuation

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

Fixed assets

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

- furniture 25%
- computer hardware 33%
- cars 25%

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

Financial fixed assets

In the period 2007 - 2009, SPARK has signed 6 contracts with local partners to manage microcredit funds which benefit the start ups established under the Private Sector development projects. The contributions to these funds in the total period 2007-2009 were € 939.782. In 2009 € 639.782 was deposited.

The participation is stated at its actual value at year end, taking into account losses on loans and received interest.

Costs of fund management are presented as expenditures in the Statement of Income and Expenditures. The microcredit funds are financed by the Dutch Ministry of Foreign Affairs through project grants (MFS & BSCK). Therefore, the funds are also presented as allocated funds under the Reserves & Funds. Future losses on loans and costs of funds management will be deducted from these funds through the Statement of Income and Expenditures.

Reserves and Funds

SPARK can freely access the amounts presented under the Continuity reserve and the Allocated reserves, provided that deductions from the allocated reserves are in line with the objective of the particular reserve. The Allocated funds are not freely accessible since the microcredit funds are financed by the Dutch Ministry of Foreign Affairs through current project grants. Until the end of the project and final approval of the Ministry of the final project report, legal control of these funds will remain at the Ministry.

Liabilities - partner obligations

SPARK has signed several contracts with local partners, and herewith transferred certain project responsibilities and funds to them. The project grants presented under the income, as well as the expenses, include an amount for obligations towards local partners that SPARK has committed itself to transfer in 2010. These partners will bear responsibility for the execution of large parts of the MFS, PSD-BSCK II & MYP projects.

Foundation of determining the result

The result has been determined as follows:

Grants are recognised as income in the statement of income and expenditure in proportions of the progress of the project as well as project expenditure. Income and expenditure are recorded in the period to which they relate.

Accounting principles

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 2009 of all Amsterdam personnel. For further clarification, please refer to the explanation provided under Annex C.

Income from own fundraising - Contributions in kind

Professors/experts

As of 2005, the contribution by professors and experts in kind is demonstrated in the annual report.

Only if the professor or expert was paid by his employer during the period he taught for SPARK, the contribution is calculated as income.

The contribution is thus in effect a contribution of the institution or company the person works for.

The calculation of the contribution is based on standard day rates for non-profit organisations (MATRA),

taking into account the average salary and overhead of a university professor/expert, or if lower at fair value.

Housing

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

Other in kind contributions

For the MFS & PSD-BSCK II projects, several in kind contributions are demonstrated in this annual report. Several project partners provided free usage of training and / or conference space. Also (staff from) project partners donated their time to the project generously and free of charge.

Several employers of experts have donated their time freely, to provide trainings and / or workshops. And last but not least, free office space for business start-up centre staff is provided by local project partners in 4 locations of the business start up centres.

All other in kind contributions have been stated at their fair value.

The contributions are presented under Income from own fundraising and under the particular cost sort / activity they relate to in the Statement of Income in Expenditures.

EXPLANATORY NOTES TO THE BALANCE SHEET STATEMENT

ASSETS	31 december 2009	31 december 2008
FIXED ASSETS	€	€
Furniture	4,855	9,369
Computer hardware	9,738	12,961
Cars	57,559	9,500
TOTAL	72,152	31,830

FIXED ASSETS	Total 2009	Furniture	Computer hardware	Cars
BOOKVALUE PREVIOUS YEAR	€	€	€	€
Purchase value	95,343	19,920	56,623	18,800
Accumulated depreciation	63,513	10,551	43,662	9,300
Book value 31 December 2008)	31,830	9,369	12,961	9,500
Purchases	70,587	-	8,522	62,065
Disposals	-2,871	-	-	-2,871
Depreciation	27,394	4,514	11,745	11,135
TOTAL	40,322	-4,514	-3,223	48,059
BOOKVALUE YEAR END				
Purchase value	163,059	19,920	65,145	77,994
Accumulated depreciation	90,907	15,065	55,407	20,435
Bookvalue 31 December 2009	72,152	4,855	9,738	57,559
	31 december 2009			31 december 2008
Fixed assets used for operations (furniture & hardware)		14,593		22,330
Fixed assets directly allocated to the objectives (cars)		57,559		9,500
Bookvalue 31 December 2009		72,152		31,830

FINANCIAL FIXED ASSETS	31 december 2009	31 december 2008
PARTICIPATION MICRO CREDIT FUND	€	€
Balance 31 december 2008	289,398	240,500
Mutation 2009	633,073	48,898
Balance 31 december 2009	922,471	289,398

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

CURRENT ASSETS - RECEIVABLES & ACCRUALS	31 december 2009	31 december 2008
Prepaid Grants for donors	2,372,116	54,010
Accounts receivables and pre paid expenses	21,141	28,754
Total	2,393,257	82,764
Prepaid Grants for donors		
Project Bosnia YEP	0	5,908
Project PSU 2008 - PCB	10,999	10,314
Project ISUM 2005-2007	0	2,050
Project MFS 2007-2010	2,346,089	0
Project MYP 2007-2008	0	14,036
Project Medical Faculty 2006-2008	0	4,430
Project EC Tempus Georgia	0	2,978
Project Scanning documents	0	14,293
Project King Badouin Foundation Phase I	15,028	0
Total	2,372,116	54,010

Accounts receivables and pre paid expenses		
Prepaid expenses	1,704	2,551
Other receivables	19,437	26,203
Bookvalue 31 December 2009	21,141	28,754

CASH & CASH EQUIVALENTS	31 december 2009	31 december 2008
Cash Amsterdam	2,715	1,177
Current & savings account ING Bank Amsterdam	696,648	2,227,528
Cash abroad offices	9,495	3,433
Current accounts abroad offices	343,871	495,376
Balance 31 december 2009	1,052,729	2,727,514

All liquidities are directly accessible.

RESERVES AND LIABILITIES

SPECIFICATION OF RESERVES	31 december 2009 €	31 december 2008 €
Continuity reserve	259,145	301,560
Allocated reserve for fixed assets	72,152	31,830
Balance 31 december 2009	331,297	333,390
	Continuity reserve	Fixed assets
Balance 31 december 2008	301,560	31,830
Mutation 2009	-42,415	40,322
Balance 31 december 2009	259,145	72,152

GENERAL RESERVE

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

From this reserve salary expenses of operational personnel and housing expenditures can be paid. A sufficient level of reserve is estimated at 100% of the annual organisational costs (€ 860.800 in 2009 incl. feasibility studies) (in comparison to the maximum 150% of the annual costs of the working organisation from the "Richtlijn Reserves Goede Doelen" of the Vereniging Fondswervende Instellingen VFI).

Currently reserves are 30% of the organisational costs 2009.

ALLOCATED RESERVES

An amount of € 72.152 is reserved in fixed assets.

REVOLVING FUNDS	31 december 2009	31 december 2008
Revolving microcredit fund Business Start-Ups	€	€
Balance 31 december 2008	289,398	240,500
Mutation 2009	633,073	48,898
Balance 31 december 2009	922,471	289,398

In the period 2007 - 2009, SPARK has signed 6 contracts with local partners to manage microcredit funds which benefit the start ups established under the Private Sector development projects. The contributions to these funds of € 939.782 in 2007-2009 are financed by NLMFA through project grants.

TOTAL FUND MUTATION SINCE 2007 CAN BE SUMMARIZED AS FOLLOWS €

Deposits into the funds	939,782
Withheld administrative costs for banks	-14,417
Received interest added	9,333
Deducted bankrupt / delayed loans	-12,227
Total	922,471

Currently an amount of € 686,393 has been disbursed to entrepreneurs. Of this amount € 96,524 has been paid back at the end of 2009.
The Revolving Funds are directly allocated to the objective Private Sector Development.

CURRENT LIABILITIES - PAYABLES & ACCURALS

	31 december 2009 €	31 december 2008 €
Grants	1,537,887	2,178,535
Partner obligations	1,476,713	0
Shortterm debts, payables & accruals	172,242	330,183
Total	3,186,842	2,508,718

GRANTS

	31 december 2009 €	31 december 2008 €
Project MFS 2007-2010	0	973,628
Project Mitrovica College	1,256,663	898,564
Project PSD/BSCK II 2008-2011	105,984	285,564
Project PSU 2008 - NLMFA	0	3,415
Project Medical Faculty 2006-2008	2,993	0
Project MYP 2009-2010	121,881	0
Project EC Tempus Macedonia	0	17,363
Project EC Tempus Georgia	50,366	0
Total	1,537,887	2,178,535

PARTNER OBLIGATIONS	31 december 2009 €	31 december 2008 €
Project MFS 2007-2010	1,099,606	0
Project PSD/BSCK II 2008-2011	330,690	0
Project MYP 2009-2010	46,417	0
Total	1,476,713	0
SHORT TERM DEBTS, PAYABLES & ACCRUALS	31 december 2009 €	31 december 2008 €
Auditing costs	34,070	21,824
Wages tax & social security premiums	9,780	13,125
Vacation days & allowance	25,990	18,237
Project related accounts payables	48,127	261,867
Other short term debts and accounts payables	54,275	15,131
Total	172,242	330,183
The total amount of outstanding holidays 2009 is approximately € 13.497.		

OF BALANCE SHEET COMMITMENTS

The following projects relate to periods exceeding the year 2009:

Name	Donor	Period	Total project grant
Business Support Centres Western Balkans (MFS)	NLMFA	1/1/2007-31/12/2010	9,858,408
Enabling Private Sector Development in the Balkans (PSD/BSCK II)	NLMFA	1/9/2008-28/2/2011	1,784,640
The European College Business Studies & Public Administration in Mitrovica, Kosovo (College)	SIDA	1/11/2008-30/6/2010	3,000,000
The European College Business Studies & Public Administration in Mitrovica, Kosovo (College)	Denmark	1/11/2008-30/6/2010	1,300,000
The European College Business Studies & Public Administration in Mitrovica, Kosovo (College)	NLMFA	1/11/2009-31/12/2013	2,154,000
Developing an Internal Quality Assurance System at the Telavi State University (Tempus Georgia)	EU Tempus	1/9/2007-28/2/2010	238,950
Mitrovica Youth Programme (MYP)	NLMFA	1/4/2009-31/3/2011	700,937

Rental obligations

The offices used by Stichting SPARK in Amsterdam, the Netherlands in 2009, were rented from the Royal Tropical Institute (KIT).
As of 1 January 2010 SPARK relocated to another location near Central Station. These new premises are rented together with BiD Network.
The total expenses per year are € 31.000.

Credit facility ING Bank

The ING Bank provided SPARK with a credit facility of € 200.000.
In return SPARK has pledged its present and future assets.

Bank Guarantees EU (Tempus Macedonia) & Office rent

The ING Bank provided a bank guarantee on behalf of the European Commission, Tempus program Macedonia, for an amount of € 60.464. This amount is deducted from the above mentioned credit facility.
The ING provided a bank guarantee per 1-1 2010 on behalf of BiD Network for an amount of € 7.750 regarding the rent of the new office. This amount is deducted from the above mentioned credit facility.

MFS - 25% other funding obligation

According to the grant agreement MFS with NLMFA, we are obligated to obtain annual organizational other (cash) contributions of 25% starting from 2009. If we do not fulfil this obligation, we might have to refund part of the NLMFA grant.

Micro credit funds

In the period 2007 - 2009, SPARK has signed 6 contracts with local partners to manage microcredit funds which benefit the start ups established under the Private Sector development projects. The contributions to these funds of € 939.782 in 2007-2009 are financed by NLMFA through project grants. The additional contributions in 2010 are estimated at € 154.000.
These future contributions will also be financed by NLMFA through project grants.

EXPLANATORY NOTES TO THE STATEMENT OF INCOME

INCOME	2009	2008
INCOME FROM OWN FUNDRAISING	€	€
Grants Summer Universities - other donors cash	685	63,451
Grants Summer Universities - other donors in kind	0	123,541
Grant OSI EU Integration at the University of Pristina	0	35,981
Miscellaneous income several projects	0	3,980
Private Sector Development in kind - Int. trainers and other	15,073	1,020
Medefinancieringsstelsel - in kind contributions	122,260	125,189
Grant King Badouin Foundation - development database	30,055	0
Contribution in kind - software Microsoft	0	29,518
Contribution in kind - rent University of Amsterdam	7,960	7,960
Total	176,033	390,641
GOVERNMENTAL GRANTS	2009	2008
Grants NLMFA (MFS, PSD-BSCK II, MYP, ISUM, PSU, Scanning)	5,975,523	2,895,636
Grants EC - Tempus Programme (Tempus Georgia)	56,656	138,961
Grant Mitrovica College - SIDA / Denmark	847,899	8,896
Grant Foreign embassy's Kosovo Scanning project	0	15,801
Total	6,880,078	3,059,293
OTHER INCOME	2009	2008
Other miscellaneous income & private donations	24,677	14,006
Total	24,677	14,006
TOTAL INCOME	7,080,787	3,463,940

INCOME NOTES

The grants still need final approval of the donor.

The grants include an amount of € 1.476.713 for obligations towards local partners that SPARK has committed itself to transfer in 2010.

These partners will bear responsibility for the execution of large parts of the MFS, PSD-BSCK II & MYP projects.

From total income an amount of € 918.363 is used for project management (€ 705.071) and overhead (€ 213.292); an amount of € 6.162.424 is used for direct project expenditures (including those partner obligations).

For the valuation method of the in kind contributions, see the section Accounting principles.

EXPLANATORY NOTES TO THE STATEMENT OF EXPENDITURE

EXPENDITURES	2009	2008
SPENT ON OBJECTIVES	€	€
Grants and contributions	4,273,456	1,785,704
Direct costs obtaining governmental grants	123,963	42,206
Publicity and Communication	314,548	155,761
Personnel Costs	1,267,137	894,885
Housing costs	94,434	105,653
Office- and General costs	403,673	372,895
Depreciation and Interest	-27,403	21,326
Total	6,449,808	3,378,430
GRANTS AND CONTRIBUTIONS	2009	2008
Remunerations experts, trainers, co-professors	500,758	392,010
Volunteer and intern remuneration	85,923	47,589
Recreational programmes courses & trainings	26,030	30,358
Course programmes	26,046	26,865
Visiting professor remunerations - in kind	0	33,390
Training & conference facilities - in kind	54,166	48,794
Reading & Teaching materials	131,039	116,243
Translation of materials & interpretation	35,212	18,763
Certificates & information packs courses / training programmes	9,690	12,756
Forums, seminars & workshops	20,200	53,670
Study visits, stakeholder conferences & coordination meetings	9,453	28,751
SENSI network established	12,970	1,106

GRANTS AND CONTRIBUTIONS CONTINUED	2009	2008
Research projects & internships	0	7,275
Business plan competitions	36,901	34,190
Consultancy & loans for SME's (excluding deposits in Microcredit funds)	730,908	107,082
Project coordination project partners	44,434	29,283
Equipment and Printing & Publishing costs Tempus programmes	8,175	30
Teaching & administrative costs Transfer Medical Faculty project	0	115,770
Establishment Business Start-up Centres	211,934	92,422
Establishment Business Incubators - in kind	6,558	6,558
Support to regional Business Start-up centres	526,341	0
Capacity building - Local software development BSC's	67,472	60,942
Capacity building - Introducing ISO standards at project partners	356,625	15,037
Capacity building / training of partner institutions general	97,652	10,000
Policy making	19,149	6,048
Conferences in NL	87,001	11,337
Regional conferences	93,104	13,105
Establishment of SE Association of SME agencies	16,908	726
MA programme / bachelor Course	45,000	0
Scholarships	60,000	0
Development scholarship database KBF excluding SPARK personnel costs	3,089	0
College staff including recruitment	34,839	0
Running costs college	28,170	0
Construction of College	241,562	0

GRANTS AND CONTRIBUTIONS CONTINUED	2009	2008
Ethno-Political Strategy Study College	10,772	0
Transitional year programme College	53,309	0
Curricula development	37,594	0
Scanning project costs funded by donors	15,125	8,018
Travel & accomodation costs staff	122,733	107,012
Travel & accomodation costs students / training participants (part in kind)	37,951	125,902
Travel & accomodation costs professors, experts and trainers	177,981	95,194
Travel & accomodation costs stakeholders and other participants	187,900	144,692
Contingencies	9,728	6,032
Own contributions students / participants	-6,944	-21,244
Total	4,273,456	1,785,704

For the valuation method of the in kind contributions, see the section Accounting principles.

OBTAINING GOVERNMENTAL GRANTS

Feasibility studies and project acquisition	123,963	42,206
Total	123,963	42,206

In 2009, the organisation had 14 (2008: 13) staff members on average in Amsterdam / Project Management (including interns) and 45 (2008: 30) in the local offices.
The total remuneration for the directors in 2009 was € 116.730 (gross salary including vacation allowance).
The remuneration for the director was € 68.275 and the remuneration for the co-director was € 48.455 (80%).

PUBLICITY AND COMMUNICATION	2009 €	2008 €
Amsterdam office - project promotion and advertising	2,828	2,080
Field offices - project promotion and advertising	311,720	153,681
Total	314,548	155,761

PERSONNEL COSTS	2009 €	2008 €
AMSTERDAM		
Gross salaries	450,996	437,227
Social security premiums & Pensions	58,558	63,693
Other personnel costs	3,310	10,385
Staff training (including field office staff)	53,631	15,522
FIELD OFFICES		
Local project coordination & officers	699,473	367,928
Other personnel costs	1,170	131
Total	1,267,137	894,885

In 2009, the organisation had 14 (2008: 13) staff members on average in Amsterdam / Project Management (including interns) and 45 (2008: 30) in the local offices.

The total remuneration for the directors in 2009 was € 116.730 (gross salary including vacation allowance).

The remuneration for the director was € 68.275 and the remuneration for the co-director was € 48.455 (80%).

HOUSING COSTS	2009 €	2008 €
Rent and utilities - Amsterdam office	46,717	40,578
Rent and utilities - field offices	47,717	65,076
Total	94,434	105,653

OFFICE AND GENERAL COSTS	2009	2008
AMSTERDAM	€	€
Office supplies, telecommunication & postage, other office costs	21,945	15,150
IT infrastructure services - maintenance	13,176	4,879
Project evaluation and reports	7,824	8,820
SPARK support/donations to projects in NL and NL visibility	5,406	12,997
Special projects (Nablus & Monrovia Summer courses, Scanning project)	52,054	22,667
Organisational fees and memberships	2,231	4,037
Administration and auditing	27,670	17,755
Quality assurance	2,392	6,076
Development of IT infrastructure & Microsoft software	3,721	32,408
Development / Purchase of Finance Software	177	5,168
Insurances	2,437	2,433
Representation	920	561
Contingencies	34,028	17,995
ABROAD OFFICES		
Office supplies, telecommunication & postage, other office costs	125,928	87,974
Project evaluation and reports	32,913	47,771
Administration and auditing	52,483	34,677
Representation	17,850	5,666
Other general expenditures	516	3,656
Total	403,673	330,689

DEPRECIATION AND INTEREST	2009 €	2008 €
Depreciation fixed assets (excluding cars)	16,259	20,417
Bank fees, costs and interest Amsterdam	-11,880	-716
Bank fees, costs and interest projects	-31,781	1,624
Total	-27,403	21,326
TOTAL EXPENDITURES	6,449,808	3,336,224
RESULT	630,980	127,715

The net result 2009 after allocation towards microcredit funds is - € 2.094

Project income and expenditures

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

ANNEX C - STATEMENT OF DIVISION OF EXPENDITURES

OBJECTIVES	Objective		Costs Fundraising		Management & Administration	Total 2009	Budget 2009	Total 2008
COSTS OF IMPLEMENTATION	Higher Education Development	Private Sector Development	Own funds	Governmental Grants				
Grants and contributions	633,153	3,640,303				4,273,456	7,757,284	1,785,705
Obtaining governmental grants				123,963		123,963	125,000	42,206
Publicity and Communication	87,864	223,856	2,828			314,548	295,317	155,761
Personnel Costs	246,810	814,997	902	51,784	152,644	1,267,137	1,020,991	894,885
Housing costs	15,854	61,647	74	4,270	12,588	94,434	70,200	105,653
Office- and General costs	66,589	274,022	277	15,904	46,880	403,673	433,319	330,688
Depreciation and Interest	-7,632	-21,358	7	400	1,180	-27,403	32,100	21,326
Total	1,042,639	4,993,467	4,089	196,321	213,292	6,449,808	9,734,210	3,336,224
% spent on objectives/total income						85.25%	93.54%	89.37%
The main cause of the deviation of this percentage opposed to the budget 2009, is the delay in the construction of the Mitrovica College. The construction was budgetted at euro 3.211.550, but only euro 241.562 was spent in 2009.								
% spent on own fundraising/income own fundraising						2.32%	7.92%	1.37%

Explanation distribution of expenditures

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

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

The HE department aims to support and strenghten educational institutions, like local universities. This is achieved by (for instance) the organisation of Summer univer-sities and Quality improvement projects at universities.

The PSD department tries to stimulate entrepreneurship and development in the private sector in post conflict areas by, for instance, organising business plan competitions and trainings for young (starting) entrepreneurs. Conferences and other trainings aimed at local capacity building are other PSD activities. In all our projects local & regional partners are stimulated to work together as much as possible and to contribute to our projects.

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

Expenses which can be qualified as project expenditures (for instance Rent of lecture rooms & training space, reimbursements to trainers, travel and accomodation expenses of participants and trainers, reading materials, etc) are directly allocated to the objective HE & PSD.

These expenditures are presented under "Grants and Contributions".

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

Operational and organisation costs of the Amsterdam office are allocated to the objectives using the time registration of all International (mostly Amsterdam based) Management, Administrative & Support personnel of 2009. An exception to this, are the promotion expenses occurred in The Netherlands, and direct costs for obtaining governmental grants. These are directly allocated towards the objectives "costs of own fundraising" and "costs of obtaining governmental grants". Projectmanagement, Finance and IT hours directly registered on projects, are allocated to the objectives HE and PSD.

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

(Indirect) Hours regarding Fundraising Governmental grants are allocated to the objective "Obtaining governmental grants".

(Indirect) Hours regarding Fundraising Other contributions are allocated to the objective "Obtaining of own funds", as well as General promotion and advertisement costs.

SPARK's own funds (until 2008/2009) mainly consist of in kind contributions, like contributions of partners of training space, renovation costs of incubators that partners paid, free office space, and (employers of) professors and trainers who forfit any reimbursement for the time and effort they spent on our projects.

Also the university of Amsterdam has provided us with free office space, which now is used as an incubator for young innovating NGO's.

Obtaining these contributions doesn't require a lot of time and money. Hence, only a small percentage of the operational and organisation expenses (2,32% in 2009) as well as general promotion and advertisement costs, are presented as costs for obtaining own funds.

PERCENTAGES PER PROJECT AND DONOR

INCOME	Realisation 2009	Realisation 2008
PROJECT (CASH) GRANTS FROM DONORS	€	%
Grant Medefinancieringsstelsel 2007 -2010 - NLMFA	4,828,213	68.12%
Grant Medefinancieringsstelsel 2007 -2010 - miscellaneous	4,854	0.07%
Grant Mitrovica Youth Programme 2007-2008 - NLMFA	232,322	3.28%
Grant EU Tempus Georgia 2008 - 2009	56,656	0.80%
Grant International Summer University Macedonia 2008 - NLMFA	12,754	0.18%
Grant International Pristina Summer University 2008- NLMFA	3,521	0.05%
Grant International Pristina Summer University 2008- other donors	685	0.01%
Grant Scanning project 2009 under PSU- NLMFA	5,740	0.08%
Grant King Badouin Foundation - development database	30,055	0.42%
Grant PSD/BSCK II 2008-2011 NLMFA	892,973	12.60%
Grant PSD/BSCK II 2008-2011 - miscellaneous	2,090	0.03%
Grant Mitrovica College - SIDA / Denmark	847,899	11.96%
Total	6,917,762	97.60%
OTHER INCOME		
Grant Private Sector Development in kind - Int. trainers and other	15,073	0.21%
Grant Medefinancieringsstelsel in kind - rent, human resources and other	122,260	1.72%
Contribution in kind - rent University of Amsterdam	7,960	0.11%
Other miscellaneous incomes	24,677	0.35%
Total	169,970	2.40%
TOTAL INCOME	7,087,731	100.00%

INCOME & PERCENTAGES PER DONOR		2009 €	2009 %
NLMFA		5,975,523	84.31%
EU Tempus		56,656	0.80%
Other cash grants & income		910,260	12.84%
In kind contributions		145,293	2.05%
TOTAL		7,087,731	100.00%

25% OTHER FUNDING OBLIGATION MFS:

CALCULATION ON CASH BASIS IN KIND INCLUDED (NLMFA FORMULATED)		2009 €	2009 %
Total MFS budget 2009 cash grant NLMFA		1,508,496	50.36%
Non - NLMFA grants & contributions 2009 SPARK Total incl in kind		1,487,045	49.64%
TOTAL		2,995,541	100.00%

STRICTLY FOR YOUR INFORMATION THE FOLLOWING PERCENTAGES ARE PROVIDED

CALCULATION ON CASH BASIS IN KIND EXCLUDED		2009 €	2009 %
Total MFS budget 2009 cash grant NLMFA		1,508,496	52.93%
Non - NLMFA grants & contributions 2009 SPARK Total excl in kind		1,341,752	47.07%
TOTAL		2,850,248	100.00%

CALCULATION ON ACCRUAL BASIS IN KIND INCLUDED		2009 €	2009 %
Total MFS budget 2009 cash grant NLMFA		4,828,213	81.28%
Non - NLMFA grants & contributions 2009 SPARK Total incl in kind		1,112,209	18.72%
TOTAL		5,940,422	100.00%



CALCULATION ON ACCRUAL BASIS IN KIND EXCLUDED	2009 €	2009 %
Total MFS budget 2009 cash grant NLMFA	4,828,213	83.32%
NLFMA grants & contributions 2009 SPARK Total excl. in kind	966,916	16.68%
TOTAL	5,795,129	100.00%

OTHER PERCENTAGES OF INTEREST	Realisation 2009 %	Budget 2009 %
Overhead %	3.31%	7.00%
AMS organisational (personnel, office, fixed organisation) costs versus total costs	9.13%	14.36%
AMS versus total costs	13.02%	18.08%
AMS labor costs versus total costs	7.29%	11.66%
AMS labor versus total labor costs (ex non-SPARK)	39.56%	55.52%
AMS labor + local labor costs versus total costs	18.42%	20.99%
AMS + local office & labor costs versus total costs	26.61%	29.93%
Programme spending ratio	87.17%	81.85%
The programme spending ratio is the percentage of total spending on the projects divided through total income.		

ABBREVIATIONS USED:

PROJECTS:

College	The European College Business Studies & Public Administration in Mitrovica, Kosovo (College)
ISUM	International Summer University Macedonia
KBF	King Badouin Foundation
MFS	Medefinancieringsstelsel subsidie - 'Business Support centres- from Idea to Business'
MYP	Mitrovica Youth Programme (, from exclusion to regional intergration)
PSD/BSCK II	Enabling Private Sector Development in the Balkans
PSU	International Pristina Summer University
Scanning	Scanning of Documents at the Universities in Pristina & Mitrovica
Tempus Georgia	Developing an Internal Quality Assurance System at the Telavi State University

ORGANISATIONS:

Denmark	The Ministry of Foreign Affairs of Denmark
EC	European Commission
NLMFA	Dutch Ministry of Foreign Affairs
OSCE	Organisation for Security and Co-operation in Europe - Mission in Kosovo
SIDA	Swedish International Development Cooperation Agency
SOROS/OSI	Kosova Foundation for Open Society
UvA	Universiteit van Amsterdam

SPECIFICATION OF THE RESULT 2009 PER PROJECT

INCOME	NL	MFS - rg	MFS - Palestine	MFS - Liberia	MYP	Tempus Georgia	ISUM 08 / 09 PSU 2008	KBF - Phase 1	PSD/ BSCK II	Mitrovica College	Total 2009	
PROJECT GRANTS (CASH)	€	€	€	€	€	€	€	€	€	€	€	
Grant Medefinancieringsstelsel 2007 -2010 - NLMFA	4,828,213	4,675,217	138,883	14,114								
Grant Medefinancieringsstelsel 2007 -2010 - miscellaneous	4,854	4,854										
Grant Mitrovica Youth Programme 2009-2010 - NLMFA	232,322				232,322							
Grant EU Tempus Georgia 2008 - 2009	56,656					56,656						
Grant International Summer University Macedonia 08 / 09 - NLMFA	12,754						12,754					
Grant International Pristina Summer University 2009- NLMFA	3,521							3,521				
Grant International Pristina Summer University 2009 - Pro Credit Bank	685							685				
Grant Scanning project 2009 under PSU - NLMFA	5,740							5,740				
Grant King Badouin Foundation - development database	30,055								30,055			
Grant PSD/BSCK II 2008-2011 NLMFA	892,973									892,973		
Grant PSD/BSCK II 2008-2011 - miscellaneous	2,090									2,090		
Grant Mitrovica College - SIDA / Denmark	847,899									847,899		
Total	6,917,762	4,680,071	138,883	14,114	232,322	56,656	12,754	9,946	30,055	895,063	847.899	6,917,762
OTHER INCOME	NL	MFS - rg	MFS - Palestine	MFS - Liberia	MYP	Tempus Georgia	ISUM 08 / 09 PSU 2008	KBF - Phase 1	PSD/ BSCK II	Mitrovica College	Total 2009	
Grant Medefinancieringsstelsel in kind - rent, human resources and other	122,260	122,260									122,260	
Grant PSD/BSCK II in kind - rent, human resources and other	15,073								15,073		15,073	
Contribution in kind - rent University of Amsterdam	7,960										7,960	
Other miscellaneous income	24,677										24,677	
Total	169,970	122,260	0	0	0	0	0	0	15,073	0	169,970	
Total of income and other income	7,087,731	4,802,330	138,883	14,114	232,322	56,656	12,754	9,946	30,055	910,136	847,899	7,087,731

EXPENDITURE	NL	MFS - rg	MFS - Palestine	MFS - Liberia	MYP	Tempus Georgia	ISUM 08 / 09 PSU 2008	KBF - Phase 1	PSD/ BSCK II	Mitrovica College	Total 2009
LABOR COSTS INTERNATIONAL SUPPORT STAFF	€	€	€	€	€	€	€	€	€	€	€
Gross salaries	450,996										450,996
Social security premiums	47,508										47,508
Pension schemes	11,050										11,050
Other personnel costs	3,310										4,479
	1,170										
LABOR COSTS FIELD OFFICE STAFF	€	€	€	€	€	€	€	€	€	€	€
Local project coordination	188,249 14,400 1,877 10,205 59,780 44,637										319,148
Local project officers	221,318 7,200 12,243 5,223 764 90,842 42,734										380,325
Volunteers/interns and logistic officers	69,451 712 4,680 11,080										85,923
OTHER REMUNERATIONS / FEES OTHER PROJECT PARTICIPANTS (NON SPARK STAFF)											€
(Co-)professor remunerations	30,000										30,000
Committee, trainers and other remunerations	279,351 19,300 9,200 5,223 119,365 42,734										427,216
International trainers remunerations - in kind											0
Consultancy / other human resources - in kind	34,390 9,152										43,542
Total	512,864	792,759	40,900	1,877	32,360	0	5,223 764	0	314,989	98,452	1,800,187

OFFICE COSTS	NL	MFS - rg	MFS - Palestine	MFS - Liberia	MYP	Tempus Georgia	ISUM 08 / 09 PSU 2008	KBF - Phase 1	PSD/ BSCK II	Mitrovica College	Total 2009
AMSTERDAM OFFICE COSTS	€	€	€	€	€	€	€	€	€	€	€
Rent and utilities	46,717										46,717
Office supplies	8,883										8,883
Telecommunication	7,191										7,191
Postage	757										757
IT infrastructure services - maintenance	13,176										13,176
Other office costs	4,590										4,590
ABROAD OFFICES	€	€	€	€	€	€	€	€	€	€	€
Rent and utilities	4,0001,0519,599										14,650
Rent and utilities - in kind	29,6123,456										33,068
Office equipment and furniture	13,7035,0002,4728777,500										29,552
Office supplies	47,5104,5003632,29645136038,666										94,145
Telecommunication and postage	1,881100										1,981
Other office costs	250										250
Total	81,315	90,825	9,500	2,835	9,054	0	1,602360	0	59,470	0	254,960

PROJECT ACTIVITIES COSTS	NL	MFS - rg	MFS - Palestine	MFS - Liberia	MYP	Tempus Georgia	ISUM 08 / 09 PSU 2008	KBF - Phase 1	PSD/ BSK II	Mitrovica College	Total 2009
NON TRAVEL & ACCOMODATION	€	€	€	€	€	€	€	€	€	€	€
Recreational programmes (part in kind)		22,651					878		2,502		26,030
Course programmes / business trainings		9,785							16,260		26,046
Training/conference facilities - in kind		51,700							2,466		54,166
Reading & Teaching materials		111,067	8,000		9,383		1,589		1,000		131,039
Translation of materials & interpretation		12,714	2,000		750	954			18,793		35,212
Certificates & information packs courses / training programs		8,385	200				105		1,000		9,690
Forums, seminars & workshops		10,901	600		5,049				3,650		20,200
Stakeholder conferences					1,296						1,296
Coordination meetings		4,676	500						2,982		8,157
SENSI network established									12,970		12,970
Business plan competitions		19,601	1,000						16,300		36,901
Consultancy & loans for SME's		1,261,980	47,000						49,782		730,908
- deposits in Microcredit funds		-590,000							-49,782		
- administrative costs fund mgt & bankrupt loans		11,922							6		
Project coordination project partners					35,650	8,784					44,434
Equipment cost						8,175					8,175
Establishment Business Incubators		211,934									211,934
Establishment Business Incubators - in kind		6,558									6,558
Local software development BSC's		67,472									67,472
Introducing ISO standards		356,625									356,625
Policy making		19,149									19,149

CONTINUED	NL	MFS - rg	MFS - Palestine	MFS - Liberia	MYP	Tempus Georgia	ISUM 08 / 09 PSU 2008	KBF - Phase 1	PSD/ BSCK II	Mitrovica College	Total 2009	
NON TRAVEL & ACCOMODATION	€	€	€	€	€	€	€	€	€	€	€	
Conferences in NL	87,001										87,001	
Regional conferences	89,128										93,104	
Establishment of SE Association of SME agencies	16,908										16,908	
MA programme / bachelor Course	45,000										45,000	
Scholarships	60,000										60,000	
Training / capacity building of partner institutions	59,386	3,000	4,741		30,525						97,652	
Support to regional Business Start-up centres	526,341										526,341	
Development scholarship database KBF - miscellaneous costs	3,089										3,089	
College staff incl recruitment	34,839										34,839	
Running costs college	28,170										28,170	
Construction of College	241,562										241,562	
Ethno-Political Strategy Study College	10,772										10,772	
Transitional year programme	53,309										53,309	
Curricula development	34,621										37,594	
Scanning personnel	9,011										14,750	
Other directly scanning related costs	375										375	
Total	0	2,361,948	62,300	0	66,256	17,912	0	8,310	3,089	234,340	403,273	3,157,428
TRAVEL AND ACCOMMODATION COSTS												€
Staff	59,091										122,733	
Students / training participants (part in kind)s	1,351										37,951	
Professors, experts and trainers	114,805										177,981	
Stakeholders and other participants	80,005										187,900	
Total	0	255,253	18,412	3,098	59,590	28,429	274	322	0	138,100	23,087	526,564

OTHER ACTIVITIES COSTS	NL	MFS - rg	MFS - Palestine	MFS - Liberia	MYP	Tempus Georgia	ISUM 08 / 09 PSU 2008	KBF - Phase 1	PSD/ BSCK II	Mitrovica College	Total 2009
OTHER ACTIVITIES COSTS	€	€	€	€	€	€	€	€	€	€	€
(Project) promotion and advertising	2,828	187,343	4,000	165	8,649				32,348	79,215	314,548
Project evaluation and reports	7,824	15,513	1,500		2,400				13,500		40,737
Feasibility studies, fundraising, conferences and project acquisition	123,963										123,963
SPARK support/donations to projects in NL and NL visibility	5,406										5,406
Alumni programme	0										0
Special projects funded by SPARK (incl deficit Scanning)	52,054										52,054
Contingencies	34,028	8,109			1,618						43,756
Total	226,103	210,965	5,500	165	12,667	0	0	0	45,848	79,215	580,464
ORGANISATION COSTS	NL	MFS - rg	MFS - Palestine	MFS - Liberia	MYP	Tempus Georgia	ISUM 08 / 09 PSU 2008	KBF - Phase 1	PSD/ BSCK II	Mitrovica College	Total 2009
FIXED ORGANISATION COSTS	€	€	€	€	€	€	€	€	€	€	€
Organisational fees and memberships	2,231										2,231
Administration and auditing	27,670	32,584			910		3,079		3,000	12,910	80,154
Insurances	2,437								2,198	1,035	2,437
Representation	920	12,576	1,800	184	56						18,770
Depreciation on fixed assets	16,259										16,259
Other general expenditures	523	516									1,039
VARIABLE ORGANSATION COSTS											€
Quality assurance	2,392										2,392
SPARK staff training & development	53,631										53,631
Development / Purchase of Finance Software	177										177
Development of IT infrastructure	3,721										3,721
Total	109,961	45,676	1,800	184	966	0	3,079	0	5,198	13,945	180,810

INTERESTS AND BANK COSTS	NL	MFS - rg	MFS - Palestine	MFS - Liberia	MYP	Tempus Georgia	ISUM 08 / 09 PSU 2008	KBF - Phase 1	PSD/ BSCK II	Mitrovica College	Total 2009	
Interest	-6,683	-1,539			-1,838				-8,595	-21,411	-40,066	
Interest received on microcredit funds	-5,213											-5,213
Bank transaction fees	16					15	97		1,490			1,618
Total	-11,880	-1,539	0	0	-1,838	15	0	97	0	-7,105	-21,411	-43,662
TOTAL COSTS	918,363	3,755,886	138,412	8,159	179,056	46,356	10,178	9,853	3,089	790,840	596,561	6,456,752
NET RESULT		1,046,444	471	5,955	53,266	10,300	2,576	93	26,966	119,296	251,338	630,980

To: the Board of Stichting Spier, Amsterdam, The Netherlands

AUDITORS' REPORT

We have audited the accompanying Annual Financial Report 2009 of Stichting Spier, Amsterdam, which comprise the balance sheet as at 31 December 2009, the Statement of Income and Expenditure for the year then ended and the explanatory notes.

Board's responsibility
The board is responsible for the preparation and fair presentation of the Annual Financial Report, both in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 650 "Fundraising Institutions". This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Annual Financial Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility
Our responsibility is to express an opinion on the Annual Financial Report based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Financial Report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Annual Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Annual Financial Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Annual Financial Report.

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

Opinion
In our opinion, the Annual Financial Report gives a true and fair view of the financial position of Stichting Spier as at 31 December 2009, and of its result for the year then ended in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 650 "Fundraising Institutions".

De audit is uitgevoerd op
vrijdag 15 januari 2010
te Amsterdam
Dit verslag is afgegeven op
vrijdag 15 januari 2010
te Amsterdam
Dit verslag is afgegeven op
vrijdag 15 januari 2010
te Amsterdam

Report on the compatibility of the annual report and the financial statements
We report, to the extent of our competence, that the management board report is consistent with the financial statements.

Dubois & Co. Registeraccountants

Signed on original: M. Kaman and G. Visser

Amsterdam, 27 April 2010



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