



spark
ignites ambition

ANNUAL
REPORT
'08

ANNUAL REPORT 2008

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PREFACE

A close-up photograph of a matchstick being lit. The matchstick is positioned diagonally from the bottom right towards the center. A bright blue and white flame is at the tip, with wisps of white smoke rising from it. In the background, a pencil is visible, its tip pointing towards the flame. The entire scene is set against a dark, textured background, possibly a wooden surface.

Dear Reader,

It is our pleasure to present the 2008 annual report. It has been another dynamic year with various new exiting initiatives. Key elements include:

- Mid-point evaluations have begun for our largest, active programme which supports business development across Southeast Europe. Two ongoing external and one internal evaluation will calculate the programmes' strengths and weaknesses as well as shape its future. The programme will run until the end of 2010;
- We are shifting our educational practice from academic education to higher vocational education in order to optimize the economic impact of our programmes;
- The summer university in Pristina is now almost completely financed and managed by the local university and we have begun to hand over management in Mitrovica. Unfortunately a summer university programme in Macedonia ended with no follow-up;
- Pilot programmes have begun in Liberia and the Palestinian Territories.

Our annual report has structurally changed in two key ways:

- We have condensed the report for our readers' convenience;

- We have added information about elements that did not follow our original plan so that we can draw lessons for our future activities.

In 2009 we hope to organise a seminar with other development organisations on mistakes and share these experiences in order to learn collectively.

The overall goal for 2009 is to quickly make comprehensive information available. Such transparency applies to project evaluations (reporting openly on both successes and failures) and financial information.

All financial records should be online and complete by mid-2009. Under this system it will be possible to monitor financial indicators as listed in the financial annual report in almost real-time.

We hope this annual report will answer all of your questions about our work in 2008. However, if you require any further information, do not hesitate to contact us.

Yours truly,

Yannick du Pont
Director

Michel Richter
Co-Director

A conceptual image featuring a human hand reaching out from the right side towards a swirling, glowing blue energy field on the left. The energy field consists of many fine, bright blue lines and points of light, resembling a nebula or a digital data stream. The background is solid black. The text 'EXECUTIVE SUMMARY' is written in white, uppercase, sans-serif font across the middle of the image, partially overlapping the energy field.

EXECUTIVE SUMMARY

Executive Summary

SPARK, in 2007, reached a critical juncture that has allowed 2008 to be a year of evaluation and reflection. This year was spent appraising the impact of the overall organisation's efforts through broad-based assessments and evaluations. SPARK is pleased to continue its policy and strategy plan for 2007-2010, which includes four themes: **(1)** Innovation, **(2)** Quality, **(3)** Transparency and Growth and **(4)** Fundraising. Our programmes include a series of educational initiatives, business start-up projects and private sector development.

Highlights in Educational Initiatives

Thirty-three courses were offered in our successful summer universities 2008 with 750 participating students in Pristina, Macedonia and Mitrovica. Summer Universities serve as educational platforms that create a neutral learning environment and support regional academic cooperation by bringing students in post-conflict societies together. By decreasing the number of courses in 2008 we were able to focus on the effectiveness of the work. SPARK strives to make these programmes sustainable and independent. This goal was successfully achieved with the Pristina Summer University. The programme in Macedonia has ended due to lack of funding.

Additionally, we continue to work as a monitoring agency and (political) neutral non-governmental actor. In this capacity we manage international funds, perform accounting and qualitative monitoring. This work includes the transfer of hundreds of medical students from Tetovo University to various universities in the region as part of a broad political settlement. While SPARK has almost completed this project, we continue to ensure that payments occur successfully.

The European Credit Transfer System (ECTS) standardizes the credit system between universities allowing students to transfer credits and undertake exchange programmes. For example, Bosnia and Herzegovinas' universities lacked the preferred alignment of these educational standards. An EU funded programme introduced ECTS at seven universities in Bosnia and Herzegovina. This project successfully concluded in the second quarter of 2008 and led to significant improvements in the universities' functioning.

Together with Telavi State University (Tbilisi, Georgia) we implemented another educational project in 2008. The university is undergoing a major curricula transformation. Being the only accredited institution in the Kakheti region, the university is striving to create a modern system of quality assurance. 85 academic and teaching staff have been trained on quality assurance to date.

SPARK developed special software to digitalise university docu-

ments in Kosovo. Due to the 1999 conflict, extensive documentation of records was unavailable; the records were necessary to prove someone had obtained a degree and was eligible for a pension. In 2008, approximately 1,6 million documents in 54.200 personal files were made accessible. The process of digitalising continues, and is expected to be complete in 2009.

Highlights in Business Promotion

Business Plan Competitions in the Western Balkans challenge participants to develop entrepreneurial ideas and skills and stimulate a sense of agency in a limited job market. Selected business plan winners are offered skills trainings, coaching, consulting, and micro-credit loans. In 2008, 95 new businesses were created, 255 jobs were generated and nearly 3000 participants were trained. Local partnerships, through Business Start-up Centers (BSCs) are implementing this programme. Also, the BSC monitor bureaucratic obstacles faced by the start-ups and lobby policymakers to ease or remove such obstacles.

Networking events for young entrepreneurs are organised by each BSC to foster the exchange of ideas and knowledge. SPARK also established a Southeast European Network of Business Centers and Incubators in 2006. In 2008 the network expanded to 36 members and will become a legal entity in 2009.

Our regional Private Sector Development programme in the

Western Balkans promotes economic cooperation. This project has secured financing for a second phase after the initial phase was successfully completed in 2008. The project was reviewed as fostering regional cooperation and improving relations between stakeholders.

Striving to be innovative and inspiring, SPARK creates new and unique ways to support, assist and collaborate. The Young Pro Programme has furthered young, ambitious NGOs in The Netherlands since 2007. Currently, we offer incubator space at the University of Amsterdam, as well as consulting and various training opportunities. Two new NGOs were invited into the incubator in 2008. At least one Young Pro is expected to graduate in 2009 and one new NGO will be included. The programme also hosts conferences to brainstorm about efficient and effective development practices.

Finally, in 2008 SPARK encouraged Dutch ICT outsourcing in the Balkans via international evenings. Interested firms learned about the advantages and pitfalls of working in this emerging economic region as Balkan companies were invited to present the specifics of working in the region.

Quality

SPARK is ISO 9001:2000 certified as well as being registered with the Dutch Tax Administration as a VAT exempted Public Benefit Organization (ANBI). We also hold a "CBF Certificate.",

which audits good governance standards for the non-profit sector. These standards help signal to potential donors the optimal internal functioning of the organisation. We plan to work to maintain these standards into 2009.

Growth and Fundraising

In 2008, SPARK's primary focus was on the development of new projects and their fundraising. This decision reflects the assessment missions sent out in 2007 and early 2008. SPARK attained its target for 2008 of submitting at least 10 full proposals for new activities totaling at least 10 million Euros, but the goal was achieved almost exclusively through proposals within the SEE. The leads associated with assessment missions outside South-east Europe developed slower than anticipated.

Transparency

Transparency is one of the core values of SPARK. In line with this policy we publish all annual reports, project reports, reviews of participants, as well as external and internal evaluations. Especially the external evaluations help determine the progress made towards reaching targets, as well as the outcome and results of projects. Additionally, evaluations provide us with recommendations which are automatically implemented unless we have good arguments to deviate. In terms of financial transparency, we are proud to become the first (Dutch) NGO to publish its full financial records (to the receipt level) online for donors and

contributors as of mid-2009.

SPARK, in this report strives for an ethos of transparency and accountability. This is clear at all levels of the organisation. Again and again the report emphasizes transparency, effectiveness and sustainability, three core values at SPARK. Each programme is designed with achievable goals and objectives, while at the same time remaining committed to developing lasting effects in post-conflict societies.

MISSION,
ORGANISATION
& PARTNER
POLICY



Mission, Organisation & Partner Policy

SPARK develops 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 organisation actively mobilises support for this within the Dutch society, especially with economic and educational institutions.

Post-conflict regions are characterized by high unemployment. One of the main causes is the discrepancy between education offered and skills needed in the labour market. SPARK supports educational institutions in adapting their curricula to the market needs and establishing good governance within the institutions themselves. In addition, SPARK facilitates start-up businesses through trainings, consultancy and micro-credit and it enhances cooperation between partners from the business, government and education sectors.

SPARK's project implementation and ability to have an impact are closely connected with its direct partner cooperation. SPARK does not act as a typical donor, neither just as an implementing party in partnerships. SPARK often helps local partners to further develop existing project ideas, and implementation is done in partnerships. Local partners gradually take over all project activities in the course of project implementation, providing a

solid base for sustainability and continuity once SPARK support ends. Strong capacity building elements in all our programmes help local partners to assume this full responsibility during the project cycle.

Key principles:

- 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.

SPARK's projects are developed in accordance with its main strategies for sustainable poverty reduction:

1. Direct Poverty Alleviation through the support of local institutional initiatives that increase employment opportunities that directly affect primary living standards;

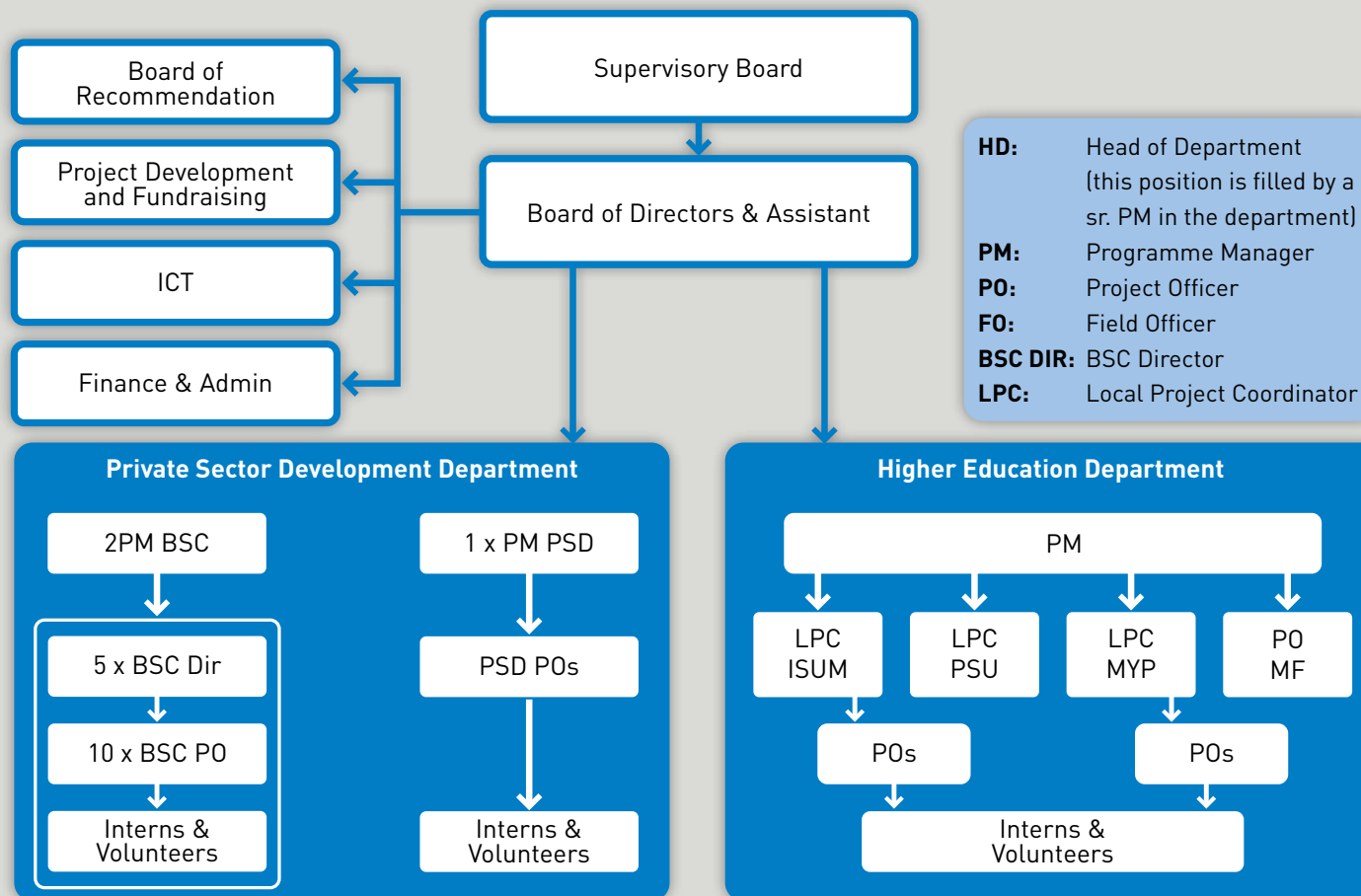
2. Capacity Building through developing the local economic and educational institutions that are ultimately geared towards direct poverty alleviation;
3. Supporting more effective participation in policy making by local economic and educational institutions, working locally, nationally and internationally.

Based in Amsterdam, SPARK is an independent not-for-profit foundation with field offices in Belgrade, Mitrovica, Pristina, Skopje and SPARK-supported Business Start-Up Centres in Bar, Bitola, Kragujevac, Pristina and Zenica.



spark activity locations
ignites ambition

Organisational structure



Supervisory Board, Management and staff

SPARK consists of two boards and a committee.

The Board of Directors oversees the daily operations and management of the organisation as well as decisions regarding policy, project development and innovation. The Supervisory Board of SPARK, starting in 2008, monitors and evaluates the Board of Directors. The existence of these two Boards improves the level of accountability at SPARK. It also fulfils the criteria as established by Dutch organisational codes for good governance, the Centraal Bureau Fondsenwerving (CBF) and Code Wijffels. The Supervisory Board follows SPARK Statutes and the internal regulations of the board.

Networking is the primary function of The Board of Recommendation. Additionally, SPARK is widely supported by an extensive network of experts, trainers, partners and (international) organisations.

During 2008, SPARK maintained around 50 staff in The Netherlands, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia. As a non-political NGO, SPARK does not take any positions in political disputes in Southeast Europe or beyond.

Board of Directors

Director: Yannick du Pont

Co-director: Michel Richter

Remuneration: members of the Board of Directors receive salaries based on VFI (Vereniging Fondswervende Instellingen) guidelines for NGOs 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 Branche/platform organisation for development cooperation (pro bono)

Supervisory Board Members

Chairman: Erik Dirksen MSc	Lecturer at the Faculty of Economics and Business Studies, University of Amsterdam, The Netherlands
Secretary: Olaf Bartelds M.A	Senior Project Manager, Netherlands Foreign Investment Agency, The Hague, The Netherlands
Treasurer: Dennis van Achthoven M.A (position vacant in May 2009)	RA Manager at PricewaterhouseCoopers Accountants, The Netherlands
General Member: Ruurd Brouwer MSc (position vacant in 2009)	Director Africa, Director Investment Promotion, FMO N.V. (Dutch Development Finance Company), The Netherlands
General member: Jan ter Laak MA.	Mr. Jan ter Laak was replaced by new member, Mr. Johan te Velde per 1 January 2009. Jan ter Laak combined his work as Senior Advisor at the Netherlands Helsinki Committee, The Netherlands, with among other things, his position in SPARK's supervisory board. On 12 March, Jan ter Laak passed away.
General member: Johan te Velde MSc (position filled at the end of 2008)	Head department Africa and Latin America, IKV Pax Christi, The Netherlands
General member: Mare Faber M.A (position filled at the end of 2008)	Senior staff member and editor-in-chief of monthly magazine Socialism & Democracy, Wiardi Beckman Stichting, The Netherlands
General member: Marjolein Lem M.A, (position filled at the end of 2008)	Senior Consultant International Development, Berenschot, The Netherlands

Report by the Supervisory Board

The main responsibilities of the Supervisory Board, which was installed in 2007, 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:

- How it executes its supervisory role vis-à-vis the steering and management responsibilities of the Board of Directors;
- How the monitoring of costs relates to the impact attained, that is cost-efficiency and effectiveness of activities;
- Monitoring of transparent communication and the provision of information by the organisation 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.

This report below refers to the involvement of the Supervisory Board on these three focal points.

The Supervisory Board appoints 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 organisational planning, policy making, project development and fundraising, daily management including quality management of projects and the organisation as a whole. The enclosed financial report stipulates remunerations received by the Board of Directors. Performance Assessment meetings were held with each member of the Board of Directors. The BoD assessments addressed performance on organisational targets for 2008 as well as personal ambitions, management style, etc.

An evaluation mechanism for the Supervisory Board is to be introduced in 2009. 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.

By the end of 2008, the Supervisory Board consisted of 7 members. In 2009 three of these members will conclude their work on the Supervisory Board, resulting in two vacant positions, Treasurer and general member. 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. In 2008, the Supervisory Board met 5 times with the

Board of Directors to discuss projects, progress and strategic issues.

In 2008, the Supervisory Board approved amongst other issues the following:

- The Annual report including the financial report for 2007;
- The Board of Director's response to recommendations in the auditor's reports;
- The Annual Plan and 2008 budget and an interim adjustment of planned targets;
- The procurement of new financial software as part of the reorganisation of the financial administrative department (SPARK statutes prescribe the SB's approval of uncommon or special procurements);
- Board of Directors Assessment Reports and their salaries (and along VFI guidelines)

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

- Existing and new projects, notably the International College for (Vocational Training) Business Administration and Public Administration in Mitrovica, including the procurement of land and the construction of College buildings.

- Quality management and impact measurement (introduction of ISO 9001), as part of the effectively and efficiency ambitions of the organisation;
- Transparency in communicating project, fundraising and overhead costs and achieved impact results to stakeholders, i.e. publishing financial reports on the SPARK website by the end of 2008 and making available all financial transactions on the SPARK website by mid 2009.

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 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.

Sincerely Yours,

The SPARK Supervisory Board Members
Amsterdam, 28 April 2009

Committee of Recommendation

Dr. Andris Barblan	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	Chairman, World University Service Austria. Professor of International Law at the University of Graz
Mr. Daan Everts	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
Justice 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. 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 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 - Interchurch 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, Professor at 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 Labor Party. Currently professor at the University of Amsterdam



OUR WORK



Our Work

SPARK, in 2007, reached a critical juncture which has allowed 2008 to be a year of assessment and reflection. This year was spent examining the impact of the overall organisation's efforts through broad-based assessments and evaluations. SPARK is pleased to continue its policy and strategy plan for 2007-2010, which includes four themes: Innovation, Quality, Transparency and Growth and Fundraising. These objectives, clearly set out in 2007, continue to be the primary goals for organisational development. This report reflects SPARK's 2008 work through this spectrum of Impact (per project), Innovation, Quality, Transparency and Growth & Fundraising.

1. Summer Universities

Target group:

Students and University staff

Total project costs:

Mitrovica Youth Programme – 321,415 €,
International Summer University
Macedonia – 254,443 €,
Pristina Summer University – 105,350 €,
(excluding the contributions of the University of Pristina and the Ministry of Science, Education and Technology of approximately – 80,000 €)



Active discussion during
Mitrovica Summer Courses 2008

Financed by:

Pristina Summer University

Netherlands Ministry of Foreign Affairs,
University of Pristina, PISG Ministry of
Science, Education and Technology,
Pro Credit Bank, ICRC, OSCE.

International Summer University Macedonia

Embassy of Kingdom of the Netherlands in Skopje

Mitrovica Summer Courses

Netherlands Ministry of Foreign Affairs

Partners involved:

Pristina Summer University



Mitrovica Summer Courses
Helpdesk

University of Pristina

International Summer University Macedonia

Ministry of Education and Science of Macedonia, University of Skopje "Ss. Cyril and Methodius", University of Bitola "St. Kliment Ohridski", SEE University; State University Tetovo

Mitrovica Youth Programme

University and Student Parliament - Mitrovica, D.D.A (Good Action Society), Fractal, NGO Jelena Anzujska

Project Description & Goals

Summer Universities are educational platforms that attempt to create neutral learning environments and regional academic co-operation. SPARK supports the largest international academic

programmes in the Western Balkans: the International Summer University Macedonia, the Mitrovica Youth Programme and the Pristina Summer University. Summer universities aim to contribute to the improvement of the quality of higher education in the region, while serving as platforms for inter-university cooperation and improving relations among students and academic staff from universities in Southeastern Europe and other parts of Europe.

In 2008 courses were offered on a variety of topics ranging from Law, Economics, Public and Business Administration to Gender, Education Science, Teacher Training, Conflict Studies and European Integration. These classrooms, for students and academics from SEE and abroad, open opportunities for knowledge exchange and cooperation between universities.

Also, additional off-site activities support the process of Europeanisation 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.

Results

Thirty-three courses were offered in the aforementioned disciplines in 2008 with more than 750 participating students. This is actually a decrease in the number of ISUM courses compared with 2007. This has been done in order to improve the quality and effectiveness of the existing courses, as recommended by the external evaluators of ISUM in 2007.

Item	ISUM		PSU		MSC	
	2007	2008	2007	2008	2007	2008
Courses offered	18	12	15	15	7	6
International professors	18	12	15	17	7	7
Co-professors	18	12	16	15	6	6
ECTS per course	3	3	4	5	3	3
Forums/debates organised	4	2	5	6	4	4
Applications	2842	2412	2212	1283	1173	1108
Participants	504	303	374	312	168	142
Issued certificates	417	256	265	215	154	128
Student evaluation forms handed in	385	256	177	221	133	107
Overall Satisfaction (based on the statement "On the whole, the quality of the course was high")	4.24	4.19	4.22	4.32	4.16	4.1



One of the classes of Mitrovica Summer Courses

Evaluation

Both internal and external evaluations measure the quality of SPARK's summer events. Recommendations are implemented in subsequent years. Student and professor evaluation forms function as internal evaluation tools and help determine the success of a summer event by measuring whether targets have been met. Specific goals to determine success include new opportunities for students to find better jobs and increased understanding of other's cultures through participation in one of the summer universities.



Participants of Mitrovica
Summer Courses 2008

Success stories

Bilateral Cooperation between Universities from Macedonia and Spain

Tetovo State University and the University of Murcia, Spain, signed an agreement of bilateral cooperation thanks to the International Summer University Macedonia, 2008. The signed agreement allows joint participation in European and international projects.

Summer University Pristina successfully sustainable

The main long-term objective of these educational projects is the transfer of the summer university organisation to the locally involved universities. We are happy to announce the successful transfer of the Pristina Summer University in 2008 to the University of Pristina, which will run the summer school completely independently in 2009.

Sport connects people

A Serbian, Croatian and a Kosovo student worked together to create a winning basketball team. The students, all classmates in the International Summer University Macedonia 2008, elected to take part in a SPARK sponsored extra-curricular sports team. We aim to facilitate dialogue and normal interaction between various ethnic academic communities in the Western Balkans by bringing people together and offering opportunities for joint activities, open discussions and debates.

Intercultural experience

Francesco is an Italian student living for the first time in the Balkans. He participated in the Mitrovica Summer Courses 2008 and left very satisfied with the knowledge gained and the professors' dedication and willingness to share their

professional experiences. Despite the differences in languages and academic backgrounds he found at the MSC, he believed that a common ground created a constructive atmosphere for cooperation and mutual understanding. Although from a different culture and tradition, Francesco succeeded in creating friendly relationships. "I am glad that I had the chance to talk openly and hear more about the life in Mitrovica, and also widen my point of view about the whole conflict situation." - Francesco Meucci, participant at MSC 2008

Brilliant mistake

After the completion of International Summer University Macedonia 2008, SPARK hoped to ensure funding and cooperation with local partners for the summer of 2009. Unfortunately, a number of deadlines were not met. Sufficient capacity to run the project independently was not shown by local partners. This obliged the Dutch Embassy in Skopje to terminate the funding. Although SPARK works to develop close cooperation with local partners and maintains the long-term objective of transferring projects into sustainable structures, this collaboration was unable to produce such results. The last edition of ISUM took place in 2008 and the project has ended.

Student evaluation Statement	ISUM		MSC	
	2007	2008	2007	2008
Participating in the ISUM/MSC is important for my career and will help me to find better jobs or opportunities for studying abroad	4.12	4.28	3.74	3.8
During the ISUM/MSC, I learnt better how to understand other cultures	4.2	4.43	4.09	4.2
The ISUM/MSC helped me to establish an international network that can be important for my future career	4.12	4.36	3.88	3.8

External evaluators offer recommendations that focus on the overall effectiveness of the summer events. For example, a 2007 recommendation led SPARK to organise pre-training for visiting and local professors, thus improving cooperation in teaching. In Mitrovica's Summer Courses 2008, external evaluators recommended additional training in English for local students:

'Despite examination of English proficiency some local students show some difficulties with English language. Organise additional classes of English language for local students that have lower knowledge. Maybe it would be possible to organise such classes even before MSC starts - after the selection procedure is done, in enclaves from where students are coming or at the place where they are attending their faculty, while school year still lasts' - taken from external evaluation.

As a consequence in 2009, a few weeks of pre-MSC English

classes will be held for the local participating students. These courses will be co-organised with the local NGO 'Jelena Anjus-ka.' As an organisation with a demand-driven approach towards local beneficiaries, we tend to tailor activities according to the needs and priorities of the local situation, hence achieve objectives in a more effective and influential way.



Students graduated with ECTS certificates

2. Transfer of Students from Tetovo Medical Faculty

Target group:

Medical Students from Tetovo University

Total project costs: 139,090 €

Funded by:

The PISG Ministry of Education, Science and Technology (MEST), The Netherlands Embassy in Skopje, the German Embassy in Skopje and contributions of the transferred students

Partners involved:

Faculties of Medicine of the universities in Pristina, Skopje and Tirana

Project Description & Goals SPARK as monitoring agency

October 1, 2004 the Tetovo State University officially opened as part of the Ohrid Agreement in Macedonia with 5 faculties. Previously this was a non-accredited Albanian university with 14 faculties. Among the eliminated departments was the Faculty of Medicine, which caused unrest among medical students and disruptive protests. An agreement was signed in January 2005 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. Since an intermediary was needed in the process, the Ministry of Education of FYROM and the Netherlands Embassy in Skopje requested SPARK to act as a monitoring agency.

SPARK, as a neutral organisation, managed the international funds related to the transfer. In addition it performed the nec-

essary quantitative (accounting) and qualitative monitoring at the host universities. The international funds were used to supplement the salaries of the professors involved in providing (additional) teaching to the transferred students and a donation was made in medical equipment. 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

In 2005, 220 students were transferred to the Medical Faculty in Pristina, 39 to Skopje and 57 to Tirana. Most components of the project in Skopje and Tirana have concluded. In Pristina, the medical equipment has been acquired successfully. MEST contributed 28.200 Euros in 2006 to the programme and 28.200 Euros in 2007. Professor salaries for the summer semester 2005/2006 and the winter semester 2006/2007 were paid by the university. A total of 12 individual outstanding payments remain. Professor salaries for summer semester 2006/2007 as well as winter semester 2007/2008 have not been transferred yet by MEST. In 2008, SPARK requested a prolongation of the project into the first quarter of 2009 in order to confirm all payments by the involved parties.

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

Success story

At the beginning of the project, the transferred students felt like second-class citizens in the Medical Faculty in Pristina. SPARK mediated meetings to encourage these students to understand that they are an integral part of the Faculty and have equal rights. A smooth integration with the local students was facilitated and the transferred students chose to complete their studies. By the end of the summer semester 2008/2009, the remaining students will receive their diplomas in Medical Studies.

Brilliant mistake

In the first semester of SPARK's involvement we spotted payments made to professors who had actually not been involved in the project. Also, in the summer semester 2005/2006, due to false steps by the Faculty, six double payments were made. With SPARK's assistance and supervision, the Faculty

reclaimed 5420 Euros from the overpaid professors. Additionally, this project faced the non-compliance by the Medical Faculty in Tirana. Despite various phone calls, faxes and even two on-site visits, SPARK could not motivate cooperation. Whether this resulted in negative effects on the transferred students is not known to SPARK.

Evaluation

A successful transfer of documents occurred. More importantly, all transferred students in all cities were given a fair chance to complete their medical studies. The administrative burden of the project has been much larger than expected.



Students of Bosnia & Herzegovina

3. Introduction of ECTS at Universities in Bosnia and Herzegovina

Target group:

7 partner universities in BiH and their students

Total project costs: 52,022 €

Financed by:

European Commission – EU Tempus

Partners involved:

Universities of Tuzla, Sarajevo, Banja Luka, Bihac', "Dz'ermal Bijedic'" of Mostar, (West) Mostar, East-Sarajevo, Marburg, Ghent, Porto

Project Description & Goals

Educational Exchange

Universities in Bosnia and Herzegovina have their own educational systems and exchange between students has been almost impossible. Therefore, strategic and radical changes are required to facilitate integration into the EU education system. SPARK, through the Tempus EU programme together with the Universities of Marburg, Ghent and Porto, introduced the European Credit Transfer System (ECTS) at seven universities in BiH including: Tuzla, Sarajevo, Banja Luka, Bihac', 'Dz'ermal Bijedic' of Mostar, (West) Mostar, East-Sarajevo. ECTS facilitates the mo-

bility of staff and students across universities nationally and in Europe.

The Introduction of ECTS at Universities in BiH finished in the second quarter of 2008. The results were clear. Significant improvements were made in the quality of administrative services and support for technologies, making the system fully operational. Also, the student and staff mobility (exchange between EU and BiH) increased in popularity through promotion and the quality of the project's operation.

Results

Activity	2006	2007	2008
Workshops organised	5	1	2
Dissemination conference organised	n.a	3	2
Dissemination workshops organised	n.a	2	5
Site visits organised	3	3	0
Handbooks on ECTS/ Information packages	7	7	1
Student mobility	n/a	4	n/a

Evaluation

The study programmes were improved and clarified thanks to ECTS, which increased the mobility of staff and university students involved in this project. A team devoted to quality control

and monitoring enhanced the quality assurance at BiH universities. During the project, annual quality progress reports were written and presented by the teams.



Study trip to the Netherlands

4. Developing an Internal Quality Assurance System at Telavi State University

Target group:

Teaching and Administrative Staff of Telavi State University

Total project costs: 43,838 €

Funded by:

European Commission - Tempus

Partners involved:

HAN University of Applied Sciences –Netherlands, 'Jacob Godebashvili' Telavi State University, University of Marburg, USSPMF Grenoble-II (France)

Project Description and Goals

Since Georgia became independent in 1991, many different higher educational institutions have started in the Kakheti Region and across Georgia. Although there is an increasing market for higher education among the hundreds of existing universities, only 32 managed to get accreditation from the Georgian Ministry of Education. Telavi State University is the only accredited higher education institution in the Kakheti Region. However, the university is dealing with major transitions in its curricula. This makes it necessary to develop a stable system for quality assurance in order to implement the changes in the existing curricula, the teaching process and the management system of the University. SPARK, together with various partner organisations, tackles this demand with the Tempus funded project "Developing an Internal Quality Assurance System at Telavi State University (TeSaU)".

Mini-conferences, various training sessions and expert meet-

ings promote the introduction of Quality Assurance and help achieve this goal. These events include discussions on topics, such as student counseling and a quality assurance evaluation system for TeSaU, with implications for other Georgian Universities. The Centre for University Development was established at the university in 2008 to coordinate the activities of the quality assurance system development. The initial step is to prepare

a strategy paper on quality assurance and an Action Plan on "how to create a quality culture", to be prepared by EU Experts in cooperation with TeSaU. This step will raise awareness at the university about quality assurance and foster a more efficient implementation of the system at the university. The project was developed before the conflict in Georgia. The conflict delayed the start of the activity about 6 months.

'The current Tempus project in 2008 gave us the possibility to learn first-hand about experiences from several European universities in the area of quality assurance, and most importantly, to discuss with quality assurance experts the situation at our university. This discussion proved to us that even at EU universities a unique model of quality assurance does not exist'
- Prof. Tinatin Zurabishvili, Head of the quality assurance department of TeSaU, Georgia

Results

Staff trained	85	Teaching and administrative staff trained on quality assurance
Mini-conference	1	35 representatives from Georgian and Azerbaijani Universities, the Georgian Ministry of Education and Science participated
Study Visit	1	12 representatives from Telavi State University

Success story

This project with Telavi State University is the first Tempus quality assurance project in Georgia. Therefore, Georgian academics are very excited to take part and realise the project. The Centre for University Development of TeSaU regularly sends reports to other universities in Georgia and the region on the quality assurance developments. The Georgian Ministry of Education and science is also regularly informed about the developments, taking into consideration that specific reforms are tailored to the goals of this project. Thus, by developing a quality assurance system at Telavi State University, the educational quality has been improved and expanded to all other universities, not only in the Kakheti Region, but also throughout Georgia.

Evaluation

The training sessions, mini-conferences and study visits are evaluated through participant evaluation forms, which measure both quality and content. In order to receive the correct input on evaluations, forms are being translated into Georgian especially for Georgian participants.

Already in the first project year, this Tempus project helped to institutionalise the quality processes at the Telavi State University. Through expert meetings and various training sessions teaching

and academic staff are introduced to better Quality Assurance requirements. An external evaluation is planned for the second year of the project, in 2009.



Students from Kosovo
active in role-playing

5. Scanning of student and professor documentation in Kosovo

Target group:

Students, professors and other non-academic personnel

Total project costs: 51,989 €

Financed by:

Norway, Austria, the Netherlands, SPARK

Project Description & Goals

Returning lost documents

Official university documentation was lost in the 1999 conflict in Kosovo. Students are in need of these records to prove they have completed exams or obtained a degree. Staff needs these records to be eligible for, inter alia, pensions. Most importantly, the documentation has an important emotional value. This project aims to digitalise all documents that allow exchange among the universities. Special software has been designed for this project, to enable seamless filing and searching of the documents. Digitalising the documents through new software creates necessary continuity and sustainability of the universities' work.

Results

In 2008, 11.529 documents of Albanian students were registered and digitalised. Moreover the University of Pristina received 5.165 original files that had been misplaced a few years ago to the North of Mitrovica. 37.506 files of non-Albanian (predominantly ethnic-Serb) students were registered and digitalised at the University of Pristina, and have been handed over to the rector in Mitrovica. Each file holds on average 30 documents. The process is expected to be completed by December 2009, depending on the total number of documents still to be uncovered.

Evaluation

The transfer of documents between the universities in Pristina and Mitrovica has proven to be very valuable considering the tremendous amount of students and staff involved and the importance attached to this documentation.

6. Southeast European Business Start-up Centers Network

Target group:

Young potential entrepreneurs between the ages of 18-35

Total project costs:

BSCs Bar, Bitola, Kragujevac and Zenica - 1,755,097 €, BSC Kosovo - 401,667 €

Funded by:

The Ministry of Foreign Affairs, Government of the Netherlands

Partners involved:

National Ministries and SME Development agencies, Universities, Municipalities, Chambers of Commerce, Regional Economic Development Agencies and Business Associations in Bosnia & Herzegovina, Kosovo, Macedonia, Montenegro and Serbia

Project Description & Goals

Motivating young entrepreneurs

Promoting entrepreneurship is crucial to the reduction of poverty and economic development in the Western Balkans. By acting on market opportunities, entrepreneurs create and develop businesses that drive economic growth and provide necessary jobs. However, the education system too often fails to encourage young people to develop entrepreneurial ideas and skills. At the same time, numerous regulatory and bureaucratic obstacles discourage potential entrepreneurs from opening businesses and prevent growth in existing companies. 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.

The Business Start-up Centers directly tackle poverty alleviation by offering business-skills training, coaching and consultancy, and micro-credit to young entrepreneurs. The start-ups can receive support such as business registration and working space in Business Incubators. A Business Plan Competition is used to select win-



ning ideas. The selected entrepreneurs are offered loans and personal consults who as-

Promotion Business Plan Competition

"I think that one great thing about this competition is that it can support everyone, not just the top winners. The person who is 21st place can also get good experience and advice and know-how" – **Anes Zukic, BPC 2008 winner, BSC Zenica**

"I knew how to make a chair, a table or an arm chair, but I did not know how to start and run a regular business. I saw that I did not have the knowledge needed to successfully develop a business and make profit." – **Bratislav Petkovic, BPC 2008 winner, BSC Bitola**

sist in turning good ideas into successful businesses, thus creating jobs. On a wider scale, thousands of participants are trained and hundreds of business plans are created through the annual Business Plan Competition.

Together with local partners, the Business Start-up Centers monitor bureaucratic obstacles faced by the start-ups and other Small and Medium sized Enterprises (SMEs), and lobby with policymakers to ease or remove such barriers. In 2008, 4 SME situation studies were commissioned and published in Zenica, Bar, Kragujevac



Business Plan Winner
BSC Kragujevac

and Bitola. Each Center has also partnered with local institutions of higher education to promote

curriculum development and incorporate entrepreneurship courses into standard course curricula. Following the Oslo Accord, SPARK's aim is to integrate entrepreneurial skills and knowledge. Education helps to generate innovation and inspire a highly ambitious work force for the next generation.

With the Balkans situated at the EU's doorstep, there is great potential for Western Europe to expand into this large and lucrative market. In order to do so, businesses must guarantee that the quality of their products and services meet international standards. Through matching

"The trainings are great! They helped me to develop professionally. I am the assistant at Faculty of Economy, University of Kragujevac, and cooperation with BSC really helped me to change my way of work with students, and to implement new teaching methods, more interactive and dynamic" – **Vladimir Dzenopoljac, trainer at BSC Kragujevac**

grants, SPARK offers support for Quality Standard Training and Certification (ISO/HACCP) to businesses that aspire to expand beyond domestic borders.

One crucial aspect of starting a business is creating partnerships. In order to facilitate exchange, each Business Start-up Center organises events and conferences for young entrepreneurs to meet and network within their region and occasionally beyond. In the case of larger national SME conferences, the Centers can arrange the transportation and registration for some of their strongest businesses. This has enabled some young start-ups to gain access to the wider business community, creating previously unattainable opportunities. Moreover, conferences advocate and lobby for SME development through attendance of public and private stakeholders, i.e. relevant policy makers, universities and business alliance. Conferences also provide opportunities to discuss obstacles to SME development and necessary improvements to enhance an economic environment in which businesses can prosper.

Southeast European Network of Business Centers and incubators

SPARK has established a Southeast European Network of Business Centers and Incubators (SENSI). In 2008, the network expanded to 36 members compared with just 14 at its inception in 2006. The 5 SPARK supported Business Start-up

Centers are members of the network.

Results

The table below lists some of the indicators of the Business Start-up Centers' work. These figures represent the changes the Centers have been able to bring about, and demonstrate the level of satisfaction reported by our clients in the Western Balkans. It is important to measure and analyse not only what has been achieved, but also how our beneficiaries have received those achievements, the impact.

	Result 2007	Target 2008	Result 2008
New SMEs (companies) established	7	140	100
Jobs generated	59	220	463
People (beneficiaries) trained ¹	1642	4210	2944
Satisfaction with quality of Business Skills Training ²	8,92	>7,00	9,12
% of surveyed clients reporting BSC services to be effective	92%	75%	95%
% of surveyed clients reporting income increase (of 5% or more)	33%	50%	37%
% of surveyed clients reporting being able to secure a stable job	53%	70%	56%

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

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



Business Plan Winner
BSC Kosovo

Success story Euro Information Center

The BSC Bar was selected in October 2008 to partner with the Directorate for SMEs (Government of Montenegro) to operate a satellite office for the Euro Information Center programme financed by the European Commission. The project will operate from 2008-2011 and will serve as an information resource and business referral in the coastal region of Montenegro for the business sector in the European Union.



Business 'Little plant' supported by BSC Kragujevac

Balkan greenhouse

People say that food production is the business of the future. That is because there are more and more people on this planet and limited resources. Ilija Mutavdžić has just recently decided to make his first step in order to tackle this problem, by registering his company for production of fresh spice plants.

Ilija is a hard-working guy. While he was preparing to start his own business, he was working part-time for the Raiffeisen bank and in the popular Kragujevac bar Beerhouse. In combination with BSC education, he gained new experi-

ences that he can apply to his business. Ilija is serious about this business and we can find confirmation for that in the fact that he hired an expert in the field of greenhouse production as his advisor.

"I would not have had this success if there had not been for this fantastic BSC-funded programme, which showed me the way. Also, guidelines, advices and consulting received from the BSC team are priceless, and the mere fact that I can always go to them for support, means so much to me," says Ilija.

The company "Little plant" headed by Ilija Mutavdžić has big plans. Soon, the sales activities to a wide range of customers will start – from small neighborhood grocery stores, to big retail chains and wholesales. The final goal of this young businessman is to start exporting these products to foreign markets. Ilija's determination to succeed tells us that he will accomplish his goal.

Brilliant mistake

In its 24-month life span, the Business Start-up Center Zenica has realised two Business Plan Competitions. In the Business Plan Competition 2007 students were targeted; they created thirteen businesses from scratch with low initial investment. The Business Start-up Center Zenica reported

substantial growth and distributed micro-credit financing. The corresponding return on investment was easily measured. For the Competition in 2008 we opened our door for start-up companies that had registered within the previous 12 months, understanding that such businesses already have a customer base and recognisable market product and are thereby able to create faster growth. In order to level the playing field for complete starter businesses, we introduced additional pre-requisites, namely, innovative approaches to business and additional employment. In total, 29 existing and not-yet-existing businesses were offered the use of our funds. While preparing for lending, we considered loosening restrictions on additional guarantees. Simultaneously we started to investigate the actual usage of funds lent through asset procurement plans, checking credit histories.

It was discovered that 13 submissions sought to strengthen networking capital, rather than introduce new product lines. Some loans were even used for repayment of existing credits, capitalizing on the 6-month grace period. We immediately stopped granting credit to such businesses, i.e. 'throwing good money at bad investments and debt repayments'. But, more importantly, we concluded that covering two unique markets--new start-ups and existing businesses-- forces us to develop unique approaches. Even misuse of our support can, to some extent, be considered an entrepreneurial way of thinking, and thereby our mission is not to reject, but to modify entrepreneurs' capability into win-win situations.

Evaluation

In 2008, the Business Start-up Centers' project was evaluated twice-externally and internally. Since the beginning of the project in 2007, the assessments sought to determine the impact and real differences generated from the centers. We believe re-assessing and measuring results will best achieve our objectives. In the long run, ensuring the survival and financial sustainability of the Start-up Centers and their Incubators is the ultimate challenge for SPARK.

In 2008, Alberto Gomez conducted an external evaluation on this project. One of his main recommendations related to the sustainability of the Business Start-up Centers was to 'Develop a sustainability plan for each BSC, involving partners and local institutions to create a three-year business and sustainability plan for each BSC' (quoted from the external evaluation report). Based on this recommendation, SPARK intends to develop sustainability plans for each Business Start-up Center in 2009 and register the centers as local entities. Partners will be included in the organisational structure. The ultimate goal is for the Business Start-up Centers to generate their own income and be able to independently apply for funding from international donors.

Partnerships with the centers are continuously monitored and annually evaluated. Scheduled specific monitoring and evaluation points are identified and joint activities and progress towards joint objectives are evaluated. Conclusions can be drawn

for future improvements.



Promotion EU Day

7. Regional Private Sector Development in the Western Balkans

Target group:

Economic and Higher Education Institutions

Total project costs: 210,926 €

Financed by:

The Ministry of Foreign Affairs, the Government of the Netherlands

Partners involved:

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

Project Description & Goals

Stimulating trade and cooperation

During the transitional post-conflict period, economic development and job creation are high on the agendas of Western Balkan countries. As one of the main conditions for EU accession, regional cooperation remains a top priority. SPARK tries to tackle the demand within the Regional Private Sector Development project by promoting cooperation between Governments, higher education and business sectors in the region. The goal is to stimulate local trade and economic development and thus contribute to friendly neighborhood relations, long-term regional stability and EU integration. Research and education in the private sector are indispensable for this project.

The Private Sector Development I project lasted from 2004-2008, with an extension in the first half of 2008. Generally, the stakeholders indicate, the project has contributed significantly to regional cooperation and economic development. Therefore a follow-up project was planned together with the stakeholders and was finally approved in the last quarter of 2008. The concrete implementation of project activities is planned for 2009-2010.

A follow-up project developed through input from stakeholders, the Private Sector Development II project, secured financing in 2008; it entails a shift in activities, organisation and management principles. This project is envisioned to continue collaborations with the same stakeholder partners. It focuses more on the entrepreneurial side of private sector development, while working to strengthen partners' capacities to run all activities independently at the conclusion of this project. The plan is to directly include and incorporate stakeholders into the implementation of the project activities, with the intention to achieve full sustainability in the future.

Results

	2005	2006	2007	2008	Total
Regional conferences	2	2	4	3	11
Regional EU Day events	1	1	2	2	6
Research projects	0	3	4	2	9
International and regional internships	0	9	13	9	31
Regional Business Plan Competition	1	1	1	0	3
Business-Skills Training participants	90	98	200	182	570
Study Visits	1	1	0	1	3

Success story Bringing institutions together

The Private Sector Development Programme was forged to foster cooperation between educational and economic institutions in the Western Balkans. By working closely with all its stakeholders, SPARK creates a supportive environment and brings partners together, contributing to improvements in relations among different organisations. As a result of joint vision and great effort, representatives of Kosovo UNMIK economic institutions were invited to present during the EU Day events in Belgrade.

EU Days organised independently in Skopje and Pristina

After successful cooperation in organising EU Days in Pristina and Skopje in 2005-2006, local institutions (University of Pristina and the European Business Association) independently took over the organisation of an EU Day in 2008. They managed to bring together other project partners, to raise funds and without SPARK's financial support, to organise the events in their local communities, thus creating completely sustainable activities.

Personal story

Irena Petrovska, undertook an internship at FAO supported by the Private Sector Development I.

“The internship in the Food and Agriculture Organisation of the United Nations offered me the opportunity to pursue new challenges and gain life and work experience in a multicultural environment, it helped me to acquire new skills, expand my knowledge and learn from experience. It broadened my ability and resourcefulness to solve more complicated life and work tasks that were set during my three-month stay in Rome, but also, to build a network of friends and contacts from all over the world. If one is eager to gain an invaluable experience, verify theoretical knowledge by putting it into practice and live the diversity in a multicultural interaction, then the right choice is an internship opportunity. Meeting people from all over the world and getting an outstanding work and life experience initiates future job opportunities and allows one to get a wider perspective of life goals and standards.”

Evaluation

The quality of the project and its activities was measured and evaluated through questionnaires after each project activity and at its conclusion, by stakeholders and direct beneficiaries. On the basis of evaluations and recommendations, each new activ-

ity has been created with an intention to improve on the previous ones and to tackle regional needs in a more compatible way. For instance, the outline of the follow-up project has been created in collaboration with all stakeholders, hence contributing to better quality and sustainability.

This project is one of the most transparent within SPARK; the activities depend on good partnerships and close cooperation between and with partners. Training modules were prepared and organised with experts from relevant fields and internships for students were provided within respectable private companies from the Western Balkan region and EU, study trips enabled visits to many important EU and Dutch institutions. Consequently, the obtained funding for a follow-up indicates the quality and impact of the programme's Private Sector Development.

Based on the practice and experience gained through implementing Private Sector Development I project, SPARK's partnership policy has matured. Openness with stakeholders during the project's initial phase, created trust and a greater willingness to cooperate in the future, which has

“Activities performed in the period of the project influenced significantly regional private sector development through all the activities designed for the project. Once more it is proven that the key is not just to support the government but also to develop and support projects coming from the private sector since the private sector is a key for development of the economies” - **Stakeholder of Private Sector Development Project, taken out of Final Conference**

resulted in a follow-up. What has been described as one of the most valuable aspects of the project is the informal network created among the private sector stakeholders of this project, which is an indicator of SPARK's successful policy towards regional partners. At the end of the Private Sector Development I, the establishment of an informal network was evaluated: "Interconnection between the different parties in the region is created. The establishment of linkages in the informal network of institutions, business associations and universities are the essential benefit."

8. Activities in the Netherlands

Young Pro's

The Young Pro Programme has been in operation since 2007. The goal of this programme is to support young and ambitious NGOs in the Netherlands that seek to professionalise their projects and organisations via the Young Pro Incubator and the Young Pro Training Programme.

The Young Pro Incubator in Amsterdam offers young NGOs free incubator space at the University of Amsterdam. There they have access to office facilities as well as free consulting on project development and project management. The mission of the Young Pro Incubator is to support and develop participating NGOs into independent organisations that succeed in their mission of structural poverty reduction. By assisting the NGOs to become full



Debate More Aid For Your Money
event in Amsterdam

development organisations, ready to act in an increasingly competitive environment, the incubator will, ultimately, help raise the standard of living of the poor and disadvantaged in the world.

In 2008, two new Young Pro's were invited into the incubator: Balkan Buro, that focuses on bringing the cultural diversity of the Balkans closer to Western Europe, and FOR that stimulates education in Africa by providing schools and projects with new or used computers combined with necessary training. In total, 5 young organisations are now active in the incubator: Young Urban Achievers, Life Lines, Danube Foundation, Balkan Buro and FOR. In 2009, SPARK encourages at least one Young Pro to graduate and gain greater publicity in the Netherlands. In addition, we intend to admit two new Young Pro's into the incubator.

The Young Pro Incubator uses an innovative approach in the development sector in the Netherlands by supporting young development NGOs with new ideas and work methods. SPARK is the only Dutch non-profit organisation offering incubation services to other organisations in this sector.

The Young Pro Training programme offers professional training, free of charge or for a reduced price, to a network of 40 young NGOs. In 2008 the training programme provided a variety of courses, from developing a donor-proof proposal and preparing a sound budget to the creation of a solid partner policy and partnerships within the private sector. The group deemed the recently finished Coaching Trajectory on Professionalisation very useful.

Debate 'More Aid for your Money'

"More Aid for your Money?" was a debate organised by SPARK in October 2008. This was created in conjunction with a new chance for young Dutch NGOs to apply for the Medefinancieringsstelsel (MFS) subsidy from the Dutch Foreign Ministry after a previous round in 2006. SPARK facilitated discussion as to whether the increase in Dutch NGOs and the competition among them leads to more efficient and effective development cooperation.

Questions were raised as to the inconvenience of the application procedure for the organisations. The Minister for Development Cooperation, Bert Koenders, agreed to provide young NGOs with

another opportunity to apply for the MFS subsidy. They were given a chance to hand in an additional subsidy request to the Ministry under the two-year category: "Young and Innovative". Out of this second round, 15 additional young organisations received MFS subsidy in 2008, with a total budget of 16 million Euros.

The debate panel was compromised of Chantal Gillárd, representative of development cooperation of the Dutch Labor Party; Pieter Jos van Kampen, Uptoyou2; Harry Derksen, Assistant-Director Research & Development at ICCO; Frederiek Biemans, Young Urban Achievers and Marijke Haanraads, Head of External Relations at Hivos. The debate was moderated by Evelijne Bruning, editor in chief of the Dutch magazine for development cooperation, Vice Versa. The panel discussed with the audience statements such as, "Young organisations come into existence because of the shortage of inflow and outflow of the already established organisations" and "Young organisations lack the experience with networking, mergers and joining forces." At the end of the debate, the participants concluded that the inflow of new innovative development NGOs is important to keep the Dutch development sector innovative and improving.

SPARK's ambition is to actively contribute to discussions and debates on increased innovation, quality and transparency in the Dutch development sector. For 2009 SPARK plans to organise a number of debates on these topics.

IT Outsourcing to the Western Balkans

In November 2008, SPARK organised an instructive and lively evening for Dutch ICT companies interested in outsourcing to the Balkans. The goal of this evening was to provide the 25 attending Dutch firms with insights into the opportunities and pitfalls of outsourcing to the Balkans, encouraging entrepreneurs to make use of the capacity and potential of Southeast Europe. The Western Balkans lie close to Western Europe, which is convenient for outsourcing, but Dutch companies fear differences in the culture and ways of working. SPARK aims to break the barriers and promote the Western Balkans as a convenient outsourcing destination with great capacity and potential, and at the same time to create increased cooperation and more employment opportunities for the local IT entrepreneurs.

During the evening, presentations were given by Paul Tjia, one of the most experienced Dutch off-shoring consultants, and the Dutch ICT companies HintTech and Clockwork about their outsourcing experiences in the Balkans. They emphasized advantages such as: low costs, quality of people, the similar culture and the same time zone. In addition InterWorks, Innovation and SiMod, all Macedonian and Serbian companies brought to the Netherlands for this conference by SPARK, introduced the audience to the potential of the Balkans. Eric Meijer of the Dutch Agency for International Business and Cooperation (EVD) concluded the evening by describing the support that EVD offers to entrepreneurs interested in doing business with the Balkans.

In 2009, SPARK will continue organising events like this to promote trade relations and increase skilled employment opportunities in the Western Balkans.

Quality

SPARK aims to provide its target group the best service in terms of high qualitative activities. This can be realised by securing the internal organisation's optimal functioning and by creating an environment in which learning is constantly stimulated. Also, honest external and internal communication of achievements and failures, implementing a quality management system, as well as innovative solutions and recommendations for improvement ensures improvements in the quality of our work. We are proud to maintain good relationships with target groups and partners resulting in an outstanding reputation.

As a modern, impact orientated development organisation, SPARK holds a number of markers of quality, most of them obtained in 2007. The ISO 9001:2000 quality management label as well as being 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 organisations. CBF (Centraal Bureau Fondswerving) is a member of the International Committee on Fundraising Organisations (ICFO). SPARK also meets the Partos quality norms

'streefwaarden'. Partos is the national platform for Dutch civil society organisations in the international development sector.

The above-mentioned quality benchmarks and systems help ensure a high level of efficiency and effectiveness, i.e. satisfied target groups, as well as transparency, reliability and good governance requirements. SPARK's quality management system involves procedures and requirements for our most important business processes such as the organisation of summer courses and business plan competitions, the handling of complaints, and planning, monitoring and evaluation processes.

The maintenance of a good quality system includes a streamlined human resource policy, which satisfies SPARK staff. The policy contributes to proper task delegation among staff and improves the efficiency of our daily work. The performance of SPARK staff is evaluated and feedback is provided through reports based on evaluation and assessment meetings, as part of the human resources procedure. This leads to higher quality work. With the aim of constant improvement and learning by doing, SPARK regularly recruits volunteers/interns with tasks ranging from minor administration to substantive independent work. In 2009, we plan to further improve our ISO quality management system, by introducing a 'Recruitment and Selection procedure', ensuring qualified personnel is employed and knowledge and experience is maintained within the organisation.

Furthermore, ISO certification has eased an external audit and

the awarding of new grant applications submitted in 2008, especially the grant application submitted to SIDA for the establishment of an International College for Vocational Training in Mitrovica.

Outlook 2009

ISO, CBF, ANBI and the Partos 'streefwaarden' certificates were all maintained in 2008. SPARK continues to devote energy to preserve those standards in 2009. SPARK intends to extend its ISO certification with a realization process for the organisation of business skills training specifically, as well as a staff recruitment procedure by the end of 2009.

In addition, SPARK continues to provide significant contributions to the improvement of quality in the Dutch development cooperation sector, via a co-facilitation with Partos, SPARK is working on developing an international quality benchmark specifically tailored to development NGOs. SPARK believes that an externally audited, internationally known, quality benchmark specifically for development NGOs could help to raise the quality and credibility of development cooperation both nationally and internationally.

Lastly, a new PSO membership application will be filed in 2009. PSO serves as an umbrella organisation of Dutch organisations that are working in the development cooperation.

Growth and Fundraising

In 2008 SPARK's primary focus was to develop concrete projects and raise funds based on the assessment missions sent out in 2007 and early 2008. SPARK's attained its target for 2008, of submitting at least 10 full proposals for new activities totaling at least 10 million Euros. But the goal was achieved almost exclusively through proposals within SEE, which was not the plan according to SPARK's donor diversification strategy. The leads associated with assessment missions outside Southeast Europe developed slower than anticipated and internal capacity failed to generate momentum for these developments.

The NLMFA donor conditionality obliges SPARK to annually raise 25% of the Dutch contributions on SPARK's largest grant starting in 2009. Failing to achieve this target might lead to repayment on the MFS grant. A costs-benefits based calculation shows little progress for 2008 (31% versus 43% if calculated on a cash basis with in kind contributions included), but the target is still met. And based on new contracts and cash funds received, we are well on schedule to fully attain the 25% target in 2009.

This was largely thanks to the successful fundraising for the International College for Vocational Training (business administration and public administration) in Mitrovica. Substantial funding was obtained from SIDA and the Danish government for this new project, e.g. a first installment of about 907.000 Euro. This is 23 % compared to the MFS installments received in 2008.

At the beginning of 2008, the project development and fundraising taskforce merged into a single unit. The major successes in fundraising in 2008 were secured by management and not the field offices. This was due to various factors such as time restraints and staff changes. By the end of 2008 a project developer was contracted to increase the capacity of the development and fundraising unit.

SPARK attained the CBF standard (Dutch Central Bureau for Fundraising) in 2008, which oversees reliable spending by the organisation, which makes it possible to attract more private donors. Institutional donors were cultivated through SPARK's goal to attain more European Union Funds in 2008. This resulted in SPARK joining a successful EU Tempus proposal, an EU grant of EU information Centers (implemented by BSC Bar), and an EU consortium awarding 500 scholarships in the next two years.

Since September of 2007 the Creative Marketing Agency, Beagle has promoted young Dutch entrepreneurs through (private) fundraising efforts. Cooperation with Beagle has a positive influence on the branding and visibility of SPARK, but did not increase fundraising as imagined. Therefore this will be reviewed in early 2009.

Additionally, the partnership with Esteamwork, under which learning journeys (specific business cases for professors) was planned in 2008, will be under review early 2009, since the aspired in-kind contributions did not reach the level SPARK had

aimed for with this partnership.

SPARK wishes to uphold its mission to assist post-conflict countries in transition. Therefore, pilot proposals have been developed from 2007 onwards in Afghanistan, Sierra Leone, Liberia, The Palestinian Territories, Georgia and Azerbaijan. Concrete project proposals will emerge in early 2009, if donor interest materializes. SPARK tries to transfer its experience and knowledge from the Balkan to new post-conflict territories. 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. The assessments in Colombia and Zambia did not lead to any results, mainly due to the fact that similar international development organisations were already active in these countries, and a clear niche for SPARK activities could not be identified.

In conflict areas, such as Afghanistan, SPARK strives to develop initiatives in line with the so called 3-D approach; cooperation between Development, Diplomacy and Defense. This way, SPARK attempts to be present in the inception of (post-) conflict reconstruction and peace building. Due to recent violence and increased risks, this project has been postponed.

Outlook 2009

SPARK's goal, in 2009, is to again submit at least ten full propos-

als for new activities at a total value of at least 10 million Euros in new post-conflict environments outside of Southeast Europe. Also, SPARK aspires to expand the pool of persons developing projects and raising funds. Therefore at the beginning of 2009, there will be an increase of personnel within the fundraising division at SPARK.

Furthermore, a special effort will be 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.

As projected, SPARK forged two partnerships with US NGOs with USAID (CHF and ISG) in 2008. Unfortunately both applications were not selected. SPARK remains vigilant in the need to develop a US partnership, we strive to realise this in 2009.

SPARK intends to start two or three pilot projects in 2009 outside Southeast Europe. These pilot projects should build some track record for the organisation and form a basis for extending larger projects with mostly non-NLMFA donors by the end of 2009. This experience should also serve a grant application to be submitted to the NLMFA MFS (Medefinancieringsstelsel) funding scheme by the end of 2009.

In terms of programme content the focus is primarily on youth employment-generating activities through business skills training, business plan competitions, micro/meso-credit and coach-

ing 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 planned for 2009 will mostly include the latter type of activities.

Fundraising	Results 2007	Target 2008	Results 2008
# proposals submitted at value of at least 10 Million	10	10	10
NLMFA income in Euros	2,660,348	4,341,266	2,895,636
% of income of NLMFA	84%	81,75%	84%
Non NLMFA donor in Euros	147,150	268,090	155,185
% of income of non NLMFA donors	4,65%	5,05%	4,48%
Cash-in kind contributions in Euros	325,003	491,817	273,707
% of non-NLMFA income of in-kind contributions	10,27%	9,26%	7,90%

Fundraising	Results 2007	Target 2008	Results 2008
European Funds in Euros	31,195	209,121	139,140
% of non-NLMFA income of European funds	0,99%	3,94%	4%

Transparency

SPARK has a pro-transparency attitude towards its stakeholders, donors and beneficiaries. We do not pretend to act flawlessly, but we aim to be as honest and transparent as possible. Therefore SPARK always communicates achievements along with failures. We believe that without facing and analyzing mistakes, improving and finding long-term solutions is simply impossible.

As transparency is one of the core values of SPARK, we supply the general public with information inter alia all annual reports, project reports, reviews of participants, and external and internal evaluations. These evaluations are of great importance to SPARK. Evaluations help determine the progress made towards reaching targets, as well as the outcome and results of projects. Additionally, evaluations provide us with recommendations for the future. By publishing internal and external evaluations on our website we communicate all results to the public.

Seeking to be as transparent as possible, SPARK also aspires to provide maximum insight in the financial workings of its organi-

sation. Therefore, in 2008, SPARK started making all financial reports of projects available on the SPARK website.

Outlook 2009

An important part of our 2009 agenda will again be aimed on the improvement of overall transparency. SPARK intends to have its full financial administration available online by mid-2009 enabling full public transparency. The website will include all financial transactions of SPARK, from expenses on books, expert fees to work lunches. The introduction of new finance software will facilitate this process. It is expected that SPARK staff will be even more careful when it comes to procurements and expenditures and encourage better price negotiations. It is not unlikely that certain transactions will provoke critical questions and discussion. SPARK sees this as an opportunity to explain why certain costs are accrued. By the end of 2009, SPARK will be more transparent on the reporting of cost impacts, e.g. to report costs for impact indicators such as jobs created.

Sector-wide, SPARK has the ambition to encourage development organisations to report and promote their failures or “brilliant mistakes”, based on the belief that failures unnecessarily hidden, but are in fact a great source for learning sector-wide. In this light, SPARK intends to organise a number of seminars with the ABN AMRO bank’s Institute for Brilliant Mistakes that was originally established to create learning opportunities in business development, based on the experience of entrepreneurs

who failed to achieve the desired results from their businesses.

Innovation

A key asset of SPARK is its flexibility and creative staff and therefore its ability to innovate. In 2008 several innovations were implemented in our work in the field, as well as the internal organisation.

In our 2008 operational work two interesting innovations stand out. The first originated from the observation that many young development organisations actually exist in the Netherlands, but that these rarely get a chance to develop. Using its own funding, SPARK thus initiated the Young Pro’s Programme, under which SPARK gives young promising development NGO’s, access to a high value training programme and five of them (temporary) free space and work station in an incubator at the University of Amsterdam.

Another innovation occurred in Kosovo, where for years our staff was confronted by university students and staff that mentioned they had lost access to crucial documents due to the 1999 conflict. A complicating factor was that both public universities in Pristina and Mitrovica could (in general) not release original documents. Therefore, SPARK successfully proposed to digitilise several million of documents and index these files in a computer programme. In 2008 an estimated 60-70% of all documentation was made available. The rest will be completed in 2009.

In the internal organisation, headway was made in the automation of the financial department. Of particular importance in this respect was the switch to a new internet-based bookkeeping system. When fully operational in mid-2009, this system will not only make our bookkeeping far more efficient. It will also make financial information very promptly available to management and field offices and thus increase the speed and quality of our decision making. Furthermore, opening access to donors and the general public, SPARK will enact full transparency on its spending.

Outlook 2009

In 2009 SPARK will continue to strive to find innovative and creative solutions for barriers, both internally and externally. The entire online management system of the organisation will be upgraded and a new active Alumni community will be established in 2009. Also, SPARK intends to work with the "Institute for Brilliant Failures" of ABN-AMRO to start improving the sharing of lessons learned with other development organisations with the ultimate goals to draw lessons from each other and improve the quality of all our work.



SPARK aims to innovate and expand to new territories in 2009

A hand is visible in the bottom right corner, holding a lit sparkler. The sparkler is emitting a bright, intense blue-white light from its tip, with numerous long, thin, blue sparks radiating outwards in all directions. The background is solid black, which makes the sparks stand out prominently. The overall effect is one of energy and celebration.

MAIN TARGETS & BUDGET 2009

Main Targets & Budget 2009

The outlook paragraphs in section 4 of this annual report have revealed SPARK's main aspirations in terms of innovation, quality, transparency and growth & fundraising for 2009. The table on the following page lists the most important targets, while the budget for 2009 will provide the financial details, for example:

- Expected costs and revenue for each projected activity
- Budget available to realise organisational development
- Budget available for fundraising and project acquisition

Financial Policies

Substantial investments in the capacity of the organisation and the fact that SPARK was still preparing ground for many of the MFS financed project activities in 2007 and the beginning of 2008 resulted in an expected but undesirable overhead of 39%, compared to around 35% in previous years. However, this percentage includes field labor and office costs which are costs that are directly spent on the project objectives and involve the establishment of business start-up centers that will continue to exist as independent organisations after the project period. Thus, the net overhead percentage including Amsterdam office and labor only for 2008 is 22.5% compared to 27% in 2007. A 22% overhead

percentage is anticipated for 2009 and less than 20% for 2010.

The project expenditure ratio is to be improved significantly in the next few years as well. The project expenditure is the result of the total costs for realizing project objectives divided by the revenue for the projects. And in addition, with the total budgets available for the projects. In 2008 this was respectively 74% and 75%. In 2009 this is projected to be 89 %, and in 2010 to be 90 %.

In 2008, the organisation spent 63,995 Euros on fundraising (promotion, project development, working hours internally declared for fundraising and allocated other overhead), whereas this resulted in a revenue of 500,000 Euros, and new project contracts with a total value of 6,125,000 Euros over the period 2008-2010. Thus the fundraising percentages based on costs versus revenue / new project contracts for 2008 were respectively 13% and 1%. For non-institutional ("own funds") fundraising the percentages according the CBF method of calculating (spent on own fundraising / income own fundraising) are: 5.7% in 2007 and 1.38% in 2008; this remains in accordance with CBF guidelines. (See also the section Annex C in the financial report 2008) The organisation anticipates percentages for 2009 similar to those in 2007 and 2008.

SPARKs own equity has grown to 333,390 Euro. Reserves in-

creased from 191,032 Euro (36% of annual organisational costs) in 2006 to 254,573 Euro (27% of annual organisational costs) in 2007 to 333,390 Euro (47% of annual organizational costs) in 2008. These are the actual reserves and exclude micro credit funds and deposits that SPARK makes available to starting businesses. Institutional donors, but also funding obtained from private donors and sponsors, leave extremely little room for building sufficient reserve to continue to run the basic organisation for a year. The ambition is to increase the 2008 percentage eventually to 100%.

With regard to income, SPARK's most important ambition is to broaden its donor base. At present, SPARK's income mostly relies on institutional funding from the Netherlands Ministry of Foreign Affairs (NLMFA) and the European Commission. The NLMFA counts for 84% of the income in 2007 and 84% of the income for 2008. Other substantive funding sources are local partners, universities and Ministries in the field as well as universities in Western Europe and the US; these include both cash and in-kind contributions. Since 2006, fundraising efforts have focused on non-NLMFA institutional donors. This effort has become even more urgent under the MFS grant awarded by NLMFA per 2007, which prescribes the obligation for SPARK to provide 25% non-NLMFA co-financing on the MFS grant expenditures in 2009 and 2010. This implies that a nominal amount of about 850.000 Euro should come from non-NLMFA donors annually. With the International College Mitrovica, SPARK anticipates exceeding the 25% target in 2009 with an estimated 50%.

Project targets 2009

Private Sector Development	<p>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. Open Business Incubators in Zenica and Bar.</p>
Higher Education Development	<p>Open a Private International College in Mitrovica. Realise 18 summer courses. Provide summer courses to 500 students and grant ECTS credits acknowledged by the local universities. Assist faculties with adopting 8 new courses into existing curricula.</p>
Activities in The Netherlands	<p>Facilitate the graduation of one Young Pro's tenant. Admit 2 new tenants in the Young Pro's incubator.</p>

Organisational targets 2009

Innovation

Improve the Management Information System.
Operationalise the new Financial Bookkeeping software.
Organise 4 debates on innovation in The Netherlands.

Quality

File PSO membership.
Maintain quality certificates.
Extend ISO certification with business skills training and staff recruitment procedure.
Achieve one of 3 best annual reports for Transparant Prijs.

Growth & Fundraising

Submit 10 full proposals of at least 10 million Euros outside SEE.
Develop consortia with other Dutch and international organisations,
Increase human capacity within fundraising task.
Develop an US partnership.
Increase in-kind contributions.
Find new private and institutional donors.
Conduct 2 assessments in new territories.
Submit an application at the Postcode Loterij.

Organisational targets 2009

Transparency & Public Relations

Place full Financial Administration online.
Organise a debate on public transparency.
Establish a communication strategy.
Publish quarterly SPARK and six-month Alumni Newsletters.

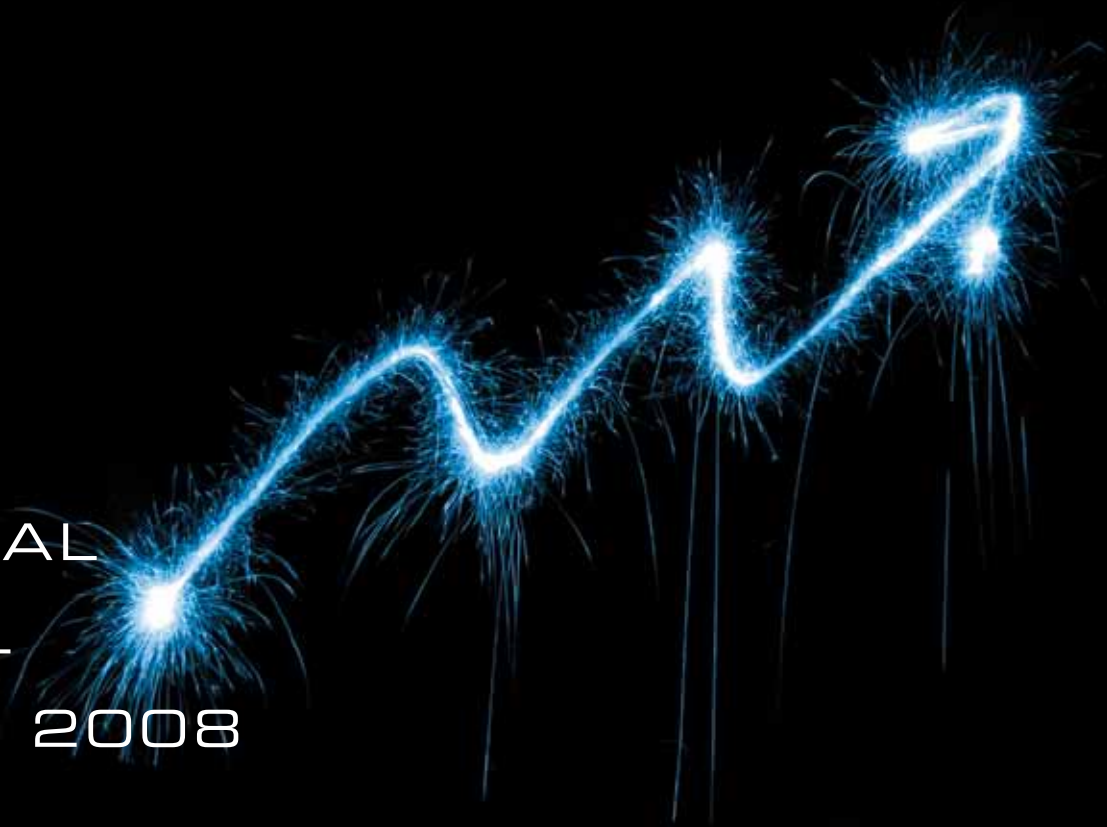
Finance

Roll out new financial software and transfer data entry to the field.
Reduce human capacity within finance department.
Decrease organisation costs to 22%.
Keep reserves higher than 15%.

ICT & Knowledge Management

Enhance and extend the Management Information System.
Establish alumni system.
Establish business center & summer university software.
Operationalise one central shared drive.

FINANCIAL
ANNUAL
REPORT 2008



Balance sheet

ASSETS	31 December 2008	31 December 2007
Fixed Assets		
Fixed Assets	31.830	50.697
Financial fixed assets	289.398	240.500
	321.229	291.197
Current Assets		
Receivables & Accruals	82.764	526.059
Cash & cash equivalents	2.727.514	162.804
	2.810.278	688.863
TOTAL	3.131.507	980.060
RESERVES AND LIABILITIES		
Reserves and funds		
Reserves		
allocated reserves	31.830	55.697
continuity reserve	301.560	198.876
	333.390	254.573
Funds		
allocated funds	289.398	240.500
Current Liabilities		
Payables & Accruals	2.508.718	484.988
TOTAL	3.131.507	980.060

Statement of Income and expenditures

	Realisation 2008	Budget 2008	2007
Income	€	€	€
Income from own fundraising	390.641	517.907	451.727
Governmental grants	3.059.293	4.787.387	2.696.740
Other Income	14.006	5.000	6.066
Total Income	3.463.940	5.310.294	3.154.534
Expenditures			
Spent on objectives			
Higher Education	1.004.956	942.368	974.538
Private Sector Development	2.032.995	4.024.696	1.482.854
	3.037.951	4.967.064	2.457.392
Spent on obtaining funds			
Costs own fundraising	5.353	41.013	25.688
Costs obtaining governmental grants	58.317	47.025	40.871
	63.670	88.038	66.560
Management and Administration			
Costs of Management and Administration	234.603	249.266	326.540
Total expenditures	3.336.224	5.304.368	2.850.492
Result	127.715	5.926	304.042
Distribution of result 2008 (2007)			
Addition to/withdrawal from:			
allocated reserves	-23.867		-55.299
other reserves	102.684		118.841
allocated funds	48.898		240.500
	127.715		304.042

Cashflow Statement

	2008	2007
Cashflow from operational activities	€	€
Result	127.715	304.042
Depreciation fixed assets (incl. cars)	25.117	28.496
Gross cashflow from operation activities	152.833	332.537
Mutation in current assets	443.295	-129.929
Mutation (increase) in current liabilities	2.023.731	12.063
Net cashflow from operational activities (A)	2.619.859	214.671
Cashflow from investment activities		
Investment in fixed assets	-6.250	-10.790
Disposal of fixed assets	0	5.765
Investment in financial fixed assets	-48.898	-240.500
Cashflow from investment activities (B)	-55.149	-245.525
Cashflow from financing activities (C)	0	0
Mutation in Cash and cash equivalents (A+B+C)	2.564.710	-30.854
Cash and cash equivalents 1 January	162.804	193.658
Cash and cash equivalents 31 December	2.727.514	162.804
Mutation in Cash and cash equivalents	2.564.710	-30.854

Accounting principles

General

The annual accounts 2008 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 and Zenica.

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

SPARK has signed 4 contracts in 2007 with partners that manage microcredit funds which benefit the business start ups established under the MFS and BSCK projects. In 2008 a total sum of € 300.000 was transferred to these partners. 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.

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.

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 2008 of all Amsterdam personnel.

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.

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 compa-

table office space nearby

Other in kind contributions

The Ministry of Education of Macedonia paid for the accomodation costs of the students during ISUM. OSCE paid for all reading materials during PSU 2008. The University of Mitrovica paid for Notebooks, the opening dinner for MYP 2008 and some training space.

For the MFS project 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. The municipalities at two locations of the business start up centres, are taking care of the renovation costs of the business incubators. And last but not least, free office space for SPARK 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

Explanatory notes to the Balance Sheet Statement

ASSETS	31 december 2008		31 december 2007	
Fixed assets	€		€	
Furniture	9.369		11.565	
Computer hardware	12.961		24.933	
Cars	9.500		14.200	
	31.830		50.697	
Fixed assets	Total 2008	Furniture	Computer hardware	Cars
Bookvalue previous year	€	€	€	€
Purchase value	89.093	17.576	52.717	18.800
Accumulated depreciation	38.395	6.012	27.784	4.600
Book value 31 December 2007	50.697	11.565	24.933	14.200
Mutations				
Purchases	6.250	2.344	3.907	0
Disposals	0	-	-	0
Depreciation	25.117	4.539	15.878	4.700
	-18.867	-2.196	-11.971	-4.700
Bookvalue year end				
Purchase value	95.343	19.920	56.623	18.800
Accumulated depreciation	63.513	10.551	43.662	9.300
Bookvalue 31 December 2008	31.830	9.369	12.961	9.500
Fixed assets used for operations (furniture & hardware)		22.330		36.497
Fixed assets directly allocated to the objectives (cars)		9.500		14.200
		31.830		50.697
Financial Fixed assets	31 december 2008		31 december 2007	
Participation micro credit fund				
Balance 31 december 2007	240.500		0	
Mutation 2008	48.898		240.500	
Balance 31 december 2008	289.398		240.500	
The financial fixed assets are directly allocated to the objective Private Sector Development.				
Current assets - Receivables & Accruals				
(Prepaid) Grants	54.010		508.612	
Accounts receivables and pre paid expenses	28.754		17.447	
	82.764		526.059	
(Prepaid) Grants				
Project Bosnia YEP	5.908		0	
Project PSU 2008 - PCB	10.314		0	
Project PSD 2005-2007	0		80.104	
Project BSCK 2006-2008	0		77.989	
Project ISUM 2005-2007	2.050		16.529	
Project MFS 2007-2010	0		314.841	
Project MYP 2007-2008	14.036		0	
(Prepaid) Grants	€		€	
Project Medical Faculty 2006-2008	4.430		0	
Project EC Tempus Georgia	2.978		0	
Project Scanning documents	14.293		5.197	
Project QA UP	0		13.952	
	54.010		508.612	
Accounts receivables and pre paid expenses				
Prepaid expenses	2.551		1.535	
Other receivables	26.203		15.912	
	28.754		17.447	
Cash & Cash equivalents				
Cash Amsterdam	1.177		3.568	
Current & savings account ING Bank Amsterdam	2.227.528		6.827	
Cash abroad offices	3.433		7.976	
Current accounts abroad offices	495.376		144.433	
	2.727.514		162.804	
All liquidities are directly accessible.				

RESERVES AND LIABILITIES	31 december 2008	31 december 2007
Specification of reserves	€	€
Continuity reserve	301.560	198.876
Allocated reserve for quality and certification	0	5.000
Allocated reserve for fixed assets	31.830	50.697
Balance 31 December	333.390	254.573

	Continuity reserve	Quality assurance	Fixed assets
	€	€	€
Balance 31 december 2007	198.876	5.000	50.697
Mutation 2008	102.684	-5.000	-18.867
Balance 31 december 2008	301.560	0	31.830

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 (€ 702.000 in 2008). (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).

Allocated reserves

An amount of € 31.830 is reserved in fixed assets. The ISO & CBF certificates have been obtained in 2007 and 2008 and therefore the allocated reserve for Quality assurance has been fully used.

Revolving Funds	€	€
Balance 31 december 2007	240.500	0
Mutation 2008	48.898	240.500
Balance 31 december 2008	289.398	240.500

SPARK has signed 4 contracts in 2007 with partners that manage microcredit funds which benefit the business start ups established under the MFS and BSKC projects. The contribution to this fund of euro 300.000 (ex management costs) in 2007 & 2008 (and euro 700.000 in total) is financed by NLMFA through project grants. The Revolving Funds are directly allocated to the objective Private Sector Development.

Current liabilities - Payables & Accruals	€	€
Grants	2.178.535	224.495
Shortterm debts, payables & accruals	330.183	260.492
	2.508.718	484.988

Grants		
Project MFS 2007-2010	973.628	0
Project Mitrovica College	898.564	0
Project PSD/BSCK II 2008-2011	285.564	0
Project PSU 2008 - NLMFA	3.415	0
Project Medical Faculty 2006-2008	0	87.909
Project MYP 2007-2008	0	67.296

Grants		
Project PSU 2005-2007	0	854
Project PSU 2005-2007 Other contributions	0	4.599
Project EC Tempus Macedonia	17.363	60.464
Project Bosnia YEP	0	3.374
	2.178.535	224.495

Short term debts, payables & accruals		
Auditing costs	21.824	8.271
Wages tax & social security premiums	13.125	14.287
Vacation days & allowance	18.237	24.377
Pensions	0	988
Project related accounts payables	261.867	191.715
Other short term debts and accounts payables	15.131	20.855
	330.183	260.492

The total amount of outstanding holidays 2008 is approximately € 8.875 including social premiums.

OF BALANCE SHEET COMMITMENTS

The following projects relate to periods exceeding the year 2008:

Name	Donor	Period	Total project grant
International Pristina Summer University (PSU 2008)	NLMFA	1/5/2008-1/3/2009	375.000
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	1/1/2008-28/2/2011	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
Developing an Internal Quality Assurance System at the Telavi State University	EU Tempus	1/9/2007-31/8/2009	238.950

Rental obligations

The offices used by Stichting SPARK in Amsterdam, The Netherlands, are rented from Royal Tropical Institute (KIT). The total expenses per year amount to € 28.000.

Credit facility ING Bank

The ING Bank provided SPARK with a credit facility of € 200.000. The facility hasn't been used in 2008 but remains available for the future. In return SPARK has pledged its present and future assets.

Bank Guarantee EU (Tempus Macedonia)

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.

MFS - 25% other funding obligation

According the grant agreement MFS with NLMFA, we are obligated to obtain annual other contributions to the project 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

SPARK has signed 4 contracts in 2007 with partners that manage microcredit funds which benefit the business start ups established under the MFS and BSCK projects. In 2008 a total of € 300.000 was transferred to these partners. Total obligations resulting from these contracts amount to € 700.000, resulting in an additional obligation of € 400.000. These future contributions will also be financed by NLMFA through project grants.

Explanatory notes to the Statement of Income and Expenditure

Explanatory notes to the Statement of Income and Expenditure

	2008	2007
INCOME	€	€
Income from own fundraising		
Grants Summer Universities - other donors	63.451	77.972
Grants OSCE Pristina Summer University 2008	13.071	48.752
Grant OSI EU Integration at the University of Pristina	35.981	0
Miscellaneous income several projects 2008	3.980	0
Summer Universities 2008 in kind - visiting professors	33.390	95.718
Summer Universities 2008 in kind - other contributions	77.080	90.531
Private Sector Development in kind - Int. trainers and other	1.020	6.016
Medefinancieringsstelsel 2008 - in kind contributions	125.189	124.778
Contribution in kind - software Microsoft	29.518	0
Contribution in kind - rent University of Amsterdam	7.960	7.960
	390.641	451.727
Governmental grants		
Grants NLMFA	2.895.636	2.660.348
Grants EC - Tempus Programme	138.961	31.195
Grant Mitrovica College - SIDA	8.896	0
Grant Foreign embassy's Kosovo Scanning project	15.801	5.197
	3.059.293	2.696.740
Other Income		
Other miscellaneous income & private donations	14.006	6.066
	14.006	6.066
TOTAL INCOME	3.463.940	3.154.534

The grants still need final approval of the donor. From total income an amount of € 853.200 is used for project management and overhead; an amount of € 2.610.290 is used for direct project expenditures. For the valuation method of the in kind contributions, see the section Accounting principles.

	2008	2007
EXPENDITURES	€	€
Spent on objectives		
Grants and contributions	1.785.704	1.383.735
Publicity and Communication	155.761	104.654
Personnel Costs	894.885	905.006
Housing costs	105.653	83.324
Office- and General costs	372.895	345.473
Depreciation and Interest	21.326	28.300
	3.336.224	2.850.492
Grants and contributions		
Remunerations experts, trainers, co-professors	392.010	268.171
Volunteer and intern remuneration	47.589	29.650
Recreational programmes	30.358	33.138
Course programmes	26.865	13.386
Visiting professor remunerations - in kind	33.390	95.718
Training & conference facilities - in kind	48.794	31.785
Reading & Teaching materials	116.243	73.900
Translation of materials & interpretation	18.763	27.422
Certificates & information packs courses / training programs	12.756	8.193
Forums, seminars & workshops	53.670	19.404
Study visits, stakeholder conferences & coordination meetings	28.751	4.362
SENSI network established	1.106	0
Research projects & internships	7.275	78.934
Business plan competitions	34.190	31.411
Consultancy & loans for SME's	107.082	23.766
Project coordination project partners	29.283	28.916
Student mobility / other Bosnia YEP components	0	2.600
Teaching & administrative costs MedFac	115.770	0
Establishment Business Start-up Centres	92.422	2.557
Establishment Business Incubators - in kind	6.558	71.573
Grants and contributions		
Local software development BSC's	60.942	5.100
Introducing ISO standards	15.037	25
Capacity building	10.000	5.665
Policy making	6.048	1.407
Conferences in NL	11.337	0
Regional conferences	13.105	3.500
Establishment of SE Association of SME agencies	726	0
Printing & Publishing	30	0
Scanning project costs	8.018	13.106
Travel & accomodation costs staff	107.012	127.723
Travel & accomodation costs students / training participants (part in kind)	125.902	156.818
Travel & accomodation costs professors, experts and trainers	95.194	149.729
Travel & accomodation costs stakeholders and other participants	144.692	70.682
Contingencies	6.032	14.253
Own contributions students / participants	-21.244	-9.162
	1.785.704	1.383.735

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

Publicity and Communication		
Amsterdam office - project promotion and advertising	2.080	17.096
Field offices - project promotion and adverstising	153.681	87.558
	155.761	104.654
Personnel Costs		
Amsterdam		
Gross salaries	437.227	529.699
Social security premiums & Pensions	63.693	74.243
Other personnel costs	10.385	19.511
Staff training (including field office staff)	15.522	35.650
Field offices		
Local project coordination & officers	367.928	243.330
Other personnel costs	131	2.572
	894.885	905.006
In 2008, the organisation had 13 (2007: 20) staff members on average in Amsterdam (including interns) and 30 (2007: 20) in the local offices (excluding interns and volunteers). The total remuneration for the directors in 2008 was € 116.000 including social security premiums. The two directors have a permanent contract. The remuneration for the director was € 64.700 and the remuneration for the co-director was € 51.300.		
Housing costs		
Rent and utilities - Amsterdam office	40.578	45.587
Rent and utilities - field offices	65.076	37.737
	105.653	83.324
Office and general costs		
Amsterdam		
Office supplies, telecommunication & postage, other office costs	15.150	17.507
IT infrastructure services - maintenance	4.879	4.474
Project evaluation and reports	8.820	4.336
Feasibility studies, fundraising, conferences and project acquisition	42.206	45.465
SPARK support/donations to projects in NL and NL visibility	12.997	4.183
Special projects - including SPARK contribution Scanning project	22.667	12.196
Organisational fees and memberships	4.037	2.933
Administration and auditing	17.755	22.706
Quality assurance	6.076	20.702
Development of IT infrastructure & Microsoft software	32.408	21.144
Development / Purchase of Finance Software	5.168	0
Insurances	2.433	1.752
Representation	561	879
Reservation uncollectable receivables	0	13.961
Office and general costs		
Amsterdam		
Other general expenditures	0	2.824
Contingencies		
Uneligible intermediary periods existing projects (excl SPARK days of euro 17.374)	10.970	
Other Contingencies	7.024	
	17.995	15.753
Abroad offices		
Office supplies, telecommunication & postage, other office costs	87.974	95.245
Project evaluation and reports	47.771	18.005
SPARK support/donations to projects in NL and NL visibility	0	1.384
Administration and auditing	34.677	24.285
Representation	5.666	4.799
Other general expenditures	3.656	0
Extra ordinary expenses previous years	0	10.941
	372.895	345.473
Depreciation and Interest		
Depreciation fixed assets (excluding cars)	20.417	21.441
Bank fees, costs and interest Amsterdam	-716	1.843
Bank fees, costs and interest field offices	1.624	5.016
	21.326	28.300
TOTAL EXPENDITURES	3.336.224	2.850.492
NET RESULT	127.715	304.042
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 2008	Budget 2008	Total 2007
Costs of implementation	Higher Education Development	Private Sector Development	Own funds	Governmental Grants				
Grants and contributions	648.311	1.137.394				1.785.705	3.469.236	1.383.735
Publicity and Communication	29.940	123.741	2.080			155.761	180.252	104.654
Personnel Costs	212.447	482.449	2.210	39.376	158.403	894.885	1.076.639	905.006
Housing costs	25.018	65.231	170	3.033	12.201	105.653	99.566	83.324
Office- and General costs	84.237	215.335	810	14.436	58.075	372.894	446.673	345.473
Depreciation and Interest	5.002	8.845	83	1.473	5.924	21.326	32.000	28.300
Total	1.004.956	2.032.995	5.353	58.317	234.603	3.336.224	5.304.366	2.850.492
% spent on objectives/total income						87,70%	93,54%	77,90%
% spent on own fundraising/income own fundraising						1,37%	7,92%	5,69%

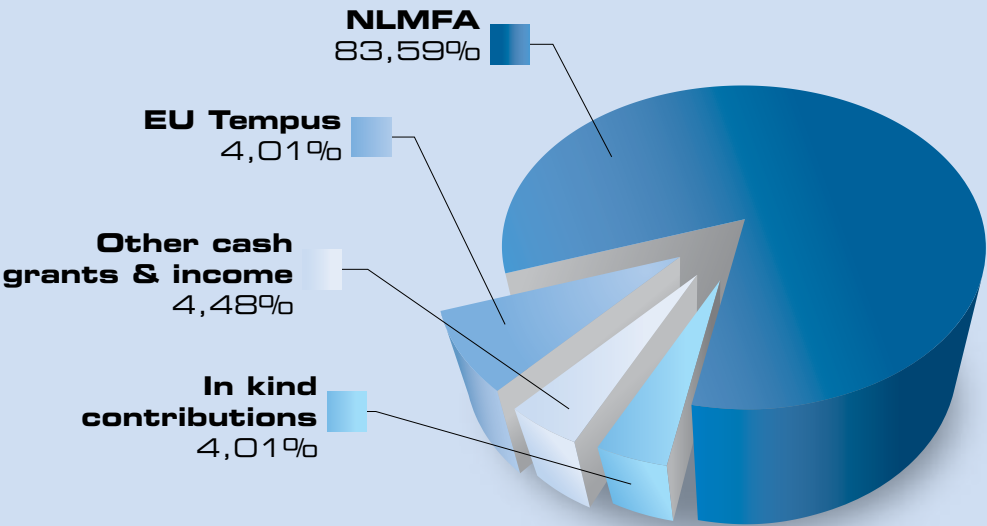
For a detailed explanation on how costs are distributed, please see our Annual report 2007. The method introduced then has not changed, and is (partly) based on the Time registration of the staff working in Amsterdam.

Percentages per project and donor

Percentages per project and donor

	Realisation 2008	Realisation 2008
INCOME	€	%
Project (cash) grants from donors		
Grant Medefinancieringsstelsel 2007 -2010 - NLMFA	1.627.248	46,98%
Grant Medefinancieringsstelsel 2007 -2010 - miscellaneous	3.110	0,09%
Grant Mitrovica Youth Programme 2007-2008 - NLMFA	311.036	8,98%
Grant Mitrovica Youth Programme 2007-2008 - other donors	870	0,03%
Grant International Pristina Summer University 2005-2007 - NLMFA	10.087	0,29%
Grant International Pristina Summer University 2008- NLMFA	72.838	2,10%
Grant International Pristina Summer University 2008- other donors	32.412	0,94%
Grant Regional Private Sector Development 2005-2007 - NLMFA	159.561	4,61%
Grant Business Start-Up Centre Kosovo 2005-2008- NLMFA	350.302	10,11%
Grant ECTS Bosnia - EU Tempus	52.022	1,50%
Grant Medical Faculty Transfer Programme - NLMFA	139.090	4,02%
Grant EU Tempus Macedonia 2007 - 2008	43.101	1,24%
Grant EU Tempus Georgia 2008 - 2009	43.838	1,27%
Grant Mitrovica College - SIDA	8.896	0,26%
Grant PSD/BSCK II 2008-2010 NLMFA	101.711	2,94%
Grant International Summer University Macedonia 2008 - NLMFA	109.471	3,16%
Project (cash) grants from donors		
Grant International Summer University Macedonia 2008 - other donors	44.110	1,27%
Grant Scanning project - NLMFA	14.293	0,41%
Grant Scanning project Austrian embassy	9.803	0,28%
Grant Scanning project Norway	5.998	0,17%
Grant OSI EU Integration project	35.981	1,04%
	3.175.777	91,68%
Other income		
Grant Summer Universities 2008 in kind - visiting professors	33.390	0,96%
Grant Summer Universities 2008 in kind - other contributions	77.080	2,23%
Grant Private Sector Development in kind - Int. trainers and other	1.020	0,03%
Grant Medefinancieringsstelsel in kind - rent, human resources and other	125.189	3,61%
Contribution in kind - software Microsoft	29.518	0,85%
Contribution in kind - rent University of Amsterdam	7.960	0,23%
Other miscellaneous income	14.006	0,40%
	288.163	8,32%
Total Income	3.463.940	100,00%

Income & Percentages per donor	2008	2008
NLMFA	2.895.636	83,59%
EU Tempus	138.961	4,01%
Other cash grants & income	155.185	4,48%
In kind contributions	274.157	7,91%
	3.463.940	100,00%



	Realisation 2008	Realisation 2008
INCOME	€	%
25% other funding obligation MFS:		
CALCULATION ON ACCRUAL BASIS IN KIND INCLUDED		
Total MFS budget 2008 cash grant NLMFA	1.627.248	74,12%
Non - NLMFA grants & contributions 2008 SPARK Total incl in kind	568.304	25,88%
	2.195.551	100,00%
CALCULATION ON ACCRUAL BASIS IN KIND EXCLUDED		
Total MFS budget 2008 cash grant NLMFA	1.627.248	84,69%
Non - NLMFA grants & contributions 2008 SPARK Total excl in kind	294.146	15,31%
	1.921.394	100,00%
CALCULATION ON CASH BASIS IN KIND INCLUDED		
Total MFS budget 2008 cash grant NLMFA (prefinancing)	2.915.716	69,27%
Non - NLMFA grants & contributions 2008 SPARK Total incl in kind	1.293.368	30,73%
	4.209.084	100,00%
CALCULATION ON CASH BASIS IN KIND EXCLUDED		
Total MFS budget 2008 cash grant NLMFA (prefinancing)	2.915.716	74,10%
Non - NLMFA grants & contributions 2008 SPARK Total excl in kind	1.019.211	25,90%
	3.934.927	100,00%
Other percentages of interest		
	Realisation 2008	Budget 2008
	%	%
AMS organisational (personnel, office, fixed organisation) costs versus total costs	18,10%	14,36%
AMS versus total costs	22,30%	18,08%
AMS labor costs versus total costs	14,98%	11,66%
AMS labor versus total labor costs (ex non-SPARK)	55,17%	55,52%
AMS labor + local labor costs versus total costs	27,16%	20,99%
AMS + local office & labor costs versus total costs	38,95%	29,93%
Programme spending ratio	74,34%	81,85%

The programme spending ratio is the percentage of total spending on the projects divided through total income.

Abbreviations used:

PSU	International Pristina Summer University
ISUM	International Summer University Macedonia
MYP	Mitrovica Youth Programme, from exclusion to regional intergration
PSD I	Regional Private Sector development in the Western Balkans
BSCK I	Business Start-up Centre Kosovo
Bosnia YEP	Introduction of the European Credit Transfer System in Bosnia-Herzegovina
MedFac	Medical Faculty, transfer of medical students to Pristina, Skopje and Tirana
MFS	Medefinancieringsstelsel subsidie - 'Business Support centres- from Idea to Business'
Scanning	Scanning of students and professor documentation in Kosovo
PSDII	Enabling Private Sector Development in the Western Balkans
College	The European College Business Studies & Public Administration in Mitrovica, Kosovo (College)
Tempus Macedonia	Institutionalisation of International Summer University (ISUM)
Tempus Georgia	Developing an Internal Quality Assurance System at the Telavi State University
EU Integration	Creation of Spring 2008 academic course on "European Integration" in the University of Pristina
NLMFA	Dutch Ministry of Foreign Affairs
UvA	Universiteit van Amsterdam
OSCE	Organisation for Security and Co-operation in Europe - Mission in Kosovo
SOROS/OSI	Kosova Foundation for Open Society
SIDA	Swedish International Development Cooperation Agency

To: the Board of Stichting Spark, Amsterdam, The Netherlands.

AUDITORS' REPORT

We have audited the accompanying Annual Financial Report 2008 of Stichting Spark, Amsterdam, which comprise the balance sheet as at 31 December 2008, 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.

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Opinion
In our opinion, the Annual Financial Report gives a true and fair view of the financial position of Stichting Spark as at 31 December 2008, 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".

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

Amsterdam, 19 May 2009

Signed on original M. Karman and G. Visser

VENNOTEN
M. Karman
A.F.M. van Klaren
C. Offerman
MANAGER
J.J.H.G. Stengs
MEDEWERKERS-REGISTERACCOUNTANT
drs. P.A.J. M. Bonants
drs. R.W.J. Bruinooge
drs. A.P. Buteijn
drs. J.J.M. Huijbregts
drs. G. Visser
Walter



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