

spark

Annual Report 2022



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• Foreword



The Collins Dictionary's word of the year for 2022 was 'permacrisis', meaning an extended period of instability and insecurity. In 2022, young people living in conflict and crisis-affected regions faced major, intersecting crises, including the continued COVID-19 pandemic, global economic recessions and the escalating climate emergency. Protracted conflicts in Syria, Yemen and Libya lingered on, while a devastating war in Ukraine erupted. These interlinked crises place enormous strain on fragile and conflict-affected countries – the number of refugees fleeing conflict or persecution is now at its highest since World War II.

Amidst this landscape, SPARK's work is more important now than ever. Over the course of the year, SPARK developed a new organisational strategy to ensure our work becomes more localised, effective and impactful. We worked with experts, researchers and advisors on refugee streams, conflict maps, human development index data and climate maps to foresee where and how development support will be most needed in the coming years. Launched in January 2023, Strategy 2030 will guide us over the coming seven years to deliver impact on job creation in fragile and conflict-affected regions across three key sectors: green business, agri-business and digital technology.

In addition to looking forward, SPARK has actively responded to the acute need for immediate action. We are proud to have facilitated the creation of 4,008 new jobs for youth, including women and refugees, in 2022. Throughout the year, we supported 1,562 businesses to start or scale up their operations, resulting in the creation of 2.6 new jobs per business.

Working to address the mismatch between the skills acquired by young people and the needs of the labour market, SPARK matched up 535 youths to existing jobs in local businesses. We also facilitated access to internships or traineeships to skill up 1,852 marginalised youth; many of these positions were remote digital opportunities, enabling vulnerable young people to access international work experience remotely.

Foreword

Thanks to our efforts to start and scale up businesses, match up young people with employers and skill up job seekers, SPARK facilitated access to employment for a total of 4,543 job seekers throughout the year.

This level of success would not have been possible without the support of donors, through a growing network of partnerships. In 2022, we established new partnerships, including Google in Palestine, USAID in Iraq and Abdulla Al Ghurair Foundation in Jordan and Lebanon. SPARK also expanded existing partnerships – our collaboration with the European Union grew, with a major new regional programme throughout the MENA region. We also added a new programme to our partnership with the Islamic Development Bank; this was cemented with an inauguration ceremony in Jordan, which was held under the patronage of His Excellency Dr. Muhammad Sulaiman Al Jasser, Chairman of Islamic Development Bank (IsDB) Group.

In September, SPARK hosted our own event – the in-person IGNITE conference took place in Amsterdam on the theme of 'Reimagine Jobs'. We were delighted to host thought-leaders, policymakers and private sector experts from UNHCR, Abdulla Al Ghurair Foundation, Google.org, Islamic Development Bank, the Dutch Ministry of Foreign Affairs and the European Commission.

The international community also came together in 2022 to recognise SPARK's impact – we received four prestigious accolades throughout the year, making SPARK a multi-award winning organisation. We were selected for the Employability International Impact Award at the PIONEER Awards, for our innovative remote internship programme with Iraqi and Syrian youth. SPARK was also awarded the Jusoor Bridges Award 2022, the Mother Teresa Memorial Award for Social Justice 2022 and a plaque of appreciation from Palestinian Prime Minister, Dr. Mohammad Shtayeh, for our role in supporting digitalisation in Palestine.



As we look ahead, SPARK recognises that true localisation is more important than ever. To create sustainable development impact, it is paramount that we build on our partners' ideas, approaches and programmes. In the coming years, we aim to co-design programmes with our local partners, offering direct, tailored capacity strengthening and establishing more equitable programme governance. Co-creation with expert local partners will be increasingly essential in 2023 and beyond as SPARK (re)enters new, post-conflict countries such as Afghanistan, Libya and Yemen.

While the permacrisis of recent years shows little sign of abating, SPARK will continue to strengthen pathways to jobs for vulnerable youth. Guided by Strategy 2030 and our growing network of partners, we are better equipped than ever before to improve economic inclusion and support the stability of regions affected by instability and conflict.

**Yannick Du Pont, Michel Richter and Bilal Amin
Board of Directors, SPARK**

• Supervisory Board Statement

In 2022, SPARK's Supervisory Board was deeply involved in completing its ambitious Strategy 2030. The Board of Directors engaged the whole SPARK community, including the Supervisory Board, to prepare and conclude on strategic initiatives for the coming seven years. This was a heavy, thorough and inclusive process.

SPARK's Supervisory Board is pleased with these plans as they demonstrate the core values and virtues of the organisation: ambitious, with a determined focus on generating impact and developing new expertise areas.

The urgency and the significance of SPARK's work for young talented people and the impact we can have in fragile regions, combined



with our legacy and track record, justify these ambitions. We can do more, we should grow and deliver on these plans, building on our successes, learning from our mistakes.

The Supervisory Board embraced and endorsed the initiatives laid out in the Strategy 2030 and its plans for execution. Solid longer-term funding in the context of these growth plans is a prerequisite and needs to be secured from our own resources but also from unearmarked funding. The Supervisory Board acknowledges the need for this as fundamental for successful implementation.

Co-creating initiatives and innovative programmes with SPARK's esteemed donors is another element of making this work. Further intensified engagement with local partners in the many countries SPARK is active in will be another important building block for the future of our organisation.

Embarking for this exciting new SPARK phase will also require a diligent and focused approach to strengthen the internal structure: the backbone of the organisation. Its support functions in HR, Finance and Operations need to be outstanding and well equipped. Risk, Quality, and Impact Management are top of the agenda to ensure SPARK moves towards becoming a centre of excellence to deliver on the strategic objectives. The risk environment in which SPARK operates demands a robust structure of control and continuous reviews.

The Supervisory Board wishes to express their recognition for the passion and dedication shown by the SPARK Board of Directors, the SPARK teams, and our local partners. Despite often rapidly changing working conditions and adapted planning of programmes, SPARK was able to strengthen the outcomes of its programmes, its partner relations and its governance systems. Similarly, the cooperation, trust and flexibility of our donors has been crucial to SPARK's continued operations throughout the year. We thank them all for their ongoing and valued support.

**Andre Veneman (Chair)
On behalf of the Supervisory Board, SPARK**

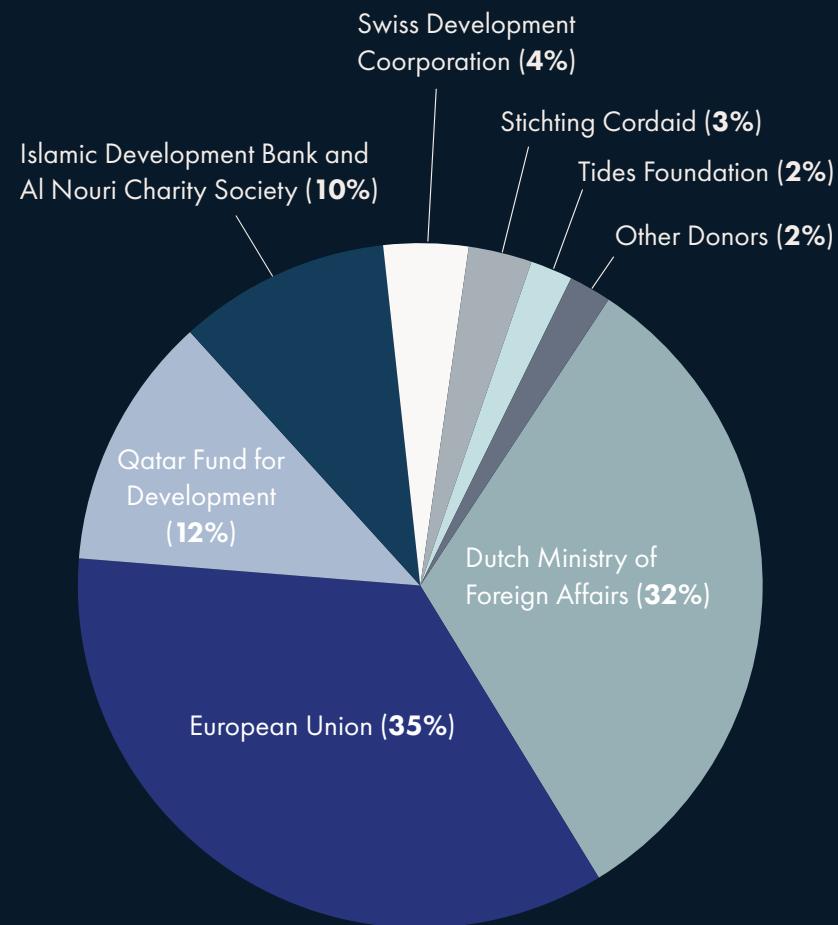
• Our Work in Numbers



Our Work in Numbers

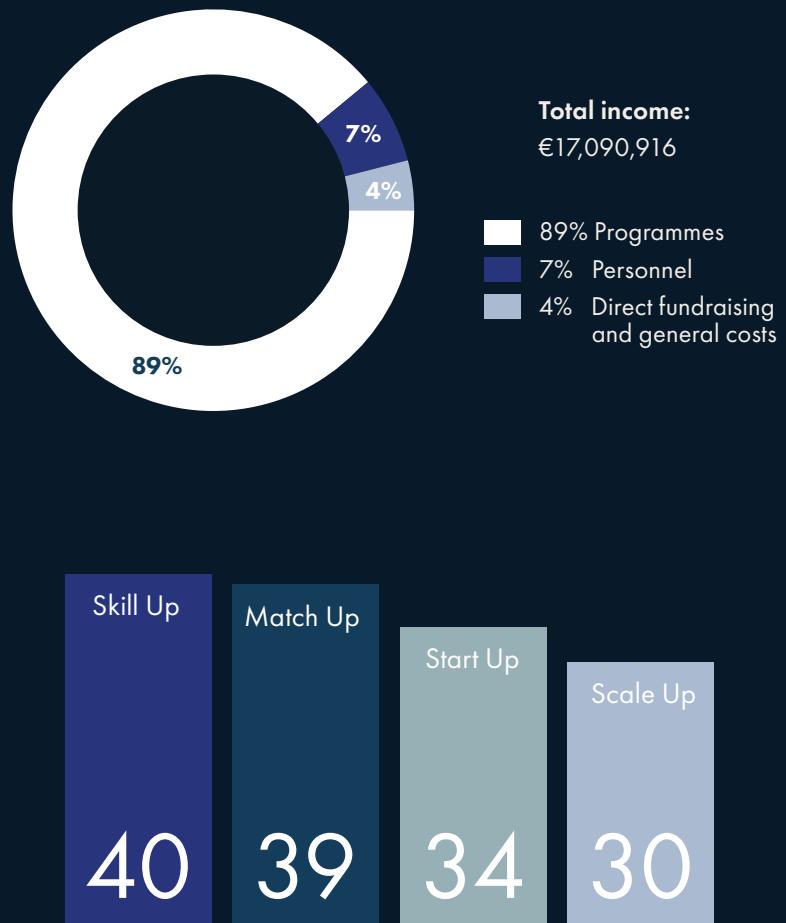


Our Work in Numbers



Where our funding comes from

How our funding is spent



Programmes in our four pillars

How We Create Pathways to Jobs •



Mission

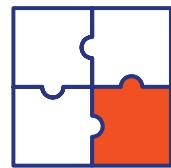
SPARK's mission is to develop higher education and entrepreneurship so that young ambitious people can lead their post-conflict societies into prosperity.

Our four pillars



Skill Up

Higher education curricula and career centres become stronger and give youth access to market-relevant skills and entrepreneurship training.



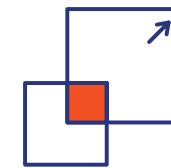
Match Up

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



Start Up

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



Scale Up

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

Vision

SPARK aims to become a leader within the niche of higher (vocational) education, entrepreneurship and MSME development in fragile and conflict-affected states. In the coming years, SPARK will continue expanding its services in post-conflict regions to reach more youth and local partner organisations, helping them to create economic stability within their communities.

Values

Trust

Ignite

Care

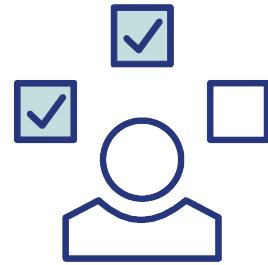
Can-do

Courageous

• Narrative

The following chapters outline some of SPARK's most successful interventions and projects from 2022. The year saw the introduction of new, innovative initiatives that responded to the changing needs of people, markets and industries. We increased efforts towards true localisation by cementing our role as a facilitator and connector between local stakeholders and international donors. In 2022, our new Strategy 2030 was developed, which defined the direction of the organisation over the coming years.





5

new curriculums were developed or improved within higher education institutions, benefiting thousands of current and future students.



Skill up

Definition: **Higher education curricula and career centres become stronger and give youth access to market-relevant skills and entrepreneurship training.**



Story: Skill Up

I AM IN CONTACT WITH REAL CUSTOMERS



Tamara, 23
Iraq
Intern (former student)



After being cut off from education for a year, in 2021 Tamara was awarded a scholarship from SPARK, financed by the EU Regional Trust Fund in response to the Syrian crisis, the 'MADAD' fund. The scholarship's extracurricular soft skills and capacity development courses also helped Tamara's transition from education to employment.

After graduating from the Computer Systems Institution at the Northern Technical University, SPARK enrolled Tamara in an internship with Royal Eagle Travel Agency. "The internship was a crucial path for me to utilise all that I have learned in the past two years. Now, I am in contact with real customers and helping them plan their vacations and trips," said Tamara.

"The soft skills sessions prepared me well for the post-graduation period by improving my skills in English language, time management, dealing with potential customers, preparing my CV, and how to function in a job interview."

● Reforming Higher Education in Iraq

Iraq is grappling with a major skills gap and high levels of youth unemployment. SPARK surveys of the private sector demonstrate that employers find many job applicants lacking in key skills required to succeed in the labour market.

This skills gap is partly owing to systemic issues within Iraq's education ecosystem. The current quality and provision of education is failing to equip graduates with the skills and knowledge needed to acquire gainful employment, and employers lack trust in Iraq's current higher educational system.

Access to higher education in Iraq has widened in recent years, but links between the private sector and universities remain weak, supportive legislation is lacking and education quality continues to lag behind international standards. This means that many graduates especially refugee and female students find themselves unable to access the existing job market, regardless of their qualifications.

To address the disconnect between education and employment in Iraq, SPARK worked to strengthen cooperation among key stakeholders and create an enabling environment, working alongside universities, the private sector and government to build a sustainable employment ecosystem in Iraq.

Through the Jobs and Perspectives programme, SPARK reformed six public and private university degree programmes in the Kurdistan Region of Iraq (KR-I) and the Federal Iraq education systems. SPARK was also able to establish strong working relationships with the Ministry of Higher Education and Scientific Research (MoHESR) in both KR-I and Federal Iraq. Both governments committed to the Bologna Process - an intergovernmental higher education reform process designed to raise standards of education.

"This partnership has allowed us to make a sustainable and positive impact in the communities we work with...[SPARK] have played a crucial role in raising the efficiency of our teams. They have contributed to the implementation of activities by sharing their expertise and experiences and conducting guidance sessions for our staff."



Ahmad Tajaldeen Jamous
Programs Manager at Kudra

This is a major step towards enhancing the quality and recognition of Iraq's higher education system, both domestically and internationally; this, in turn, will greatly enhance the employability of Iraqi youth. In future, the Bologna Process will ensure that academia has a deeper understanding of local needs, including labour market needs, and that curricula are designed with student employability in mind.



As a result of SPARK's advocacy in Iraq, academic qualifications are en route to becoming internationally standardised. With the support of Dutch and European professors, curricula were made more labour market-oriented and gender-sensitive. Gender units were also established in Iraqi universities, with a view to supporting gender equality and women's advancement. As part of this work, SPARK created a guide to establishing university gender units: Roadmap to Gender Equality Plans (GEP) in Higher Education Institutions. In addition to this, SPARK worked with universities to modernise their systems by digitising curricula and adapting to online learning.

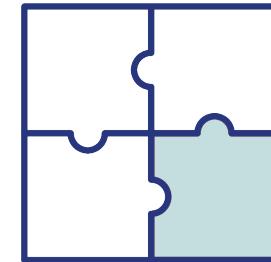
To ensure sustainability of these reforms, SPARK initiated an Innovation Hub pilot where the three key stakeholders – universities, employers and students – can establish ongoing strategic partnerships. We also worked directly with career centres at universities to strengthen links between the education system and the labour market, introducing a new remote internship model to prepare students for the digital job market.

Establishing collaboration between the KR-I and Federal Iraqi governments is a particular achievement, given the sensitive political situation between the two regions. Partners, stakeholders and participants from each region were involved in planning and implementation – a reflection of SPARK's expertise in diplomacy and communication.

In recognition of our educational reforms in Iraq, [SPARK was awarded the PIEoneer Award for Employability International Impact](#) in 2022. In the coming years, these reforms will enhance the education and employability of students throughout the region, bolstering the labour market and ensuring strong links between education, government and industry.

Match up

Definition: **Enabling youth to access jobs through internships/traineeships and actual job matching.**



1,852

people were matched with an internship or traineeship position.

Gloria, 27
Employee (former intern)
Bancobu Bank
Burundi



Gloria is a 27-year-old law graduate. Before becoming part of the Job Readiness Programme, she had been unemployed for years, and so she was determined to do well in the training and seize this unique opportunity to help her find a job. Gloria's motivation made her stand out and she was selected to intern with Infinity Group's human resources team.

Gloria's training through the programme prepared her well for the new role. Her training in personal efficiency allowed her to thrive amidst the busy corporate services environment, in which organisation and time management is so crucial. After her internship, Gloria successfully applied for a position at Bancobu, a major bank in Burundi, where she works in marketing and client relationships.

Gloria says she started out wanting to find a job, but now she wants to build a career. "The training and internship taught me much," she says. "But it also gave me the confidence to apply [for jobs]."

Story: Match Up



● Tackling Youth Unemployment in Burundi

Known as ‘the heart of Africa’, Burundi is a nation with huge entrepreneurial potential, but more needs to be done to support the nation’s businesses and young people. The Burundi economy is fragile at present, with significant dependence on foreign aid and high levels of youth unemployment. Around half of all young people are unemployed in Burundi, and employers often report that job applicants lack the essential skills required to succeed in the job market.

SPARK’s Akazi Keza programme – meaning ‘nice job’ in Kirundi – aims to build the skills of young people in rural and peri-rural communities and reforming the labour market so that young people have the support and recognition they need to build a career.

Burundi has lots of humanitarian interventions and no culture of internships. In the past, employers have often received funding from NGOs in return for employing young people. The aim is to reduce youth unemployment, but the unintended consequence is that young people are often seen only as a source of revenue, not as valuable employees in their own right. This means that young people frequently find themselves without jobs again once this funding comes to an end.

SPARK was determined to overcome this cycle and ensure the sustainability of our impact in Burundi. We achieved this by working alongside local partners, CREOP-Jeunes and INFINITY Group, who had localised expertise in the Burundi labour market, to fully understand the needs of employers. We then introduced a graduated financing model, whereby SPARK would cover a portion of each intern’s salary, with the amount reducing steadily as the individual gained more experience. Finally, we ensured that youth were not just employed, but that they were comprehensively trained, so that their skills matched the needs of employers.

In 2022, approximately 700 young people benefited from training through the Akazi Keza programme. This resulted in 351 young people gaining internships and 216 going on to secure a permanent job.

SPARK also worked to build the capacity of local organisations, so that support would remain available for Burundi job seekers and businesses after the end of the Akazi Keza programme. This included training employers and civil society institutions in leadership skills, finance and business administration, as well as targeted improvements to organisational infrastructure.





Start up

Definition: **Jobs are created by supporting promising, high-potential entrepreneurs (startups) with coaching, access to finance and markets.**



4,744

entrepreneurs received
access to finance and 3,534
entrepreneurs received
business skills training



Story: Start Up

Dhouha Azri
Founder
Taghamuta Agro
Tunisia



WE FEEL PROUD WHEN WE OPEN A NEW VACANCY



Dhouha Azri founded Taghamuta Agro in 2021, with the vision of transforming the agricultural landscape in Tunisia. The company purchases ingredients directly from local farms to produce artisanal high-end foods, benefiting Tunisian farmers and consumers alike.

Dhouha and her team joined SPARK's [Local Employment in Africa for Development programme](#), financed by the Netherlands government. Through the programme, the group were trained in business planning, administration, human resource management, business law and financing. This experience helped Dhouha to scale up operations, improve relationships with suppliers and expand her company's brand and product range.

Taghamuta Agro went on to create six new job opportunities – an increase in the team size from five to eleven full-time employees – and the company is now offering internships for Tunisian graduates. “We feel proud when we open a new vacancy,” says Dhouha. “We consider creating jobs as a factor of our success.”

● Growing the Green and Circular Economy in Tunisia

The southern Tunisian city of Gabes has faced a series of environmental and socio-economic challenges in recent years, including pollution, unemployment and poverty. The city's industrial activities – such as phosphate processing and chemical production – have negatively impacted the environment, the health and wellbeing of local communities and the agricultural sector, which is a significant source of livelihood for many in the region.

Alongside these issues, there are multiple barriers to the growth of the green sector and the circular economy in Gabes; these include limited awareness, financial constraints, inadequate policies, technological barriers, resistance to behavioural change, infrastructure limitations and market demand.

To help address these issues, SPARK's Local Employment in Africa for Development programme worked with a local NGO named FIDEL, which is focused on promoting the green and circular economy in the Gabes region. Together with FIDEL, SPARK implemented a series of initiatives to support sustainable economic growth while protecting the environment and improving the quality of life for local communities.

We established an incubator to provide support to micro, small and medium enterprises (MSMEs), startups and agricultural clusters, fostering collaboration in a sustainable environment. The incubator featured essential facilities such as a training room, a laboratory and an experimental farm to facilitate innovation. SPARK also invited six local organisations to a regional forum on the green and circular economy, where the group discussed opportunities and challenges in the region.

In addition to this, SPARK facilitated specialised training for key stakeholders and policymakers in local government and decision-

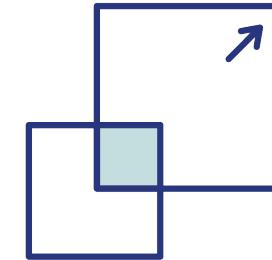
making institutions to increase understanding of and support for the transition to a greener economy in Gabes. Participants were encouraged to think about ways of leveraging available resources in the region to support the establishment, growth and development of green businesses. Thanks to this training, Gabes' business-support structures and organisations are now able to provide ongoing guidance to entrepreneurs operating in the sector.

As a result of SPARK's work in Gabes, 117 jobs and 31 new businesses were created, while a further 53 MSMEs (50% of which are owned by women) were scaled up. SPARK also facilitated 53 grants for entrepreneurs, 25 of whom were women. These achievements can be attributed to a number of factors. We were careful to recognise and draw on the expertise of local partner organisations so that the programme was tailored to address the specific needs and realities of the local context. The programme also prioritised long-term sustainability by offering capacity building for local partners and institutions, including training sessions, workshops and a mentoring programme. Strengthening local institutions has a multiplier effect, contributing to systemic change by enhancing governance, service delivery and the overall functioning of entrepreneurial ecosystems.

SPARK's work in Gabes promoted behavioural shifts and a new way of thinking. It also kicked off important dialogue on innovative alternatives to the status quo, including green businesses and the circular economy. This dialogue – alongside enhanced skills, improved understanding and a strengthened local infrastructure to support the sector – is fundamental to sustaining the impact of SPARK's work in the region going forward.

Scale up

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



1,027

businesses have been supported
to grow and **4,008** jobs
have been created in directly
supported businesses

Mohammed, 22
Turkiye
Founder
AsumSaray

As a Syrian refugee living in Türkiye, Mohammed had noticed that the Turkish ecommerce market often did not use the Arabic language, so a huge Arab customer base could not easily access Turkish products. With his brothers, they agreed to start an ecommerce website, AsumSaray Store.

Joining SPARK's business scaling programme funded by the Qatar Fund for Development, they gained access to expert business training by the Arabic-speaking, BINA Business Incubator, to help expand the company. They received training, mentorship and customised coaching sessions on marketing, software development, human resources and financial management.

Mohammad and his siblings developed their business model and found solutions to shipping agreements with Turkish suppliers throughout the incubation period. Furthermore, AsumSaray was introduced to many investors during the NIMA II startup competition. After three years, plenty of support and a great deal of passion, AsumSaray's revenue has increased by 35%.

Story: Scale Up



● Empowering Türkiye's women businesses-owners to access e-commerce markets

In Türkiye, women-led businesses face many barriers to reaching new markets for business growth. In addition to social prejudices, women business-owners generally have lower economic capital, lower levels of education and less access to business networks than their male counterparts. This is not just a problem for gender equality; it's also a barrier to broader national development. Encouraging the growth of women-led businesses is critical for economic growth, job creation and prosperity.

In Türkiye, the economic outlook is particularly fragile at present; this is leading many businesses to expand their operations into international markets, focussing more heavily on exports. Digital skills and an understanding of e-commerce are key to reaching overseas buyers. But women-led businesses and cooperatives are more likely to lack the knowledge and understanding of international markets, digital selling platforms and how to align their operations to be competitive in this context.

To redress the balance, SPARK introduced a programme to equip women business-owners to access new markets through e-commerce. This involved working alongside women to establish their own virtual stores on digital selling platforms, allowing them to increase revenue by selling their items to a wider market. SPARK also provided selected businesses with training and technical support on issues like stock storage management, online marketing and sustainable production methods.

Alongside the NGO, Innovation for Development (I4D) in Türkiye, SPARK worked with women businesses-owners and cooperatives to set up stores on the e-commerce website, Turkish Souq. Tailored one-to-one coaching sessions were also arranged with 12 selected

businesses, and participants reported that these coaching sessions were crucial in equipping them to enter the digital marketplace.

To ensure the success of this programme, SPARK worked closely with various local actors and organisations to fully understand the trends and challenges facing Turkish business-owners. We also worked to enhance the capacity of local organisations to support women business-owners, independently of SPARK, thus ensuring long-term, sustained uplift for women business-owners, after the programme concluded.

"Partnering with SPARK is a flexible and result-based collaboration and co-creation with a dedicated team available for support whenever needed from idea generation to implementation. SPARK is an organisation that brings a fresh approach in terms of flexibility and less bureaucracy. This is extremely vital for local NGOs like us to operate in highly volatile contexts."



Dogan Celik
Director at Innovation for Development (I4D)

• Organisation

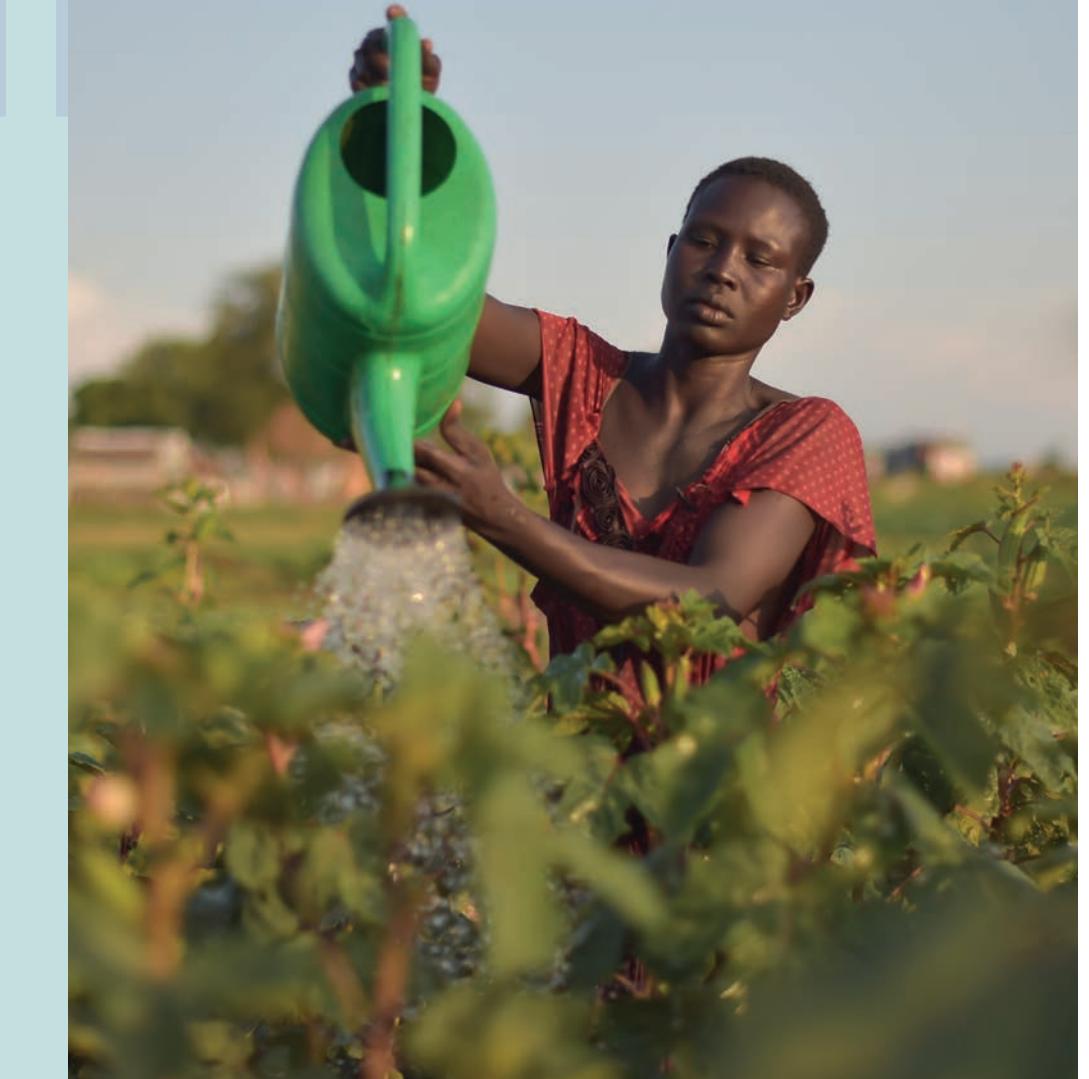
Impact Management

Managing the long-term impact of our programmes is vital to the success and sustainability of our work. This approach enables us to learn and adapt, continuously improving our contribution to economic inclusion and the stability of the communities that we aim to serve, whilst doing no harm.

The main tool we use in managing impact is our Theory of Change; it enables a shared understanding within our organisation and across our stakeholders' network of why and how our programmes bring positive change in the context that we operate. Additionally, it acts as a compass guiding us towards our desired impact and informing our learning agenda. In this way, our Theory of Change equips SPARK to continuously improve our work for the benefit of youth.

We also use a global indicators framework, which enables us to monitor, on a quarterly basis, the extent to which our programmes are yielding the outputs and outcomes needed to achieve impact. In 2022, we updated this framework to include key elements, such as monitoring the quality of jobs created or matched and the inclusiveness of our programmes' activities.

We engage in robust impact measurement of our programmes. In 2022, we started measuring the impact of our Local Employment in Africa for Development (LEAD) 2 programme, through our collaboration with the International Security and Development Center. In late 2023, we are expecting findings from this measurement, which will feed into our organisational learning processes.



Impact management is also key to mainstreaming an impact-driven culture across our operations. Through formal communication channels or informal and ad hoc interactions, we are working on inspiring our teams to be outcome and impact-driven in their operations – in contrast to narrowly focusing on achieving outputs – and on ensuring evidence-driven steering of our programmes. Overall, enabling a work environment that fosters accountability, generating impact-related learning and challenging traditional ways of working are essential for mainstreaming an impact-driven culture within our organisation.

Localisation

One of the core goals outlined in our 2030 Strategy is for SPARK to adapt and excel in our role as facilitators. In practice, this means moving beyond programme implementation to become a connector between relevant stakeholders, encouraging cooperation and creating lasting systemic impact. To achieve this goal, it is vital that SPARK establish excellent relations with our local partners, founded on equality and mutual respect. As a facilitator, SPARK aims to leverage local capacity and capabilities and bolster local markets and systems to ensure sustainable, long-term impact.

To support our drive towards localisation, SPARK has engaged in a series of review exercises. We began by establishing guiding principles, such as our localisation framework and co-creation guidelines. We then consulted with both partners and internal colleagues to assess the nature of our current relationships with local partners. This was followed by a series of internal workshops and partner meetings, bringing together more than 35 regional and local partners to discuss and evaluate our positions.

Finally, SPARK conducted a review of our standard processes and tools deployed in relation to partners, including our financial management, partner contracts and strategic approach to partnerships. The results of this in-depth analysis will inform our renewed approach to localisation going forward, equipping SPARK to strengthen partner relationships, enhance programmes with local knowledge and expertise, and ensure the long-term sustainability of our impact.



Growth

In 2022, SPARK continued to diversify and build new partnerships. Notably, we began partnerships with USAID in Libya and Iraq through the consulting firm, Chemonics, and with the UAE's most prominent business philanthropist, Abdulaziz Al Ghurair, in Tunisia and Lebanon through the IsDB. We also expanded our existing collaboration with the EU through a project in Libya and Türkiye. In 2022, SPARK submitted 35 proposals and signed contracts totalling €12,032,661.

Over the course of the year, SPARK opened new offices in Afghanistan and Ukraine. The teams there worked to propose interventions targeted at helping young people in these regions to thrive in very difficult circumstances.

SPARK also strengthened internal collaboration between different departments within the organisation, with a number of offices in different countries collaborating to design new programmes. For example, in 2022 we introduced impact studies at the start of some project cycles in order to facilitate better internal learning and have improved structural monitoring and analysis of financial programme data to ensure better forward planning.

We have continued to invest in our co-creation principles, working closely with our local partners to manage the financial and practical elements of programme design, as well as to shape the content of programme activities.

With our strategy taking shape in 2022, we focused on introducing an innovative concept to facilitate cooperation on development with European Union and Gulf Cooperation Council (GCC) partners. For example, a grant from the Dutch Ministry of Foreign Affairs is being leveraged through EU delegated cooperation, and scaled further with the collaboration of our GCC partners. Concrete concepts for this were developed in South Sudan, Burundi and Tunisia.

Communications

Over the course of the year, SPARK gained a total of **10,742** new followers on social media channels and achieved almost **13 million** social impressions. SPARK also participated in **23** global conferences, summits and events in different locations around the world. The international spread of these events has helped to increase the visibility of SPARK



and our partners, and to highlight to key stakeholders the skills and experiences of the young people who have benefited from our programmes. Examples include the 2022 IsDB Group Annual Meeting, the DIHAD conference in Dubai, the EU Humanitarian Days in Brussels and the 27th Conference of the Parties on Climate (COP 27) held in Egypt, and the Ukraine Recovery Conference in The Hague.

SPARK's ninth annual IGNITE conference took place in Amsterdam in September 2022, and was held in-person again after a two-year hiatus due to COVID-19. With 380 international guests and experts in attendance from throughout the regions in which SPARK operates, delegates representing more than 35 different nationalities attended workshops, high-level panels and keynote speeches, discussing how to reimagine jobs for young people living in fragile and conflict-affected regions. As always, our thanks goes to key partners of the IGNITE conference – Islamic Development Bank, Netherlands Ministry of Foreign Affairs, Qatar Fund for Development, IKEA Foundation, International Finance Corporation and DIHAD Foundation – who made the event possible.

Over the course of 2022, we created a diverse range of audio-visual content and campaigns that reflected the hopeful, solutions-driven perspective of SPARK's work. This included stories of participants, programme achievements and impact-focused marketing campaigns that highlighted our localisation approach and the successes of our partners.

In recognition of the ever-changing digital media landscape, in 2022 SPARK prioritised LinkedIn, the business-facing social media platform, in order to address our core audiences. SPARK staff were also engaged in several internal training sessions on LinkedIn and encouraged to proactively interact with SPARK's posts. This resulted in SPARK's LinkedIn page reaching over 10,000 followers and achieving a huge increase in engagement from partners. Keeping up with the current best practice, in 2023 SPARK incorporated a new social media platform, TikTok, in order to reach our younger audiences in new ways. The TikTok launch was also used to boost internal team building, with each office engaged in a dance video competition.

Our continued efforts to localise within communications saw the introduction of four long-term agreements with local film and photography companies, to ensure SPARK's content is contextualised and created by communities. Similarly, a planned restructure of the communications department will be launched in 2023 to give our fast-growing MENA hub more autonomy.

In 2023, SPARK's communications team will develop a new communications strategy that aligns with the global Strategy 2030. Externally, this will require public awareness campaigns to boost SPARK's traditional media relations, as well as updates to our branding and messaging across communication platforms. Internally, the communications team will support the implementation and change management required to roll out the new Strategy 2030 within SPARK, which includes transitioning to a new internal communications tool. Early in 2023, the communications team will add additional members and get together in Istanbul for a week-long annual training session.

SPARK's social media analytics from January - December 2022:

Social media channels: Facebook, Instagram, Twitter, LinkedIn	Amount	% compared to 2021
Audience growth	38,055	+76.7%
Engagements	1,449,420	+175%
Post link clicks	73,814	+190.3%
Impressions	17,623,602	+56.2%

Integrity and Complaints Addressed

SPARK ensures integrity within its operations, by implementing a Staff Manual and Code of Conduct, a Partners' Code of Conduct, as well as (regular) Complaints Handling Procedure and Whistleblower Procedure providing guidance and direction in responding and dealing with integrity matters and breach of Code of Conduct. Misconduct and misappropriation of funds including fraud and financial irregularities are also addressed in the SPARK Code of Conduct. Whistleblower complaints are directly addressed by or supervised by the external Confidential Advisor, while the findings of the relevant investigations are also communicated to SPARK's donors.

Regarding the first category, SPARK in 2022 received and addressed 10 complaints. 9 of these complaints were from SPARK programme stakeholders in the Middle East region and 1 from West Africa (Liberia). The nature of these complaints was relevant to programme-participants' dissatisfaction with their interaction with staff members from local partner organisations, with programme-participation





selection processes and with the stipends provided to scholarships programmes' participants. The handling of these complaints was coordinated by SPARK global staff, through input of regional and local country staff and also local partners' staff where relevant.

As far as the whistleblower complaints are concerned, towards the end of 2022 an anonymous complaint was submitted to the Confidential Advisor and SPARK Director of Operations concerning financial irregularities in the SPARK Jordan office. After an initial assessment by the SPARK Director of Programmes in consultation with the Confidential Advisor, an external agency was engaged to further investigate the matter. In response and related to the investigation one of the supposedly involved parties submitted another complaint concerning misconduct by SPARK staff, which will be further assessed as soon as findings of the external investigation on financial irregularities has been concluded. SPARK has suspended working with supposedly involved parties. Furthermore, the Confidential Advisor received two other complaints in 2022 concerning projects in Turkey and South Sudan, but received no further responses from the complainants to his inquiries when he started to investigate the matters.

A reflection on how the SPARK ensures integrity within its operations indicates that the inclusiveness and outreach of the Complaints Handling Procedure and the Whistleblower Procedure must be further improved. For these aims, updated in 2022 its Complaints Handling and Whistleblower Procedures for increasing their inclusiveness and outreach and currently is working on in their implementation.

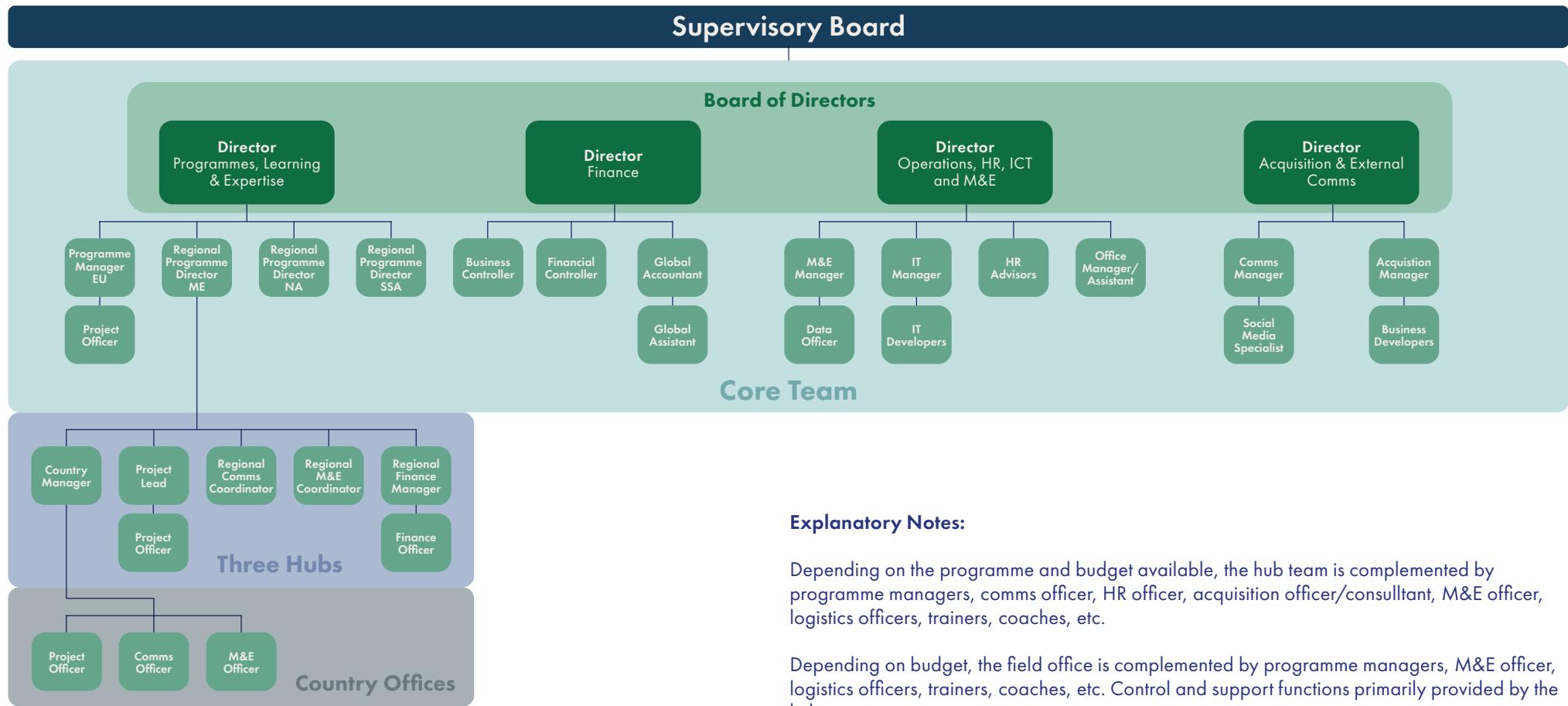
● Summary of Programmes [1/2]

Programme/Project	Donor(s)	Country(ies)	Theme(s)	Duration	Budget 2022
ABIN	Embassy of the Kingdom of Netherlands	Burundi	Scale Up, Start Up	2022 -2014	Ended
Akazi Keza	Netherlands Ministry of Foreign Affairs	Burundi	Skill Up, Match Up, Start Up, Scale Up	2024-2020	1,306,999.00
Al Nouri	Sheikh Abdullah Al Nouri Charity Society	Iraq, Jordan, Lebanon, Syrian Arab Republic, Türkiye	Match Up, Skill Up, Start Up	2022-2018	46,231.00
Brighter Futures	Nuffic	Lebanon	Skill Up	2022 -2020	5,300.00
CASS	Netherlands Organisation for Scientific Research	Burundi, Rwanda	Skill Up	2022-2019	38,763.00
CLAPS	Chemonics International Inc.	Iraq	Scale Up	2023 -2022	Added later
Dynamic Futures Programme	Education Above All Foundation	Iraq, Jordan, Lebanon, Palestine, State of, Türkiye	Match Up, Skill Up	2022-2016	205,332.00
EIB	European Investment Bank	Jordan, Lebanon, Tunisia	Scale Up	2023 -2018	TA
ENI	European Commission	Jordan, Lebanon, Palestine, State of, Tunisia	Match Up, Scale Up, Skill Up, Start Up	2026 -2022	1,685,689.00
EU Dahil	European Union	Türkiye	Match Up, Scale Up, Start Up	2022-2021	201,574.00
EU MADAD Iraq	European Union	Iraq	Match Up, Scale Up, Skill Up, Start Up	2023-2020	2,005,984.00
EU MADAD Türkiye 2	European Union	Türkiye	Match Up, Scale Up, Skill Up, Start Up	2023-2019	2,450,289.00
FSA (SSADPII)	Embassy for the Kingdom of Netherlands	South Sudan	Scale Up, Start Up	2023-2018	586,997.00
Google & Tides Foundation	Google.org	Iraq, Lebanon, Palestine, State of	Match Up, Start Up	2023-2021	386,377.00
Gwiza	Swiss Agency for Development and Cooperation	Rwanda	Match Up, Scale Up, Skill Up, Start Up	2023-2021	1,076,141.00
ISDB - ISFD	Islamic Development Bank	Iraq, Jordan, Lebanon, Syrian Arab Republic, Türkiye	Match Up, Skill Up, Start Up	2022-2018	127,554.00

● Summary of Programmes [2/2]

Programme/Project	Donor(s)	Country(ies)	Theme(s)	Duration	Budget 2022
ISDB Step	Islamic Development Bank	Jordan, Lebanon	Match Up, Scale Up, Skill Up, Start Up	2024 -2022	Added later
ISDB Tadamon Libya	Islamic Development Bank	Libya	Match Up, Scale Up, Skill Up, Start Up	2022-2021	Added later
ISDB Tadamon SOMALIA	Islamic Development Bank	Somalia, Tunisia	Match Up, Scale Up, Skill Up, Start Up	2023 -2021	Added later
ISDB-Tadamon	Islamic Development Bank	Iraq, Jordan, Lebanon	Match Up, Scale Up, Skill Up, Start Up	2022-2020	453,493.00
Jobs & Perspectives	Netherlands Ministry of Foreign Affairs	Iraq, Jordan	Match Up, Scale Up, Skill Up, Start Up	2023-2019	1,006,590.00
KabCare	Netherlands Ministry of Foreign Affairs	Netherlands	Match Up	2022-2021	477,509.00
Kuwait society Relief- oPt		Palestinian Territories			206,612
LEAD 2	Netherlands Ministry of Foreign Affairs	Somalia, Tunisia	Match Up, Scale Up, Skill Up, Start Up	2023-2020	1,899,270.00
LEAP	United States Agency for International Development	Libya	Match Up, Skill Up, Start Up	2026 -2022	Added later
Libya Start-Up !	European Union	Libya	Scale Up, Start Up	2025 -2022	Added later
NoC	Netherlands Ministry of Foreign Affairs	Iraq	Skill Up	2022-2019	441,491.00
PCL 2	Nationale Postcode Loterij	Iraq, Jordan, Lebanon, Türkiye	Match Up, Scale Up	2022-2020	104,658.00
QFFD	Qatar Fund for Development	Jordan, Türkiye	Match Up, Scale Up, Skill Up, Start Up	2024-2020	2,150,165.00
SPARK-Chemonics INJAZ II	US State Department - Bureau of Near Eastern Affairs	Syrian Arab Republic	Skill Up	2022 -2022	Added later
Udacity- Google	Google.org	Palestine, State of	Match Up, Skill Up	2025-2022	Added later
Grand Total					16,863,018.00

● SPARK Overall organisation chart 2022 Hierarchical Reporting lines



Staff Composition in 2022

Regular staff	110
Interns	6
Volunteers	4

Explanatory Notes:

Depending on the programme and budget available, the hub team is complemented by programme managers, comms officer, HR officer, acquisition officer/consultant, M&E officer, logistics officers, trainers, coaches, etc.

Depending on budget, the field office is complemented by programme managers, M&E officer, logistics officers, trainers, coaches, etc. Control and support functions primarily provided by the hub.

Trainers, coaches, experts etc. focus on expert and consultancy role without office infrastructure. Control and support functions primarily provided by the hub.

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

• Risk Analysis

1 (low) - 5 (high)

Risk	Likelihood	Impact	Mitigation
Partner compliance	5	5	Enhanced due diligence and partner management
Internal resistance to change	5	5	Cultural change initiatives
Underinvestment in support functions	4	5	People, process and system development
Financial fraud	4	5	Updated financial and procurement controls
Revenue target not achieved	4	5	Strengthened acquisition, new funding streams
Procurement of services	4	4	Updated procurement process
Underperformance in programme delivery	4	4	Performance management system
Delay in strategy plan implementation	4	4	Prioritisation, elimination and simplification

• Finance



Investment Policy

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



Fraud prevention and correction

During a routine financial review, SPARK management found unusual transactions out of SPARK's bank account in the Hashemite Kingdom of Jordan. An external auditor was engaged to conduct a detailed forensic investigation and confirmed fraud to the amount of €426,000. Fraudulent activities took place despite the financial controls in place to manage bank transactions and related processes. The full amount is provided for in the 2022 financial report and SPARK will cover this loss from its internal reserves to ensure that donor funds and project participants are not impacted. SPARK's finance team is conducting a systematic and comprehensive organisation-wide strengthening of financial and procurement controls based on the lessons learned in the Jordan case. In addition, SPARK's management has hired a local law firm to advise the future course of action as per the local legal system.

SPARK is committed to preventing and addressing fraud and corruption within the organisation, its local partners and contracted external parties. To do so, SPARK uses a Complaints Handling Process (which includes a Whistleblower Policy) and a comprehensive Anti-Fraud and Corruption Policy in place. These policies are part of onboarding new staff and are the subject of periodic refresher training across the organisation. Partners and suppliers are required to operate in line with the Anti-Fraud and Corruption Policy.

Board of Directors and Supervisory Board Remuneration

The Supervisory Board, upon advice of the Remuneration Committee, has determined the remuneration policy, the salaries and the amount of other remuneration components for the Board of Directors. The policy is updated periodically. The last evaluation was in June 2022.

For determining the remuneration policy, amounts and components, SPARK follows the Regulations for the remuneration of directors of charity organisations (goededoelen.nl). These regulations take into account the Dutch legislation on maximising senior level incomes (Wet Normering Topinkomens). The regulations provide a maximum standard for annual income based on weighted criteria. The weighting at SPARK was done by the Remuneration committee. This led to a so-called BSD score of 379 points for the CEO with a maximum annual income excluding other remuneration 2022 of €114,366 (40 hours/12 months) and a BSD score of 348 for the other BoD members with a maximum annual income excluding other remuneration 2022 of €102,538 (40 hours/12 months) or €82,030 (32 hours/12 months).

The actual annual income of the CEO amounted to €108,697, which is lower than the applicable ceiling of €114,366 for the BSD score. The annual incomes of the other Directors amounted to between €73,345 - €93,111, which were also lower than the applicable ceilings of €102,538 (40 hours/12 months) and €82,030 (32 hours/12 months) for the BSD score.

The taxable allowances/additions, the employer's pension contribution and other long-term benefits are low in proportion to the annual income and compared with the market. Taking into account the absence of any other remuneration components, the Supervisory Board views the total remuneration as acceptable and fair.

The Supervisory Board members receive only a tax-free compensation for voluntary hours invested. In 2022, this compensation remained €1,500 per board member, per year.



Financial Results

Decrease in 2022 Income

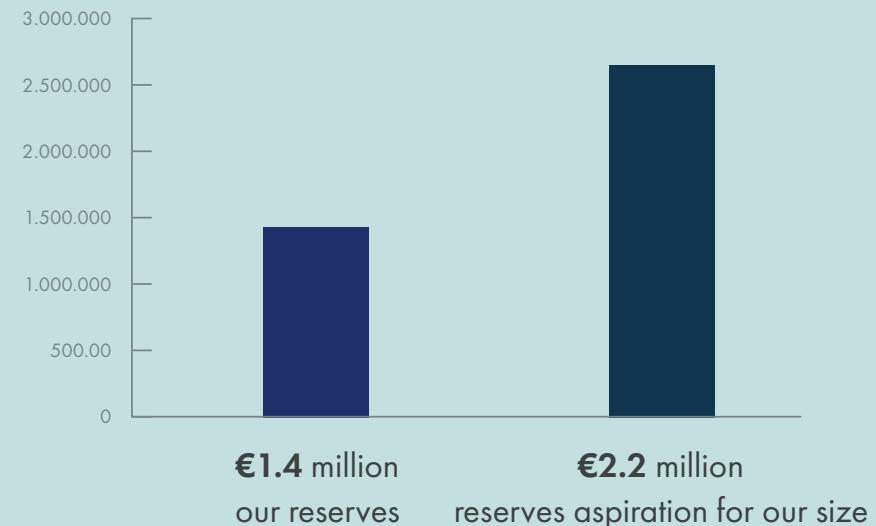
In 2022, SPARK's income was €17 million, a decrease of 8% compared to 2021. The income was lower than budget because some anticipated projects did not materialise. The budget included €3 million spend from new income, of which only €1 million materialised.

Positive Net Result

The bottom line net result was €214,235 for 2022. This positive financial result was achieved due to improved cost management processes and positive exchange rate differences. Our costs for 2022 are 13% less than planned. SPARK's management teams' continued focus on cost management resulted in 90% of 2022 expenses directly being spent on the organisation's key objectives of higher education and private sector development.

Loan Guarantee Fund

Besides regular programme activities, SPARK has provided financial access (support) through loans and/or guarantees instead of grants. Loans are predominantly disbursed through financial institutions in SPARK's intervention countries. The funds that were provided by donors for this purpose, and repaid amounts of these loans and/or guarantees, are administered in the Loan Guarantee Fund which totaled €1.46 million at the end of 2022.



Continuity Reserve

The negative charge to the Continuity Reserve resulted in reserves decreasing by 14% to €1.4 million in 2022 from €1.6 million in 2021. After investments to grow the organisation have been completed in 2023, we expect the Continuity Reserve to start growing again. The Continuity Reserve will ensure the continuation of operations in case of a drastic reduction in donor funding or a major incident.

2023 Budget Summary

The 2023 budget was approved by the Supervisory Board in December 2022. It shows a forecasted increase in income to €20.9 million compared to actual performance of €17.5 million in 2022. This 20% increase in income assumes that SPARK will generate and spend a net €4 million of additional income and expenses from new projects in 2023.

The approved 2023 budget shows a negative bottom-line result of €417,295.

Statement of income and expenditures: Approved 2023 budget		Rounded figures in €
Income from projects	To realise reimbursement of direct project expenses excluding staff costs & "overheads"	11,901,121
	To realise reimbursement and profit charge on staff costs	4,081,087
	To realise "overhead" charges	975,830
	To realise pipeline projects income	4,040,00
Write-offs	Write-offs, non-reimbursable project expenses	-99,200
Total income		20,898,838
Expenditures	Reimbursable project expenses excl. staff costs & overheads	11,335,156
	Reimbursable pipeline project expenses	3,514,800
	All staff costs	4,781,547
	Other organisational costs, non-reimbursable	1,050,230
Total expenditure		20,681,733
Balance before financial income and expenditure		217,105
Financial income or expenditure, non-reimbursable		169,400
Total statement of income and expenditure		47,705
Allocated loan guarantee funds		465,000
Operational result available for continuity reserve		-417,295
Total		47,705

• Financial
Report
2022



Balance sheet

[all amounts in euro's]

Assets	31 December 2022	31 December 2021
Fixed Assets		
Tangible fixed Assets	6,390	14,908
Financial fixed assets	717,205	269,799
	723,594	284,706
Current Assets		
Receivables & Accruals	3,818,177	3,119,536
Cash & cash equivalents	7,134,750	5,675,583
	10,952,928	8,795,119
TOTAL	11,676,522	9,079,825
RESERVES AND LIABILITIES		
Reserves and funds		
Reserves - Continuity reserve	1,399,926	1,633,097
Funds - Loan Guarantee Fund	1,461,894	1,014,488
	2,861,820	2,647,585
Liabilities		
Long term debt	70,000	
Current Liabilities		
Payables & Accruals	8,744,702	6,432,241
TOTAL	11,676,522	9,079,825

Statement of Income and expenditures

	Realisation 2022	Budget 2022	Realisation 2021
Income			
Income from companies	-	84,594	79,171
Income from government grants	16,142,629	17,422,254	16,305,359
Income from other non profit organisations	1,309,439	2,130,730	1,994,134
Income for services	14,307	18,554	17,365
Write off non-eligible expenses	(7,817)	(45,000)	(133,592)
Other income	15,669	206,885	193,622
Repayment regarding fraud Jordan	(426,000)	-	-
Total Income	17,048,227	19,818,017	18,456,059
Expenditures			
Spent on objectives - Higher Education	5,169,322	6,414,256	6,732,409
Spent on objectives - Private Sector Development	10,176,139	11,117,941	10,209,522
	90%	88%	92%
Cost of income generation	721,819	707,465	641,152
Management and accounting	1,023,637	1,416,017	818,728
Total expenditures	17,090,916	19,655,679	18,401,811
Balance before financial income/expense	(42,689)	162,338	54,248
Balance of financial income and expenditure	275,529	(160,000)	15,780
Exceptional losses	(18,604)	-	-
Balance of income and expenditure	214,235	2,338	38,468
Distribution of Result - Addition to/withdrawal from:			
Allocated loan guarantee funds	447,406	-	(1,584)
Operational result available for continuity reserve	(233,171)	2,338	40,052
Total	214,235	2,338	38,468

Cashflow Statement

Cashflow Statement	31/12/2022	31/12/2021
Cashflow from operational activities		
Result		
Result	214,235	38,468
Depreciation fixed assets (incl. cars)	10,745	19,360
Depreciation financial fixed assets (IBCM loan)	-	-
Gross cashflow from operation activities	224,980	57,829
Mutation in current assets		
Mutation in current assets	(698,640)	(156,085)
Mutation (decrease) in current liabilities	2,312,462	(185,450)
Mutation in long term debts	70,000	-
Net cashflow from operational activities (A)	1,908,801	(283,707)
Cashflow from investment activities		
Investment in fixed assets	(2,228)	(2,361)
Disposal of fixed assets	-	136
Investment in financial fixed assets	(447,406)	31,503
Cashflow from investment activities (B)	(449,634)	29,278
Cashflow from financing activities		
Donor-restricted cash limited to long term purposes	-	-
Cashflow from financing activities ('C)	-	-
Mutation in Cash and cash equivalents (A+B+C)	1,459,168	(254,429)
Cash and cash equivalents 1 January		
Cash and cash equivalents 1 January	5,675,583	5,930,011
Cash and cash equivalents 31 December	7,134,750	5,675,583
Mutation in Cash and cash equivalents	(1,459,168)	254,429

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

Objectives		Costs Income Generation	Management & Accounting	Total 2022	Budget 2022	Total 2021
Costs of implementation	Higher Education Development	Private Sector Development				
Grants and contributions:						
Expenses	4,717,316	7,614,113	-	-	12,331,429	14,948,154
SPARK contribution to projects	-	82,701			82,701	45,000
Direct Fundraising	-	-	181,754	-	181,754	232,000
Publicity and Communication	-	-	-	-	-	126,000
Personnel Costs	430,246	2,359,966	435,019	824,533	4,049,764	3,747,575
Housing costs	2,723	14,938	24,809	47,022	89,492	62,500
Office and general costs	17,972	98,580	78,911	149,568	345,031	322,450
Depreciations	1,065	5,842	1,326	2,512	10,745	12,000
Financial Expenses						160,000
Total	5,169,322	10,176,139	721,819	1,023,637	17,090,916	19,655,679
						18,401,811

Total number of staff (Full Time Equivalent):

For 2022 112 compared to 116 for 2021

Explanation related to grants and contribution:

The total of grants and contributions was 2,616,729 lower than the budgeted amount.

Budget 2022 included 3,000,000 income from new projects to be utilized in 2022. Only 30% of these signed contracts was spent in 2022.

Remaining difference is related to less spending on the existing contracts.

Explanation distribution of expenditures:

Cost of income generation as % of total income is: 4.2%

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

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

SPARK's programs serve two objectives: Higher Education (development) (HE) & Private Sector Development (PSD). Under PSD SPARK stimulates entrepreneurship and development in the private sector in post conflict areas / fragile states by, for instance, organizing business plan competitions, trainings and SME financing facilities for young (starting) entrepreneurs. Coaching and other trainings aimed at partners for local capacity building are other PSD activities. In addition Policy Making activities are undertaken to influence local / regional / national policy makers to facilitate private sector development. In all our programs local & regional partners are stimulated to work together as much as possible and to contribute to our shared goals. Division of the expenditures for HE, PSD, Costs of Income Generation and Management & Accounting: Expenses which can be qualified as program expenditures (for instance reimbursements to partners, rent of lecture rooms & training space, reimbursements to trainers, travel and accommodation expenses of participants and trainers, reading materials, partners activities etc.) are directly allocated to the objective HE & PSD. These expenditures are presented under "Grants and Contributions" in Model C.

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

Personnel costs: every staff member must write its hours to projects or indirect activities. SPARK uses internal tariffs.

Costs are calculated to the Objectives, Income generation and Management & Accounting based on the worked hours and the tariffs.

Operational and organisation costs of the Amsterdam & Belgrade office are allocated to the objectives using the time registration of all International (mostly Amsterdam & Belgrade based) Management, Administrative & Support personnel.

An exception to this are the promotion expenses occurred in The Netherlands, and direct costs for obtaining grants and other income. These are directly allocated towards the objective "Costs Income Generation".

Project management, Finance and IT hours directly registered on projects / programs, are allocated to the objectives HE and PSD.

Accounting Principles [1/2]

General

The annual accounts 2022 have been drawn up according to generally accepted accounting principles in the Netherlands and RJ 650 for Fundraising organisations. The accounts include the financial statements of Stichting SPARK in Amsterdam, The Netherlands, and the regional offices in Serbia, Kosovo, Macedonia, Liberia, Palestine, Burundi, Rwanda, South Sudan, Turkey, Somalia, Iraq, Lebanon, Tunisia and Jordan.

Principles of valuation

Assets and liabilities are stated at face value unless indicated otherwise. Transactions in foreign currencies are recorded using the rate 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:

	NL	Rwanda	Burundi	Liberia	Palestine	South Sudan	Lebanon	Jordan
furniture	25%	20%	20%	20%	10%	25%	-	-
computer hardware	33%	50%	20%	25%	20%	25%	20%	-
cars	25%	25%	20%	25%	25%	25%	n.a.	20%

	Kosovo	Serbia	Yemen	Gaziantep	Somalia	Iraq	Tunisia	
furniture	20%	20%	25%	25%	33%	46-48%	20%	
computer hardware	20%	20%	33%	25%	33%	46%	33%	
cars	25%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	

Financial fixed assets

SPARK has signed contracts with local partners to manage loan guarantee funds which benefit start ups and SME's established under the Private Sector development projects. The participation is stated at its actual value at year end. Costs of fund management, defaults, interest received and currency revaluations are presented as expenditures or income in the Statement of Income and Expenditures. These financial fixed assets are financed from an earmarked Loan Guarantee Fund, see below for further explanation about the fund.

Cash & Cash equivalents

All amounts presented under the Cash & cash equivalents heading, are directly accessible. Foreign currency accounts are valued at the EURO - foreign currency exchange rate per 01 January 2023.

Reserves and Funds

SPARK can freely access the amounts presented under the Continuity reserve. The earmarked Loan Guarantee Funds were originally financed by the Dutch Ministry of Foreign Affairs through project grants such as MFS, BSCK and others. The ownership of the funds has been transferred to SPARK. SPARK pledges to keep using the funds for purposes in line with the original objectives. Therefore, the funds are presented as allocated reserve under the Reserves & Funds. The additions to and withdrawal from the fund from the start to current book year can be found in the explanatory notes to the balance sheet.

Accounting Principles [2/2]

Liabilities - partner obligations

SPARK entered into contractual obligations with partner organisations and transferred project responsibilities to them. The project grants as well as the project expenses include amounts that are funded to and expended by partner organisations.

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

Explanation of the pension rules applicable to SPARK

SPARK utilises a defined contribution plan for its pension scheme.

Foundation of determining the result

The result has been determined as follows:

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

Allocation of general organisational costs to the objectives

Operational and organisation costs of the Amsterdam office have been allocated to the objectives using the time

registration 2022 of all Amsterdam and Belgrade personnel. For further clarification, please refer to the explanation provided under "specification and allocation of costs according to category" (Model C).

Income from own fundraising - Contributions in kind

In kind contributions are stated at their fair value, however, in 2022 no such contributions were received. The contributions are presented under Income from own fundraising and under the particular cost sort / activity they relate to in the Statement of Income in Expenditures.

Expansory Notes Balance Sheet [1/8]

Asset		31-December 2022		31-December 2021
Tangible fixed assets				
Furniture		2,409		5,530
Computer hardware		3,980		6,597
Cars		0		2,780
		6,390		14,907
Fixed assets				
	Total 2022	Furniture	Computer hardware	Cars
Book value previous year				
Purchase value	469,70	88,606	254,768	126,330
Accumulated depreciation	(454,797)	(83,076)	(248,171)	(123,550)
Book value 01 January 2022	14,907	5,530	6,597	2,780
Mutations				
Purchases	2,228		2,228	-
Disposals	-			
Depreciation	(10,745)	(3,121)	(4,844)	(2,780)
	(8,517)	(3,121)	(2,617)	(2,780)
Book value year end				
Purchase value	471,932	88,606	256,995	126,330
Accumulated depreciation	(465,542)	(86,197)	(253,015)	(126,330)
Book value 31 December 2022	6,390	2,409	3,980	0
Fixed assets used for operations (furniture & hardware)				
Fixed assets directly related to the objectives (cars)		0		2,780
		6,390		14,907

Expandoitory Notes Balance Sheet [2/8]

Asset		31-December 2022	31-December 2021
Financial Fixed assets			
Participation loan guarantee funds			
Balance 01 January 2022		264,799	296,301
Mutation 2022		447,406	(31,503)
Balance 31 December 2022		712,205	264,799
Specification mutation 2022			
New loan guarantee contracts and new loans	430,000		
Defaults	-		
Reimbursement and closed contract with banks / participants	-		
Interest, provisions and exchange rate differences	17,406		
Total mutation	447,406		
The financial fixed assets are directly allocated to the objective Private Sector Development. For the explanation of the usage of these funds, please see the description of the allocated funds, under the Liabilities.			
Loans (IBCM)		5,000	5,000
The loan of 151.379 has been revaluated during 2019 to 115.000 as agreed between IBCM and SPARK. In 2020, a further provision has been made and the book value has been decreased to € 5.000. No further changes in 2022.			
Total Financial Fixed assets		717,205	269,799

Expansatory Notes Balance Sheet [3/8]

Asset	31-Dec 2022	31-Dec 2021
Current assets		
Prefinancing by SPARK on donor grants	3,290,377	2,941,904
Accounts receivables and prepaid expenses	527,800	177,632
	3,818,177	3,119,536
Prefinancing by SPARK on donor grants		
Project ISDB+NUR, IsDB	427,190	737,067
Project ISDB+NUR, Al Nouri	104,645	184,268
Project ABIN	120,464	125,438
Project EULAP	92,388	112,230
Project JAP	597,842	646,459
Project FSA	41,530	57,606
Project ISDB Tadamon	289,537	570,418
Project Kab-Care	47,323	-
Nuffic	-	10,894
Project SANAD	-	30,432
CASS	42,773	1,476
ARAB FUND	-	214,840
Al Fakhoora	319,805	240,815
ALNOURI OPT	9,959	9,959
TADAMON Somalia	324,517	-
EU MAD IRAQ	772,408	-
NOC	99,997	-
	3,290,377	2,941,904
Accounts receivables and prepaid expenses		
Prepaid expenses	298,712	133,439
Other receivables	19,359	30,569
Receivables from Partners	209,728	
Other receivables - Service contracts:		
EIB	-	13,624
	527,800	177,632

Asset	31-Dec 2022	31-Dec 2021
Cash & Cash equivalents		
Cash Amsterdam	211	2,143
Current & savings accounts The Netherlands	6,596,448	4,417,529
	7,706	34,382
Current accounts abroad offices		
Kosovo	8,421	17,340
Serbia	71,443	47,484
Rwanda	13,109	52,174
Burundi	20,184	214,687
Liberia	-	-
Palestine	94,268	10,882
Somalia	3,407	6,854
Turkey	178,719	297,474
South Sudan	14,750	72,483
Yemen	36	35
Lebanon	1,640	7,408
Iraq	39,544	373,661
Jordan	83,719	120,469
Tunisia	1,146	577
	7,134,750	5,675,583

All liquidities are directly accessible.

Explanatory Notes Balance Sheet [4/8]

Reserves and Liabilities	31 Dec 2022	31 Dec 2021
Continuity reserve	1,399,926	1,633,097
Balance 01 January 2022	1,633,097	
Mutation 2022	(233,171)	
Balance 31 December 2022	1,399,926	

Continuity reserve

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

The main guidelines to determine the height of the reserves are as follows:

- SPARK does not aim for large savings because the focus should be on our final beneficiaries;
- Country offices cost is not counted as annual organisational costs because they are directly connected to available project funding; The continuity reserve are € 1,4 million on 31 December 2022. The annual costs of the executive organisation can be defined as the Personnel costs for Amsterdam and Belgrade office staff, housing costs and office and general costs (see Explanatory notes to the Statement of Income and Expenditure for the amounts), some regional offices coordinating staffs and they add up to approximately € 2.2 million as per level of 2022 (including non payroll staff). The continuity reserve on 31 December 2022 is therefore 64% of the annual costs of the executive organisation and are below the maximum of 150% explained above. The continuity reserve has decreased for € 233,171 compared to 2021.

Loan Guarantee Fund	31 Dec 2022	31 Dec 2021
Revolving Loan guarantee fund business start-ups	1,461,894	1,014,488
Balance 01 January 2022	1,014,488	
Mutation 2022	447,406	
Balance 31 December 2022	1,461,894	

SPARK has been contracting local partners to manage loan guarantee funds facilitating access to finance for starting and growing businesses. This is part of SPARK's Private Sector development projects. In 2022 funds are cash collaterals deposited at local micro-finance institutions or banks for a fixed period. Common practice in these facilities is that Micro Finance Institutes or banks disburse and manage loans from their own funds; the deposit minus administrative costs and minus defaults, plus gained interest on the deposit (or from the entrepreneurs) is returned to SPARK after a certain period. The fund is credited for these returns that stay earmarked in this fund for new, future investments. In 2022 the new deposit of € 430,000 has been placed into fund. This is investment of Gwiza (SDC) project in Rwanda.

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

Cumulative deposits into the funds:	2,529,181
Withheld management costs for banks:	(49,460)
Received interest added:	170,344
Exchange rate differences / currency revaluations:	21,095
Deducted bankrupt / delayed loans losses:	(832,546)
Loan amounts not used and returned (2016, 2017):	(144,574)
Funds transferred to external parties (up to 2021):	(232,145)
	1,461,894

The Revolving Loan guarantee fund is € 1,014,488 higher than the current investments from the fund per end of year, which are represented as € 447,406 of financial fixed assets on the balance sheet. This means that € 1,014,488 is available for new (re)investments at the end of 2022. The cumulative table above shows, among others, how much has been deposited in the fund since the start and how much has been deducted because of bankrupt lenders and write offs on loans. Entrepreneurs pay interest rates, mostly ranging from 5% to 15%, which are lower than commercial market rates.

Expansory Notes Balance Sheet [5/8]

Reserves and Liabilities	31 Dec 2022	31 Dec 2021
Long term debt		
Accrual IBDAA	70,000	-
Current liabilities		
Grants received in advance	7,302,412	5,130,828
Partner obligations and payables	12,710	12,710
Creditors	511,876	539,370
Other payables	917,705	749,333
These current liabilities are further specified below:	8,744,702	6,432,241
Grants received in advance		
Project Asfari Foundation	20,380	20,380
Project NOC	-	124,093
Project MADAD Iraq	-	1,069,884
Project LEAD 02	246,548	2,152
Project MTK 02	1,042,434	320,379
Project AKAZI KEZA	122,811	104,275
Project New PCL	-	166,687
Project QFFD	229,248	447,002
Project EUDAHIL	555,267	1,324,282
Project EBRD	-	3,000
Project Google	104,364	514,845
KABCARE	-	159,918
Gwiza Project-SDC	317,195	873,931
TADAMON Libya	63,238	-
Libya START UP	1,329,541	-
CLAP	19,528	-
EUMN - ENI	686,277	-
ISDB STEP - Lebanon/Jordan	2,562,027	-
EIB	3,554	-
	7,302,412	5,130,828

Reserves and Liabilities	31 Dec 2022	31 Dec 2021
Partner obligations and payables		
Programme IEO	12,710	12,710
Short term debts & accruals		
Creditors	511,876	539,370
Other payables:		
Stipends and tuition fees	67,853	152,953
Procurements for projects	19,294	146,964
Project and general audit costs	131,053	83,237
Income tax, social security, pensions, severance	100,606	55,408
Vacation days & allowance	91,780	104,754
Other payables (cash advances& conference collection acc)	0	40,096
Other short term debts	78,472	55,921
Accrual for South Sudan	2,647	40,000
Liability for Jordan	426,000	-
	917,705	749,333

The total estimated amount of outstanding holidays in 2022 is € 53,747 including field offices.

Expansory Notes Balance Sheet [6/8]

Off Balance Sheet Commitments - The following programs / projects relate to periods exceeding the year 2022:

Name	Donor	Period	Balance remaining to the end of period
Dynamic Futures Programme: Syrian Refugees and Palestinian Expansion (AF)	Education Above All Foundation	30/04/2016-03/12/2024	€ 91,885
MADAD Turkey 02	EU	01/09/2019-30/09/2023	€ 2,042,434
Jobs and Perspectives (J&P)	NLMFA	01/08/2019-31/07/2023	€ 256,232
Food Security through Agribusiness Project South Sudan (FSA)	Stichting Cordaid	16/08/2018-31/07/2023	€ 227,914
Akazi Keza	NLMFA	01/07/2020 -30/06/2024	€ 1,213,750
Support to Higher Education for Syrian refugees Iraq IDPs and vulnerable Iraqi host community youth - Phase 2 - EU MAD IRAQ	EU MADAD	01/04/2020-04/10/2023	€ 1,275,408
Local Employment in Africa for Development phase II LEAD - LEAD2	NLMFA	01/01/2020-31/12/2023	€ 1,595,231
Supporting Economic Resilience for Refugees, IDPs and Vulnerable Host Communities through Sustainable Job Creation in Syria and Countries of Surrounding Region - QFFD	Qatar Fund	17/06/2020-17/12/2024	€ 2,973,003
Google.org Digital Skills and Employability	Tides Foundation	05/10/2021-31/07/2023	€ 104,364
Gwiza project-MSME Support Programme in response to COVID-19 in Rwanda	SDC	18/10/2021-17/10/2023	€ 933,706
Innovation that scales Strat-up Ecosystem in Mediterranean countries ENI (EUMN)	EU	01/02/2022-31/01/2026	€ 6,811,529
Iraqi SME Commerical Loan Application preparedness (CLAPS)	Chemonics	16/10/2022-15/10/2023	€ 257,006
Skills training education prog in Lebanon and jordan (ISDB STEP - Lebanon/ Jordan)	Islamic Development Bank	25/04/2022-25/04/2024	€ 2,458,877
COVID 19 in ISDBs Member Countries through its Tadamon CSO Pandemic Response accelerator (TADAMON Libya)	Islamic Development Bank	1/10/2021-28/02/2023	€ 641,661
Libya Start Up! EU for an innovative start up ecosystem in Libya	EU	13/06/2022-15/06/2025	€ 4,909,375
Consulting services for a feasibility stdy for start-up center in Afghanistan (EIB)	Frankfurt School of Finance	11/05/2018-05/05/2023	€ 45,002

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

Expansory Notes Balance Sheet [7/8]

Obligations to implementing partner organisations:

The following conditional obligations to implementing and strategic partners relate to the period after 2022.

Middle East implementing partners:

Implementing Partner Name	project	period	outstanding obligation contract curr		outstanding obligation EUR
Qatar Charity	QFFD	01/11/2020 - 31/10/2023	USD	1,050,000	EUR 986,013
I4D	QFFD	01/09/2022 - 30/06/2023	USD	44,919	EUR 2,254
Gaziantep Teknopark	QFFD	01/10/2022 - 30/09/2023	TRY	1,257,438	EUR 63,086
United Work	MTK	01/10/2022 - 20/08/2023	EUR	68,951	EUR 68,951
Flow	EU\ENI	10/01/2022 - 30/09/2023	USD	135,815	EUR 127,539
Techno Park	EU\ENI	11/01/2022 - 31/10/2023	USD	89,954	EUR 84,472
Station J	EU\ENI	10/01/2022 - 30/09/2023	USD	63,166	EUR 59,317
UCAS	EU\ENI	10/01/2022 - 30/09/2023	USD	65,510	EUR 61,518
PICTI	EU\ENI	10/01/2022 - 30/09/2023	USD	41,380	EUR 38,858
Intersect	EU\ENI	11/01/2022 - 31/10/2023	USD	195,265	EUR 183,365
ALMOLTAQA	IsDB- STEP	01/09/2022 - 30/11/2023	USD	101,475	EUR 95,291
SE FACTORY	IsDB- STEP	01/09/2022 - 31/08/2023	USD	39,081	EUR 36,700
WAFA	IsDB- STEP	01/10/2022 - 30/09/2023	USD	216,686	EUR 203,481
INJAZ LEBANON	EU\ENI	01/12/2022 - 30/11/2023	USD	136,000	EUR 127,712
LLWB	EU\ENI	16/11/2022 - 15/11/2023	USD	160,928	EUR 151,121
NAWAYA	EU\ENI	01/12/2022 - 30/11/2023	USD	159,624	EUR 149,896
AOU & PPI	EU\ENI	01/12/2022 - 30/11/2023	USD	83,186	EUR 78,117
TTi 2022	EU\ENI	01/11/2022 - 31/10/2023	JOD	98,849	EUR 130,925
IGIT	IsDB- STEP	17/11/2022 - 30/05/2023	JOD	115,511	EUR 152,993
Re-Coded	Google	01/04/2022 - 28/02/2023	USD	9,826	EUR 9,227
Jusoor-New	IsDB- STEP	01/09/2022 - 31/07/2023	USD	136,398	EUR 128,086
YTB	MTK	01/03/2020 - 30/09/2023	TRY	5,415,658	EUR 271,704
Kudra TUR	MTK	01/10/2021 - 30/06/2023	TRY	263,300	EUR 13,210
Kudra TUR-SEED FUNDS	MTK	01/10/2021 - 30/06/2023	EUR	86,400	EUR 86,400
Mercy Corps-GSG	Google	01/04/2022 - 31/05/2023	USD	7,000	EUR 6,573.42

Expansory Notes Balance Sheet [8/8]

These rental obligations are payable for periods exceeding the year 2022:

As of 09 March 2020 SPARK HQ is located at Haarlemmer Houttuinen 15H in Amsterdam
The total expenses per year are € 36,000. The contract duration is up to 08 March 2025.

SPARK's field offices rental obligations	contract period	yearly obligation	contract curr	yearly obligation EUR
Burundi	up to 31/12/2023	USD 10,200	EUR	9,578
Iraq	up to 15/03/2022	USD 19,800	EUR	17,559
Iraq	up to 15/03/2023	USD 20,400	EUR	18,092
Jordan office	up to 31/10/2022	JOD 9,500.00	EUR	11,883
Jordan warehouse	up to 15/12/2023	JOD 1,000.00	EUR	1,251
Lebanon	up to 31/03/2023	USD 8,415	EUR	7,902
OPT	up to 28/02/2023	USD 1,720	EUR	1,615
Rwanda	up to 30/04/2024	USD 16,822	EUR	15,797
Rwanda (rent for GWIZA project coaches)	up to 31/12/2023	RWF 3,120,000	EUR	2,746
Serbia	up to 31/12/2023	EUR 13,200	EUR	13,200
Somalia	up to 30/06/2023	USD 6,000	EUR	5,634
South Sudan	up to 31/12/2022	USD 13,200	EUR	12,396
Tunisia	up to 31/12/2023	TND 33,889	EUR	10,232
Turkey (Instabul 2 offices)	up to 31/03/2023	TRY 52,815.00	EUR	2,650
Turkey(Gaziantep office)	up to 30/09/2023	TRY 100,000.00	EUR	5,017
Turkey(Gaziantep guesthouse)	up to 20/11/2023	TRY 35,200.00	EUR	1,766
Turkey(Gaziantep car rent EUDAHIL)	up to 30/06/2023	TRY 175,857.58	EUR	8,823

LGF agreement Gwiza Rwanda (SDC project) - off balance asset/liability = € 500,000.

SPARK entered into an agreement with Equity Bank in Rwanda to provide refundable loan guarantee amounts as security for loans.

As per the agreement, SPARK committed to deposit €930,000 into Equity Bank Rwanda. In 2022, €430,000 (comprising €317,500 as SDC's contribution and €112,500 as SPARK's contribution) was deposited into the bank.

The balance of €500,000 will be transferred to the bank in 2023, following the conditions specified in the agreement.

AL NOURI contract - off balance asset/liability = € 1,100,000.

SPARK entered into an agreement with Al Nouri Charity to provide loan guarantee amounts as security for loans.

The agreement is for 4 years. After 4 years the pledge will be released to the account of the deposit, and the deposit will be returned to Al Nouri.

Both parties, SPARK and Al Nouri, committed to deposit €1.1 million in total into Al Baraka Turk bank.

Al Nouri's contribution amounts to €1,000,000, while SPARK's contribution is €100,000. Al Baraka Turk bank will oversee the management of LGFs in coordination with SPARK.

In May 2023, SPARK entered into an agreement with Al Baraka Turk bank.

The signing of the contract with Al Baraka Turk bank is a prerequisite for the fund transfer from Al Nouri to SPARK, and subsequently from SPARK to Al Baraka Turk bank.

Explanatory Notes Statement of Income and Expenditure [1/3]

Income	Realisation 2022	Realisation 2021
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For further details see section "Specifications of income"

Income from companies

Generali (HSN, THSN, THSN Global, THSN France, THSN Germany)	-	19,297
SANAD (City bank Europe)	-	59,874
	-	79,171

Income from government grants

Grants EU - MAD Iraq, EUDAHIL, MTK02, EUMN, LSUP, EULAP, EME, YMCA	6,236,789	5,527,377
Grants NLMFA - ABIN, LEAD, IEO, NOC, JAP, AKAZI KEZA, KAB-CARE	5,489,426	6,219,618
Grant ISBD+NUR, IsDB&AI Nouri, SSDB Tad, AlNouri OPT, ISDB STEP, TADM, TADS	1,740,257	1,884,724
Grant QFFD	2,119,422	2,115,150
Grant Arab Fund	-	385,921
Grant Gwiza project (SDC)	556,736	26,069
Grant EBRD	-	70,000
UN Women	-	76,500
	16,142,629	16,305,359

Income	Realisation 2022	Realisation 2021
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Income from other non profit organisations

Al Fakhoora, Education Above All	78,989	679,019
Grant Postcode Lottery (NPL) (activity grant), New PCL	166,687	598,465
FSA, Coridad	561,553	551,729
CASS, IITA	41,297	142,188
GGL	410,481	
CLAP, SECH	45,364	
NUFFIC	5,066	22,734
	1,309,439	1,994,134

Total of grants raised	17,452,068	18,378,664
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Income for the delivery of products and/or the provision of services

EIB (service contract)	14,307	17,365
Write off non-eligible expenses	(7,817)	(133,592)
Other income (BUR incubators, release underspent proj budget: THSN Global & EU MAD)	179	56,816
Repayment regarding fraud Jordan	(426,000)	-

Other income

Other income (COVID NOW subsidy Dutch government)	15,491	136,806
Total income	17,048,227	18,456,059

Explanatory Notes Statement of Income and Expenditure [2/3]

Expenditure	2022	2022
Details of "Specification and allocation of costs according to category"(Model C)		
Grants and contributions	12,331,429	13,918,953
SPARK own contribution to projects	82,701	80,817
Direct costs fundraising	88,660	95,759
Publicity and Communication	93,095	32,141
Personnel Costs	4,049,764	3,622,940
Housing costs	89,492	63,052
Office- and General costs	345,031	568,788
Depreciation	10,745	19,361
TOTAL expenditures	17,090,916	18,401,811
Grants and contributions		
Private Sector development programmes	7,631,519	8,063,247
Loan Guarantee and Credit Fund costs	(17,406)	1,584
Subtotal Private Sector Development	7,614,113	8,064,831
Higher Education programmes		
Subtotal Higher Education	4,717,316	5,854,122
Total Grant and contributions	12,331,429	13,918,953
SPARK own contribution in projects		
EMEN UP		12,770
YMCB		4,605
MTK02	28,667	40,496
EULAP	(6,129)	22,946
NUFFIC	13,560	
ABIN	46,603	
	82,701	80,817

Expenditure	2022	2022
Direct costs fundraising		
Feasibility studies and project acquisition	88,660	95,759
	88,660	95,759
Publicity and Communication		
SPARK general - promotion and advertising	93,095	32,141
	93,095	32,141
Personnel Costs		
Amsterdam, Belgrade, Macedonia, Kosovo		
Gross salaries including holiday allowances	891,524	933,631
Social security premiums & Pensions	168,783	187,585
Other personnel costs	173,375	81,836
Staff training (including field office staff)	27,595	10,805
Non-payroll staffs	307,964	201,502
Maternity leave	-	(22,012)
Field offices		
Field office coordinating personnel	2,124,130	1,871,867
Non-payroll staffs	356,393	357,726
	4,049,764	3,622,940

Note:

Starting 2021 the method of allocating staff costs has been changed.

All staff costs are reflected under Personnel Costs, and through Staff allocations reported under respective projects.

Explanatory Notes Statement of Income and Expenditure [3/3]

Expenditure	2022	2022
Housing costs		
Rent and utilities - Amsterdam & Belgrade office	89,492	63,052
Rent and utilities - field offices	-	-
	89,492	63,052

Note:

Starting 2021 field offices rent costs and utilities are directly booked under projects (therefore included in the HE or PSD project costs).

Office and general costs

Amsterdam, Belgrade, Pristina - Main		
Office supplies, telecommunication & postage, other office costs	3,413	3,663
IT infrastructure services - maintenance	49,337	59,496
Development of Finance Software	32,345	113,137
Organisational fees and memberships	27,238	16,857
Administration and auditing	58,588	74,232
Tax & legal advice	6,679	464
Quality assurance	6,821	2,111
Insurances	-	19,814
Representation	-	-
Contingencies Main	24,423	16,556
MASP Implementation	75,812	46,284

Field offices / projects - Middle East, North Africa, Sub Sahara

Office supplies, telecommunication & postage, other office costs	-	-
IT infrastructure services - maintenance	-	-
Organisational fees and memberships	-	-
Administration and auditing	-	-
Tax & legal advice	-	-
Insurances	-	-
Representation	-	-

Expenditure	2022	2022
Other general expenditures (car costs)		
Contingencies	60,375	216,174
MASP Implementation	-	-
	345,031	568,788

Note:

Starting 2021 all field offices' general costs are booked directly under projects, therefore no costs booked under this section, except under Contingency.

Depreciation

Amsterdam		
Depreciation fixed assets	4,782	8,449
Field offices / projects		
Depreciation fixed assets	5,963	10,912
	10,745	19,361

Total expenditures	17,090,916	18,401,811
Balance before financial income/expense	(42,689)	54,248
Balance of financial income and expenditure	275,529	(15,780)

Note:

The balance of financial income, amounting to €275,529, is a result of exchange rate differences.

Exceptional losses

Unrecoverable VAT Lebanon	(18,604)	-
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Balance of income and expenditure	214,235	38,468
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Remuneration Board of Directors

Amounts in €	Yannick du Pont	Michel Richter	Bilal Amin	Esther Bosgra
Position	CEO	Programme Director	Finance Director	Operations Director
Employment agreement	Permanent	Permanent		Permanent
Hours/week	40	40	40	40
Part time percentage	100	80	100	80
Period	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec

Remuneration

Gross salary	96,575	68,213	81,646	65,788
Holiday allowance	7,751	5,475	6,555	5,366
Fixed end of year allowance	-	-		-
Subtotal year income	104,327	73,688	88,201	71,154
Taxable allowances				
Pension costs (employer's share)	4,370	3,232	4,910	2,192
Total Remuneration 2022	108,697	76,920	93,111	73,345

Comparitive figure 2021	106,506	76,548	42,487	74,265
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Amounts in €	Andre Venema	H.R.C. Huijgens	T.T. Schrofer	Wassim Beaineh	Pieter de Ruiter	Frederik Jan de Vries
Position	Chairman	Former Chair	Member	Member	Member	Member
Period	Jan-Dec	Jan-March	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec

Allowances

Expense allowance	1,500	375	1,500	1,500	1,500	1500
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The Supervisory Board, upon advice of the Remuneration Committee, has determined the remuneration policy, the salaries and the amount of other remuneration components for the Board of Directors. The policy is updated periodically. The last evaluation was in June 2022.

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

The regulations provide a maximum standard for annual income based on weighted criteria. The weighting at SPARK was done by the Remuneration committee. This led to a so-called BSD score of 379 points for the CEO with a maximum annual income excluding other remuneration 2022 114.366 of EUR (40 hours / 12 months) and a BSD score of 348 for the other BoD members with a maximum annual income excluding other remuneration 2022 of EUR 102.538 (40 hours/ 12 months) or EUR 82.030 (32 hours/ 12 months).

The actual annual income, see table above, of the CEO amounted to EUR 108.697, lower than the applicable ceiling of EUR 114.366 of the applicable score. The annual incomes of the other Directors (80% FTE) amounted to EUR 73.345 - 93,111, also lower the applicable ceiling of EUR 102,538 and 82,030. Taking into account the absence of any other remuneration components, the Supervisory Board views the total remuneration, including the slight deviations for the annual income compared to the BSD scales, as acceptable and fair.

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

Specifications of Income

Income Per Donor	Realisation 2022 €	Realisation 2022 %
Project (cash) grants from donors		
Grant ABIN - NLMFA	58,085	0%
Grant LEAD2 - NLMFA	2,136,307	12%
Grant JaP - NLMFA	1,000,337	6%
Grant NOC - NLMFA	382,713	2%
Grant AKAZI KEZA, NLMFA	1,269,359	7%
Grant Kab-Care - NLMFA	642,625	4%
subtotal NLMFA	5,489,426	31%
NEW Postcode Lottery	166,687	1%
subtotal Postcode Lottery	166,687	1%
Grant MAD IRAQ - EU	1,842,292	11%
Grant MTK 02 - EU	1,846,384	11%
Grant EUDAHIL - EU	769,015	4%
Grant EUMN-ENI EU	1,188,471	7%
Grant Libya Strat Up!	590,626	3%
subtotal EU	6,236,789	36%
Grant ISDB+NUR, Al Nouri	37,890	0%
Grant ISDB+NUR, IsDB	142,964	1%
Grant Al Fakhoora	78,989	0%
Grant CASS	41,297	0%
Grant FSA	561,553	3%
Grant QFFD	2,119,422	12%

Income Per Donor	Realisation 2022 €	Realisation 2022 %
Grant ABFD Arab Fund	-	0%
ISDB Tadamon	385,983	2%
Grant SDC	556,736	3%
Grant Nuffic	5,066	0%
Grant IsDB Tadamon Libya	240,640	1%
Grant IsDB Tadamon SOM	324,517	2%
Grant EIB	14,307	0%
Grant IsDB STEP Leb&Jor	608,263	3%
Grant CLAPS Chemonic	5,596	0%
Grant GGL	410,481	2%
Grant Chemonics-Injaz	39,768	0%
subtotal others	5,573,473	32%
Subtotal of grants raised	17,466,375	100%
Other income (BUR incubators, release underspent proj budget: THSN Global & EU MAD)	179	0%
Write off non-eligible expenses	(7,817)	0%
Other income (COVID NOW subsidy Dutch Government)	15,491	0%
Subtotal of other income	7,852	0
Total Income	17,474,227	100%

• Signatories

Amsterdam, 11 October 2023

Peter de Ruiter - CEO

Peter de Ruiter stepped down from the Supervisory Board and assumed the position of Chief Executive Officer after Yannick du Pont stepped down. In addition, one Supervisory Board member retired. An interim Chief Financial Officer did not join the Board of Directors.

Michel Richter - Director of Programmes

Director, Stichting voor Bewaring van IGNITE Fund (unpaid)

André Veneman - Chair

Corporate Director Sustainability at AkzoNobel (retired)

Wassim Beaineh - General Member

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

Fred de Vries - General Member

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

• Auditor Report

INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board of Stichting SPARK

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of Stichting SPARK based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting SPARK as at 31 December 2022 and of its result for 2022 in accordance with the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the statement of income and expenditure for 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board.



We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

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

The Board is responsible for the preparation of the management report and other information in accordance with the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board.

Description of responsibilities regarding the financial statements

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

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

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

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

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

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

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

Our audit included e.g.:

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

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

Was signed, Amersfoort, 23 October 2023.

WIT Accountants B.V.
Drs. J. Snoei RA

List of Abbreviations

BoD	Board of Directors
CASS	Cassava Agribusiness Seed System
EU	European Union
EU MADAD	European Union Regional Trust Fund in Response to the Syrian crisis
HR	Human Resources
INGO	International Non-Governmental Organisation
IsDB	Islamic Development Bank
ISFD	Islamic Solidarity Fund for Development
J&P	Jobs and Perspectives programme
KR-I	Kurdistan Region of Iraq
LEAD	Local Employment in Africa for Development programme
MENA	Middle East and North Africa
MSME	Micro, Small and Medium Enterprises
M&E	Monitoring and evaluation
NGO	Non-Governmental Organisation
NLMFA	Netherlands Ministry of Foreign Affairs
NoC	Networks of Change programme
QFFD	Qatar Fund for Development
RACI	Responsible, Accountable, Consulted and Informed
RPD	Regional Programme Director
SB	Supervisory Board
SME	Small and Medium Enterprises
SSADP II	South Sudan Agribusiness Development Project II
TVET	Technical and Vocational Education and Training

Contact

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