SPARK
MICROGRANTS

Annual Report | 2022

Letter from Spark's Executive Director

Dear Friends,

While families in capital poor regions bear the brunt of climate change and inflation, they also have the right ideas for how to protect their families and spur equitable economic growth. Spark was founded to expand opportunities for these great ideas to become reality, for families to define their own future through village planning and grants. Over the last year governments who have seen the work first hand have demanded that the approach scale up nation-wide. The Spark team has supported continued growth in Rwanda toward national scale and launched three additional pilots looking towards replication across Malawi, Ghana, and Uganda. Spark partners came together to invest in a bold new strategy to increase reach, contributing $13 million in total in 2022.

Our impact data shows that the FCAP continues to benefit community members in the lowest rung of poverty, and that benefits are shared across genders and ages. In 2022 nearly 400 partner communities engaged in the FCAP and launched 1,669 new local projects that improved meal consumption, increased productive assets by 185%, and increased savings by 400%. Women maintained a strong presence, representing 47% of elected leaders. Female civic engagement increased by 470% and 57% of ideas shared at meetings came from women.

Rethink Priorities published an external assessment of the return on investment of Spark's model, projecting for every dollar invested, $28 of livelihood gains are generated. This outperforms dominant models of aid that only generate 1-3X returns.

Notable new research was published in the last year that showcases village grants and facilitation as a low cost and high impact model for decentralizing foreign aid, and also a model that leads to durable impacts. The impacts last for ten plus years, differentiating from traditional models of prescriptive aid that tend to have impacts fall off after two or three years.

With heightened demand, Spark will grow its reach in 2023 establishing the groundwork for national scale initiatives and partnerships.

Thank you for being together in this work,

Sasha Fisher
Co-Founder and Executive Director

About Spark

Our Vision

A world where everybody lives with dignity and determines their own positive future.

Our Mission

Spark enables communities to design and launch their own social impact projects.

Our Approach

Our innovative Facilitated Collective Action Process (FCAP) pairs a direct village grant with inclusive facilitation to promote equitable solutions to the challenges of poverty. Spark partners with governments and civil society organizations to adapt the FCAP to their context and implement it within local communities. Through regular town-hall style meetings, each village determines their own development priorities, plans and implements solutions, manages grant funds, contributes joint savings, and achieves collective goals.

Why It Works

The FCAP model ensures durable impact by providing communities with training, tools, and systems to administer their projects, as well as a cash injection to launch them. Spark's grants serve as a stepping stone for communities to invest in productive assets that generate sustainable income for years to come, while also improving civic engagement and social cohesion. Even after the FCAP concludes, 80% of villages continue to meet regularly even four years after FCAP completion; 85% of projects are profit-generating, and families see a 48% increase in household assets.

About Spark

Rooted in Community-Driven Development

Village grants and facilitation programs, commonly known as community-driven development (CDD), have long borne the brunt of evaluations and reports claiming that CDD "does not work."

However, emerging literature suggests just the opposite: in decade-plus follow up studies, CDD initiatives have shown to provide a low cost, high impact model for decentralized development, increased local civic engagement, and sustainable service delivery.

In Burde et al (2023)[1] researchers found that "a model of service administration [like CDD] that is rooted in mechanisms of bottom-up accountability can perform in a setting in which top-down, centralized approaches have previously failed." The authors note that CDD investments ensure that initiatives do not disappear after partner organizations depart, making them sustainable in the long-term.

Another paper[2] argues that community-driven initiatives yield efficient delivery of infrastructural projects and an institutional network that is durable and adaptable. In a similar vein, an 11-year follow up of the GoBifo project in Sierra Leone[3] found significantly

higher sustainability of infrastructure projects that were completed through CDD compared to more expensive, bilateral-funded projects. Small positive effects were also observed in domains related to institution-building, i.e. collective action, trust, groups and networks. It is exciting to see a unified CDD sector forming and galvanizing around a clearer understanding of what does and does not constitute true CDD, and a growing body of evidence supporting the outcomes that high quality program models are delivering.

[1] Burde et al (2023). Can Communities Take Charte? A randomized controlled trial on sustaining schools in Afghanistan.
[2] Samii (2023). Revisiting community-driven reconstruction in fragile states.
[3] Casey et al (2021). Long Run Effects of Aid: Forecasts and evidence from Sierra Leone.
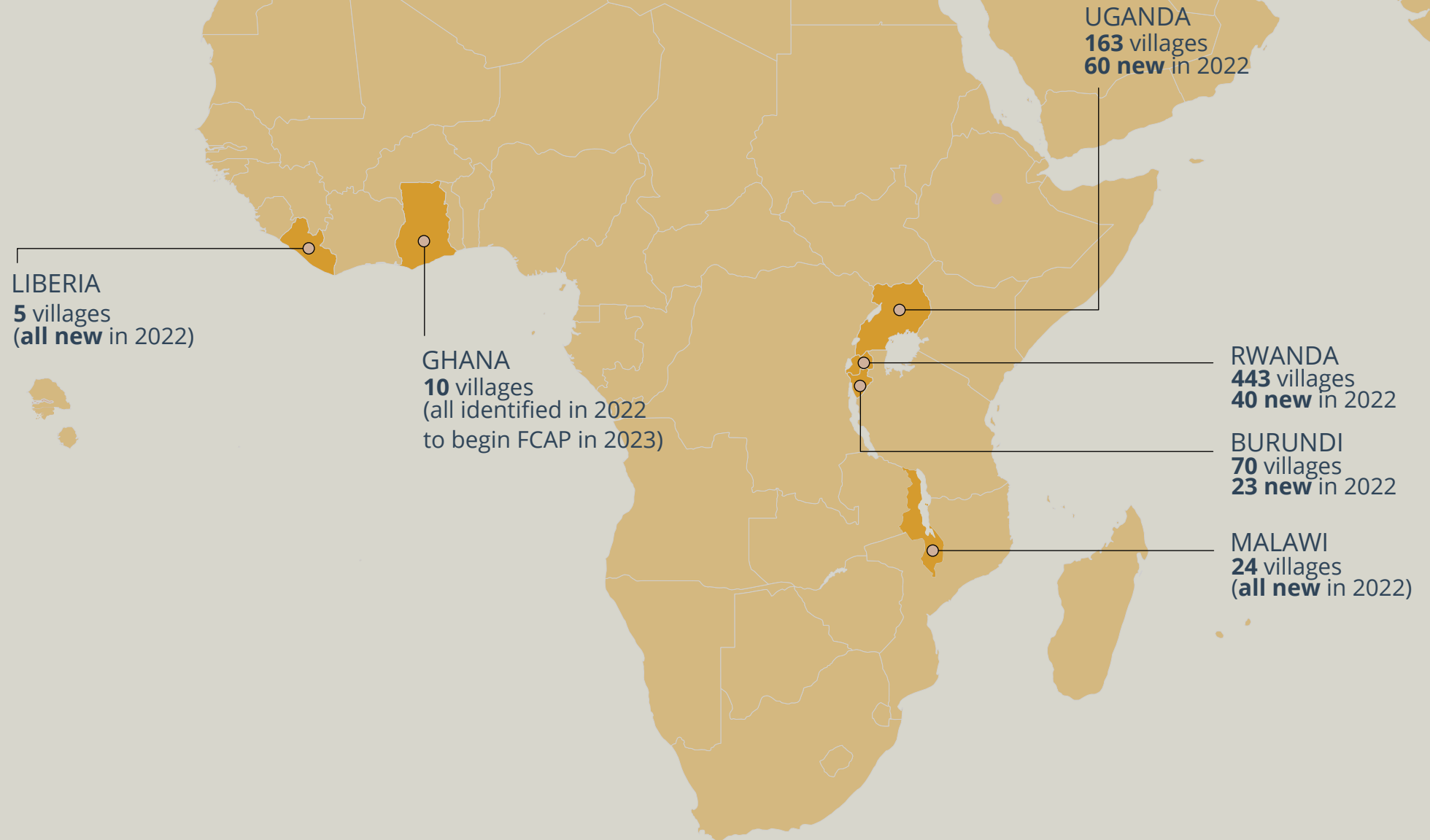
2022 at a Glance

In 2022, Spark partnered with 395 FCAP communities across Rwanda, Uganda, Malawi, Liberia, Burundi, and Ghana. Within this cohort, we saw:

$1.53M disbursed in direct village grants	**51,881** families served	**319,737** individuals served
1,669 new projects launched	**1,679** women elected as community leaders	**7** implementing partners (government and civil society organizations)
$13.8M funds raised	**$28*** ROI per $ invested	**64%** increase in civic engagement
82% or more of FCAP families contributing savings	**61%** participation among women in the community	**50%** of locally elected FCAP leadership are women

*For communities that invest in livestock; Livelihood interventions: overview, evaluation, and cost-effectiveness (Rethink Priorities, 2023)

Where We Work

UGANDA
163 villages
60 new in 2022

LIBERIA
5 villages
(**all new** in 2022)

GHANA
10 villages
(all identified in 2022
to begin FCAP in 2023)

RWANDA
443 villages
40 new in 2022

BURUNDI
70 villages
23 new in 2022

MALAWI
24 villages
(**all new** in 2022)

*Figures shown for years 2010-2022 inclusive

Spark in Action

The Facilitated Collective Action Process

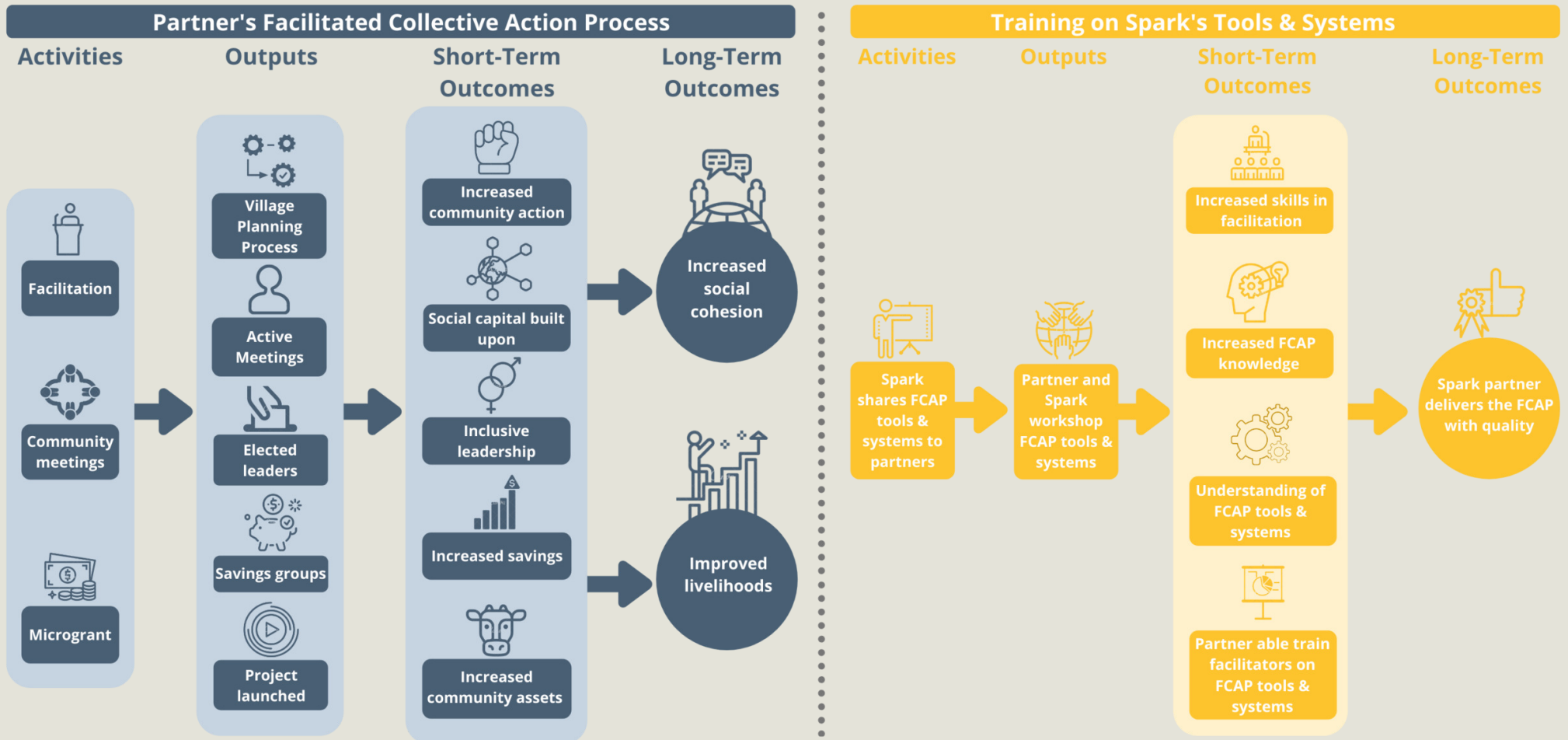Spark accelerates equitable economic growth by putting community members in the driver's seat.

Spark collaborates with communities, governments, and local organizations to facilitate sustained collective action in villages experiencing poverty. Our approach is grounded in Community Driven Development, which provides communities with the necessary resources and skills to design and execute a development project of their choice.

Spark's Facilitated Collective Action Process (FCAP) uses weekly meetings and training sessions to guide communities through organizing, conceptualizing, and implementing their project. Each community receives a microgrant to fund their project, and collectively manages the funds in a shared bank account while tracking against a shared work plan, leading to engaged citizens working towards shared prosperity.

The FCAP consists of six steps usually conducted over two years: community building, goal setting, proposal development, technical advisors, implementation, and future envisioning. Participants elect two community based facilitators (CBFs; one female, one male) from their own neighborhoods to guide them through the FCAP phases. Anchored in democratic principles of participation, transparency, and accountability, communities drive short and long-term social and economic change as depicted in our theory of change on the following page.

Theory of Change

Partner's Facilitated Collective Action Process

Activities	Outputs	Short-Term Outcomes	Long-Term Outcomes
Facilitation	Village Planning Process	Increased community action	Increased social cohesion
Community meetings	Active Meetings	Social capital built upon	
Microgrant	Elected leaders	Inclusive leadership	
	Savings groups	Increased savings	Improved livelihoods
	Project launched	Increased community assets	

Training on Spark's Tools & Systems

Activities	Outputs	Short-Term Outcomes	Long-Term Outcomes
Spark shares FCAP tools & systems to partners	Partner and Spark workshop FCAP tools & systems	Increased skills in facilitation	Spark partner delivers the FCAP with quality
		Increased FCAP knowledge	
		Understanding of FCAP tools & systems	
		Partner able train facilitators on FCAP tools & systems	

Impact of the FCAP

Durable Livelihoods

- 48% increase in household assets
- 44% increase families doubling their daily meals
- 52% increase in contributions to village projects
- 2x project multiplier

Gender Equity and Inclusion

- 71% of elected female leadership are first-time leaders
- 7x increase female civic engagement
- 56% of ideas come from women
- 50% of leaders are democratically elected women
- 100% of villages have youth in leadership

Social Cohesion

Three years after starting the FCAP:

- 81% of households contribute to communal projects being implemented in their villages (up from 29% at baseline)
- 71% of community members are confident to engage government on issues affecting them (up from 54% at baseline)
- 94% of community members report receiving regular updates on the community bank account from FCAP leaders (up from 89% in FCAP Year 1)
- 87% of community members agree that their leaders take on their ideas discussed in community meetings (up from

Rwanda highlights

The Advancing Citizen Engagement (ACE) project is Spark's largest-scale rollout to date. ACE represents a collaboration between Spark, the World Bank, the central government and district teams in Huye, Burera, Gakenke, and Gicumbi. In 2022, Spark supported training for 27 of the government's Social and Economic Development Officers (SEDOs) and 439 CBFs across the ACE project's 249 villages. During its two semiannual visits to monitor ACE implementation progress and compliance, the World Bank provided positive feedback and invited the Ministry of Disaster Management and UNHCR to join in learning about Spark's work.

In Rwanda, the FCAP is known locally as Inzira y'Iterambere, meaning "The Path of Progress." Community members expressed that most of the benefits of the FCAP this year have come from the skills and knowledge they acquired from the business planning content, as well as an increased ability to resolve issues and arrive at a group consensus.

Throughout the course of the year, Spark disbursed a total of $1,157,218 in microgrants to Rwanda.

"Village dynamics have changed as a result of Spark's FCAP… It was the first time we saw people meeting on a weekly basis discussing how to improve their livelihoods. Having decision-making power is one of the best benefits from FCAP, as it allows them to make their own decisions without impositions from local government officials."

- SEDO from Kaganda Cell in Kinyababa sector

Uganda highlights

Spark's key partnerships in Uganda were both initiated in 2021 and strengthened in 2022. We work with the Center for Developing Communities (CDC) in the West Nile region- an area that borders South Sudan and the Democratic Republic of the Congo, and hosts significant refugee populations. In 2022, West Nile communities piloted a trauma-informed FCAP with positive results and with learnings for further customizing the FCAP in the future. Throughout the year more than 2,400 individuals across 492 households and 20 communities implemented development projects through the FCAP.

In Bulambuli district, Spark partners directly with the local government to deliver the FCAP across 55 communities. Bulambuli district has contributed funds to its communities' grants and training processes, demonstrating their buy-in. As Uganda transitions to its new Parish Development Model of localized planning and resourcing, the FCAP acts as an effective case study for the benefits of inclusive decentralization.

"Community members in Bulambuli have stated that FCAP has changed their lives. They have more financial literacy and spend more time on productive and successful endeavors, which has created new job opportunities, like in the motorcycle and milk businesses. We have also seen women take a more active role in organizing and leading their families and community efforts."

- Representative from the Bulambuli Local Government

Throughout 2022, Ugandan communities designed and implemented 60 new projects, including 45 in Bulambuli and 15 in West Nile. Spark disbursed a total of $211,316 in microgrants for these projects and will disburse additional funds in 2023.

Malawi highlights

Spark began working in Malawi in July 2022 with two new partner organizations: Foundation for Community and Capacity Development (FOCCAD) and Shaping our Future Foundation (SOFF). As the partnerships kicked off, a delegation of Malawi senior government officials visited Spark communities in Rwanda to learn about the FCAP and see it in action. In September, we launched a nine-month pilot program in 24 communities in Lilongwe and Nkhotakota which completed the Introduction and Community Planning phases of the FCAP by the year's end. Following their launch, communities steadily improved their performance against program quality indicators, progressing from 47% in October to 78% by November, and 94% by December (against a target of 80%). As of December, meeting participation was at 90% in Lilongwe and 76% in Nkhotakota.

Communities in Malawi have chosen the local name Titukulane for the FCAP, which translates to "Empower Each Other."

"The FCAP model has gained ownership among communities, more than any other project we have implemented previously. Initially we had assumptions of poor patronage as the concept of working with a whole village in Malawi is relatively new, and... could have been difficult for communities to commit to. However, communities have embraced and owned the FCAP... indicating that it has helped them to promote unity, collaborative community development, inclusiveness and equality. Additionally the FCAP model has given a life-time privilege for adult learning, which could not have been attained by most people in rural areas."

- Representative from SOFF, a Spark partner

Villages will receive their first microgrant and begin project implementation in early 2023. Spark is continuing fruitful discussions with the Ministries of Local Government, Agriculture, and Gender around how the FCAP can support Malawi's poverty alleviation goals in integration with existing government structures. Other 2023 plans include designing a rigorous evaluation to inform key FCAP parameters for scale-up within Malawi and across other countries on the continent.

Burundi highlights

In 2022, Spark supported 23 new community partnerships in Burundi with our partner FVS-Amade, bringing the total number of active FCAP communities to 44. With support from their elected community-based facilitators, these groups in Makamba and Bururi provinces have increased their program quality measures from 54% to over 80%.

As in Rwanda, the FCAP in Burundi is known as Inzira y'Iterambere or "Pathway to Progress."

"The dynamism has been noticeably raised. Even savings groups that had become passive rose up and became increasingly active. The communities have massively integrated the savings groups around the FCAP communities."

- Eduard Niyungeko, Representative of partner organization FVS-Amade

Throughout the course of the year, Spark disbursed a total of $96,000 in microgrants to communities in Burundi.

Liberia highlights

Spark's partnership with Village Development Fund (VDF) is supporting five FCAP communities in Liberia. In October of 2022, Spark and VDF team members visited communities to more deeply understand their dynamics, challenges, and to explore opportunities to improve program quality and government engagement. Refresher trainings in grant disbursement practices, data management, and the CommCare data collection platform resulted in more complete and higher quality data across all five communities. Throughout the year, Spark disbursed $24,000 to Liberian FCAP communities' projects.

Ghana highlights

In 2022 Spark received funding to scale up support in Ghana and worked with our partner, Advocates for Community Alternatives (ACA), to adapt the FCAP for this context. Now known locally as Oman Yiedie, ("well being of the community"), the FCAP will be rolled out in 100 Ghanaian communities over the next three years. Spark and ACA are working together toward increased government engagement and buy-in, with early success demonstrated in District Assemblies' willingness to allocate up to 40% of microgrant costs through their official budgeting processes. Ten communities were identified to begin the FCAP in early 2023.

Among the 12 communities where ACA has previously piloted FCAP implementation in Ghana, results include:
- a fully operational clinic with antenatal care unit, staff, and supplies
- a soap production complex and profit-generating enterprise
- teachers' lodging near local schools, supporting higher pupil enrollment rates

"FCAP has been phenomenal in 2022 and the local government is amazed with the process and results, which is why the government signed an MoU with ACA to expand the process in their entire districts in their quest to deepen community-driven development."
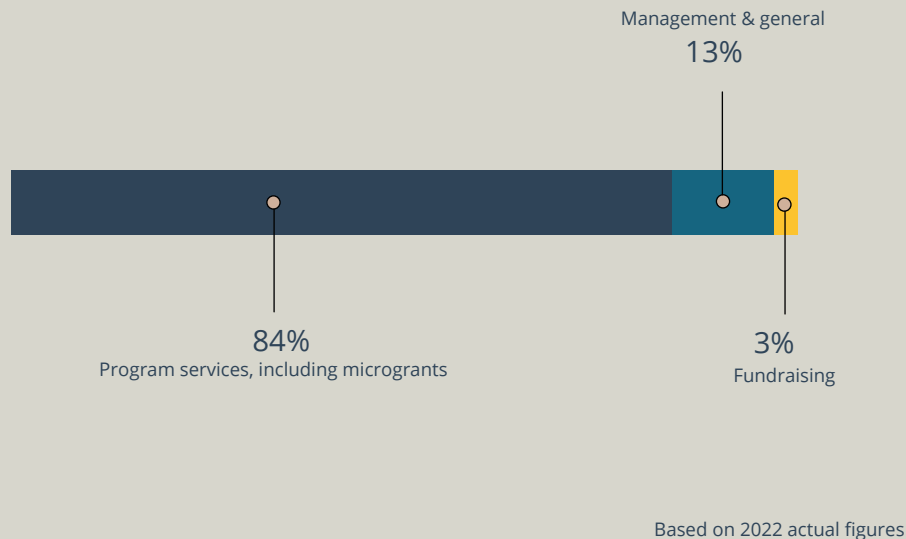
- Representative from ACA

Financial Information

Total Revenue

Spark raised $13.8 million through foundations, institutions, and individuals in 2022. Thank you to all of our generous supporters and philanthropic partners.

Allocation of Expenses

Management & general
13%

84%
Program services, including microgrants

3%
Fundraising

Based on 2022 actual figures

Board Members

Angela Rugambwa
Board Co-Chair, Director of Internal Controls, International Rescue Comittee

Stacey Faella
Board Co-Chair, Executive Director, Woodcock Foundation

Sam Bonsey
Founder & Executive Director, The ImPact

Jonathan Jackson
CEO & Co-Foundation, Dimagi

Amol Jain
Investor

Kara Weiss
Vice Chair and Head of Programs, CRI Foundation

Sasha Fisher
Co-Founder & Executive Director, Spark Microgrants