



Fellowship Report

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Smart Budgeting: Good Financial Management Practices for Stronger Project Proposals in the Western Balkans

Across the Western Balkans, institutions from universities to research centres and NGOs are increasingly seeking funding from international donors such as the EU, World Bank, Erasmus+, and various bilateral partners. A common thread among successful proposals is not just strong ideas—but strong, transparent, and well-aligned budgets.

While project content often takes the spotlight, the budget is the backbone of any proposal. It tells donors whether your project is feasible, well thought out, and aligned with their priorities. Here are key financial management and budgeting practices that institutions in the region can adopt to increase their chances of success:

1. Involve finance experts early

Good budgeting starts at the ideation stage. Too often, proposal writers draft technical sections first and leave the budget for last. A better approach is to include finance or grants officers from the beginning, so that costs are realistic, rules are followed, and financial risks are minimised.

2. Understand and align with donor requirements

Each donor has its own budgeting format, cost eligibility rules, and thresholds. Failing to follow them can lead to rejection—even if the idea is excellent. Institutions should:

- Maintain a library of donor budgeting templates and guidelines.
- Assign trained staff to track changes in donor rules.
- Organise internal trainings to ensure consistent understanding of requirements.

3. Use standardised, transparent tools

Institutions that succeed consistently use:

- Clear budgeting templates that are easy to review and adapt.
- Accounting software or spreadsheets that track expenses per donor line.

*Kosovo This designation is without prejudice to positions on status and is in line with UNSCR 1244 and the ICJ opinion on the Kosovo declaration of independence.



- Realistic cost estimations with justifications for all budget lines.

Transparency is not just about good governance—it builds donor trust and makes audits easier.

4. Plan for flexibility and sustainability

Strong budgets do not just match current project needs they anticipate change. This includes:

- Adding contingency lines where allowed.
- Estimating exchange rate fluctuations and inflation.
- Considering long-term sustainability, such as what happens when donor funding ends.

Scenario planning—creating basic, optimal, and extended budget versions—can help teams prepare for different funding outcomes.

5. Train continuously and collaborate internally

Budgeting is a skill that improves with training and practice. To improve future chances institutions should:

- Host regular workshops on budget preparation and financial reporting;
- Create multidisciplinary proposal teams that include project managers, financial staff, and technical experts;
- Encourage a culture of internal peer review, which can catch issues early;
- Set up systems for real-time financial monitoring;
- Submit accurate, timely financial reports to donors;
- Conduct internal audits and share lessons learned across teams.

Conclusion: Budgeting is strategic

In the competitive world of international funding, a strong budget is a strategic tool. It shows that your institution can manage resources responsibly, deliver impact efficiently, and partner effectively. For institutions in the Western Balkans aiming to scale their research, innovation, and development efforts, investing in better budgeting practices is no longer optional—it's essential.