



Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada - Government

No. 09/11
Date: 20.04.2026

Pursuant to Article 92, paragraph 4, and Article 93, paragraph 4, of the Constitution of the Republic of Kosovo, Article 8 of Law No. 08/L-117 on the Government of the Republic of Kosovo, in accordance with Article 78 of Regulation No. 17/2024 of the Rules of Procedure of the Government of the Republic of Kosovo, the Government of the Republic of Kosovo, in the meeting held on 20 April 2026, makes this:

D E C I S I O N

1. The Draft Law on Innovation and Entrepreneurship is hereby approved.
2. The Draft Law referred to in paragraph 1 of this Decision shall be submitted to the Assembly of the Republic of Kosovo for review and approval.
3. The Decision shall enter into force on the day of publication in the Official Gazette of the Republic of Kosovo.

Albin KURTI

[signed]

Prime Minister of the Republic of Kosovo

To be sent to:

- Deputy Prime Ministers
- All ministries (ministers)
- Secretary General of OPM
- Government Archives

3.1.2 Support the creation and scaling up of start-ups and MSME's specialised in ICT and green and circular economy, as well as the uptake of green technologies, through the Innovation Fund and business incubators

Summary of checks performed by relevant authorities on the steps for which funding is requested, including weaknesses identified and any corrective actions taken

In accordance with the national legal framework on public internal control, financial management and internal audit, the RGF Regulation and the applicable Commission Implementing Decision, the competent authorities conducted a comprehensive verification process for this reform step.

This included the systematic collection and review of relevant evidence by the Ministry of Industry, Entrepreneurship, Trade and Innovation (MIETI), with internal audit units exercising their functions in accordance with their mandate. The checks and verifications were performed through the relevant layers of the control system, including the units responsible for implementation of this reform step, the Reform Agenda coordination unit in MIETI, and the Secretary General of the Ministry.

The Reform Agenda coordination structures within the Office of the Prime Minister carried out additional checks and verifications to ensure the completeness and accuracy of the reported information and supporting evidence.

The step under review	National Innovation Council and Innovation Fund established and fully operational
Baseline	Innovation Fund and National Innovation Council not established
Deadline of the step	June 2025
Actual results	The progress to date is summarised below. The Draft Law on Innovation and Entrepreneurship was approved by the Government on 20 April 2026. Pursuant to Article 7 of the Draft Law, the Innovation Fund shall be established within the Agency for Innovation and Support to Enterprises in Kosovo (AISEK), the successor of KIESA. The Innovation Fund will serve as a mechanism for implementing support programmes for innovation and entrepreneurship, as well as for promoting and encouraging innovation among individuals, business organisations and other entities engaged in innovative activities. The National Innovation and Entrepreneurship Council (NEIC), as provided for in Article 16 of the Draft Law, shall be established upon the proposal of the Ministry. The NEIC will act as a decision-making body composed of representatives of relevant ministries, business associations, chambers of commerce, business angels, venture capitalists, innovation entities and educational institutions. Due to delays in the establishment of the NEIC and the Innovation Fund, resulting from delays in the adoption of the Law on Innovation and Entrepreneurship, KIESA has taken the lead in implementing support programmes and managing funding operations to support the creation and scaling-up of start-ups and MSMEs in strategic sectors. An Innovation Grant Scheme was co-financed by KIESA and LuxDev. The scheme supports innovative MSMEs and start-ups developing new or improved products, services or processes, with a focus on ICT and circular economy impacts. It funded 49 beneficiaries, with a total budget of EUR 1.9 million.

	The Digital Empowerment Initiative was implemented as a co-financed project with the Austrian Development Agency, aimed at supporting the integration of digitalisation and automation in enterprises. The initiative supported 62 enterprises in 2024, with further support planned for 2025. A new ICT Innovation Grant Scheme will be introduced, targeting at least 40 ICT companies to enhance their products and increase exports. The public call is expected to be launched by the end of June 2026. The scheme aims to support MSMEs and start-ups whose projects seek to develop innovative ideas for new or improved products, services and processes, or combinations thereof, in the field of information and communication technology. The scheme is co-financed by the Ministry of Industry, Entrepreneurship, Trade and Innovation (MIETI) and the Luxembourg Development Cooperation Agency (LuxDev), and implemented through KIESA and the KSV/023 Project “Sustainable and Inclusive Growth”. The total budget allocated to the scheme amounts to EUR 1,160,000, of which EUR 600,000 is financed from MIETI’s subsidies and transfers budget category, while EUR 560,000 is financed by LuxDev. Implementation of the scheme is expected to be completed by December 2026. A public call is launched for the Business Incubator Support Grant Scheme in the first week of July 2026. The scheme will support business incubators in the manufacturing and services sectors that provide mentoring, incubation and business development services to start-up enterprises and potential spin-off entrepreneurs. The total budget allocated to the scheme amounts to EUR 400,000. Due to delays in the parliamentary adoption of the Draft Law on Innovation and Entrepreneurship, MIETI explored the legal possibility of establishing the Innovation Fund under the existing legal framework. The assessment concluded that the Fund may be established through other policy instruments, based on the applicable legal framework in Kosovo. In this context, the European Commission was consulted on the possibility of establishing the Innovation Fund through the internal regulation of KIESA, including the arrangements related to the Innovation Council and the Innovation Fund, and whether this would allow the milestone to be considered fulfilled. It was agreed that the reform step can only be considered fully achieved once the Innovation Fund is established and operational. This requires the following elements to be in place: • a dedicated budget; • recruited staff; and • adopted rules of procedure. Through this proposal, it was argued that Kosovo already has a sufficient legal and institutional framework for the development of innovation and entrepreneurship policies, notwithstanding the absence of a dedicated Law on Innovation and Entrepreneurship. The existing framework enables the implementation of innovation-related measures and supports the operationalisation of the Innovation Fund within the current institutional structure. However, the internal regulation could not be adopted by June 2026. Consequently, the Innovation Fund was not established by the deadline.
Evidence provided	1. Decision on adoption of the Law on Innovation and Entrepreneurship by the Government on 20.04.2026.

	2. The Grant Schemes will be published soon on the following platforms: e-Kosova https://ekosova.rks-gov.net/640 and https://kiesa.rks-gov.net/ 3. Innovation Grant Scheme (2024), https://kiesa.rks-gov.net/page.aspx?id=2,5,864 4. News on signing with beneficiaries from Innovation Grant Scheme, https://kiesa.rks-gov.net/Page.aspx?id=2%2C5%2C899&utm
Checks performed in the verification of the step and related findings	During the verification of this reform step, all relevant evidence was reviewed and summarised in the control checklist, while all supporting documents were properly stored to ensure a complete audit trail. The conducted checks and verifications confirmed that: • all required documents, as specified in Annex 1 of the Reform Agenda, were provided and attached to this report; • the submitted evidence is consistent with the description and requirements of the reform step set out in the Commission Implementing Decision; • the submitted documentation confirms the fulfilment of the reform step; • the submitted documentation confirms the period in which the reform step was fulfilled. Based on the checks and verifications conducted, the evidence provided confirms the progress of the reform step and the relevant implementation period. No related findings were identified.
Compliance with general principles and DNSH principle	The implementation of this step does not contravene/contravenes the general principles outlined in Article 4 and 11(4) of Regulation (EU) 2024/1449 and Article 3 of the Facility Agreement. The implementation of this step does not contravene/contravenes the ‘Do No Significant Harm’ principle (DNSH).
Double funding	No direct third-party contributions have been identified in relation to this reform. The Fund was not established. Accordingly, in our assessment, the completion of this reform complies with the RGF guidelines on double funding.
Clear conclusion on the achievement of the step	This reform step has not been fulfilled by June 2026.