EUROPEAN
COMMISSION

Brussels, 4.11.2026
SWD(2026) 692 final

COMMISSION STAFF WORKING DOCUMENT

Kosovo* 2026 Report

Accompanying the document

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

2026 Communication on EU enlargement policy

{COM(2026) 690 final} - {SWD(2026) 690 final} - {SWD(2026) 691 final} - {SWD(2026) 693 final} - {SWD(2026) 694 final} - {SWD(2026) 695 final} - {SWD(2026) 696 final} - {SWD(2026) 697 final} - {SWD(2026) 698 final} - {SWD(2026) 699 final} - {SWD(2026) 700 final}

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

Table of Contents

1. Introduction 4
1.1. Context 4
1.2. Main findings of the report 4
2. The fundamentals of the accession process 21
2.1. Functioning of democratic institutions and public administration reform 21
2.1.1. Democracy 21
2.1.2. Public administration reform 24
2.2. Rule of law and fundamental rights 27
2.2.1. Chapter 23: Judiciary and fundamental rights 27
2.2.2. Chapter 24: Justice, freedom and security 46
2.3. Economic development and competitiveness 58
2.3.1. The existence of a functioning market economy 58
2.3.2. The capacity to cope with competitive pressure and market forces in the EU 63
Public procurement, statistics, financial control 66
Chapter 5 – Public procurement 66
Chapter 18 – Statistics 67
Chapter 32 – Financial control 68
3. Good neighbourly relations and regional cooperation 70
4. Normalisation of relations between Kosovo and Serbia 71
5. Resilience, security and defence 74
6. European standards 75
Cluster 2: Internal market 75
Chapter 1 – Free movement of goods 75
Chapter 2 – Freedom of movement for workers 76
Chapter 3 – Right of establishment and freedom to provide services 77
Chapter 4 – Free movement of capital 77
Chapter 6 – Company law 78
Chapter 7 – Intellectual property law 79
Chapter 8 – Competition policy 80
Chapter 9 – Financial services 81
Chapter 28 – Consumer and health protection 82
Cluster 3: Competitiveness and inclusive growth 83
Chapter 10 – Digital transformation and media 83
Chapter 16 – Taxation 84

Chapter 17 – Economic and monetary policy 85
Chapter 19 – Social policy and employment 85
Chapter 20 – Enterprise and industrial policy 88
Chapter 25 – Science and research 88
Chapter 26 – Education and culture 89
Chapter 29 – Customs union 91
Cluster 4: The Green agenda and sustainable growth 92
Chapter 14 – Transport 93
Chapter 15 – Energy 94
Chapter 21 – Trans-European networks 95
Chapter 27 – Environment and climate change 96
Cluster 5: Resources, agriculture and cohesion 98
Chapter 11 – Agriculture and rural development 98
Chapter 12 – Food safety, veterinary and phytosanitary policy 98
Chapter 13 – Fisheries and aquaculture 99
Chapter 22 – Regional policy and coordination of structural instruments 100
Chapter 30 – External relations 101
Chapter 31 – Foreign, security, and defence policy 102
Annex I – Relations between the EU and Kosovo 104
Annex II – Statistical data 106

1. INTRODUCTION[1]

1.1. CONTEXT

2026 marks 10 years since the EU-Kosovo Stabilisation and Association Agreement came into force in April 2016. Kosovo formally applied for EU membership in December 2022. The Kosovo authorities have continued to declare EU integration as Kosovo's strategic choice. That commitment has high and steady support from the population and broad support across the entire political spectrum.

Political fragmentation continued throughout the reporting period, amounting to two sets of early parliamentary elections and the failure to elect a President. While the Assembly was established and functional between early February and April 2026, the government has been in a caretaker status for most of the reporting period. A political agreement has finally been reached on 6 October leading to the election of a new President together with amendments to the Law on the Kosovo Specialist Chambers and Specialist Prosecutor's Office.

The EU-facilitated Dialogue on normalisation of relations between Kosovo and Serbia continued during the reporting period. Domestic political preoccupations on both sides hindered decisive steps towards implementing the 2023 Ohrid Agreement on the path to normalisation and its implementation annex. Constructive engagement in the normalisation process is also a requirement under the Reform and Growth Facility for the Western Balkans. An EU-facilitated agreement on the Law on foreigners allowing foreign workers and students in the Serbia-supported health and education services to apply for work and residence permits was agreed on 14 March 2026 within the short window between two elections.

After the smooth and orderly transfer of local governance in northern Kosovo following the 2025 local elections, the Commission lifted the measures vis-à-vis Kosovo that had been in place since May 2023. Accordingly, the delivery of financial assistance and the meetings of stabilisation and association bodies resumed.

This year's report introduces Chapter 31 (on foreign, security and defence policy) in order to report on Kosovo's convergence and its alignment with the common foreign and security policy under the EU-Kosovo Stabilisation and Association Agreement.

Kosovo continued to engage in and started to deliver on the implementation of the Growth Plan for the Western Balkans.

1.2. MAIN FINDINGS OF THE REPORT

THE FUNDAMENTALS OF THE ACCESSION PROCESS

Democracy

The framework for **elections** is broadly aligned with international standards.

Kosovo held municipal elections on 12 October 2025 and early parliamentary elections on 28 December 2025 and on 7 June 2026. Voter turnout in the December 2025 elections was

[1] This report covers the period from 1 September 2025 to 1 September 2026. It is based on input from a variety of sources, including contributions from the government of Kosovo, EU Member States, European Parliament reports and information from various international and non-governmental organisations. It also includes the results of comparative assessments and indices produced by other stakeholders, in particular on the rule of law.

The report uses the following assessment scale to describe the state of play: early stage, some level of preparation, moderately prepared, good level of preparation and well advanced. To describe progress made during the reporting period, it uses the following scale: backsliding, no progress, limited progress, some progress, good progress and very good progress. Where appropriate, interim steps have also been used.

moderate at 45%, but declined to 37% in June 2026, suggesting a growing voter fatigue and a degree of public dissatisfaction with the frequency of electoral cycles. Overall, the elections were peaceful, competitive and well managed.

Attempts to politicise the work of the Central Election Commission were observed, though the Election Complaints and Appeals Panel and the Supreme Court effectively handled complaints. While the electoral campaign was competitive, there were instances of regulatory gaps in pre-campaign activities, misuse of public resources, digital campaigning and campaign finance. The Independent Media Commission struggled with oversight, and electoral disinformation was inadequately addressed.

The **Assembly** can exercise its powers, albeit with significant shortcomings, including repeated use of fast-track procedures, prolonged paralysis and suspension of activity. While women representation in the Assembly at 34.2% exceeded the quota of 30% set by the law and women held key positions including Assembly Speaker, sustained efforts are needed to broaden participation. Non-majority communities remain well-represented through constitutional guarantees, though their participation is eclipsed by ongoing polarisation among the main ruling and opposition parties. Oversight of the executive was strongly limited due to the political crisis, with weak checks and balances and misused governance mechanisms.

The institutions in charge of the **EU integration process** have been restructured. A chief negotiator / national coordinator for the Reform and Growth Facility was appointed, and a high-level executive commission was established to coordinate the EU accession process. Stabilisation and Association Agreement bodies continued to meet, and agreements relating to the Reform and Growth Facility were ratified in February 2026. However, progress remains uneven due to instability and political gridlock. Inclusive dialogue with the civil society and non-majority communities remains essential.

As regards **governance**, the caretaker government operated with limited powers during the Assembly hiatus, briefly resuming full functions only in February 2026 and then again beyond the reporting period in September 2026. Challenges in relations between central institutions and municipalities persist. Coordination remains reactive, with municipalities facing delays and capacity issues. Despite de-escalation and progress brought by peaceful and inclusive local elections and the election of Kosovo Serb mayors in northern municipalities, those municipalities continue to be hampered in exercising municipal powers.

Civil society organisations (CSOs), including human rights defenders, operate in an overall enabling environment, but face politicisation and polarisation, especially during elections. They are consulted inconsistently and late, with limited incorporation of their input. The new 'Strategy for cooperation with CSOs' should be approved to ensure funding predictability among other things and address financial sustainability challenges.

Public administration reform

Kosovo has **some level of preparation** in public administration reform. **Some progress** was made during the reporting period, including through the launch of centralised recruitments, publishing a first-time annual report on public-service human resource management, the further expansion of digital services, and strengthening administrative justice.

However, there are still considerable gaps in the implementation of the strategic and legal framework. There are extensive delays in the adoption of internal organisations of public administration bodies and the finalisation of job classifications and systematisation, which remain key for modernising Kosovo's administration.

The Commission's recommendations from last year were partially implemented. In the coming year, Kosovo should, in particular:

→ improve the stability, transparency and professionalisation of the civil service by amending the Law on Public Officials in full alignment with EU recommendations and accelerate the process of rationalisation of independent agencies;

→ speed up the civil service modernisation by (i) finalising the adoption of internal organisations of state administration bodies, and completing the job classification and systematisation of the civil service, and (ii) decreasing the number of acting positions and further implement measures towards gender equality;

→ further improve the public financial management legislative framework to strengthen internal control, budgetary discipline and compliance, incorporate fiscal risk analysis in strategic planning and budgeting, and promote sound public investment management.

Chapter 23: Judiciary and fundamental rights

Kosovo is **between an early stage of preparation and having some level of preparation** to apply the EU *acquis* and European standards on the judiciary and fundamental rights and made **limited progress**.

Functioning of the judiciary

Kosovo is **between an early stage of preparation and having some level of preparation** and overall made **no progress** on the functioning of the judiciary. Undue influence from internal and different external elements, such as political and economic interests, not only remains a significant obstacle to independence and impartiality, but in some respects has intensified. The package of draft laws on the justice system has not yet been adopted, which is preventing much-needed reforms in the area. This has negatively affected efforts to strengthen the accountability and efficiency within the judiciary and prosecution. On 6 October 2026, the Assembly adopted amendments to the Law on the Kosovo Specialist Chambers (KSC) and Specialist Prosecutor's Office. On 22 October the Law was returned back to the Assembly by the President for reconsideration. The amendments as proposed raise serious concerns regarding Kosovo's international commitments and the compliance with basic rule of law principles, in particular judicial independence, the protection of victims and witnesses, the continuity of procedural rights, and effective accountability for war crimes. The amendments also raise concerns regarding their constitutionality.

The challenges in ensuring that the amendments to the Law on the KPC are effectively implemented indicate limited perception of accountability and commitment to reform, as well as continued influence of vested interests. There are notably concerns regarding retroactively issued warrants and the application of relevant procedures and safeguards. The Venice Commission's recommendations on the Law on KPC will need to be fully reflected in the future amendments.

Nevertheless, some positive developments were achieved on issues such as the selection of the Chief State Prosecutor and changes to the Kosovo Prosecutorial Council (KPC) membership in line with amended legal framework, despite the challenges.

The insufficient representation of Kosovo Serbs in the judiciary remains a serious concern, as it negatively affects the multi-ethnic character of the justice system and undermines the 2015 Dialogue Agreement on justice.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Kosovo needs, in particular, to:

→ ensure adoption of legislation deriving from the Joint Statement of Commitment in line with the Venice Commission (VC) recommendations, including a renewed consultation

on the revised draft legislation; strengthen the effectiveness of existing mechanisms on integrity, accountability and efficiency within the judiciary and prosecution, with a focus on the implementation and monitoring responsibilities of the KJC and KPC;

→ establish a clear responsibility framework for all management functions in the Councils, Courts, and Prosecution Offices, including transparent monitoring and accountability systems and robust corrective measures to address poor performance;

→ strengthen the accountability and efficiency of judges and prosecutors in handling high-level corruption cases, other high-profile cases, and gender-based violence cases, while upholding procedural discipline and case management rules.

Fight against corruption

Kosovo is **between an early stage of preparation and having some level of preparation** in the fight against corruption and made **limited progress**. Regarding non-high-level corruption cases, final court decisions and convictions significantly increased. However, there was a decline in the number of final court decisions and convictions in high-level corruption cases. Kosovo still does not have a comprehensive strategic framework for tackling corruption, and there is no coherent approach to strengthening anti-corruption efforts.

The Law on the protection of whistle-blowers is in line with the latest EU legislation in this area. The number of whistleblowing reports received by the Agency for the Prevention of Corruption (APC) rose substantially, almost doubling compared to last year, indicating a higher tendency to report corrupt practices. Moreover, the APC demonstrated a proactive approach and satisfactory follow-up when referring cases to other competent law enforcement authorities for further action. It handled the submission and registration of asset declarations successfully but needs to take further efforts to strengthen the effective control and verification of declarations.

Most public institutions submitted integrity plans on time, but they need to be implemented more effectively. At the same time, Kosovo continued conducting risk assessments in sectors particularly exposed to corruption.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Kosovo should:

→ improve prevention and detection of corruption by further enhancing the capacity of the Agency for the Prevention of Corruption in staffing and expertise, and by ensuring public institutions adopt integrity plans and fully implement them, including through adequate reporting mechanisms;

→ ensure enforcement of existing anti-corruption legislation and adopt a national strategy and action plan against corruption for 2026-2028, in line with European best practices and standards;

→ strengthen efforts to improve the quality of investigation in high-level corruption cases; increase the capacity of the Special Investigative Unit of the police and ensure its effective cooperation with the Special Prosecution Office.

Fundamental rights

The legal and institutional framework for promoting, protecting, and enforcing human rights is largely in place, but stronger implementation is needed. Ongoing efforts to align legislation with international human rights standards, including those enshrined in the United Nations Convention on the Rights of Persons with Disabilities, are commendable but require greater momentum. The Assembly also needs to swiftly launch a transparent process for selecting the Ombudsperson and deputies following the establishment of institutions after

the 2026 elections.

Recent enforcement operations in northern Kosovo, including the demolition of private properties without adequate due process, point to shortcomings in the effective protection of property rights: irreversible measures are implemented while court challenges remain pending, raising concerns regarding access to effective legal remedies.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Kosovo should:

→ promptly appoint the Ombudsperson and Deputy Ombudspersons, as well as the Commissioner of the Information and Privacy Agency, through a transparent, merit-based, and expeditious process, as well as ensure the proper implementation of their respective annual reports;

→ strengthen gender mainstreaming of legislation, regulations, and policies; adopt the programme for gender equality and the national action plan for Women, Peace, and Security; strengthen the role and resources of the National Coordinator on Domestic Violence, Violence against Women, and Gender-Based Violence; establish a multiannual funding scheme for shelters; adopt a strategy on the rights of the LGBTIQ+ persons and an anti-racism strategy;

→ strengthen the protection and effective enjoyment of human rights – particularly the rights of persons belonging to non-majority communities, freedom of thought, conscience and religion, the rights of persons with disabilities, children, and victims of crime – as well as procedural rights. Ensure the effective implementation of existing mechanisms for the protection of these rights, and adopt the Law on status recognition, services and benefits for persons with disabilities.

Freedom of expression and media freedom

Kosovo has **some level of preparation** and made **limited progress.** Radio Television of Kosovo (RTK, the public broadcaster) and the Independent Media Commission (IMC) board members were mostly appointed, with four RTK board seats still vacant. New laws on the IMC and RTK remain to be adopted.

The Kosovo Judicial Council prioritised handling of cases involving media and CSOs. While the media landscape remains pluralistic, it continues to face challenges related to transparency in media ownership and financial sustainability. The environment in the Serb-populated areas and especially in the north of Kosovo remains restrictive, fostering self-censorship among the public, media and civil society.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Kosovo should:

→ continue improving the capacity of the prosecutorial, judicial and law-enforcement authorities to handle cases related to violence and threats against journalists and other media workers;

→ develop protocols and training on the protection and safety of journalists, including early-warning and rapid-response mechanisms; launch a structured dialogue with media representatives; improve the working conditions of journalists and media workers, and strengthen professional reporting;

→ adopt a new Law on the Independent Media Commission, fully aligned with the EU *acquis* and European standards; review the Law on the Radio Television of Kosovo to ensure sustainable funding, and provide funding in line with the current law preserving the public broadcaster's independence.

Chapter 24: Justice, freedom and security

Kosovo has **some level of preparation** in the field of justice, freedom and security and made **some progress** in this area, notably through: (i) the adoption of the Law on anti-money laundering and combating the financing of terrorism, (ii) the establishment of the confiscation fund, (iii) the adoption of the Supreme Court guidelines on the adjudication of money laundering cases, (iv) the adoption of the new organisational structure by the Ministry of Internal Affairs; (v) the finalisation of the national risk assessment on money laundering and terrorist financing; and (vi) the continued implementation of activities stemming from the Serious and Organised Crime Threat Assessment.

Kosovo signed the updated Joint Action Plan on counterterrorism for the Western Balkans and submitted the national roadmap for its implementation. Kosovo showed proactiveness in preventing violent extremism and radicalisation by closing down informal mosques and requiring them to comply with legal and administrative criteria. The Special Prosecution Office operationalised several Joint Investigation Teams.

In the field of migration, Kosovo achieved some success in reducing the number of unfounded asylum applications, and the authorities continued awareness-raising efforts regarding the rights and obligations attached to visa-free travel in the EU. The revised contingency plan to manage migration flows, the new comprehensive migration strategy 2026-2030 and the new draft Integrated Border Management strategy however remain pending.

The Commission's recommendations from last year were partially implemented. In the coming year, Kosovo should, in particular:

→ increase the number of final convictions for money laundering; set up a national centre for countering terrorism and violent extremism;

→ adopt the amended Law on foreigners;

→ progressively align its visa policy with the EU list of visa-required third countries; adopt and start to implement the migration strategy 2026-2030, the new IBM strategy, and the contingency plan to manage migration flows.

Fight against serious and organised crime

Kosovo has **some level of preparation** in the fight against organised crime and made **some progress** in this area, notably through the adoption of (i) the Kosovo Police strategic development plan, (ii) the strategy on integrated intelligence-led policing and community policing, (iii) the Kosovo Police human resources strategy, and (iv) through the development of operational capabilities in seizing and managing crypto assets.

The doubling of police intelligence structures at both central and local levels, combined with the introduction of dedicated neighbourhood/sector officers, resulted in increased analytical capacities, improved mapping of organised crime and enhanced capacity to initiate proactive investigations.

International police cooperation improved significantly, especially the use of Europol's Secure Information Exchange Network Application (SIENA). The high number of requests and responses in civil and criminal matters exchanged with EU Member States demonstrate Kosovo's commitment to combating transnational organised crime. Moreover, the track record on final convictions of organised crime cases substantially improved.

The Commission's recommendations from last year were partially implemented. In the coming year, Kosovo should, in particular:

→ continue to strengthen the efficiency of the criminal confiscation regime and increase

the use of confiscation tools by the prosecution and police;

→ adopt the national strategy against organised crime and its action plan in accordance with EU standards; improve the investigation and prosecution of high-profile organised crime cases, including by advancing investigative technological capacities; conduct financial investigations systematically and in parallel to criminal investigations;

→ adopt a new Law on narcotic drugs, psychotropic substances and precursors aligned with the EU *acquis*

ECONOMIC DEVELOPMENT AND COMPETITIVENESS

The existence of a functioning market economy

Kosovo has **some level of preparation** and made **some progress** in developing a functioning market economy. Economic activity slowed down due to a weaker growth in household consumption and a less supportive external environment. Despite robust revenue performance, the headline budget deficit slightly rose in 2025, partly due to large pre-election increases in social spending and public wages, which also weigh on the 2026 budget and hamper efforts to reduce inflationary pressures and contain external imbalances. Although public debt remains low, fiscal challenges persist, stemming from a narrow tax base, inefficiencies in public investment management, poorly targeted social benefits, and governance and weak financial performance of publicly owned enterprises (POEs). The labour market is characterised by low participation and still high unemployment rates, particularly among women and vulnerable groups. The banking sector remains sound but further strengthening of supervision remains important amid robust lending growth. Some progress was made in improving the business environment and reducing the large informal economy, but rule-of-law weaknesses continue to hinder private sector development.

The Commission's recommendations from the previous year were partially implemented. To improve the functioning of the market economy, Kosovo should, in particular:

→ broaden the revenue base by identifying and gradually eliminating tax loopholes and exemptions;

→ improve public spending efficiency by better targeting social benefits and advance the reform of the social assistance scheme, including by completing the pilot phase of testing a new eligibility model and adopting relevant legislation;

→ mitigate fiscal risks by enhancing governance, accountability and financial performance of POEs.

The capacity to cope with competitive pressure and market forces in the EU

Kosovo is **between an early stage of preparation and some level of preparation** and made **limited progress** in terms of its capacity to cope with competitive pressure and market forces in the EU. The education system is not sufficiently aligned with labour market needs. Limited progress was made in improving transport infrastructure and expanding renewable energy sources. The digital transformation of the economy is progressing steadily. Micro and small enterprises account for a very large share of the economy and struggle to compete on international markets. However, trade openness has increased significantly over the last 6 years.

The Commission's recommendations from last year were partially implemented and remain largely valid. To improve competitiveness and foster sustainable long-term growth, Kosovo should, in particular:

→ accelerate reforms to better align the education system with labour market demands, including by adopting the amended legal framework for vocational education and training (VET) and adult learning;

→ establish simplified and transparent procedures for the development and permitting of renewable energy projects;

→ foster private-sector investment and improve mechanisms to attract foreign direct investment (FDI) in strategic sectors, with a focus on high value-added production, services, and innovation.

Chapter 5 – Public procurement

Kosovo is **between having some and a moderate level of preparation** and made **limited progress** in this area. Kosovo continued applying the most economically advanced tender criteria and slightly reduced the use of negotiated procedures without prior publication of a contract notice.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Kosovo should:

→ adopt a new Law on Public Procurement and a new Law on Public-Private Partnerships/Concessions in line with the EU *acquis* and Reform Agenda commitments; develop respective implementing legislation and secure its proper enforcement;

→ ensure that the Procurement Review Body (PRB) is fully operational and functionally independent, with a strengthened capacity to ensure its review process is timely, effective and transparent and less dependent on short-term legal expertise;

→ upgrade the electronic procurement platform in line with the planned Law on public procurement and improve its efficiency.

Chapter 18 – Statistics

Kosovo has **some level of preparation** in the area. **Some progress** was made, including on Government Financial Statistics, improved data transmission to Eurostat and the appointment of National Statistical Council.

The Commission's recommendations from last year were partially implemented. In the coming year, Kosovo should in particular:

→ conclude interinstitutional Memoranda of Understanding to ensure better access to and use of administrative data sources and strengthen interinstitutional cooperation among holders of such data; enhance its capacity to report government finance statistics in line with ESA 2010, while ensuring ongoing monitoring of compliance;

→ intensify preparations for the next agriculture census by ensuring adequate resources and full coverage of the territory;

→ fill vacant positions in the Kosovo Agency of Statistics to strengthen the capacities with a particular emphasis on information technology.

Chapter 32 – Financial control

Kosovo has **some level of preparation** and made **no progress** in the area of financial control.

The Commission's recommendations from last year were not addressed and remain valid. In the coming year, Kosovo should in particular:

→ adopt new legislation on public financial management, strengthening the public internal financial control, on external audit and on protection of the EU financial interests and the

euro, and ensure administrative capacity across the public financial management system for its implementation;

→ strengthen the managerial accountability of budget users at both central and local levels, on the grounds of robust evaluation of the performance of the management and control systems;

→ improve the implementation of the National Audit Office's (NAO) recommendations to ensure effective enforcement and strengthen the parliamentary oversight.

CLUSTER 2: INTERNAL MARKET

Chapter 1 – Free movement of goods

Kosovo is **between having some and a moderate level of preparation** in this area and made **no progress**.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Kosovo should, in particular:

→ adopt the Law on inspection and product conformity and the Law on metrology to further align with the EU *acquis* and fully implement the new Law on market surveillance and ensure the enforcement capacities of market surveillance inspectors;

→ sign a European Accreditation Multilateral Agreement, and increase the enforcement capacity of conformity assessment bodies;

→ ensure full alignment with more of the EU "new and global approach"', "old approach" product *acquis* and procedural measures.

Chapter 2 – Freedom of movement for workers

Kosovo has **some level of preparation** in the field of free movement for workers and made **no progress**.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Kosovo should, in particular:

→ make progress on concluding additional bilateral agreements on social security coordination with EU Member States and develop IT infrastructures for the European Health Insurance Card (EHIC) and Electronic Exchange of Social Security Information (EESSI) purposes, as well as administrative capacities in this regard;

→ continue the preparations to join the European Network of Employment Services (EURES);

→ start to work on legislation on the supplementary pension rights of mobile workers.

Chapter 3 – Right of establishment and freedom to provide services

Kosovo is **moderately prepared** and made **limited progress**, notably in the area of professional qualifications. Kosovo ratified CEFTA Additional Protocol 6 on trade in services and published its list of regulated professions. However, sectoral laws are yet to be aligned with the EU Services Directive and the point of single contact (PSC) is not fully functional.

The Commission's recommendations from last year were partially implemented. In the coming year, Kosovo should, in particular:

→ accelerate the implementation of the action plan on the harmonisation of sectoral legislation with the EU Services Directive, fully align Law on Services with the EU Services Directive and launch a functional and informative PSC;

→ implement Kosovo legislation aligned with the EU postal *acquis* and strengthen institutional capacity to monitor and ensure compliance with the new postal marked rules;

→ adopt a Law on the recognition of professional qualifications and align with the Directive on a proportionality test.

Chapter 4 – Free movement of capital

Kosovo is **moderately prepared** and made **good progress** with the adoption of a new Law on payment services, aligning with the EU Payment Services Directive 2 and the Electronic Money Directive 2 and with the adoption of a new Law on prevention of money laundering and terrorist financing aimed at aligning with the EU *acquis*.

The exchange of information and the framework on the fight against money laundering and terrorism financing have improved.

The Commission's recommendations from last year were implemented to a large extent. In the coming year, Kosovo should, in particular:

→ continue the gradual liberalisation of capital movements, including on foreign exchange operations;

→ following the adoption of the Law on the prevention of money laundering and terrorist financing, ensure the effective implementation of the legislation in this area, including by adopting necessary implementing legislation and standard operating procedures and making the Beneficial Ownership Register operational;

→ continue to strengthen interinstitutional cooperation and step up action in the fight against money laundering and terrorist financing and build a track record on increased monitoring, supervision, financial intelligence, investigation and reporting in the fight against economic and financial crime and further strengthen supervisory capacities.

Chapter 6 – Company law

Kosovo has **some level of preparation**, with **limited progress** made in further aligning its legal framework with the EU *acquis* on company law and on business registration.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Kosovo should, in particular:

→ finalise and adopt the draft Law on Business Organisations and continue aligning company law legislation with the EU *acquis*;

→ further align with the most recent *acquis* on the use of digital tools and processes in company law and on cross-border conversions, mergers and divisions;

→ further align its legal framework with the EU *acquis* on company reporting, country-by-country reporting, corporate sustainability reporting and transparency on capital markets, while strengthening the independence, effectiveness and sustainable funding of audit oversight structures, and ensuring the professional independence of auditors and audit firms.

Chapter 7 – Intellectual property law

Kosovo is **moderately prepared** and made **limited progress** by further aligning with copyright and related rights.

Although the Commercial Court handled intellectual property rights (IPR) cases efficiently, Kosovo needs stronger institutional capacity and resources to implement and enforce IPR laws effectively.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Kosovo should in particular:

→ improve the implementation of the adopted legislation, with a focus on strategic planning and capacity-building;

→ adopt implementing legislation for industrial property laws, including on topographies of semiconductor products and trade secrets, and ensure effective implementation of the Law on copyright and related rights;

→ adopt a comprehensive long-term strategy on industrial property rights.

Chapter 8 – Competition policy

Kosovo has **some level of preparation** and made **no progress** in this area.

Kosovo's enforcement of competition and State aid legislation remained unsatisfactory. The draft Law on State aid was not yet adopted.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Kosovo should in particular:

→ establish operationally independent and functional State Aid and Competition authorities, in line with SAA and Reform Agenda obligations;

→ further align the legislative framework in the area of competition and State aid with the EU *acquis*;

→ ensure sufficient enforcement of competition and State aid legislation and increase coordination among all stakeholders, including ministries, regulators and the judiciary.

Chapter 9 – Financial services

Kosovo is **moderately prepared** and made **some progress** with the entry into force of the new Law on banks and further alignment with the EU *acquis* on capital requirements as well as bank resolution and recovery requirements.

The Commission's recommendations from last year were partially implemented. In the coming year, Kosovo should, in particular:

→ strengthen the capacities of the banking recovery and resolution authority, establish a Resolution Fund, and enhance the supervisory capacity to implement risk-based supervision, including Supervisory Review and Evaluation Process (SREP) requirements;

→ continue efforts to align its legal framework with the EU *acquis* on securities markets, investment funds, investment services, financial markets infrastructure and digital finance;

→ align its legal framework with the Directive 2014/49/EU on deposit guarantee schemes and the Solvency II Directive (Directive 2009/138/EC); and ensure that relevant legislation is implemented.

Chapter 28 – Consumer and health protection

Kosovo is at an **early stage of preparation** in this area. There was **limited progress,** with the strengthening of reporting of communicable diseases.

The implementation of reforms in the health sector has stalled.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Kosovo should, in particular:

→ adopt the Law on consumer protection and start aligning with the latest EU product safety *acquis*;

→ advance health financing and health digitalisation reforms to ensure progress towards universal health coverage and improve the efficiency and quality of health services;

→ ensure rigorous implementation of tobacco control, in line with the relevant EU *acquis* and international obligations.

CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

Chapter 10 – Digital transformation and media

Kosovo has **some level of preparation** in the area of digital transformation and media, and made **no progress**. A limited number of available online services, fragmented platforms, and cybersecurity risks remain a challenge.

The Commission's recommendations from last year remain valid. In the coming year, Kosovo should, in particular:

→ align its legislation with the European Electronic Communications Code and the EU NIS2 Directive;

→ ensure that telecommunication and media regulators are given appropriate resources to fulfil their mandates independently, and develop a solution to ensure that the public service broadcaster is sustainably funded;

→ implement number portability to ensure effective use of numbering resources and encourage competition.

Chapter 16 – Taxation

Kosovo has **some level of preparation** in this area, with **limited progress** made, notably by implementing risk-based audits, enforcement and digitalisation, as well as improving compliance audits and measures against informal economy.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Kosovo should, in particular:

→ initiate a tax policy revision (including gender-responsive tax policy review) and broaden the tax base, including further legal alignment with the EU *acquis*;

→ prioritise the use of domestic and international third-party data to address international tax avoidance and evasion;

→ strengthen the administrative and professional capacity of the Tax Administration of Kosovo (TAK) by setting out clear rules on jobs, gender-responsive recruitment practices, performance evaluation, merit-based promotion and transfers.

Chapter 17 – Economic and monetary policy

Kosovo is **moderately prepared** and made **limited progress** in this area. During the reporting period, the Central Bank of Kosovo (CBK) continued efforts to strengthen its governance.

Weaknesses remain in better linking the annual budgetary process with the medium-term policy framework.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Kosovo should, in particular:

→ improve the quality of macroeconomic forecasting within the budgetary process;

→ align its budgetary framework with the EU *acquis*.

Chapter 19 – Social policy and employment

Kosovo has **some level of preparation** in this area. **Limited progress** was made, in particular in the implementation of reforms by the Labour Inspectorate and reforms of the social assistance schemes.

The Commission's recommendations from last year were partially addressed and remain largely valid. In the coming period, Kosovo should, in particular:

→ adopt pending legislation, namely amendments to the Law on labour, a new Law on employment and a new Law on health and safety at work to align with the EU *acquis*, notably in relation to equality and non-discrimination in employment and parental leave;

→ continue the reform of social assistance schemes and increase the funding and quality of service delivery at the municipal level, including by introducing a specific grant for social services in the Law on local finance;

→ continue the preparations for a full roll-out of the Youth Guarantee Scheme and adopt policies that promote the employment of women.

Chapter 20 – Enterprise and industrial policy

Kosovo is **moderately prepared** in the area and made **limited progress** by continuing to implement the 2030 Strategy for Industrial Development and Business Support.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming period, Kosovo should, in particular:

→ move forward with the implementation of the Strategy for Industrial Development and Business Support for 2030, and the sustainable economic growth pillar of the National Development Strategy for 2021-2030;

→ improve the capacity of the Ministry of Industry, Entrepreneurship, Trade and Innovation;

→ complete the establishment of the two separate investment promotion and SME support agencies, and ensure that both are sufficiently resourced.

Chapter 25 – Science and research

Kosovo is at an **early stage of preparation** in the area of science and research and made **no progress**. While 2025 saw an increase in Kosovo's budget for scientific research, along with some efforts to participate in Horizon Europe, Kosovo still needs to strengthen its commitment to science and research, especially by adopting strategies and laws.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Kosovo should, in particular:

→ finalise and adopt the Smart Specialisation Strategy;

→ adopt the Law on innovation and entrepreneurship and the Innovation Strategy 2030+ to create a system that can provide reliable data on research and innovation, science and

technology indicators in Kosovo, with the aim to join the European Innovation Scoreboard;

→ increase participation in Horizon Europe and establish transparent and easily accessible data on public funding for research and innovation in Kosovo.

Chapter 26 – Education and culture

Kosovo has **some level of preparation** in the field of education and culture. There was **limited progress**, mainly in early childhood education and care, where enrolment continued to rise, in vocational education and training where dual provisions were expanded, and through the adoption of a curriculum for children aged 0-6.

The Commission's recommendations from last year were partially implemented. In the coming year, Kosovo should, in particular:

→ finalise and adopt the National Education Strategy 2035+, with an emphasis on foundational literacy and numeracy, further expansion of early childhood education and care, and the inclusion of vulnerable groups and minority communities;

→ adopt pending draft laws, in particular the Law on VET and adult education, the Law on textbooks, and revision the Law on Higher Education, including provisions on academic freedom, institutional autonomy and labour market relevance;

→ strengthen quality assurance at all levels of education and evidence based policy-making, including by completing the education management information system, introduce graduate tracking and acting on the findings of the Programme for International Student Assessment (PISA), the Teaching and Learning International Survey (TALIS) and the International Computer and Information Literacy Study (ICILS); and improve budget planning and execution, in particular for school infrastructure.

Chapter 29 – Customs union

Kosovo is **moderately prepared** and made **some progress** in this area, notably by expanding the use of publicly operated customs terminals, reducing customs terminal fees, increasing revenue collection, fighting customs fraud and strengthening the capacities of Kosovo Customs.

The Commission's recommendations from last year were partially implemented. In the coming year, Kosovo should, in particular:

→ finalise and approve the implementing legislation for the new Customs and Excise Code, in line with the EU requirements; ensure validation of Authorised Economic Operator (AEO) programme by CEFTA;

→ continue to strengthen the administrative and professional capacities of Kosovo Customs by approving the administrative structure and by implementing the Customs and Excise Code rules, particularly related to performance evaluation, combating customs fraud, in particular smuggling of tobacco products by cooperating with the European Anti-Fraud Office (OLAF); ensure improved simplified procedures;

→ continue the development of the digital customs systems, adopt an IT strategy and action plan and continue the development of the digital customs systems for modern service delivery.

CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

Chapter 14 – Transport policy

Kosovo has **some level of preparation in** the area of transport and made **limited progress,** notably in aviation safety.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Kosovo should, in particular:

→ invest in road maintenance and inspections; continue road safety campaigns; and set up an effective monitoring mechanism for collecting crash data;

→ align its legal framework with the EU rail *acquis*, particularly the fourth railway package for both the market and technical pillar;

→ ensure sufficient capacity and resources to implement the intelligent transport system (ITS) strategy; and align the legislative framework with the EU passenger rights *acquis* across all modes of transport.

Chapter 15 – Energy

Kosovo has **some level of preparation** in the area of energy and made **limited progress**, notably through investments in energy efficiency upgrades for public and residential buildings.

The recommendations from the previous period were partially implemented and remain largely valid. In the coming period, Kosovo should, in particular:

→ adopt its National Energy and Climate Plan (NECP) and the package of energy laws to ensure alignment with the Electricity Integration Package; and organise the next round of renewables auctions;

→ advance the environmental upgrade of the Kosovo B thermal power plant and the works for decommissioning the non-working parts of the Kosovo A thermal power plant;

→ improve the implementation of energy efficiency legislation, including on energy performance of buildings, and continue energy efficiency investments.

Chapter 21 – Trans-European Networks

Kosovo has **some level of preparation** in the area. **No progress** was made during the reporting period.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Kosovo should, in particular:

→ strengthen its institutional and administrative capacity to implement strategic infrastructure projects;

→ continue implementing pending transport and energy connectivity projects;

→ complete the first phase and second phase of Rail Route 10 from Mitrovica - Fushë Kosovë/Kosovo Polje to the border with North Macedonia and proceed with the signalling works.

Chapter 27 – Environment and climate change

Kosovo is at an **early stage of preparation** in this area and made **no progress** during the reporting period. The Ministry of Environment and Spatial Planning was decoupled from the Ministry of Infrastructure following the government formation in February 2026; however, the final restructuring of that ministry is still pending.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Kosovo should, in particular:

→ take appropriate measures to manage protected areas and prevent them from becoming contaminated, while taking the local communities' needs into account in their management;

→ amend the Law on waste management;

→ align the Law on climate change with the EU monitoring, reporting, verification and accreditation (MRVA) *acquis*, and adopt and implement secondary legislation.

CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

Chapter 11 – Agriculture

Kosovo has **some level of preparation** and made **no progress** in agriculture and rural development, including as regards the legal framework.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Kosovo should, in particular:

→ strengthen the administrative and technical capacity of the Department of Rural Development Policy (Managing Authority), and initiate the recruitment process for the Agency for Agricultural Development (Paying Agency) following the approval of the Regulation on Internal Organisation in January 2026;

→ amend the Law on advisory services for agriculture and rural development and adopt the implementing legislation on the market organisation for agricultural products;

→ adopt the new Law on agricultural land and take urgent and effective measures to stop the loss of agricultural land.

Chapter 12 – Food safety, veterinary and phytosanitary policy

Kosovo is **moderately prepared** in the area of food safety, veterinary and phytosanitary policies. **No progress** was made during the reporting period.

The Commission's recommendations from last year were not implemented and remain valid. In the coming year, Kosovo should, in particular:

→ strengthen the financial and administrative capacity of the implementing bodies, including by increasing the number and expertise of the staff;

→ adopt legislation on animal welfare and the Law on animal health; approve the 5-year development plan for disease monitoring and control; and ensure appropriate financial and human resources for their implementation;

→ prepare a national plan to upgrade food, feed and animal by-product establishments to meet EU standards.

Chapter 13 – Fisheries and aquaculture

Kosovo remains at an **early stage of preparation** in this chapter and made **limited progress** by starting the creation of the inventory of fish species.

The Commission's recommendations from last year were partially implemented and remain largely valid. In the coming year, Kosovo should, in particular:

→ adopt a multiannual strategy for aquaculture and strengthen the administrative capacities of the implementing bodies by increasing the number and expertise of the staff;

→ draft a Law on fisheries and aquaculture and further align its market policy with the EU *acquis*;

→ finalise the inventory of fish species covering the entire territory of Kosovo.

Chapter 22 – Regional policy and coordination of structural instruments

Kosovo remains at an **early stage of preparation** in the area of regional policy and coordination of structural instruments. **Some progress** was made during the reporting period, notably on programming and monitoring of the EU funds.

The Commission's recommendations from last year were partially implemented. In the coming year, Kosovo should, in particular:

→ accelerate the implementation of the regional development strategy to address regional disparities, and regularly report on its implementation in an inclusive and transparent manner;

→ further improve administrative capacity for programming, management, control, monitoring and evaluation of EU funds, notably strengthen the internal control framework and internal audit capacity, and establish functioning anti-fraud coordination services;

→ urgently strengthen public investment management, by adopting: (i) updated single and sector project pipelines, based on sound, transparent and inclusive public investment selection; and (ii) a methodology for effectively and transparently managing government expenditure on public infrastructure.

CLUSTER 6: EXTERNAL RELATIONS

Chapter 30 – External relations

Kosovo has **some level of preparation** in the area of external relations and has made **some progress**. Kosovo continued the implementation of the Common Regional Market (CRM) Action Plan priorities and ratified the CEFTA additional protocols on trade facilitation, trade in services, and dispute settlement. Twelve decisions were adopted by the CEFTA's Joint Committee in 2025, under Kosovo's chairmanship.

The Commission's recommendations from last year were partially implemented. In the coming year, Kosovo should, in particular:

→ continue implementing actions under the Common Regional Market Action Plan 2025-2028 and implement the CEFTA Additional Protocol (AP) 5 on trade facilitation, AP 6 on trade in services and AP 7 on dispute settlement;

→ approve the Regulation on the establishment of the trade facilitation enquiry point and align with the EU *acquis* on the screening of foreign direct investment (FDI);

→ start the process of establishing a development and humanitarian aid policy.

Chapter 31 – Foreign, security, and defence policy

Kosovo has **some level of preparation** in the field of foreign, security and defence policy. In line with the EU-Kosovo Stabilisation and Association Agreement, during the reporting period, Kosovo reached full alignment with the EU's Common Foreign and Security Policy, including statements by the High Representative on behalf of the EU and Council decisions on the EU's restrictive measures. At the same time, the lack of stable institutions and of systematic alignment procedures has hindered swift alignment.

In the coming year, Kosovo should, in particular:

→ continue its full alignment with the EU Common Foreign and Security Policy and establish a systemic alignment process;

→ further align the legislation on small arms and light weapons with EU *acquis*, namely the Law on weapons and the Law on the civil use of explosives;

→ make credible effort to reduce the space for foreign information manipulation and interference.

***

2. THE FUNDAMENTALS OF THE ACCESSION PROCESS

2.1. FUNCTIONING OF DEMOCRATIC INSTITUTIONS AND PUBLIC ADMINISTRATION REFORM

2.1.1. Democracy

The functioning of democratic institutions was negatively affected by the prolonged absence of a functioning Assembly and delays in government formation. This weakened legislative oversight, constrained checks and balances, and slowed reform implementation.

Elections

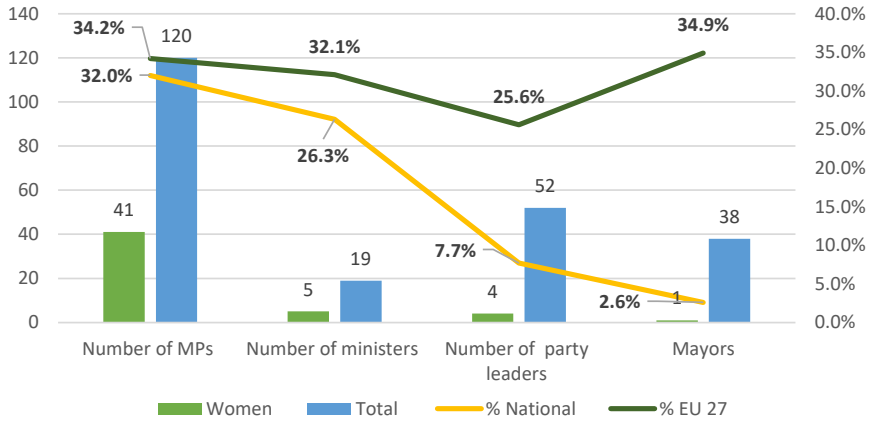
Kosovo held municipal elections on 12 October 2025 and early parliamentary elections on 28 December 2025 and on 7 June 2026. All were peaceful, competitive and generally well managed.

Election administration demonstrated adequate capacity to organise voting, including under compressed timelines. Following shortcomings in vote counting and results management that marred the December 2025 elections, the tabulation and administration of results significantly improved during June 2026 elections.

Voter turnout decreased between the two early parliamentary elections from over 45% down to 37%, suggesting a growing voter fatigue and a degree of public dissatisfaction.

Despite repeated attempts to politicise the Central Election Commission (CEC), including efforts to prevent the certification of *Srpska Lista* and its results, oversight mechanisms functioned effectively and the politicisation attempts had eased by the time of the June 2026 elections. The dispute resolution mechanisms acted effectively and promptly to address complaints.

Graph 1 : Kosovo - Women in political life



Source: National- Central Election Commission, Official site of Kosovo Assembly and Government
EU-27- European Institute for gender equality

Electoral campaigns were competitive, but significant regulatory gaps persisted in pre-campaign activities, campaign finance and third-party financing, misuse of public resources, digital campaigning and online political advertising. Combined with weak transparency and oversight of

campaign financing, disinformation undermined electoral integrity and created unequal conditions. These shortcomings disproportionately affected smaller parties, non-majority community parties, and women-led initiatives. Outstanding recommendations from the 2025 EU election expert and observation mission reports should be addressed. Kosovo also needs to ensure alignment with all relevant EU *acquis* in this area, including Regulation (EU) 2024/900 on the transparency and targeting of political advertising, taking into account European and international democratic standards.

Women's participation showed mixed trends. While the legal quota ensures representation on candidate lists, the number of women candidates declined. In municipal elections, only around 10% of mayoral candidates were women, and only one was elected. Women candidates continued to face structural barriers, including limited access to resources and visibility. Violence against women in politics, including hate speech and discriminatory language, was evident during all three electoral cycles.

Accessibility for persons with disabilities during elections remained limited.

Following the 7 June elections, the CEC appointments were made belatedly and remain incomplete, with the Commission still lacking one of its 11 members due to a political disagreement over its composition.

Parliament

The Assembly exercised its powers in a severely constrained manner. Prolonged institutional paralysis and political gridlock led to a near-complete suspension of parliamentary activity and the Assembly's dissolution in November 2025. The short-lived newly elected Assembly, constituted on 11 February 2026, remained fragile due to political disputes, procedural ambiguities, extensive use of fast-track procedures, and absence of cooperation.

The Constitutional Court played a significant role in addressing gridlocks, restoring legal certainty and preserving safeguards for the representation of non-majority communities, by issuing several rulings on the Assembly's constitution and the election of a Deputy Speaker from the Kosovo Serb community. This exposed systemic weaknesses and inadequate compliance with constitutional and procedural requirements.

Women's representation stood at just above the legal quota of 30% during both legislatures covered in the reporting period: 33.33% (40 of 120 MPs) following December 2025 elections and 34.2% (41 of 120 MPs) after June 2026 elections. Women held key leadership positions, including the Speaker of the Assembly and seven out of 16 committee chairs. Sustained efforts are nonetheless needed to further strengthen their political participation.

Non-majority communities remain represented through constitutional guarantees, though their participation was at times eclipsed by ongoing polarisation.

Despite the ruling coalition's strong majority, it did not engage in strategic cooperation with the opposition, thereby stalling key EU integration reforms and preventing consensus on the election of the President.

Law-making was often unpredictable and insufficiently inclusive, with limited stakeholder consultation, weak integration of civil society input and inconsistent gender mainstreaming.

Parliamentary oversight of the executive was strongly limited, and opposition rights were weakened by polarisation, boycotts, and lack of structured dialogue.

Political discourse in the Assembly remains highly polarised, with instances of discriminatory rhetoric, hate speech and sexist language. The Assembly lacks effective disciplinary tools to address discriminatory rhetoric and hate speech. Fostering an Assembly-wide constructive political dialogue, strengthening adherence to procedural rules,

improving legislative quality and consultation process, and enhancing oversight functions are essential to restore the Assembly's role in democratic governance and EU integration.

The Assembly needs to urgently proceed with the appointment of its Secretary-General as well as appointments to key independent institutions, including the Constitutional Court and Ombudsperson, the Procurement Review Body, the State Aid Commission, and the Competition Authority.

EU integration

The government appointed a chief negotiator/national coordinator for the Reform and Growth Facility (RGF), a step that demonstrates continued political commitment to European integration.

The government also established an Executive Commission to coordinate the EU accession process.

The Assembly ratified the agreements relating to the RGF on 13 February.

Progress on EU-related reforms remained uneven due to prolonged political instability, Assembly inefficiencies, and post-electoral gridlock.

Although the political situation improved after the government formation, the effectiveness of the new EU integration structures is yet to be demonstrated.

Before the elections, the Parliamentary Committee for European Integration struggled to fulfil its role, with procedural delays and limited administrative capacity weakening coordination on EU-related reforms.

Stabilisation and Association Agreement bodies continued meeting during the reporting period, following the lifting of EU measures.

Governance

The government was in caretaker status for most of the reporting period, which constrained governance effectiveness and delayed structural reforms. Full functions were only briefly resumed following the government formation in February 2026 and again beyond the reporting period in September 2026. During the reporting period, numerous newly elected members of the Assembly continued to simultaneously serve in their functions in the executive, which appeared incompatible with the provisions in the Constitution and the Law on government. Transparency of decision-making was formally maintained, but the absence of parliamentary scrutiny reduced the effectiveness of accountability mechanisms. Independent regulatory authorities and the Ombudsperson continued to operate, though their overall impact was limited.

Coordination between central and local levels remains largely reactive, affecting the implementation of delegated responsibilities and local development planning.

The election of Kosovo Serb mayors in northern Kosovo in December 2025 was a significant step in restoring representative local government. However, northern municipal leaderships face significant obstacles, including lack of access to full archives and staff recruited by the previous municipal administrations not mastering the language of the majority community in the municipalities and not duly representing the community makeup. The relations between the central level authorities and all Kosovo Serb majority municipalities remain strained, with concerns over language compliance, procedural hurdles and the police and Ministry of Local Government Administration at times limiting the exercise of municipal competencies or activities duly approved by municipal authorities.

Representation of non-majority communities in governance structures remains inadequate both at central and local level. The appointment of two Kosovo Serb deputy ministers in

March 2026 - without formal endorsement by a majority of Kosovo Serb MPs as mandated by the Constitution - raised concerns about minority representation and weakened their constitutional rights.

Civil society

Civil society actors operate within a generally enabling legal framework, but there are increasing concerns related to politicisation and polarisation, particularly during electoral periods, when critical voices may be labelled as partisan or oppositional.

While mechanisms to involve civil society in decision-making exist, consultations often fall short of the expected standards. Authorities do not consistently apply the regulatory framework or meaningfully consider input from civil society. The government needs to respect the consultation period, duly consider such input and provide feedback, and publish updated draft proposals and final consultation reports. The government should ensure that online platforms for public consultations function effectively.

The government should, in particular, organise more systematic and meaningful consultation with civil society organisations (CSOs), advocating for non-majority communities' rights, women's rights, rights of the child, and the rights of persons with disabilities. Consultations at local level and in rural areas should also be improved. Reports of political figures targeting human rights defenders raise concerns and require appropriate follow-up.

The government needs to approve a new strategy for cooperation with civil society to ensure a transparent, inclusive and sustainable civic space. It should also allocate adequate human and financial resources to the Office for Good Governance/Office of the Prime Minister (OGG/OPM) for its implementation and establish the Council for Government Cooperation with Civil Society.

Financial sustainability remains a key challenge. The regulation on civil society funding is in place, but a structured approach to public funding, including timely reporting, should be developed to ensure predictability. The legislation needs to be amended to enable tax-deductible donations from businesses and individuals to civil society.

Women's rights organisations are experiencing financial limitations that threaten their sustainability, due to limited public support and shifting donor priorities. Despite these constraints, they continue to play a key role in analysing and monitoring the implementation of laws and policies, raising awareness, holding institutions accountable and providing essential services. Kosovo Serb CSOs remain active, especially in the north, but operate in a challenging environment, marked by limited funding opportunities and political sensitivities. Decreasing funding from external donors has negatively affected CSOs from other non-majority communities as well.

2.1.2. Public administration reform

Strategic framework for public administration reform (PAR)

The strategic framework for public administration is in place. There is a need to accelerate the implementation of the PAR Strategy 2022-27 and its Action Plan 2025-2027. There should be a stronger steering of the PAR agenda through data-driven discussions, including regular PAR Council meetings at political level. In general, the implementation of the PAR strategy framework remains dependent on donor funding.

Policy development and coordination

The establishment of a new Ministry of Digitalisation and Public Administration in early 2026 could enhance PAR coordination and implementation; however, strengthening implementation capacities remains critical for effective policy development.

The **policymaking system** needs to be further improved by strengthening the use of regulatory impact analysis to enhance governance effectiveness. Public consultations need to be more systematically conducted and the follow-up consistently ensured. The Strategic Planning Office within the Office of the Prime Minister continued its efforts to further strengthen the planning, monitoring, and reporting, including through the ongoing mid-term assessment of the National Development Strategy 2030.

There has been no progress on **gender mainstreaming** or on ensuring inclusive and evidence-based policy development. While gender equality officers exist in most ministries and municipalities, their institutional role is hampered by insufficient capacities, lack of specialised training, and limited involvement in the early stages of legislative drafting.

Public financial management

While broadly in place, the **public financial management framework** needs to be upgraded through a new public financial management strategy and modernised legal framework to improve planning and prioritising the capital investments, budget execution, internal financial control and budget transparency and oversight. The preparation of the public financial management reform strategy 2027-2030 is ongoing but progress on the strategic and legal framework stalled due to the challenging political context in the reporting period.

On **budget management**, progress in connecting the e-procurement and the financial management information systems and in analysing and quantifying the fiscal risk statements must be further consolidated. Notwithstanding the shortcomings of the 2026 budget adoption process, the credibility of budget should be further improved through stronger links between strategic planning, annual and multiannual budgeting. Kosovo has to strengthen the functioning, oversight and fiscal risk management of state-owned enterprises, including by reflecting this objective in the new public financial management strategy. The integration of a gender perspective throughout the budget cycle to ensure that public resources contribute to gender equality outcomes remains at an early stage. Strengthening budget discipline, financial control and accountability remains a priority.

No progress has been made in **public investment management**, where urgent reforms are needed to strengthen governance, establish a uniform project appraisal methodology, and develop a single project pipeline. The monitoring of cost and time overruns remains equally important, as does the publication of user-friendly data on capital investment including on projects' impact. Greater consistency with the public financial management legislation should be ensured by avoiding special legislation that sidelines the established rules and procedures.

At municipal level, following a court ruling, the redirection of capital investment funds to finance recurrent health and education expenditures has affected the pipeline of local infrastructure projects. In an already restrictive fiscal framework, marked by no tax-sharing mechanism and high dependence on central transfers, further limiting the spending flexibility of the municipalities erodes municipal operational and fiscal autonomy, and reduces the scope for more efficient public spending and fiscal management.

While Kosovo maintains a certain level of **budget transparency,** the past year saw no progress. There were delays in publishing the 'Citizen Budget', the transparency portal remains non-functional, the public internal financial control report is still not public, and while the publication of budget documents has increased, the lack of open-data formats continues to limit their use for citizens' oversight and analytical purposes. Transparency of public investments also remains an issue of concern, with very limited information available on prioritisation and actual impact. The public consultation process needs to be significantly strengthened to ensure meaningful input from social partners and civil society.

Public service and human-resource management

The **public service and human-resource management** system needs to be improved. Provisions in the Law on public officials that introduced fixed-term mandates at all managerial levels risk harming the professionalism of the civil service; it does not guarantee a steady career system, as promotion is not possible within the system, while all managerial positions are open to external competition.

Merit-based recruitment and performance assessments are not yet effectively applied. Ministries need to accelerate the roll-out of their institutional plans in order to establish a sound performance management system. The systematisation and classification of positions within the civil service, coupled with the slow adoption of internal organisations, continue to hinder the professionalisation of the administration.

Standard recruitment to the civil service was interrupted until April 2026 when centralised recruitment became operational; however the recruitment system is still not fully functional at all levels, and personnel plans have not been adopted for 2026.

Some progress has been made with the first-time publication of the 2024Human Resources Management annual report, however the 2025 report is delayed. Moreover, data collection should be further improved and made available, especially in areas such as the number of acting appointments at managerial level, the number and procedures for granting temporary and service contracts, as well as the overall number of managerial and non-managerial posts in the public service.

The **Human Resources Management Information System (HRMIS)** is functional but suffers from delays in data entry; consequently, the accuracy and transparency of the data remain insufficient. The interoperability between the HRMIS and the Treasury's payroll system has not been established yet.

There is still widespread reliance on acting positions at both senior and medium management level, which circumvents regular recruitment and increases insecurity and politicisation. Furthermore, women and non-majority communities are still under-represented in senior roles, with only 22% of higher management civil service positions based on 2024 government data.

While the **remuneration system** has been consolidated through the Law on salaries in the public sector, implementation faces persisting challenges in view of the unfinished job classification and systematisation of positions across the administration and the, still unaddressed, Constitutional Court judgment declaring, among others, several articles of the law unconstitutional.

With regard to **professional development,** the Kosovo Institute for Public Administration has expanded its operational capacity, but needs to further invest in strengthening its governance, internal capacities, as well as its financial resources. A key priority is the digitalisation of its training catalogue through the expansion of e-learning platforms. Kosovo is not yet a member of the Regional School of Public Administration in the Western Balkans.

Public **integrity** remains a challenge. Delayed, low-quality institutional integrity plans hinder progress to mitigate corruption risks. Establishing a direct electronic link between the HRMIS and the judicial case management system would further support the processing of corruption cases (see also Chapter 23: Judiciary and fundamental rights).

Accountability of the administration

Despite the existence of a regulatory framework, limited transparency persists regarding government agendas and decision-making processes. Regarding the **citizens' right to access public information**, stronger enforcement is still needed to improve the implementation of the Law on access to public documents.

The **Independent Oversight Board on Civil Service** has been unable to carry out its mandate and responsibilities efficiently. Staffing shortages, financial constraints, and a considerable backlog of appeals compromise its ability to supervise the legal framework. The board does not have access to the HRMIS, which undermines the quality of its oversight.

While technical work is focussing on six policy sectors, no further progress was made on the **rationalisation** of independent and executive agencies. The development of a comprehensive rationalisation programme with sector-specific action plans remains essential. Some public institutions were moved in the past outside the remit of the Law on public officials, with sector-specific laws which provide for autonomous rules for recruitment and renumeration, entailing civil service fragmentation.

With the implementation of the **Law on administrative disputes,** the legal basis and mechanisms for access to administrative justice are in place. In May 2026, a new administrative court was established with responsibility for first instance administrative dispute rulings. This marks an important step towards specialised, more predictable, and more effective administrative justice in Kosovo. It is essential that the court is appropriately resourced to help reduce the persistent long delays in case processing. The framework on the **right to seek compensation** is still not efficiently applied.

There has been no progress in aligning sector-specific laws with the Law on general administrative procedure, which may entail legal uncertainty and prevent the uniform application of administrative principles across the public sector.

Service delivery to the public and businesses

Some progress was made in **service delivery**, driven by the implementation of the Digital Agenda and the e-Government Strategy. The expansion of the e-Kosova platform has advanced digital transformation.

Progress has also been made in implementing the agenda on the **prevention and reduction of administrative burden**. In addition, a service catalogue has been developed, covering a complete inventory of all public services.

Service delivery to socially vulnerable groups, including persons with disabilities, remains inefficient. While digitalisation efforts have advanced, physical and digital accessibility barriers persist.

2.2. RULE OF LAW AND FUNDAMENTAL RIGHTS

2.2.1. Chapter 23: Judiciary and fundamental rights

The EU's founding values include the rule of law and respect for human rights. An effective (independent, high-quality and efficient) judicial system and an effective fight against corruption are of paramount importance, as is the respect for fundamental rights in law and in practice.

Functioning of the judiciary

Strategic documents

Strategic documents are broadly in place, but implementation and monitoring need to be improved. The overarching framework remains the rule of law strategy 2021-2026 and the updated action plan 2024-2026. However, there was no consistent monitoring of the implementation of the strategy during the reporting period.

The Kosovo Judicial Council has strategic plans in place covering public communication; efficient handling of cases of corruption, abuse of official duty and organised crime; information and communication technology; and access to justice. However, weak

implementation, ineffective monitoring and insufficient use of these strategies as policy planning tools remain an issue.

Management bodies

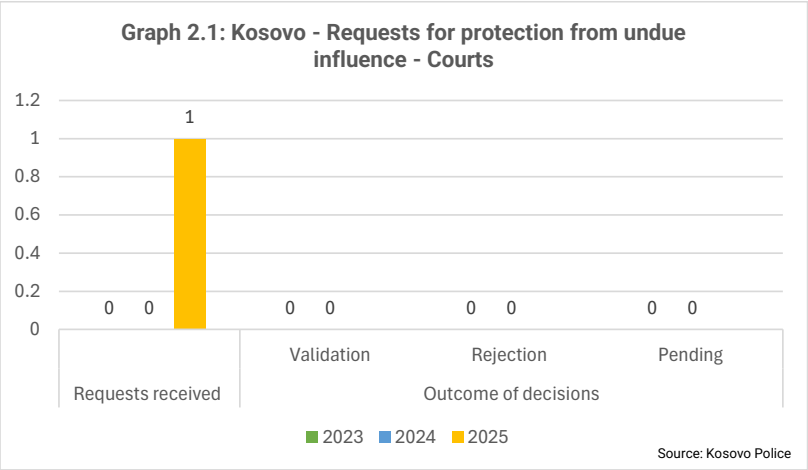
The management bodies and their legal framework are in place, but a lack of transparency and clarity regarding their respective duties and obligations hinders their effectiveness. The exercise of management functions would benefit from more robust oversight and stronger internal accountability mechanisms, enabling timely intervention and remedial action. The Kosovo Judicial Council (KJC), the Kosovo Prosecutorial Council (KPC), the Court Presidents, and Chief Prosecutors use performance evaluation and Case Management Information System (CMIS) data for monitoring and management purposes, but follow-up and corrective measures remain insufficiently systematic. However, delays, unproductive hearings, inconsistent use of the CMIS, weak prioritisation of complex and high-profile cases, and uneven disciplinary practice continue to affect the efficiency and quality of justice.

The implementation of the amendments to the Law on the KPC has encountered significant difficulties, reflecting shortcomings in internal ownership and accountability. Further amendments to the Law on the KPC concerning the composition of the Special Committee responsible for administering the selection process of lay members in line with the Venice Commission recommendations remain necessary in order to ensure a pluralistic selection of lay members. The KPC now has a full complement of members, but concerns remain regarding the effectiveness of its leadership, oversight and decision-making functions. The KJC has generally shown stronger reform orientation and, after several failed attempts, the Chair was finally elected in May 2026. However, the Council has since faced internal divisions and institutional difficulties, impeding its ability to function effectively. Gender balance in managerial positions remains weak, and the limited representation of non-majority communities across the justice system continues to affect access to justice and public trust.

During the reporting period, the Assembly repeatedly struggled to maintain the full composition of the Prosecutorial and Judicial Councils, affecting the required representation of lay members. While this has been resolved for the KPC, the issue remains relevant for the KJC, where one judicial position and one Assembly-elected position remain to be filled. The position of the Chief State Prosecutor was filled in July 2026, following a period of four years during which it had been occupied on an acting basis.

Independence and impartiality

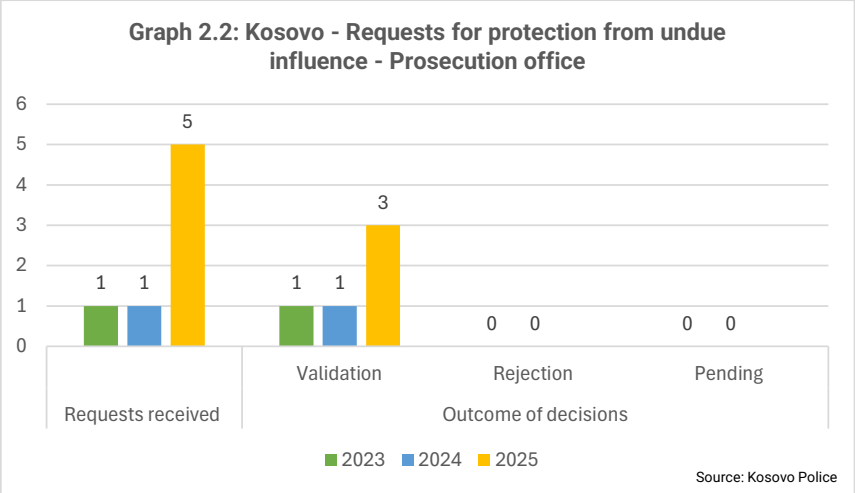
The proposed amendments to the Law on the Kosovo Specialist Chambers (KSC) and Specialist Prosecutor's Office raise concerns regarding judicial independence and legislative interference in the administration of justice.



The KJC and KPC are both independent from the government and responsible for administration of the justice system. However, the independence and

impartiality of the judiciary and prosecution must be improved through consistent enforcement of safeguards preserving their independence against undue influence. The judiciary and prosecution continue to be subject to public criticism, including by legislative and executive powers.

Measures need to be taken to protect judges and prosecutors from internal or external undue influence as well as from threats to their security and professional integrity. Some safeguards are provided regarding recruitment, appointment and transfer of judges or prosecutors without their consent, but additional safeguards are needed, notably by ensuring effective judicial remedies and clear and strict criteria for compulsory transfers. In 2025, five requests for close protection of prosecutors and one request for close protection of judges were filed with the police, representing an increase from previous years, especially for prosecutors.

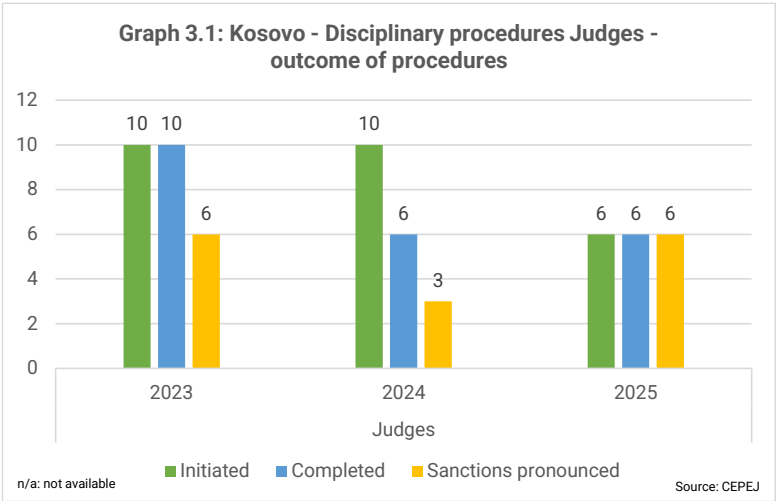


While the Case Management Information System (CMIS) is operational and monitoring and reporting mechanisms have been strengthened, the manual registration of cases is applied at all court levels as a tool for parallel case registration. Automatic case allocation to judges and prosecutors through CMIS is not applied consistently, leaving scope for discretionary case assignments. Effective and consistent use of the CMIS must be ensured at all levels, following clearly defined management responsibility and proper oversight. Furthermore, the Prosecutorial and Judicial Councils must ensure that there are means to continuously modernise ageing CMIS equipment and ensure upgrades.

The National Centralised Criminal Records System remains an operational online service for criminal record certificates under the KJC, but interoperability should be ensured both with the CMIS and with the integrated database for cases of domestic violence (under the authority of the Ministry of Justice).

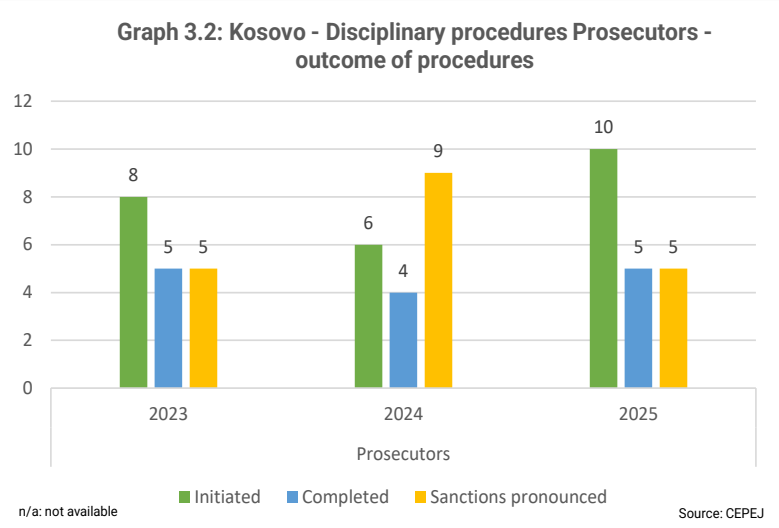
Accountability

The Prosecutorial and Judicial Councils continue to pursue disciplinary proceedings against judges and prosecutors. However, concerns remain regarding (i) the extent to which allegations of misconduct are addressed effectively and (ii) the consistency, transparency, and perceived fairness of disciplinary processes and sanctions. Accountability shortcomings



persist across all levels of the justice system, including within the Prosecutorial and Judicial Councils, the management structures of courts and prosecution offices, and among judges and prosecutors themselves.

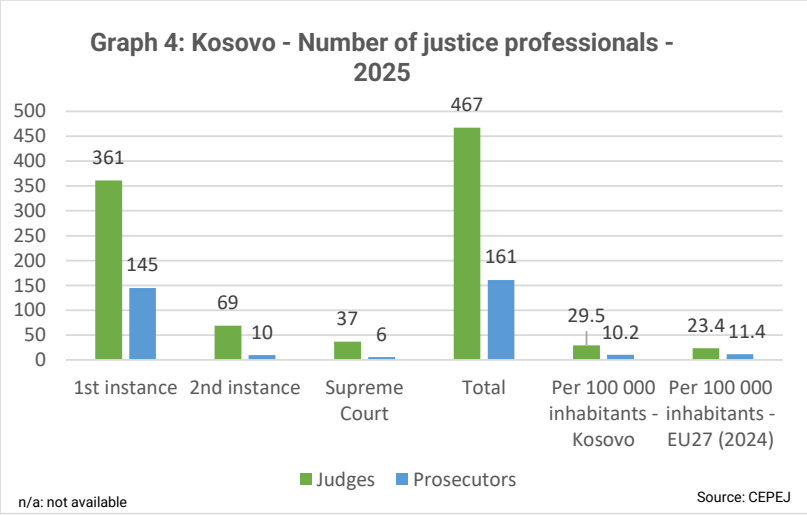
Weaknesses in the application and effectiveness of oversight mechanisms continue to be observed. Furthermore, shortcomings remain in the exercise of managerial responsibilities by court presidents and chief prosecutors, particularly with regard to the consistent conduct of performance evaluations and the assessment of individual professional conduct among judges and prosecutors.



The legislative framework for disciplinary proceedings must be amended to ensure accountability at all levels and address the Venice Commission recommendations. While judges and prosecutors declare their assets annually, there are delays in ensuring full control and verification of these assets, due to the limited resources of the Agency for the Prevention of Corruption, which hamper its capacity to carry out timely, systematic and risk-based verification.

Quality of justice

The quality of justice needs to be further improved. Despite an adequate number of judges and prosecutors, there is still a shortage of the professional support staff required by legislation. At the same time, there are persistent systemic weaknesses in the treatment of serious crime and gender-based violence cases, including inefficient prosecution, deficient indictments and judgements, inconsistency in sentencing practices and limited impact in finalised high-profile corruption and organised crime cases, many of which have ended in acquittals or lenient sentences. The lack of consistent application of accessory punishments – such as prohibition on exercising functions in public administration – which are mandatory in certain types of cases, continues to be an issue. While the legal framework guarantees equal access to justice and legal aid, practical barriers remain for persons with disabilities.



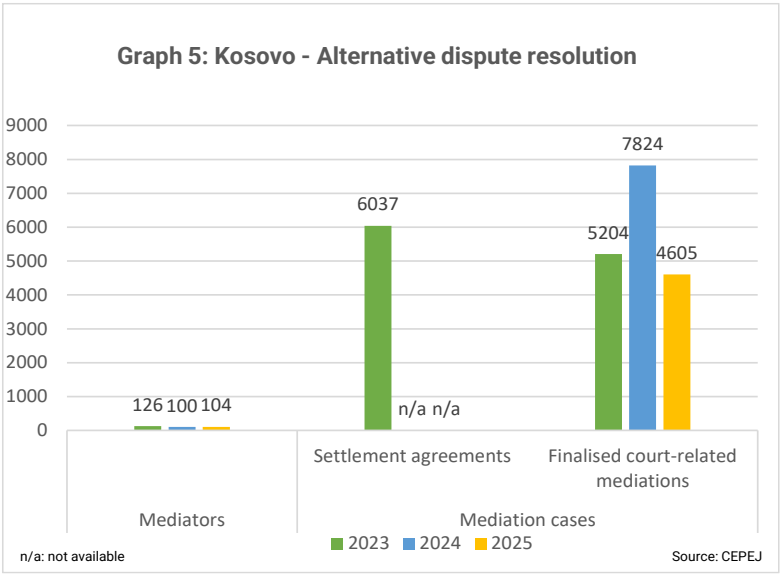
There are some positive developments on the consistency of judgements and quality of reasoning. The Supreme Court continued to take steps towards ensuring a more consistent application of law, including by monitoring the application of the sentencing guidelines and by publishing selected decisions. Despite this, timely publication of

judgements, consistent sentencing practice and consistency in reasoning still need further improvements. Other matters for concern are (i) the quality of indictments (including poor development of prosecutorial evidence, which often falls short of meeting evidentiary thresholds), (ii) poor case preparation, (iii) non-adherence to statutory deadlines, and (iv) insufficient application of Criminal Procedure Code provisions.

The Academy of Justice adopted its annual work and performance plan for 2026 in a timely manner and published the training programme. These key planning documents reflect a structured approach to both initial and continuous training, which should be shielded from any rollback of reforms.

Weak compliance with the Law on languages within the justice system, along with a lack of translations and incomplete multilingual documentation, continue to limit access to justice for non-majority communities. Furthermore, the underrepresentation of these communities throughout the justice system, including in northern Kosovo, the free legal professions, and most notably in the notarial profession, remains a persistent issue that can generate public distrust. The authorities must ensure the selection and recruitment of candidates from non-majority communities, including for notarial positions, and to assign them appropriately to areas where these communities reside.

The justice system in northern Kosovo, with limited Kosovo Serb representation, hampers access to justice and generates public distrust. Efforts to increase the representation of non-majority communities through targeted recruitment have so far produced very limited results.

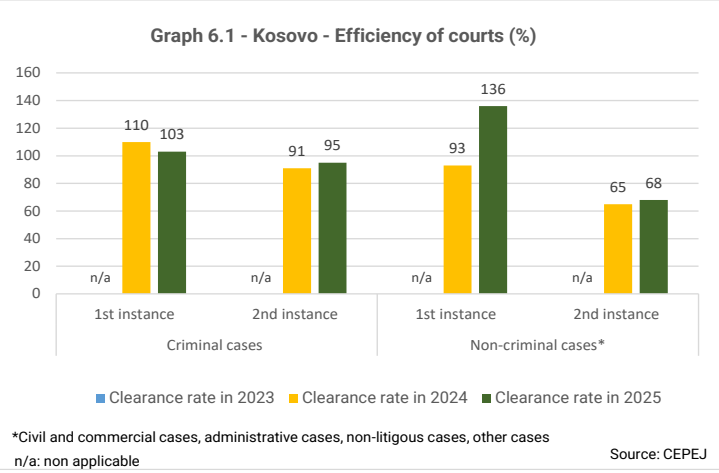


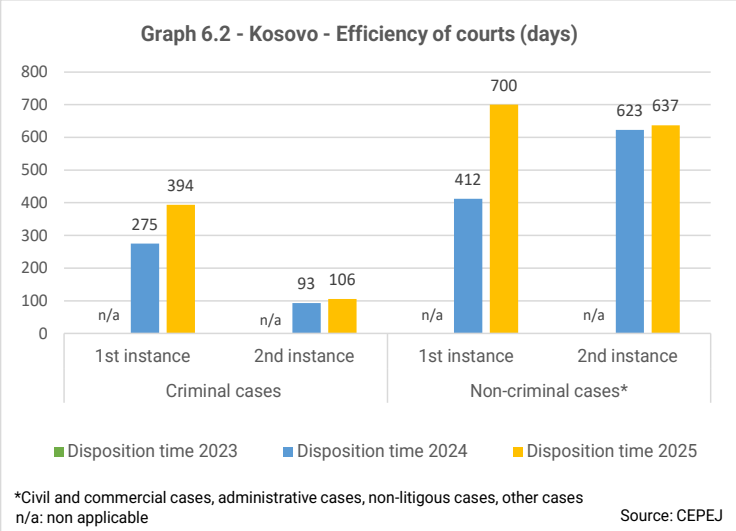
The situation was further affected by the dismissal of Kosovo Serb prosecutors, judges, and support staff. In July 2026, Kosovo Serb judges, prosecutors and support staff withdrew their resignations from November 2022. However, the KPC and the KJC subsequently accepted their withdrawn resignations, followed by the Acting President's decision decreeing their dismissals. This raises concerns regarding compliance with the applicable legal framework, due process, and overall rule-of-law requirements, and risks further entrenching the underrepresentation of Kosovo Serbs in the justice system. Kosovo authorities need to ensure a viable pathway for the integration of Kosovo Serb judicial and prosecutorial personnel in full respect of Kosovo law and the relevant Dialogue agreements. A subsequent call for recruitment with a quota for Kosovo Serb prosecutors was not successful.

Alternative dispute resolution is legally in place, and mediation awareness and use are increasing.

Efficiency

The efficiency of the justice system is limited. The practice of unproductive hearings persists, but consecutive hearings are increasingly applied especially in high-level organised crime and corruption cases, reducing delays and thus increasing efficiency. Available 2025





court statistics point to continuing structural inefficiencies, in particular in civil, administrative and commercial matters and at appellate level. While overall clearance rates remained relatively stable, there was a notable increase in the clearance rate for non-criminal cases at first instance, indicating a positive development. However, disposition times increased for both criminal and non-criminal cases, especially at first instance.

The law entailing the establishment of the Administrative Court entered into force in February 2026. Further efforts are required to complete recruitment, ensure the transfer and training of personnel, and provide the necessary budgetary and administrative support, allowing the Court to become fully operational without further delay.

The Commercial Court continues to face a backlog, and there are concerns on efficiency of processing of cases. A substantial pending caseload, low judgement-enforcement rates, staffing and case-data constraints continue to affect performance. Commercial dispute resolution remains lengthy in practice. Continued efforts are needed to strengthen timeliness, enforcement, and the overall effectiveness of commercial adjudication.

The accuracy and publication of statistics need to be improved, and data should be used more effectively for management decisions. The use of audio and video recording equipment in courtrooms should be ensured consistently.

Most domestic violence-related cases are handled with priority, in line with the related guidelines of the Kosovo Prosecutorial Council and the Kosovo Judicial Council. However, the overall handling of these cases is inefficient, resulting in weak judgements and lenient sentences. The processing of sexual violence cases is at times prolonged by the time required to collect and examine forensic evidence, while cases involving human trafficking face delays due to the need for cross-border legal cooperation.

Domestic handling of war crime cases

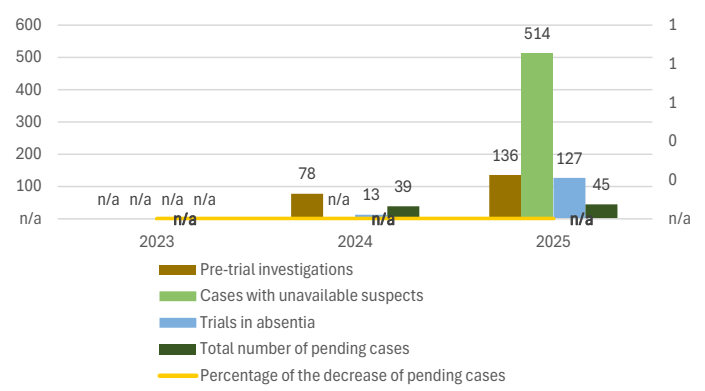
The existing legal framework for handling war crimes is satisfactory, but the limited capacity of the prosecution service continues to hamper its implementation.

The proposed amendments to the Law on the Kosovo Specialist Chambers (KSC) and Specialist Prosecutor's Office risk leaving certain offences outside the KSC' jurisdiction, thereby creating gaps in accountability and preventing victims from accessing justice. This

would undermine Kosovo's international commitments to ensure the effective investigation and prosecution of serious crimes.

The Special Prosecution Office of Kosovo made increased efforts to prosecute war crimes, increasing indictments and pre-trial detentions. Furthermore, the Special Prosecution Office continued to file war crime indictments *in absentia,* in line with the relevant provisions of the Criminal Procedure Code and international standards set by the Venice Commission.

Graph KS: Kosovo - Processing of war crime cases

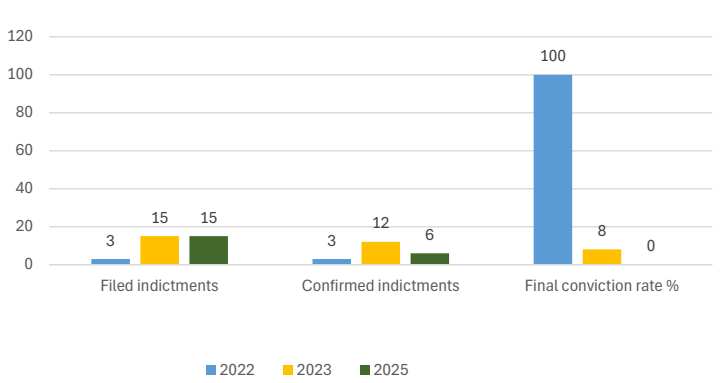


n/a: not applicable

Source: Special Prosecution Office of Kosovo

The adoption of a war crime strategy remains pending. Kosovo has continued to make progress in investigating and prosecuting sexual violence crimes committed during the war, with an increasing number of reported cases. To date, a total of 2 493 applications for recognition of status as survivors of conflict-related sexual violence have been submitted. Of these, 2 010 persons were granted status, and 370 applications were rejected.

Graph KS: Kosovo - War crime indictments filed/confirmed

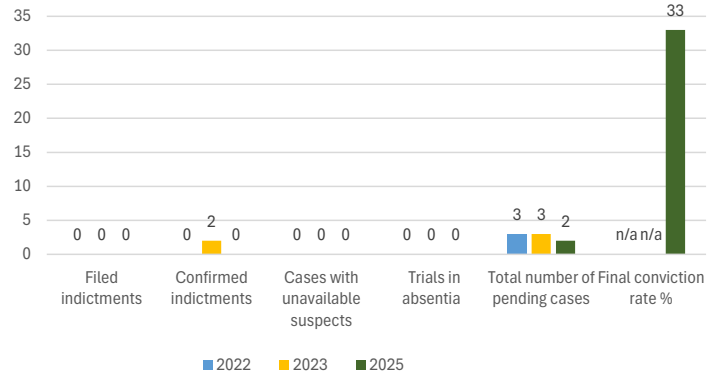


*In 2024 the 26 indictments covered 65 persons.
n/a: not applicable

Source: Special Prosecution Office of Kosovo

The number of prosecutors assigned to the Special Prosecution Office's war crimes department has increased. However, concerns persist regarding case backlog and the overall capacity to process cases efficiently. Despite progress in the handling of judicial proceedings, court delays remain problematic. Additionally, there are issues regarding the courts' improper handling of evidence and the Special Prosecution Office's restriction of access to anonymous witness testimonies. The consistent use of pre-trial detention without individualised assessment raises concerns regarding compliance with human rights standards.

Graph KS: Kosovo Specialist Chambers (KSC) war crime cases



*In 2024 the 26 indictments covered 65 persons.
n/a: not applicable

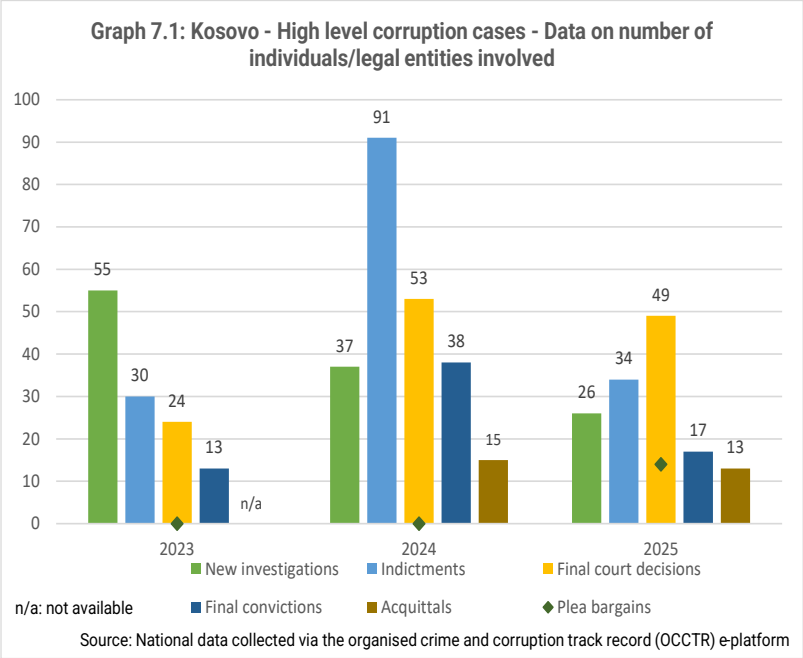
Source: Kosovo Specialist Chambers

The lack of information exchange and of legal assistance between Kosovo and Serbia continue to hamper investigations, prosecution of cases and access to justice. The full use of EU-facilitated mutual legal assistance arrangements is essential for effective processing

of war crime cases.

Fight against corruption

Track record



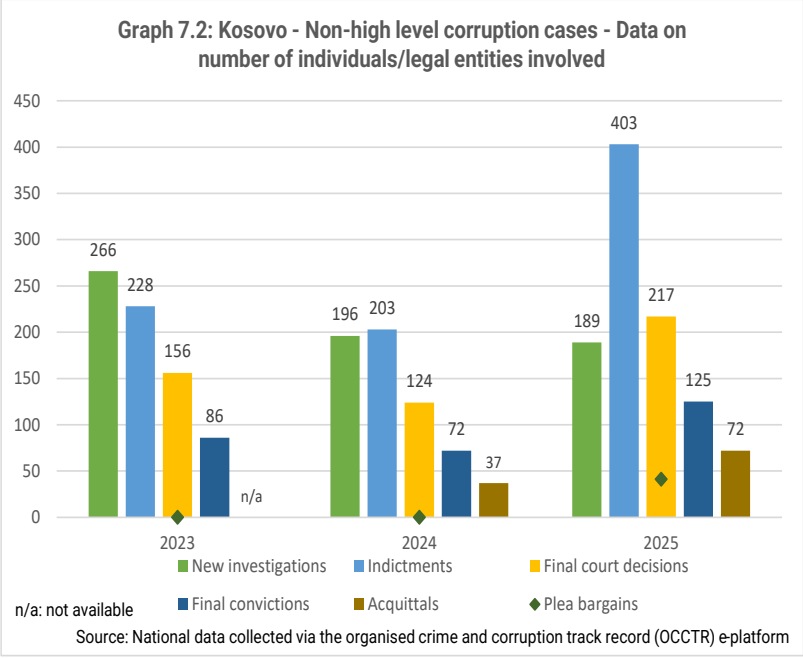
The track record in prosecution and adjudication deteriorated for high-level cases, with less final court decisions and final convictions compared to last year. Indictments fell substantially to almost one third. Nevertheless, the track record improved for non-high-level cases, as the number of indictments almost doubled, and final court decisions and final convictions significantly increased.

In 2025, there were final court decisions in 8 high-level corruption cases. Problems persist, including prolonged trial proceedings and inconsistent and lenient sentencing. At the same time, courts need to continue the consistent application of accessory punishments, particularly in high-level corruption cases.

Continuous progress is needed on criminal asset seizure and confiscation. The Asset Recovery Office (ARO), established within the Office of the Chief State Prosecutor, continued to handle requests in 2025, albeit without a budget or permanently assigned staff. The ARO should be given adequate resources and full and direct access to all relevant national databases.

In 2025, the Agency for the Prevention of Corruption (APC) handled several cases under preliminary investigation procedure on suspicion of various corruption-related offences, including 19 criminal reports and 78 other suspected cases submitted to the prosecution. 11 suspected cases were referred directly to the competent courts for minor offences.

A total of 10 344 officials (99% of those legally required to report) submitted regular annual declarations of assets through the electronic



platform, whereas 141 officials (1%) did not submit on time, which resulted in fines being imposed for a total amount of EUR 32 426. A total of 17 criminal reports and 61 other suspected cases were referred to prosecution.

In 2025, the APC handled 174 cases of suspected conflicts of interest and 92 cases of external whistleblowing, with 31 referred to the competent authorities for subsequent action. Additionally, the existence of reasonable suspicion of criminal conduct led to the referral of 3 cases to the prosecution service, 4 cases to the competent courts for treatment as minor offences, and 7 cases to the Kosovo Police to determine if investigations had to be conducted. 17 cases were closed as unsubstantiated.

Out of 139 institutions, 127 adopted integrity plans, supporting the identification of corruption risks and measures to prevent corrupt practices in the public sector.

Legal framework

The legal framework on the fight against corruption is in place and is adequate regarding preventive measures and satisfactory regarding law enforcement. However, implementation and oversight remain weak, especially concerning the Law on extended powers on confiscation of assets. The Constitutional Court annulled the previously adopted version of the Law on the State Bureau for verification and confiscation of unjustified assets due to procedural violations, and the law has remained pending. The Kosovo Judicial Council (KJC) has issued a considerable number of regulations to address justice efficiency in the field of anti-corruption, but their implementation is weak and there is still a lack of results in terms of high-level corruption cases.

Although Kosovo is not a party to the main international anti-corruption conventions, its legislation generally aligns with international instruments, the EU *acquis*, and appropriately criminalises corruption-related offences in its Criminal Code. In practice, the central weakness lies in implementation and sentencing rather than any absence of a legal framework.

Strategic documents

There is no strategic anti-corruption framework in place, and both the national anti-corruption strategy and the action plan remain to be finalised and adopted. This has undermined the establishment of clear objectives, actors, timelines and indicators in the fight against corruption. There has been partial institutional follow-up to last year's call on the KJC and KPC to prioritise corruption cases, especially through updated strategic planning, monitoring arrangements and ongoing statistical reporting. However, the practical impact is still limited.

Institutional framework

The institutional framework on the fight against corruption is in place, but it is not adequate regarding preventive measures and requires improvement in law enforcement. The APC's efforts to identify areas vulnerable to corruption and conduct risk mapping should be promoted horizontally across sectors, with focused integration of the findings into the institutions' internal policies and mitigation of corruption risks. The APC continued to face budgetary, staffing and expertise challenges, which need to be addressed to ensure the fulfilment of its mandate.

As regards law enforcement, specialised anti-corruption institutions are in place, but challenges persist. The Special Investigation Unit of the Kosovo Police remains understaffed, and the lack of rules on its organisation and cooperation with the Special Prosecution Office continue to undermine the effective management of corruption cases, while the efficiency of courts' special departments dealing with the Special Prosecution Office cases need to be improved.

Fundamental rights

General framework

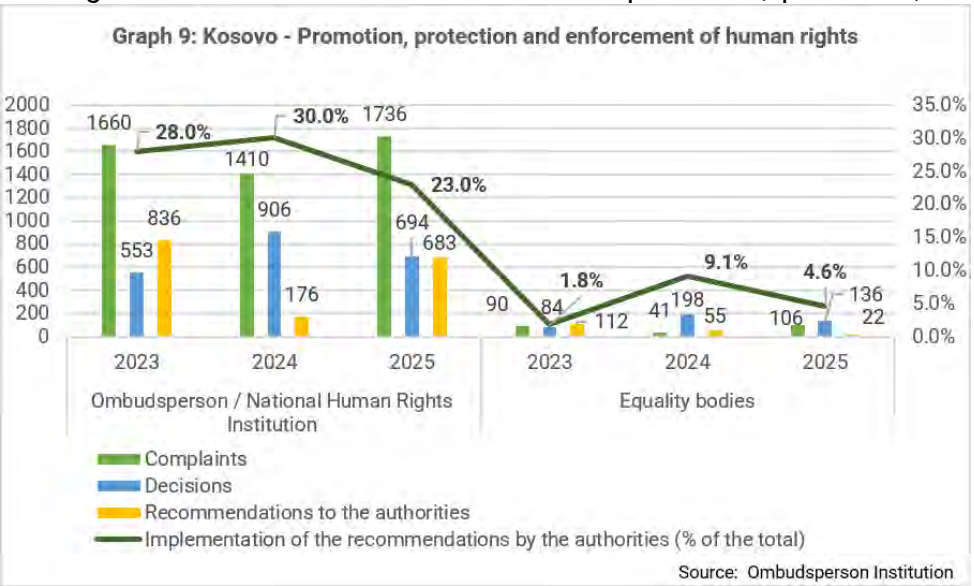
The general framework for fundamental rights is established, but considerable enforcement effort is needed. The adoption of the Civil Code is essential to ensure coherence across the legal system, and to improve legal certainty and access to justice for all citizens. The authorities are urged to prioritise its adoption as a key step toward modernising the legal framework and advancing alignment with European standards.

International human rights instruments

Cooperation with international human rights monitoring bodies is satisfactory. Kosovo's Constitution incorporates the main international human rights instruments and has shown proactive engagement in submitting implementation reports on key human rights instruments. Kosovo's application for membership in the Council of Europe, submitted in May 2022, remains pending. Furthermore, the incorporation of the UN Convention on the Rights of Persons with Disabilities into the legal framework remains outstanding.

Promotion, protection and enforcement of human rights

The legal and institutional framework for the promotion, protection, and enforcement of human rights is in place and generally adequate. The Office for Good Governance/Office of the Prime Minister (OGG/OPM) continues to perform its role in a transparent and inclusive manner, but its human and financial resources remain limited, with no anticipated increase.



The Ombudsperson Institution (OI) continues to play a central role in the promotion, protection, and enforcement of human rights, and it is vital to safeguard its independence in line with the Paris and Venice Principles. It is accessible to every person and has a mandate to address all violations of their rights. The OI should, however, comply with the Constitution excluding its jurisdiction from the Kosovo Specialist Chambers and the Specialist Prosecutor's Office.

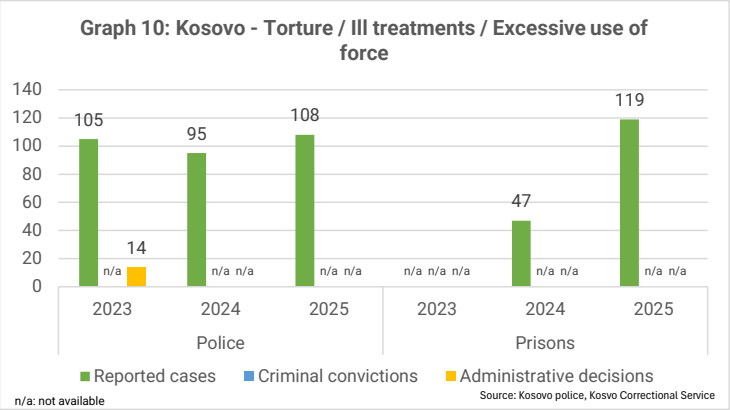
Cooperation between the OI and the Assembly continues to face shortcomings, with no notable progress in strengthening parliamentary oversight and ensuring timely consideration of its annual reports. The Ombudsperson and Deputy Ombudspersons should be selected swiftly, through a transparent and inclusive process.

While cooperation between executive bodies, particularly between the OGG/OPM and the OI, is overall satisfactory, the implementation of OI recommendations requires significant improvement, including with respect to judicial and prosecutorial authorities.

Human rights mechanisms within both the executive and legislative bodies should continue

to strengthen cooperation with the OI and civil society, while institutional capacities in the human rights field need to be further increased.

Prevention of torture and other forms of ill-treatment

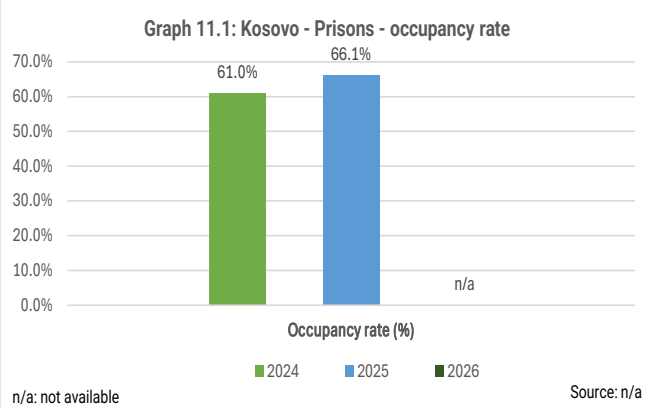


Kosovo provides adequate legal guarantees on the prevention of torture and other forms of ill-treatment, but the follow-up to cases needs to be improved.

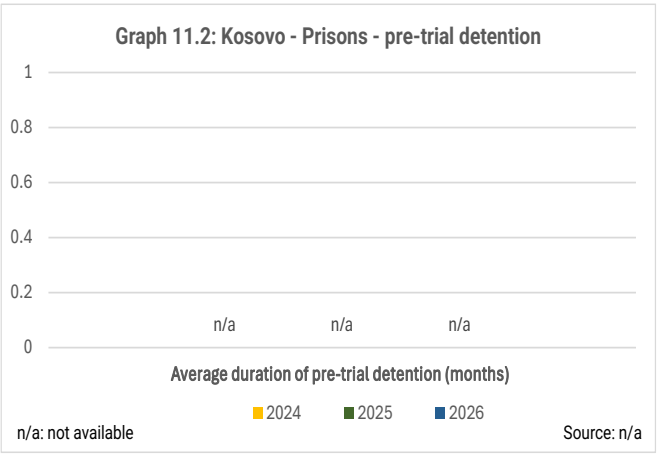
Kosovo authorities demonstrate a steadfast commitment to preventing torture and ill-treatment, with the National Preventive Mechanism operating as a specialised body under the auspices of the OI. In 2025, 108 complaints against the police were received, 26 of which were deemed admissible for investigation. Five *ex-officio* cases were opened to further investigation.

Execution of criminal sanctions

The legislative system for execution of criminal sanctions (including probation) is adequate. The legislation is generally in line with the EU *acquis*. A continuous increase in the number of alternative measures and sentences was observed.



The prison system broadly complies with the UN Standard Minimum Rule for the treatment of prisoners. The Law on the execution of criminal sanctions prohibits discrimination on any ground, including disability, and requires all prisoners to be treated humanely and with full respect of dignity. However, further action is needed to safeguard the rights of prisoners, especially women, girls, non-majority community members and persons with mental health issues. Kosovo is encouraged to align with the EU *acquis* and European standards on the procedural rights of suspects and accused in pre-trial detention and on material detention conditions.

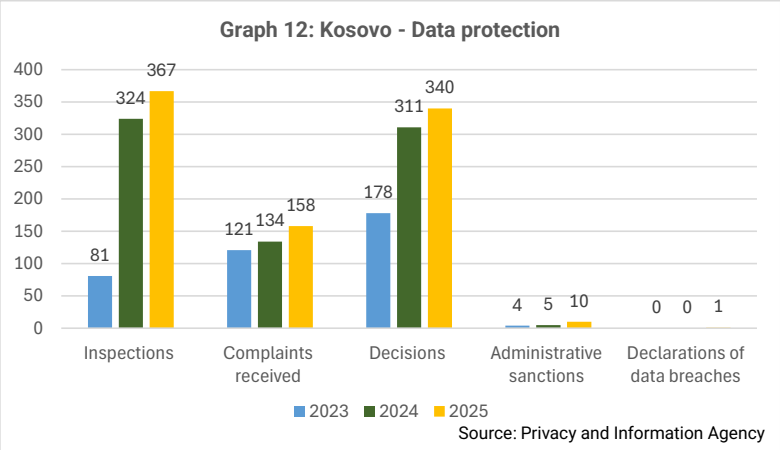


No overcrowding was reported, nevertheless, the OI has recommended that the conditions in some correctional centres be improved. Both the Law on the Kosovo Probation Service and the Law on the Kosovo Correctional Service have been adopted, along with all accompanying bylaws, and are in line with EU legislation.

Protection of personal data

The legal framework for the protection of personal data is broadly aligned with the EU

General Data Protection Regulation (GDPR), however, further efforts are needed to align with the EU Law Enforcement Directive. The capacities of the data protection agency are adequate.



The Information and Privacy Agency has adopted the necessary secondary legislation and expanded its staffing capacity, although the need for additional staffing remains pressing, particularly in light of the continuously increasing challenges in the area of privacy protection. It processes complaints regarding access to public documents and data protection in an independent and efficient manner. While responsiveness from both public and private institutions has improved, largely due to increased awareness, the Agency should be consulted systematically regarding the drafting of legislation on personal data protection.

Freedom of thought, conscience and religion

While Kosovo provides adequate legal guarantees on freedom of thought, conscience and religion, the 2006 Law on freedom of religion needs to be amended to allow for registering religious communities and granting them legal personality. Moreover, there is a need for a comprehensive legal solution systematising protection mechanisms for the Serbian Orthodox Church, as derived from the Ahtisaari Plan, and reintegrated in the 2023 Ohrid Agreement, in order to avoid selective interpretations based on the available set of laws, including the Law on cultural heritage (2006), Law on freedom of religion (2006) and the Law on Special Protective Zones (2008). Kosovo is invited to make full use of the Implementation and Monitoring Council.

Freedom of expression and media freedom

Kosovo provides adequate legal guarantees on the freedom of expression, but the enabling environment for media's free, independent and professional operation needs to be improved.

Intimidation of journalists

During the reporting period, 35 cases of physical and verbal attacks or threats against journalists were registered, a significant decrease compared to the previous year. The attacks included obstruction of their work by security officials, and accusations and harsh language from senior-ranking government officials (including the Prime Minister) directed at journalists and media. Public officials should refrain from rhetoric that targets or discredits journalists, and attacks or intimidation of journalists must be condemned. One cameraman was arrested and briefly detained by the Kosovo Police, whereas at least four persons were detained for threatening journalists. Cases of intimidation also included online harassment and dissemination of personal data. During the same period, no strategic lawsuits against public participation (SLAPP) were recorded.

Legislative environment

Kosovo has still not aligned fully with the EU *acquis* on freedom of expression and media,

particularly the European Media Freedom Act and the EU Anti-SLAPP legal framework, nor with other relevant international and European standards. Moreover, further efforts are needed to establish a comprehensive and coherent regulatory framework for online media, and to ensure its effective implementation. Kosovo should help national authorities fulfil their regulatory function and enable civil society to support implementation of the European Media Freedom Act and the Digital Services Act. Operational readiness will require institution-building, awareness-raising and stakeholder engagement.

The adoption of the new Law on Radio Television of Kosovo (RTK) and the Law on the protection of journalistic sources remain pending, while the Law on civil defamation still needs to be aligned with case law of the European Court of Human Rights. Following the annulment of the Law on the Independent Media Commission (IMC) by the Constitutional Court, work and consultations on the new draft law must be carried out, in line with European and international standards. It is also important to extend its regulatory scope to online media and further align the framework with the EU Audiovisual Media Services Directive.

Implementation of legislation/institutions

In April 2026, the Assembly appointed six out of eight missing RTK board members and all six missing IMC board members, resulting in both boards being functional. There are four vacant seats in the RTK Board, including one seat reserved for the Kosovo Serb community and one for other non-majority communities. Civil society reported lack of transparency and irregularities in the process and harshly criticised the IMC's rulings and fines imposed on media when addressing the backlog of cases from 2025 election cycles, also questioning their legality. The IMC Appeals Board has lacked a quorum since November 2023.

The 2026-2028 strategic plan for access to justice adopted by the KJC requires judges at all levels to prioritise SLAPPs and cases involving journalists and civil society, including those related to defamation and safety. Journalists face regular delays or obstructions when requesting access to public documents. Serbian-language media continue to face challenges in accessing information in Serbian due to the failure to properly implement the Law on languages.

Freedom of expression for Kosovo Serbs remained under pressure, with uneven enforcement of rules on incitement to hatred and restrictions on Serbian flags and community symbols in many Kosovo Serb areas.

Public service broadcaster

The functioning of the public broadcaster during the reporting period was marked by a deep financial crisis caused by the institutional deadlock, which was partially alleviated following the constitution of the Assembly in February 2026. However, no progress was made in establishing a long-term, sustainable, and independent financing model for the public service broadcaster. RTK continues to face significant budgetary, property and human resources constraints, with its budget allocation not aligned with the current law or with inflation.

In addition, following the budget allocation for the first half of 2026, RTK was required to pay interest on the EUR 2.7 million government loan that had kept it afloat from July to October 2025. Combined with the request for the enforcement of debts stemming from previous contracts and the court-enforced payment of EUR 0.95 million, RTK's financial situation remains dire, further exacerbated by internal disputes and leadership instability. In July, the RTK Board appointed a new Director General. However, several key positions – Including those of Deputy Director General, two Directors and Editor-in-Chief – continue to be filled on an acting basis.

Regarding budgetary constraints, 75% of RTK's total budget continues to be allocated to salaries. The building currently housing RTK is in very poor condition and is not owned by the public broadcaster.

Economic factors

The media sector continues to suffer from a lack of transparency regarding media ownership and financing. The media registry covers only licensed radio and television outlets, while data on media market shares is not publicly available. Combined with limited financial sustainability, particularly affecting independent, non-business-affiliated private media, this leaves the sector either dependent on foreign donors or vulnerable to political influence and financial pressure. Independent media, particularly non-majority media, continue to face insufficient funding.

Internet

There continues to be no restriction on the regular and lawful use of the internet and online media, including no restriction that would amount to an unjust interference with the right to information or freedom of expression.

Professional organisations and working conditions

The Press Council, with its 49 members, continues to perform its media self-regulation mandate but faces insufficient financial and human resources. The public broadcaster is the only media outlet with a trade union, while the Association of Journalists of Kosovo continues to represent journalists and media professionals despite limited funding. Working conditions for journalists remain poor, often characterised by low salaries, short-term contracts and an uncertain legal status.

Freedom of assembly and association

Kosovo provides adequate legal guarantees for freedom of assembly and association, and regulation of assemblies is adequate. Assemblies and demonstrations were regularly held during the reporting period.

The OI received three complaints concerning freedom of peaceful assembly, but found no violations, and received none regarding freedom of association.

Property rights

The legal and institutional framework for enforcing property rights is in place. Despite the persistence of legal challenges in this field, efforts to implement previously issued decisions aimed at ensuring legal certainty have continued.

The implementation of a project for the reconstruction of the cadastre across 115 cadastral zones, initiated in April 2025 by the Kosovo Cadastral Agency, has been ongoing. The Agency for the Comparison and Verification of Property has continued to implement its new mandate for resolving uncontested informal property transaction cases. In January 2026, the legal deadline for the new submission of requests to formalise uncontested property rights was formally closed, with 20 028 claims submitted. Government affirmative measures for the registration of joint property ownership by both spouses in the property rights registry has continued through 2025, releasing spouses from payment of the tariff for joint registration of property. Despite these measures, the ownership of property by women during 2025 only increased to 20.02%, compared to 19.82% in the previous reporting period.

The Law on public property continued to prevent businesses that were operating with public property from signing new contracts or renewing existing ones. It also centralised management of public property, putting in question municipal-level competence to manage

municipal property. Conflicting provisions with other applicable sectoral laws that regulate public property need to be reviewed.

Displaced persons from Kosovo holding only Serbian documents continued to face obstacles in securing status and accessing their property. Temporary measures helped some students and workers in Serbia-supported institutions, but permanent solutions are still needed.

In northern Kosovo, a Ministry and publicly-owned companies have issued eviction notices and, in one case, demolished dozens of immovable properties of long-term users, raising concerns over due process and property rights as irreversible measures were implemented without adequate procedural safeguards and effective access to legal remedies. The Kosovo Police's assistance to these public companies, in assuming control over and demolishing immovable properties without adequate court or administrative decisions, also raises concerns regarding the scope of the police's jurisdiction. Kosovo needs to ensure full respect for due process, property rights and the right to an effective remedy, including by avoiding irreversible enforcement measures while relevant legal proceedings are pending.

Non-discrimination

The legal and institutional framework on non-discrimination is broadly aligned with the EU *acquis*, but compliance gaps persist. Implementation and the capacities of the equality body need to be improved. Negative attitudes and rhetoric, particularly targeting members of non-majority communities and women engaged in public life, continue to persist and require a more effective institutional response.

The limited implementation of the Law on protection from discrimination is partly due to unclear institutional responsibilities, limited capacities, as well as the absence of a unified system for recording, monitoring, and reporting discrimination cases. In addition, justice-sector data remain frequently incomplete and are not systematically disaggregated by grounds of discrimination, case classification, or outcome, thus hindering the effective assessment of existing mechanisms.

Anti-racism and hate offences

The legal and institutional framework on anti-racism and hate offences is broadly aligned with the EU *acquis* but compliance gaps persist. Implementation needs to be improved.

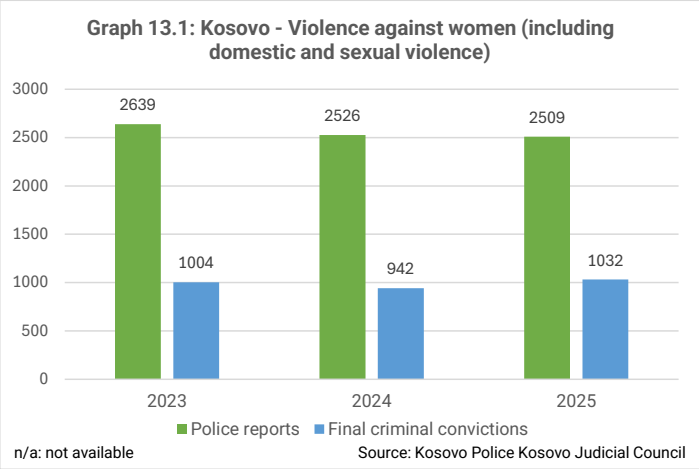
Significant gaps remain in addressing anti-racism and hate offences, due to limited data collection, underreporting, and weak enforcement. The absence of clear legal regulation for social media platforms creates challenges related to freedom of expression, accountability for online content, and the spread of degrading and hate speech. Concerns have also been raised about the use of offensive, denigrating, and discriminatory language during the electoral campaign.

Gender equality

The legal and institutional framework on gender equality and combating gender-based violence is largely in place, but full alignment with EU directives is yet to be achieved and the implementation of laws and policies needs to be improved. Deeply ingrained patriarchal attitudes continue to perpetuate gender stereotypes and hinder progress towards gender equality. Women from non-majority communities or rural areas and women with disabilities continue to suffer multiple and intersecting forms of discrimination.

After a lengthy and inclusive drafting process led by the Agency for Gender Equality, the new programme for gender equality (2026-2036), including the national action plan for Women, Peace and Security, has been finalised and its adoption is expected. Kosovo has no gender equality index, and data disaggregated by sex is lacking across sectors. The implementation

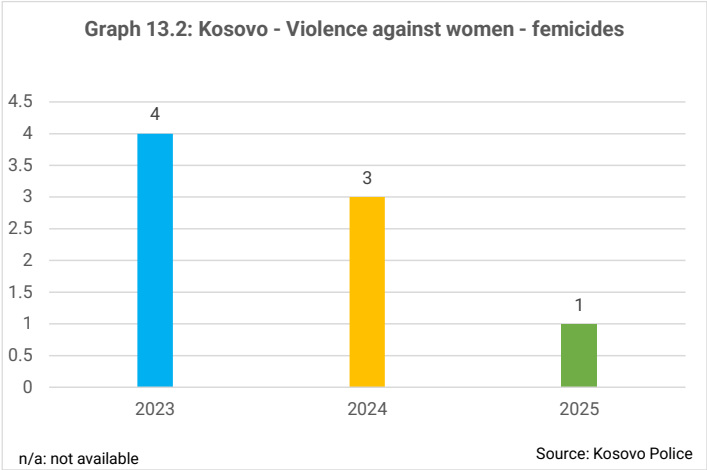
of the March 2025 regulation on the new internal organisation of the Agency for Gender Equality is pending due to budget allocations. Challenges persist in appointing Gender Focal Points in different public institutions, both at central and municipal levels, and their roles and reporting lines remain uneven.



Despite some improvements, including the development of a series of gender equality indicators for the implementation of the Reform Agenda, gender mainstreaming in laws and policy documents is still not consistent. The lack of gender analyses, gender responsive policies or measurable gender indicators is to be addressed.

Gender-based violence remains widespread, including cyber violence, which particularly affects women in public life and young women. However, reactions from public officials, institutions and women rights' organisations continue to play an important role in challenging gender-based discrimination, stereotypes and prejudices.

Domestic violence continues to be the most reported form of gender-based violence, even though Kosovo is making crucial efforts to combat it. According to the Kosovo police, 2509 cases of domestic violence were reported in 2025, slightly fewer than the 2547 cases reported in 2024. Kosovo adopted all the relevant bylaws in accordance with the framework Law on gender-based violence. The Ministry of Justice released a mid-term evaluation of the strategy on gender-based violence, following an inclusive and efficient consultation process. The role of the National Coordinator has been set up in accordance with the provisions of the Istanbul Convention. However, sufficient staff and programming need to be secured to ensure effective implementation of the related functions. While an integrated database of domestic violence cases has been set up, disaggregated by sex, age and ethnic origin, not all forms of gender-based violence are included. Nine institutions provide the relevant data, but these are entered inconsistently.



Despite institutional efforts, the prevention and protection system to combat gender-based violence remains inadequate. While funding for specialist support services for victims has continued increasing, more systematic and multiannual planning should be established to ensure continuity and provide effective and adequate support for victims Rehabilitation programmes for perpetrators are in place.

Women's rights organisations continued to play a critical role in advancing gender equality. However, their long-term contribution to the legislative process and to the monitoring of policy implementation has been affected by inconsistencies in government consultation

processes.

Rights of the child

The legal and institutional framework on the rights of the child, including the Law on child protection, is in place, but implementation remains insufficient. Efforts should be better aligned with the EU *acquis* and with the European Commission recommendation on integrated child protection systems. Key mechanisms, such as child protection houses, the child helpline, and family support services, require urgent operationalisation, while stronger coordination and results-based planning are needed across governance structures. Finalisation of the strategy for the rights of the child 2026-2030 is pending and is essential to guide priorities and improve implementation.

The best interests of the child are recognised in Kosovo law and are reflected across key policy areas. However, implementation remains uneven. The legal framework prohibits discrimination, yet children in vulnerable groups continue to face barriers in accessing services and effective protection. The child protection system remains weak in institutional coordination and enforcement, with fragmentation and underfunding. Particular attention should be paid to improving mechanisms to strengthening mechanisms to protect child victims of violence and addressing the under-reporting of sexual violence against children. Regarding deinstitutionalisation, progress has been made towards family and community-based approaches, but further efforts are needed to advance the transition from residential care towards quality family- and community-based care, including by addressing shortcomings in the availability of suitable placements, quality, oversight and resources. . More broadly,

The legal framework on child-friendly justice needs to be fully implemented to ensure effective access to justice and that the rights and needs of children are adequately addressed throughout judicial proceedings. Priority should be given to further alignment with EU *acquis* on procedural safeguards for children who are suspects or accused persons in criminal proceedings and on the rights, support and protection of child victims of crime. The consistent application of diversion and other alternative measures should be strengthened, while fully respecting procedural safeguards and the best interests of the child. Oversight should be strengthened and adequate resources ensured for rehabilitation and reintegration services, including psychosocial support and education. Child-friendly procedures should be systematically applied, including individual assessments, appropriate interviewing techniques and effective access to legal assistance, alongside adequate infrastructure and strengthened preventive measures.

Persons with disabilities

The legal and institutional framework on the rights of persons with disabilities is incomplete, and enforcement is insufficient. Even though discrimination on the grounds of disability is prohibited by law, legislative frameworks need to be strengthened to align with EU *acquis* and international standards.

The already adopted 2025-2030 strategy on the rights of persons with disabilities, together with the 2025-2027 action plan, require sustained efforts to ensure implementation. Key reforms, such as strengthened anti-discrimination protections, clearer human-rights based recognition of disability status, and the incorporation of the UN Convention on the Rights of Persons with Disabilities into the Constitution, remain pending. No progress has been made on the adoption of the long-delayed draft Law on assessment, recognition of status, benefits, and services for persons with disabilities. Further efforts are needed to ensure accessibility for persons with disabilities and alignment with the EU *acquis* in this area.

There is a continued lack of progress in policy development for deinstitutionalisation and independent living. Persons with disabilities still face persistent inequality and barriers that

limit their full participation in society. Insufficient and unreliable provision of essential services by the competent public authorities is leading to a disproportionate transfer of care responsibilities to families, particularly affecting female family members.

LGBTIQ+ persons

The legal protection of the rights of LGBTIQ+ persons remain insufficient, and LGBTIQ+ persons continue to face discrimination. A strategy and action plan on the rights of LGBTIQ+ persons remain to be adopted since 2024, and no official awareness-raising activities have been conducted.

Kosovo continues to lack a clear administrative procedure for legal gender recognition. Transgender persons therefore face legal uncertainty and may have to pursue lengthy judicial proceedings to change their gender markers in official documents. Same-sex couples continue to lack legal recognition and protection, as the adoption of the Civil Code – which was expected to address this issue – has not progressed.

LGBTIQ+ persons continue to face discrimination in public spaces and workplaces, and in public discourse, including during the election campaign. Online violence persists, while patriarchal and traditional norms contribute to discrimination and rejection within families. Reporting of incidents of violence remained stable, Pride Week and the Pride Parade (June 2026) took place without incidents.

Public services for LGBTIQ+ persons remain extremely scarce. Civil society organisations remain the sole providers of health, psychosocial and legal services, but shrinking funding is likely to affect sustainability.

Procedural rights of suspects and accused persons and rights of victims of crime

The legal framework on procedural rights requires further improvements to ensure alignment with the EU *acquis*. The protection of victims' rights also needs to be improved.

The proposed amendments to the Law on the Kosovo Specialist Chambers (KSC) and Specialist Prosecutor's Office raise concerns with respect to the rights of victims of crime and the fulfilment of Kosovo's international obligations. Further concerns relate to the continuity of protection for victims and witnesses, and the effective participation of victims in proceedings.

Systemic issues in practice that affect the effective enjoyment of procedural rights also raise concerns. This concerns, in particular, the length of judicial proceedings, and the excessive use of pre-trial detention as a measure to ensure the presence of the defendant in the procedure. Additionally, courts face trial issues such as availability and quality of interpretation in court proceedings, lack of translation for court judgments and commentaries, high number of postponed court hearings for unjustified reasons, and frequent number of retrials.

Regarding the rights of victims of crime, although redress mechanisms exist, the competent institutions need to increase their capacities, allocate additional resources, and strengthen interinstitutional cooperation so that the representation of crime victims and the compensation for damages caused by crime are as effective as possible. Strengthening and capacity-building are also necessary for free legal aid services.

Protection of minorities

The legal and institutional framework for the protection of persons belonging to non-majority communities is in place and remains broadly in line with European standards, however its implementation requires further strengthening as persons belonging to non-majority communities continue to face discrimination.

The representation of non-majority communities in government and central level institutions remains inadequate. Even though four Kosovo Serb mayors returned to four Serb-majority municipalities in northern Kosovo after the October 2025 elections, Kosovo Serbs remain underrepresented in most institutions in northern Kosovo since the mass resignations in 2022.

In March 2026, the government launched a call for the Language Commissioner (vacant since January 2025) and the Director of the Office for Communities Affairs (vacant since February 2021). In April 2026, the government established the Office for the Language Control and Harmonisation, which remains to become fully operational. The mandate of the Commission for the Verification of Diplomas issued by the Serbian-curriculum University of North Mitrovica was extended three times for three-month periods, until 22 September 2026. The government also made progress towards the verification of Serbian-curriculum high school degrees.

Following a two-year suspension of students' enrolment, the University of Pristina's Balkan Studies programme was re-accredited, offering a three-year course to train translators and interpreters in both official languages, addressing a continuing shortage in Kosovo.

The earlier uncoordinated closure of Serbia-supported institutions, without fully effective replacements, continued to leave service gaps for the Kosovo Serb community.

Cultural rights

Relations between the Serbian Orthodox Church (SOC) and Kosovo institutions remain difficult due to the institutions' inconsistent interpretation of the legal protection mechanisms. This led to infringements of the Law on Special Protective Zones (SPZ). Kosovo's prolonged political instability has negatively affected the functioning of the Implementation and Monitoring Council.

The construction of an illegal pathway in the SPZ of the 13th century Heritage of St. Peter in Korishë/Koriša village in Prizren municipality remained halted, but the damage still needs to be addressed.

The EU-facilitated solution to the suspended construction of a parish house within the Gračanica Monastery SPZ demonstrated good cooperation among all relevant stakeholders – the SOC, the Ministry of Culture and the municipality. Moreover, the visit of the Patriarch of the SOC to Kosovo for the Orthodox Easter in April 2026 went unhindered and several inter-faith initiatives took place. The Patriarch of the SOC also visited Kosovo on 5 July together with the religious adviser to the US president, without any incidents. Nonetheless, the government's continued use of an incomplete name while referring to the SOC and recent developments affecting SOC sites are perceived as denying its identity and questioning its religious and cultural heritage.

Following the expiry of the mandate of the members of the Council for Cultural Heritage in Prizren and of the Council of Velika Hoča/Hoçë e Madhe village, the municipalities of Prizren and Rahovec/Orahovac initiated procedures to elect new members. The Prizren municipal assembly elected the new Council on 30 July 2026, while the election of the Council of Velika Hoča/Hoçë e Madhe is pending.

A renovated Jewish Cultural Centre was opened in Prizren.

Roma[2], Ashkali and Egyptians

The legal and institutional framework is in place, but discrimination persists.

[2] In line with the terminology of the European institutions the umbrella term 'Roma' is under here to refer to a number of different groups, without denying the specificities of these groups.

The implementation of the strategy for the advancement of the rights of Roma and Ashkali communities 2022-2026 marked limited progress and highlighted the need for stronger coordination between central and local institutions. No more local action plans were adopted, but progress was observed in implementing the existing ones. In 2025, 16 municipalities submitted implementation reports to the OGG/OPM, compared to only seven municipalities during the previous reporting period. Kosovo Roma requested the recognition of Romani as an official language in the municipality of Obiliq/Obilić. No progress has materialised on the request, which remains unaddressed.

Despite the overall positive trend observed during the reporting period, school dropout rates remain a concern, with Roma, Ashkali and Egyptian communities still disproportionately affected. 34 learning centres were operational, managed by 12 NGOs supported by the Ministry of Education and municipal education directorates. Nonetheless, between 2022 and 2025, the number of the centres decreased by 10. The Administrative Instruction regulating learning centres is under revision. While early marriages remain a concern, the OGG/OPM has drafted the 2025 report on the prevention and reporting of early marriages and the framework for the action plan on the prevention and reporting of early marriages 2026-2027.

The implementation of the 2024 national action plan for children in street situations remains limited. Targeted support for Roma, Ashkali and Egyptian communities should be further strengthened, particularly for women and young people with disabilities. Access to basic services remains constrained by socio-economic factors and insufficient targeted measures. Housing conditions remain inadequate for many while employment rates are low, reflecting structural barriers and limited economic opportunities. Women from Roma, Ashkali and Egyptian communities face multiple forms of discrimination, including higher rates of school dropout and non-attendance, early marriage, and exclusion from the labour market.

Citizenship rights

The new Law on citizenship was adopted in May 2026. The reform introduced substantial changes to the procedures for acquisition and reacquisition of citizenship. It reduced documentation and processing times and made access more inclusive. Additionally, it simplified procedures for persons who had to renounce Kosovo citizenship in their country of residence, notably those residing in EU Member States applying a single-citizenship policy. To improve accessibility, citizenship applications are also set to be made available online through the “e-Kosova” platform.

In the context of the 14 March agreement implementation, Kosovo Serbs were able to register their civil status facts (birth, death, marriage) by using ID cards issued by Serbia-supported structures for a period of three months. The registration process was hindered by insufficient guidance and weak inter-municipal coordination.

2.2.2. Chapter 24: Justice, freedom and security

The EU has common rules for border and migration management, visa policy, and asylum. Schengen cooperation entails the lifting of border controls inside the EU. There is also cooperation in the fight against serious and organised crime and terrorism, and judicial, police and customs cooperation, all with the support of the EU Justice and Home Affairs agencies.

Fight against serious and organised crime

The legal framework on serious and organised crime is partially aligned with the EU *acquis*. The capacity to fight against serious and organised crime needs to be improved**.**

General framework

Legal alignment, strategic and institutional frameworks

In October 2026, the Assembly adopted the Law on anti-money laundering and combating the financing of terrorism, aiming to align with the EU *acquis*. The new national strategy against organised crime 2026-2030 and its action plan remain to be adopted. Following the Constitutional Court verdict of January 2026, the government revised the draft Law on the State Bureau for verification and confiscation of unjustified assets, whose adoption by the Assembly is pending.

The Kosovo Police continued implementing the activities deriving from the 2025 Serious and Organised Crime Threat Assessment (SOCTA).

The Kosovo Police adopted several strategic documents, including a new five-year strategic development plan, the integrated intelligence-led policing and community policing strategy and the human resources strategy. The Kosovo Police updated the standard operating procedure on local public safety committees, strengthening cooperation in community safety issues. In June 2026, the Ministry of Internal Affairs adopted a new organisational structure to improve efficiency, strengthen policymaking, and clearly separate policy from service delivery.

The legal framework on freezing and confiscation is comprehensive; however, challenges persist in its effective implementation across the entire chain of justice institutions. In June 2026, the government established the confiscation fund authorising the Ministry of Finance to open a dedicated confiscation fund account. The confiscation fund will strengthen effectiveness and sustainability of the criminal confiscation regime, ensuring that seized assets are efficiently administered and reinvested in law enforcement and crime prevention efforts.

Kosovo should align with the EU *acquis* on criminalisation of violation of EU sanctions. It must also adopt a data protection law for law-enforcement, aligned with the EU's Law Enforcement Directive.

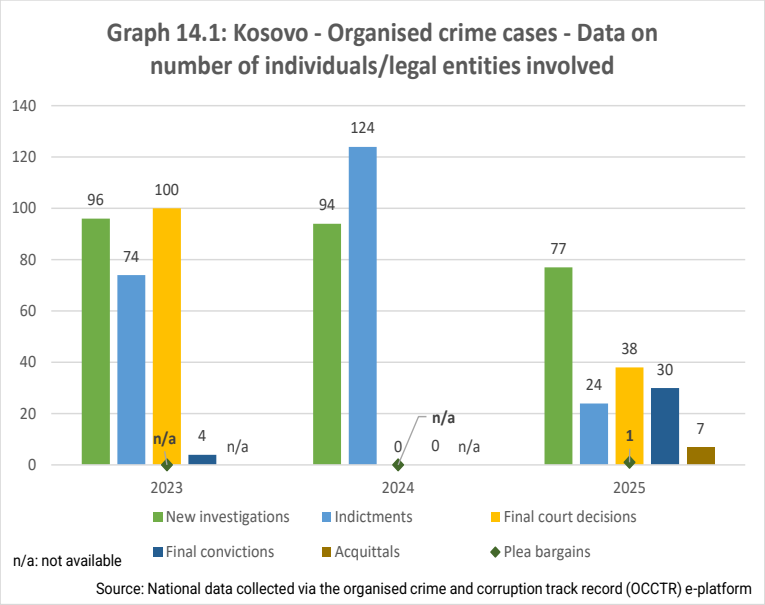
In 2025, two new generations of police cadets graduated from the Kosovo Academy for Public Safety: 742 police cadets altogether, including 90 Kosovo Serbs. Through multiple rounds of recruitment, the Kosovo Police managed to reduce the average age of its force to 42.7 years.

Efforts to recruit Kosovo Serbs and other non-majority representatives into the police should continue to ensure appropriate community representation across all ranks, particularly in northern Kosovo. The representation of Kosovo Serbs in the Kosovo Police, particularly at senior and command levels in the north, remains insufficient. While Kosovo has continued recruiting new officers from non-majority communities, the current framework does not provide a pathway for the return of experienced Kosovo Serb police officers who resigned in 2022. At the same time, newly recruited Kosovo Serb officers do not yet have the required seniority and experience to fill key command positions. Kosovo needs to appoint the Regional Commander North and the four station commanders in the northern municipalities, in coordination with mayors and in full compliance with the relevant legislation and Dialogue agreements. Equally, the police needs to continue dedicating efforts to recruit women to ensure proper gender representation.

The Kosovo Police launched its e-learning platform on the police intranet, providing access to structured online and self-paced training for the first time. Offering language courses in the two official languages for police officers should be intensified, especially in the Kosovo Serb-majority areas.

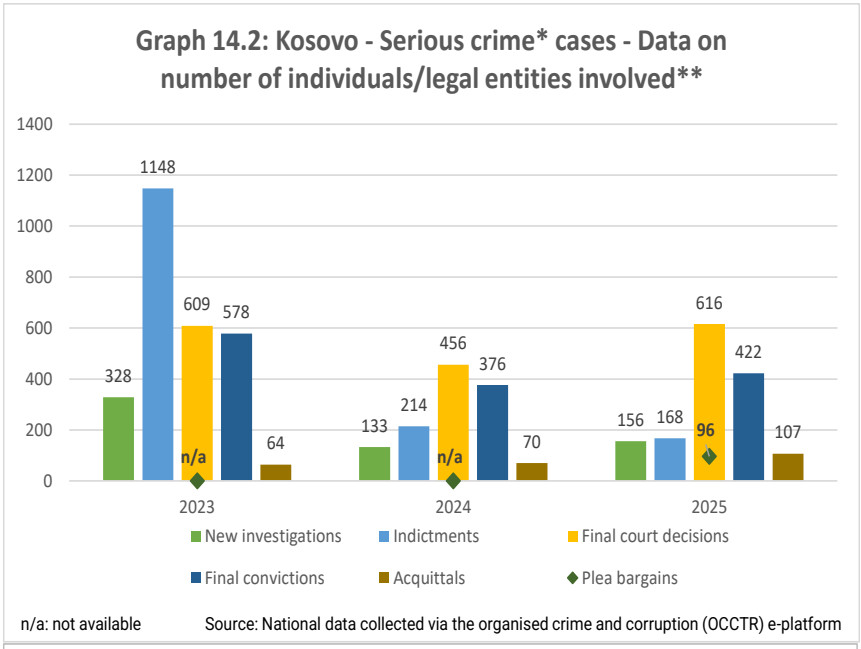
Implementation and enforcement capacity

The Kosovo Police has good operational and investigative capacity to fight organised crime but preserving its operational independence remains essential. The number of intelligence structures within the police has doubled, enhancing analytical capacities at both central and regional levels. Nevertheless, the prosecution service and the police need to work more closely to jointly identify, map, and dismantle organised criminal groups and networks.



The Kosovo Police has introduced dedicated neighbourhood officers with electronic files, including in the north of Kosovo, enhancing community involvement in security matters. However, trust in the police in the north remains low, requiring increased community policing efforts to further strengthen and improve inter-community relations.

The Kosovo Police has demonstrated an improved capacity to initiate proactive investigations. A Task Force to tackle loan sharking continued its operations, combating a serious criminal activity prevalent across Kosovo. Adding to last year's results, several groups were dismantled and significant material assets seized, including cash, weapons, and ammunition. The justice sector should further strengthen its effectiveness in prioritising the adjudication of these cases. The track record for both organised and serious crime significantly improved compared to last year, as the number of final court decisions and final convictions increased. Nevertheless, there were fewer new investigations and indictments for organised crime, and while new investigations slightly rose for serious crime, the number of indictments fell.



* Serious crime cases stems from the aggregated data of cases of money laundering, cybercrime, production and trafficking of drugs, firearms related offenses, terrorism, trafficking in human beings, smuggling of persons. Corruption cases are showcased in Chapter 23.
** Individuals being investigated, prosecuted or convicted for several offences are counted only once.

The Financial Investigations Sector within the Kosovo Police has the operational and technical capacities to conduct financial investigations, although they are still not systematically applied to criminal investigations.

Considerable limitations remain in access to modern technological tools, which hamper the ability to conduct effective investigations of organised criminal groups.

On asset confiscation, despite Kosovo's legislation being aligned with international standards, results remain limited. In 2025, the amount of assets seized reached approximately EUR 64 million, while the amount of confiscated assets was roughly EUR 566 000. The authorities need to further strengthen the practical use of available confiscation tools. Additional efforts are needed to strengthen the cooperation between the police and the prosecution.

During 2025, the Police Inspectorate of Kosovo investigated 232 police officers, which resulted in the arrest of 47 police officers, the suspension of 129 and criminal charges for 110. The Inspectorate's investigations were assessed as high quality, although the case management system should be improved.

Law enforcement cooperation

International police cooperation improved significantly between 2022 and 2025, with operational communications growing by 25% annually. Kosovo has bilateral police cooperation agreements with seven Member States and exchanges data with 12 more via SIENA. Regarding the European Multidisciplinary Platform Against Criminal Threats (EMPACT), in 2025 Kosovo Police took part in 12 operational action plans and 72 operational actions and in the new EMPACT cycle 2026-2027 has taken the role of co-leader in two operational actions under operational action plans on Cyber and Migrant Smuggling and participates in 11 operational action plans and 83 operational actions.

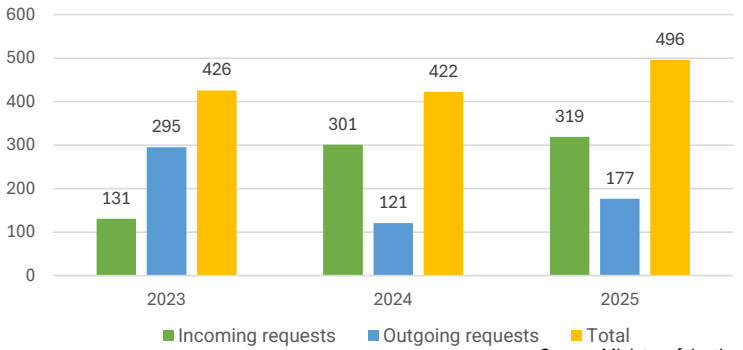
Cooperation also continued through the EU Agency for Law Enforcement Training (CEPOL) and INTERPOL via the UN Interim Administration Mission in Kosovo (UNMIK). However, the lack of INTERPOL membership undermines Kosovo's ability to fully engage in international crime prevention, posing challenges in global policing collaboration.

To establish a sustainable professional development, Kosovo is encouraged to adopt the sectoral competencies and integrate knowledge acquired through CEPOL capacity-building actions to its law enforcement training system.

Judicial cooperation in criminal matters

Judicial cooperation in criminal matters is broadly satisfactory, and the legal framework is partially aligned with the EU *acquis,* to the extent that alignment is possible. Cooperation between Kosovo and Eurojust remains good. Between September 2025 and March 2026, Kosovo was involved in six new cases at Eurojust, most related to organised crime, fraud and money laundering. Kosovo participated in two joint investigation teams (JITs), including one new. In 2025, the EPPO did not send any mutual legal assistance (MLA) requests to Kosovo, neither did it have any active cases with links to Kosovo at the end of 2025.

Graph 15: Kosovo - Requests for mutual assistance in criminal matters



Source: Ministry of Justice

The high number of requests and responses in criminal matters exchanged with EU Member States continue to demonstrate Kosovo's commitment to combating transnational organised crime.

The number of executed extraditions during the reporting period remained high. New

bilateral treaties on extradition, MLA in criminal matters, and transfers of sentenced persons have been initiated with the United Kingdom and with the Netherlands, along with a separate initiative on an extradition agreement with the United States. The agreement on MLA in criminal matters with Belgium was also finalised. Most MLA requests submitted to Serbia remain unaddressed, including the ones related to the attacks on Ibër-Lepenc/Ibar-Lepenac and Banjska/Banjskë. Kosovo's lack of membership in relevant international organisations continues to pose a challenge, as MLA and cross-border cooperation continue to be based on bilateral treaties between Kosovo and respective EU Member States.

Since the Regulation on the establishment and functioning of JITs was adopted in 2025, the Special Prosecution Office has operationalised one JIT at the domestic level and seven under international cooperation frameworks. The use of JITs, particularly at the domestic level, should be further strengthened to effectively combat complex financial crimes.

In 2025, Kosovo received 117 responses from EU Member States in criminal matters. It also provided 205 responses.

Crime areas

Investigation and criminalisation of money laundering

In October 2025, the Supreme Court issued guidance on the adjudication of **money laundering** cases, with a particular focus on stand-alone money laundering offences. The Joint Money Laundering Intelligence Network of Kosovo, adopted in October 2024, needs to be operationalised.

The anti-money laundering and countering the financing of terrorism (AML/CFT) framework is advancing technically by increased compliance with the Financial Action Task Force and EU standards, but it needs improvement at the operational level. The Financial Intelligence Unit tracks high cash movements, although stand-alone prosecutions for money laundering are very limited.

The number of final convictions for money laundering remains limited, and further efforts are needed to increase investigations, despite a legal framework that recognises money laundering as a stand-alone criminal offence. In 2025, the prosecution initiated investigations against 12 suspects and issued 12 indictments for money laundering. The courts issued one final ruling in money laundering cases. In September 2025, the Kosovo Police conducted an operation resulting in the arrest of 31 individuals suspected of money laundering and drug trafficking. *(For anti-money laundering and countering the financing of terrorism, see also Chapter 4 – Free movement of capital.)*

To strengthen the oversight and transparency of the crypto-assets sector, all service operators are required to comply with the criteria and obtain a licence as of 1 March 2026. The Central Bank issues licenses regarding crypto-assets, and the Kosovo authorities have developed operational capabilities, including the establishment of a crypto-wallet, to seize or manage virtual assets. Nevertheless, these mechanisms need strengthening and sub-legal acts should be adopted.

Cybercrime

The legal framework to counter and investigate cybercrime is largely aligned with the EU *acquis*. Capacities to tackle cybercrime, particularly in the areas of digital forensics and electronic evidence, were improved through specialised trainings, but further efforts are required to ensure an effective response to the evolving criminal landscape. Challenges persist in investigating the darknet. However, Kosovo showed an increase in its international cooperation on cybercrime, including with Europol, leading to some results.

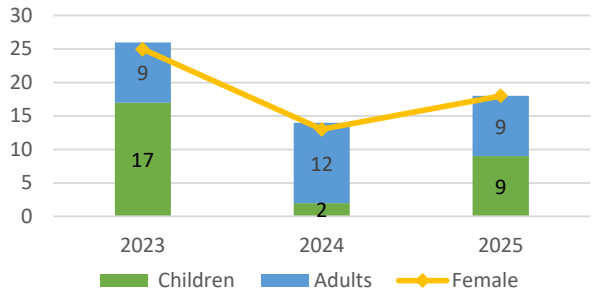
Child sexual abuse

Regarding sexual exploitation and abuse of children, the police initiated 14 cases, arrested 13 suspects and submitted 13 criminal reports against 15 individuals. The police adopted a standard operating procedure on the prevention and handling of child abuse. The legal framework should be amended to fully align with the EU *acquis*.

Trafficking in human beings

On trafficking in human beings, improved interinstitutional coordination was observed, but legislative revision, including alignment with the EU Anti-Trafficking Directive, as amended, and stronger enforcement, particularly in sentencing, remain necessary. In 2025, 13 victims of trafficking were identified, all female, including 11 minors. All these were exploited for sexual purposes, underscoring the need for stronger prevention and awareness efforts, especially in schools. Moreover, mechanisms for reintegrating victims need to be strengthened.

Graph 16: Kosovo - Victims of trafficking in human beings*



n/a= not available

Source: National data collected via the organised crime and corruption track record (OCCTR) e-platform

* Total of victims and potential victims identified by the Office for Victims Assistance and Advocacy.

Migrant smuggling

During 2025, Kosovo Police initiated 13 cases on migrant smuggling, compared to 11 in 2024. This resulted in 14 arrests and identification of 57 smuggled migrants. Due to changes in migration routes, new cases of migrant smuggling through Kosovo remained low. Kosovo also participates in the EMPACT operational actions against migrant smuggling, including as action co-leader. Kosovo renewed its engagement in the Global Alliance to Counter Migrant Smuggling at the Global Alliance's second conference at the end of 2025. Kosovo has endorsed the Global Alliance Joint Declaration and also participated in the second Senior Officials' Meeting of the Global Alliance in July 2026.

Trafficking in firearms

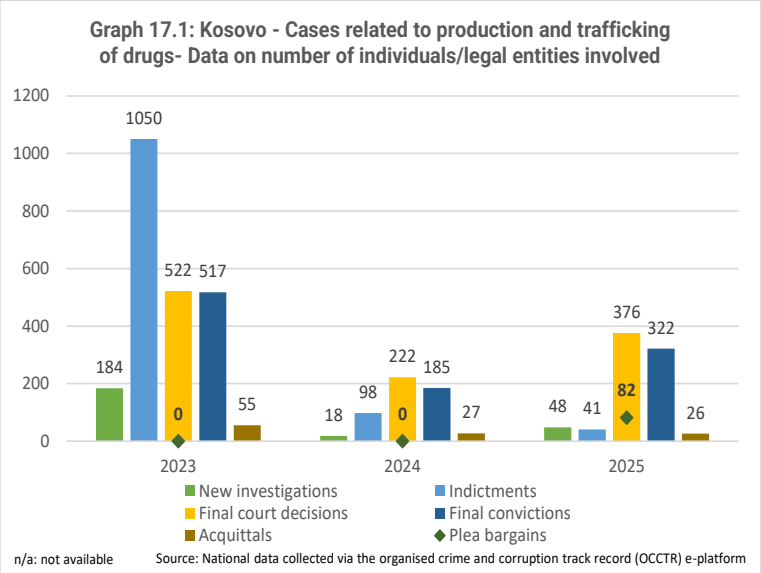
Kosovo has a high level of alignment with the rules of the UN Firearms Protocol, and the Firearms Focal Point is well-equipped both operationally and in terms of digitalisation. Kosovo continues to successfully implement the roadmap for a sustainable solution to the illegal possession, misuse and trafficking of small arms and light weapons. However, on firearms control, Kosovo still needs to adopt a new Law on weapons and a new Law on the civil use of explosives. Specific focus should also be given to harmonising the national legislation with the EU rules on marking and on alarm and signal weapons.

Kosovo remains active in tracing weapons through international police cooperation. In 2025, the Kosovo Police initiated eight cases on firearm trafficking and arrested 42 suspects. In 2025, Kosovo Police confiscated 1 931 weapons (compared to 1 746 in 2024), and 39 116 rounds of ammunition in 2025, (compared to 33 250 in 2024).

Cooperation in the field of drugs

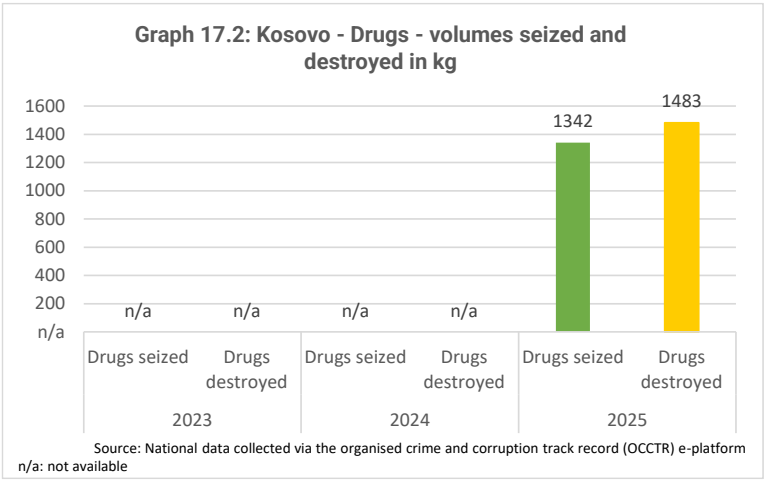
The legislation on drugs is partially aligned with the EU *acquis*, and the current Law on narcotic drugs, psychotropic substances and precursors needs to be revised. The capacity to fight drug crimes needs to be improved. In 2025, the Special Prosecution Office issued instructions on standard operating procedures for narcotics seizures. Good progress in the implementation of the national drug strategy and its action plan was observed. The Early Warning System needs to be properly operationalised. The National Drug Observatory has

prepared an updated report on Kosovo. However, a drug treatment register has not yet been set up pending the establishment of a functional health information system.



Throughout 2025, the Kosovo Police recorded a sustained increase in drug seizures across most substance categories, except for seizures of cannabis plants, amphetamine/methamphetamine, and heroin, which decreased. The number of investigated narcotics trafficking cases also rose. In 2025, the Kosovo Police conducted four large-scale destruction operations, disposing of nearly 1.5 tonnes of narcotics and eliminating significant quantities of seized substances. Increased intelligence capacities continued to improve the results in drug trafficking investigations.

While international and regional cooperation in drug enforcement remains strong and has shown further progress, Kosovo's exclusion from key international law enforcement bodies continues to pose a significant obstacle to effective operational and international police cooperation against drug trafficking. Furthermore, domestic inter-agency coordination still requires improvement to increase effectiveness in combating drug-related crime.



Counterfeiting of the euro (criminal law aspects)

The relevant legislation on suppression of counterfeit currency remains partially aligned with the EU *acquis*. The Criminal Code needs to be further aligned. Kosovo has competent authorities and procedures in place to address counterfeit money, but the structural setup requires further institutional efforts. In 2025, the forensic agency identified 1 745 cases of counterfeited euro notes and 34 007 cases of counterfeited euro coins. Relevant authorities investigated 58 suspects of currency counterfeiting and filed 29 criminal charges.

Counterterrorism, prevention and resilience

Fight against terrorism and prevention of radicalisation

Legal alignment, strategic and institutional frameworks

The legal framework for the fight against terrorism and countering violent extremism is largely aligned with the EU *acquis*. However, full compliance with the EU *acquis* on explosives precursors should still be ensured.

Kosovo adopted the amendments to the Law on anti-money laundering and countering the financing of terrorism, aiming to align with the EU *acquis*. Good progress was observed in implementing the national strategy against terrorism and violent extremism 2023-2028. However, the action plan expired in 2025 and should be updated.

Kosovo signed the updated Joint Action Plan on Preventing and Countering of Terrorism and Violent Extremism for the Western Balkans and submitted the national roadmap for its implementation. The Minister of Internal Affairs continues as a National Coordinator for Countering Terrorism. There was no progress in setting up a national centre for countering terrorism and countering and preventing violent extremism and radicalisation. The security institutions conducted bi-annual joint threat assessments.

Implementation and enforcement capacity

The fight against terrorism is broadly satisfactory. The countering of violent extremism needs to be improved. The threat level of terrorism is assessed as moderate. There has been increased concern over the rise of ethno-nationalism. While religiously motivated extremism has not ceased to exist, the authorities have addressed the threats. As part of counter-radicalisation efforts, Kosovo authorities administratively closed 27 informal mosques associated with conservative or radical preaching and required them to register as NGOs, to comply with legal and administrative criteria.

Advanced training for judges, prosecutors and local level frontliners on countering terrorism and the prevention of violent extremism and radicalisation continued. There were 8 persons indicted in terrorism-related offences and 3 convicted.

The indictments for the 2024 Ibër-Lepenc/Ibar-Lepenac canal attack were filed and the trial began in December 2025. The Basic Court delivered its judgement on 24 April 2026 against three defendants for the 2023 attack in Banjska/Banjskë. Two were sentenced to life and the third to 30 years imprisonment. The judgement may be appealed.

13 inmates are serving prison sentences for terrorism-related crimes and 5 are in pre-trial detention. The Correctional and Probation Service continued its work on disengagement and rehabilitation. Kosovo continued to take a leading role in the rehabilitation and reintegration of returnees from foreign conflicts. No repatriations took place in the reporting period. 32 men, 8 women and 37 children still remained in the former conflict area in Syria and Iraq.

The local multidisciplinary referral mechanism is functioning in five municipalities. Hateful rhetoric and disinformation related to inter-ethnic tensions, emanating from foreign actors, continued to increase and were exacerbated by the use of AI.

Kosovo should develop a systematic institutional approach to foreign information manipulation, including clearer coordination, stronger media transparency safeguards, and support for local fact-checking and resilience initiatives to address the challenge. Moreover, Kosovo is encouraged to apply the methodology developed with the support of the Counter Terrorism Support Network (CTSN) to prepare a domestic terrorism trend and situation report.

Critical infrastructure protection

Legal alignment, strategic and institutional frameworks

The legal framework for critical infrastructure protection is partially aligned with the EU *acquis*. To fully align, Kosovo should amend the Law on critical infrastructure protection. Kosovo should also formally adopt the list of critical entities and assign the sectoral coordinators.

Interinstitutional coordination has improved due to the recruitment of a dedicated team at the Ministry of Internal Affairs. The newly created Ministry of Public Administration and

Digitalisation is responsible for cybersecurity, requiring closer coordination among all stakeholders. The Ministry of Internal Affairs prepared internal standard operating procedures and working documents in critical infrastructure protection. The security plans of several critical entities are relatively extensive but require further alignment with the updated law once approved.

Implementation and enforcement capacity

The protection of critical infrastructure needs to be improved. Capacity-building efforts of the newly recruited staff on critical infrastructure protection continued. There have been no attacks on critical infrastructure after the Ibër-Lepenc/Ibar-Lepenac canal attack in 2024. The Cybersecurity Agency should be made fully operational by appointing an executive director and recruiting the necessary staff.

Migration and asylum

Legal and irregular migration and returns

The legal framework for management of legal and irregular migration is partially aligned with the EU *acquis*.

The management of legal and irregular migration is broadly satisfactory.

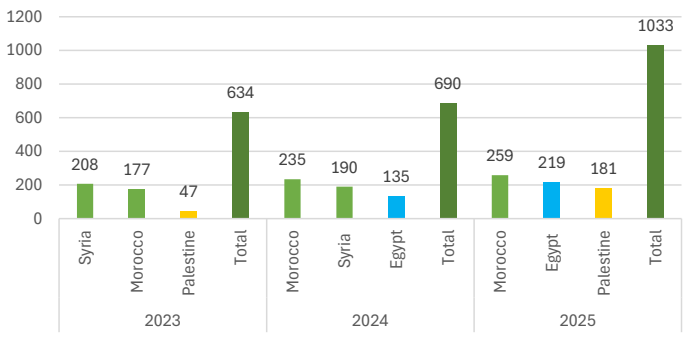
Legal alignment, strategic and institutional frameworks

Relevant strategic and legal documents are being implemented effectively. The amended Law on foreigners remains to be adopted. The current migration strategy expired in 2025; Kosovo reviewed implementation of the previous strategy and prepared a new migration strategy 2026-2030, which is pending adoption. Kosovo has established its contingency plan, awaiting formal government approval. The institutional framework remains in place and is overall functional, with the Ministry of Internal Affairs (MIA) retaining overall responsibility. Coordination through the Government Authority on Migration and its thematic working groups continued.

Kosovo continued its efforts to modernise migration management systems, including through the development of the Biometric Information System, preparations for a Migration Management Information System, and broader border management upgrades. As there is no readmission agreement with the EU, cooperation on readmission with Kosovo continues bilaterally. The 25 readmission agreements with EU Member States and Schengen-associated countries continue to be implemented satisfactorily.

Implementation and enforcement capacity

Graph 18: Kosovo - Number of irregular movements



Source: Government input/Kosovo Police

In 2025, migration pressures increased, although overall flows remained manageable. Kosovo Police identified 1 033 migrants who entered Kosovo irregularly during 2025, compared to 690 in 2024. A total of 816 migrants were accommodated in the temporary reception centre for migrants in Vranidoll/Vranidol, a broadly stable number compared to 2024. 181 people applied for international protection and were accommodated at the Asylum Centre in Magurë/Magura. Most

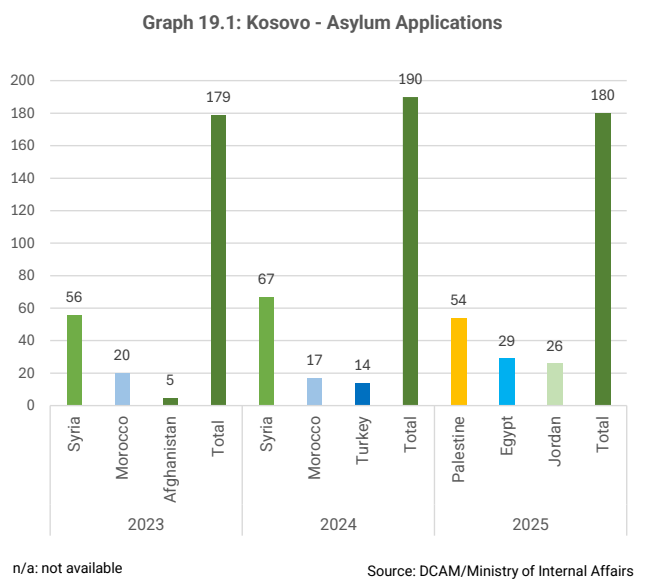
migrants transit through mountain passes, entering from Albania and North Macedonia.

A total of 880 people were readmitted to Kosovo. While 32 migrants returned voluntarily to their countries of origin, 32 migrants were returned through assisted voluntary return and reintegration programmes supported by the International Organization for Migration. Return procedures continue to face operational constraints, including challenges in consular cooperation.

Kosovo made some progress in implementing the Law on foreigners. In early 2026, the MIA conducted information campaigns and coordination meetings to support the implementation of the law, including ahead of the enforcement of new foreigner registration requirements. In March 2026, MIA launched an electronic platform for registration of foreigners' addresses.

Asylum

Legal alignment, strategic and institutional frameworks

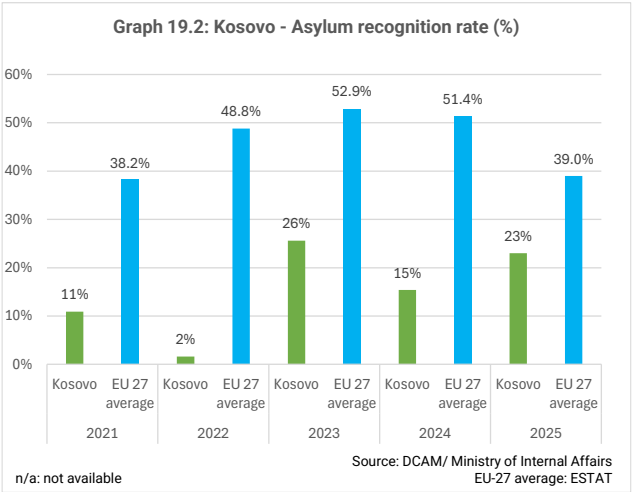


While the legal framework on asylum is largely aligned with the EU *acquis* as it was in force until 12 June 2026, Kosovo should focus on developing its national legal framework and operational capacities on migration and asylum to align with the Pact. The management of asylum is broadly satisfactory.

The new Law on foreigners, which contains provisions relevant to aligning asylum procedures and reception, is still pending adoption. The institutional framework remains in place, with responsibility vested in the MIA. Kosovo continued cooperation with the European Union Asylum Agency, including in the context of contingency planning and capacity-building.

Implementation and enforcement capacity

In 2025, 181 asylum applications were registered. A total of 53 people were granted international protection, and 31 subsidiary protection statuses were renewed. Reception capacity remained adequate for the current scale of arrivals. Kosovo remains primarily a transit country, with most migrants not seeking international protection. Authorities continued to provide support for recognised beneficiaries of protection, including housing and basic integration measures, such as language courses and vocational training.



The system continues to face structural challenges, including limited

administrative capacity and understaffing in key functions, insufficient use of country-of-origin information, limited availability of free legal aid and weaknesses in interpretation and referral mechanisms. Procedural gaps persist in the early identification of vulnerable people and in the consistency of registration and case management systems. Access to services for applicants for international protection and beneficiaries of protection remains limited, including in healthcare, psychosocial support and integration measures.

Visa policy

Kosovo's visa policy is not fully aligned with that of the EU, in particular the list of countries whose nationals require a visa to enter the EU. While the government terminated the visa-free regime for nationals of the Republic of Fiji, Kosovo maintains visa-free regimes for 16 countries listed by the EU as visa-required (Bahrain, Belize, Eswatini, Guyana, Jordan, Kuwait, Lesotho, Malawi, Maldives, Oman, Papua New Guinea, Qatar, São Tomé and Príncipe, Saudi Arabia, Türkiye, Vanuatu). The recommendations of the 2025 EU Visa Suspension Mechanism Report were implemented, nevertheless, Kosovo should continue to progressively align its visa policy with that of the EU.

In 2025, asylum applications by Kosovo nationals in EU Member States decreased by 47% compared with 2024 (3 505 applications in 2025; 6 620 in 2024), although cases of irregular stay slightly increased. Kosovo continued its awareness-raising efforts and cooperation with EU Member States to monitor and curb the number of unfounded asylum applications submitted by its citizens in the EU.

Kosovo should maintain and adapt the ongoing communication campaign to inform citizens of their rights and obligations under the visa-free regime with the EU. Furthermore, it should strengthen safeguards against identity and travel document fraud, improve detection of forgeries, ensure cooperation with EU Member States on Schengen Information System alerts, and continue working with INTERPOL while fully implementing its new identity legislation.

Schengen governance and external borders

The legislative and strategic framework for the management of external borders is largely aligned with the EU *acquis*, and the management of borders is broadly satisfactory.

Legal alignment, strategic and institutional frameworks

Kosovo needs to adopt the amended Law on border security and surveillance and the updated Integrated Border Management (IBM) strategy to fully align with EU *acquis* and the European IBM concept. Kosovo has a working arrangement with the European Border and Coast Guard Agency (Frontex), with 12 Standing Corps Officers deployed, and has expressed interest in further upgrading this cooperation. The National Centre for Border Management has advanced and is functioning well but needs to integrate the National Coordination Centre functionalities in accordance with the European Border and Coast Guard Regulation. Kosovo has not yet taken any concrete steps to establish a national Schengen governance framework, including by adopting a Schengen action plan or appointing a national Schengen coordinator.

Implementation and enforcement capacity

The Border Police expanded its structure to establish a fourth region in the south. Cooperation with Frontex continued, with its officers deployed in three border crossing points. Regional cooperation and joint patrols continued with neighbouring Albania, North Macedonia and Montenegro. Kosovo is an active participant in the trilateral Police Cooperation Centre based in Montenegro.

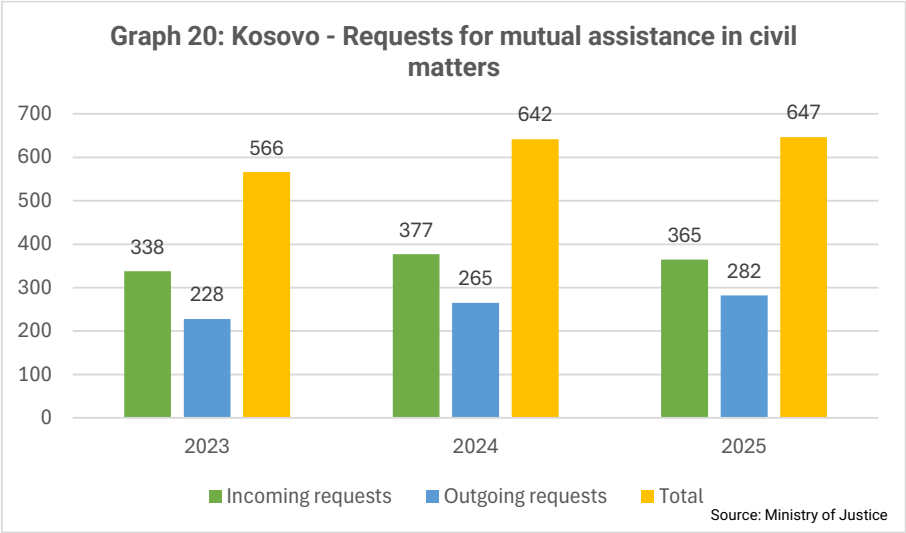
Inter-agency cooperation to fight cross-border crime is good. During 2025, the Kosovo

Border Police participated in two joint international operations. Some equipment to handle document security advancement was procured, but border infrastructure and equipment remain underdeveloped in several border crossings.

The Interim Common Crossing Points (CCPs) between Kosovo and Serbia continued to be operational. Two permanent CCPs hosted by Kosovo (Merdarë/Merdare and Mutivodë/Mutivode) are operational, while Serbia has not reciprocated. Preparatory work towards the establishment of the third permanent CCP hosted by Kosovo at Tabavije/Bërnjak–Tabalije/Brnjak advanced. The two completed CCPs, Kapi/Kapija Vrapče and Rajetići/Izvor, remain non-operational despite being fully constructed and staffed, as no agreement has been reached to allow traffic. Measures to combat corruption include the use of closed-circuit television (CCTV) monitoring at border crossing points, issuing circulars, and training and rotating the staff.

Judicial cooperation in civil and commercial matters

Judicial cooperation in civil matters is broadly satisfactory, and the legal framework is partially aligned with the EU *acquis*. The capacities to handle cases are sufficient and no delays in processing incoming cases were observed. There was a high number of requests and responses in civil matters exchanged with Member States, demonstrating Kosovo's commitment to international cooperation and rule of law. Limited progress was made in the use of the EU-facilitated MLA arrangements between Serbia and Kosovo. Cooperation remains insufficient, with only a very limited number of cases processed by Serbia.



In 2025, Kosovo received 249 responses from EU Member States in civil matters. It also provided 308 responses.

2.3. ECONOMIC DEVELOPMENT AND COMPETITIVENESS[3]

Kosovo - Key economic figures	2017-22 average	2023	2024	2025
GDP per capita (% of EU-27 in PPS)	23	26	28	
Real GDP growth	3.8	4.1	4.6	3.6
Activity rate of the population aged 15-64 (%), total	40.1	40.7	43.3	49.2**
female	*20.7*	*24.2*	*25.9*	31.5**
male	*59.4*	*57.8*	*60.6*	66.9**
Unemployment rate of the population aged 15-64 (%), total	24.2	10.9	10.8	10.9**
female	*29.7*	*18.2*	*18.0*	13.6**
male	*22.2*	*7.7*	*7.7*	9.6**
Employment of the population aged 15-64 (annual growth %)	3.5	5.4	-2.6	13.9**
Nominal wages (annual growth %)	3.6	9.4	12.1	11.6
Consumer price index (annual growth %)	3.4	4.9	1.6	3.9
Exchange rate against EUR*	1.0	1.0	1.0	1.0
Current account balance (% of GDP)	-7.3	-7.2	-8.4	-8.2
Net foreign direct investment, FDI (% of GDP)	4.0	6.7	5.5	6.6
General government balance (% of GDP)	-2.7	-0.2	-0.3	-0.8
General government debt (% of GDP)	19.2	17.5	16.8	16.4

** The euro is used as a de facto domestic currency*

*** The average of the first 3 quarters of 2025*

Sources: Kosovo Agency of Statistics, Central Bank of Kosovo, Ministry of Finance, World Bank and IMF

2.3.1. The existence of a functioning market economy

Economic governance

Overall, Kosovo remained committed to prudent macroeconomic policies, but the 2026 budget implies a significant fiscal expansion. The headline fiscal balance slightly deteriorated in 2025, as a surge in capital and social spending[4] outpaced strong revenue growth. The budget for 2026 foresees a fiscal expansion risking higher inflationary pressures and external imbalances. Previous initiatives taken by the government to improve public investment management resulted in stronger execution rates. Authorities adhered to the fiscal rules, such as the public-sector wage bill, but have not lent support to the establishment of an independent fiscal council. Kosovo has adopted an ambitious Reform Agenda to accelerate economic convergence with the EU, comprising reform commitments in economic governance, public financial management, business environment, and the green and digital transition. Following the delayed ratification of the necessary agreements in February 2026, caused by the political impasse, Kosovo should move forward with implementing these reforms to fully benefit from the Reform and Growth Facility.

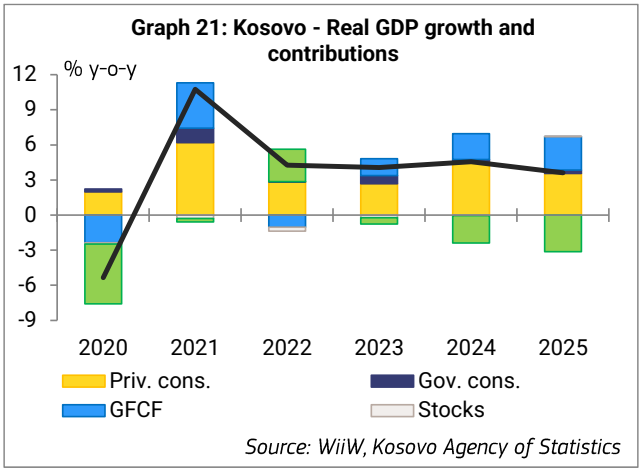
The policy guidance set out in the conclusions of the Economic and Financial Dialogue with

[3] Unless otherwise indicated, the data in this section are taken from the relevant national sources (the statistical office, Ministry of Finance and central bank).

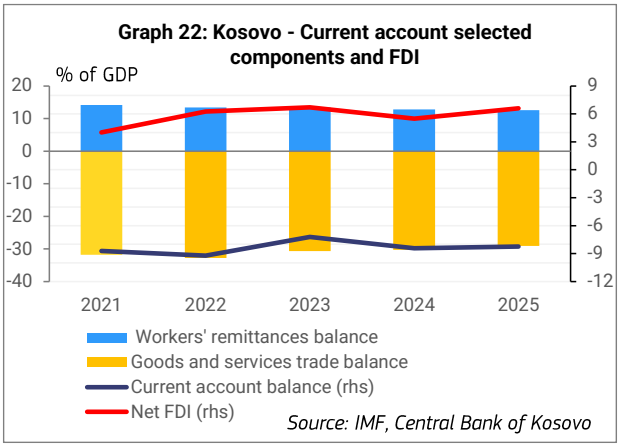
[4] Social transfers surged by 20% year-on-year, reflecting government measures in the run-up to 9 February and 28 December 2025 parliamentary elections, including higher maternity and child benefits and non-contributory pensions. Ahead of the 7 June 2026 snap parliamentary elections, on 22 May, the caretaker government approved one-off support of EUR 100 for pensioners, children benefiting from the child allowance scheme, active and regular students enrolled in the 2025-2026 academic year at higher education institutions, as well as private-sector employees with monthly salaries below EUR 1 000.

Regional Partners of 13 May 2025 has been partially implemented. Despite the increase in capital spending, there was no material change in the spending structure. Financial oversight of publicly-owned enterprises (POEs) has improved, but corporate governance still needs to be strengthened. Tax revenue grew strongly, partly due to some formalisation gains and improved tax compliance while, for the first time data on residential property prices have been published. For 2026-2028, Kosovo's Economic Reform Programme (ERP) aims to maintain stable public finances and comply with fiscal rules, while supporting economic growth through higher capital spending.

Macroeconomic stability



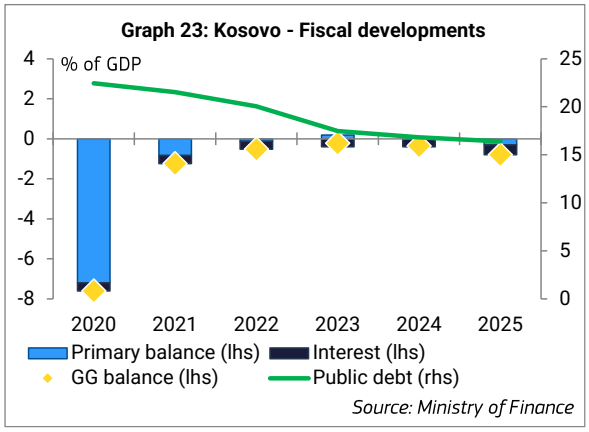
Economic growth slowed in 2025 but strengthened in 2026. Real GDP growth eased to 3.6% in 2025 from 4.6% in 2024, and slightly below the average growth rate of 3.8% in 2017-2022. The weakening of economic activity was mainly due to a stronger negative contribution of net exports to growth, and a weaker expansion of private consumption, which suffered from a resurgence in inflationary pressures. Nonetheless, private consumption, supported by strong bank lending and rising wages, remained the main growth driver along with gross fixed capital formation due to higher public capital spending. Further positive contribution came from a notable acceleration in public consumption growth, reflecting higher public-sector wages and expenditure related to parliamentary and municipal elections. Economic activity picked up in the first quarter of 2026, with real GDP growth accelerating to 5.4% year-on-year, from 3.9% in the preceding quarter. Kosovo's per capita GDP remains the lowest in the Western Balkan region, standing at 28% of the EU average in 2024, but higher than the average of 23% in 2017-2022.



Kosovo's external deficit remained high but was mainly financed by inflows of foreign direct investment. The current account deficit, as a share of GDP, fell slightly to 8.2% of GDP, down from 8.4% of GDP in 2024. The key driver was a 4.2 percentage points (pps) increase in the services trade surplus, to 21.5% of GDP. This more than offset the 3 pps rise in the merchandise trade deficit (to 50.6% of GDP) and the decreases in the primary and secondary income surpluses by 0.4 pps and 0.7 pps to 2% and 18.8% of GDP, respectively. Workers' remittances, which usually offset a large part of the trade deficit, slightly fell to 12.8% of GDP. Further unofficial services exports and remittances were reflected in large errors and omissions (2% of GDP) in the balance of payments. In the year to the first quarter of 2026, the current account deficit improved further, decreasing to 7.3% of GDP. In 2025, the current account deficit was mainly financed by net inflows of foreign direct investment (FDI), which increased by 1.1 pps to 6.6% of GDP. The bulk of inflows continued to be concentrated in real estate and financial and insurance services. By the end of 2025, official reserve assets, expressed in months of imports of goods and services, had

fallen slightly to 1.8.

Inflationary pressures have been increasing markedly. Annual consumer price inflation averaged 3.9% in 2025, well above the 1.6% rate recorded in 2024, while it picked up to an average of 6.4% in the first half of 2026 and further to 7.3% in August. The key drivers of inflation were accelerated prices of energy and services. Core inflation stood at an annual average of 2.5% in 2025, somewhat lower than a year before, but increased markedly in the course of 2026, reaching 7.3% year-on-year in August.



Strong increases in capital and social spending outweighed robust tax revenue growth, resulting in a slight deterioration in the headline fiscal balance in 2025. The headline budget deficit rose to 0.6% of GDP in 2025 (from 0.3% in 2024), which corresponds to a surplus of 0.1% of GDP under the fiscal rule's definition[5]. Public revenues increased by an annual 8.3%, partly due to improved tax compliance and some formalisation gains. However, this was outpaced by budget expenditure growth of nearly 10%. Public capital spending rose strongly by 11.3% year-on-year, but it only reached around 77% of the budget allocation, reflecting overoptimistic targets and remaining weaknesses in implementation capacity. Current expenditure also grew robustly, by 9.4% year-on-year, slightly surpassing the planned increase of 9.1%, mainly on the back of increased spending on transfers and subsidies (10.6%), goods and services (8.8%), and wages (8%). Social transfers – predominantly untargeted – surged by 20%, reflecting government measures in the run-up to the elections in February and December. Government deposits remained unchanged as a share of GDP at 3.8%, which is below the level recommended by the IMF.

A low primary deficit and high nominal GDP growth supported a decrease in the public debt ratio to 16.5% of GDP at end-2025. This is the second-lowest level since 2017, down from16.8% one year earlier. It declined further to 16.1%[6] of GDP at end-June 2026. Domestic debt is held by a narrow investor base: at the end of March 2026, the share of domestic debt held by the Kosovo pension fund (KPST) stood at 43%, while the Central Bank of Kosovo and commercial banks held a further 23% and 25%, respectively. Foreign debt is low compared to peers and mostly owed to international donors, such as the International Monetary Fund, the World Bank, and the European Investment Bank. Newly ratified loan agreements, including those concluded with the EU under the Reform and Growth Facility, the World Bank for a Development Policy Loan, and Agence Française de Développement (AFD) and *Kreditanstalt für Wiederaufbau* (KfW), will provide external budget financing, subject to the

[5] The fiscal rule places a cap on the fiscal deficit of 2% of forecast GDP, excluding capital projects financed by privatisation proceeds and donors ('investment clause'). This exemption for donor-financed investment was valid only until 2025, provided the public debt ratio remained below 30% of GDP. A further rule stipulates that the increase in the public wage bill cannot exceed the nominal GDP growth rate of the latest calendar year available at the time the consolidated budget is being prepared. Government deposits used as fiscal buffers are legally required to stay at 4.5% of GDP as long as the government uses privatisation proceeds. The debt rule requires that public and publicly guaranteed debt cannot exceed 40% of GDP.

[6] However, these figures do not include the liability of EUR 120 million arising from COVID-19-related tax-free withdrawals of 10% of pension savings from the Kosovo Pension Saving Trust. While this liability is being amortized through the budget, it is not currently reflected in official debt statistics (IMF, *Article IV consultation*, April 2026).

fulfilment of the relevant conditions. In July 2026, Fitch Ratings reaffirmed its 'BB-' sovereign credit rating for Kosovo with a stable outlook, which Kosovo had obtained for the first time in April 2024 and which holds out the prospect of Kosovo accessing international financial markets in the future.

The 2026 budget provides a significant fiscal stimulus, which risks increasing inflationary pressures and widening external deficit. The headline deficit is expected to increase markedly by around two percentage points to 2.7% of GDP, mainly on the back of a very ambitious further surge in capital spending and the full-year impact of current spending measures introduced in 2025. The deficit (according to the fiscal rule's definition) would not exceed the prescribed ceiling of 2% of GDP, which is appropriate given the need to maintain the credibility of Kosovo's well-functioning set of fiscal rules. The planned increase in the public wage bill, including the 13th month's salary, does not exceed nominal GDP growth in 2024, thus the wage bill rule is being respected. The 2026 budget includes lower blanket allocations than the 2025 budget, further improving fiscal transparency. However, the significant fiscal expansion runs counter to lowering inflationary pressures and external imbalances.

Structural fiscal reforms are advancing slowly. The issue of recurring spending overrun on war veterans' pensions has not been resolved due to the absence of a reclassification of beneficiaries. Despite some progress, weaknesses (particularly in the planning phase of public investment projects) continue to pose a significant challenge as many projects do not undergo proper appraisal and selection procedures. There was no progress in reducing tax loopholes and exemptions or in improving public spending efficiency through better targeting social transfers. In October 2025, a stand-alone annual fiscal risk analysis for POEs was published. However, the analysis is limited to high-risk POEs overseen by the Ministry of Economy as well as the Kosovo Electricity, Transmission, Market and System Operator (KOSTT), which is overseen by the Assembly, excluding other companies. With regard to the social assistance scheme, a pilot phase involving 4 000 households is currently underway to test a new eligibility model. Overall, although public indebtedness remains low, recent substantial increases in untargeted social benefits and wages have weakened the fiscal position and risk crowding out growth-enhancing spending.

Functioning of product markets

Business environment

Some progress was made in improving the business environment. The secondary legislation for the Law on the register of beneficial owners, adopted in 2024 as an important step in combating money laundering and terrorist financing, was completed. The implementation of the Law on sustainable investments, which came into force in 2024, has been slow. The organisational structures of the two new agencies in charge of implementation of a legal framework to protect and promote sustainable investment in Kosovo were approved by the government and the budget for their operationalisation was allocated. The appointment of the chief executive officer of one of the two agencies was finalised in June 2026, but recruitment of core staff has been delayed mainly due to the political stalemate. Since becoming fully operational in August 2022, the Commercial Court has made progress in expediting case resolution. However, disposition times remain above regional benchmarks in both first and second instance commercial cases, at 631 days on average (OECD)[7].Overall, unpredictable regulations, a weak rule of law, and a high degree of informality and corruption impede private-sector development.

[7] OECD (2026), *SME Policy Index, Kosovo: Creating an enabling environment for SMEs and entrepreneurs.*

Efforts to shrink the informal economy are ongoing. During the reporting period, the Tax Administration of Kosovo (TAK) established a specialised team to expand and improve the use of third-party data, aiming to boost tax compliance and increase budget revenues. Three cooperation agreements and standard operating procedures are currently under preparation, in addition to the nine that have already been signed. Although significant progress has been made, limited access to some categories of large datasets and their interinstitutional exchange remains a challenge. An e-invoicing platform has already been developed with technical expertise, and the relevant Administrative Instruction was signed by the Minister of Finance in April 2026. Work on the business-to-business e-invoicing module continues, and its implementation is expected to help further reduce informality. The informal economy largely affects women's employment, especially in the service sector.

State influence on product markets

The State aid policy framework is partially aligned with EU rules and principles while the implementation of electricity market liberalisation has started. The existing framework lacks a coherent approach to State aid as well as a comprehensive strategy and systematic cost-benefit assessment of aid and subsidies granted. The Assembly has still not appointed the State Aid Commission, the institution responsible for State aid control and adopting decisions on State aid schemes. The liberalisation of electricity prices for large businesses[8], effective from 1 June 2025, is expected to have a positive effect in the longer term on the economy's competitiveness. Despite the request by Kosovo's Electricity Supply Company (KESCO) to raise electricity tariffs by 21.3% in 2026, the board of the Energy Regulatory Office (ERO) decided in May to keep them unchanged for all consumer categories. On 23 April 2026, Kosovo's Assembly adopted a law allowing, in exceptional circumstances, the setting of price caps for basic goods and trade margins for wholesale and retail sales.

Privatisation and restructuring

The establishment of a sovereign fund is delayed. Although the law creating such a fund was approved by the Assembly in mid-December 2023, it remains under review by the Constitutional Court. Upon becoming operational, the fund is anticipated to take over the management of certain publicly-owned enterprises (POEs) currently under the oversight of the Ministry of Economy. It will also assume responsibility for more than 500 socially-owned enterprises[9] and assets currently managed by the Privatisation Agency of Kosovo (PAK). During the reporting period, a comprehensive review of PAK's assets continued, identifying those suitable for transfer to the sovereign fund.

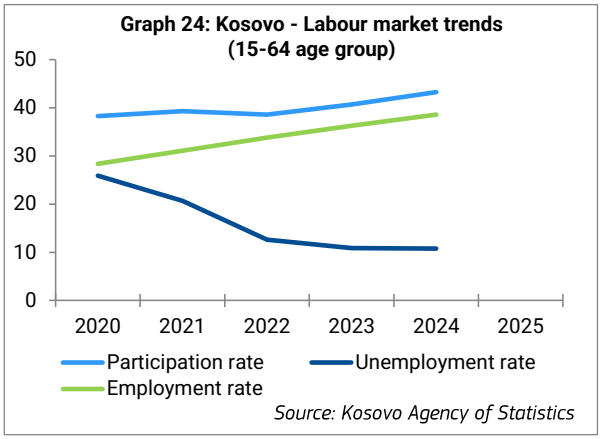
Functioning of the financial market

Kosovo's banking sector continued to expand steadily while remaining sound. Despite a moderation in the second half of the year, annual bank lending growth remained strong at 14.7% at end-2025, driven mainly by household loans for housing purposes, while growth slowed to 12.5% year-on-year at end-June 2026. Bank deposits' annual growth picked up to 13% at end-2025, the same level as one year earlier, and accelerated to 16.7% year-on-year at end-June 2026. Financial soundness indicators remained satisfactory. The capital adequacy ratio rose to 17.2% at end-2025 and remained virtually unchanged at 17.1% at end-June 2026, exceeding the regulatory minimum of 12%. The non-performing loans ratio stood at 2.1%, slightly higher compared with the previous year, while it decreased to 2% at end-June 2026. The average return-on-equity ratio remained high, although it fell to 16.7% in June 2026 from 17.4% at end-2025. The release for the first time of the residential property price index by Kosovo Agency of Statistics in December 2025 will assist the CBK in

[8] Businesses with an annual turnover of more than EUR 10 million or with more than 50 employees.
[9] Socially-owned enterprises were considered to be shared social property in the former Yugoslavia.

monitoring financial sector risks emanating from the housing market, although data gaps remain.

Functioning of the labour market



Despite some employment gains, the labour market situation remains challenging, while some initiatives are in place to reduce the very large gender gap. Long delays in publishing the labour force survey results persist (the latest published data are for Q3-2025). The average employment rate increased to 43.8% in the first three quarters of 2025, from 38.5% one year earlier, while the unemployment rate edged up by 0.1 pps to 10.9%, despite the increase in the labour force participation rate to 49.2% from 43.2% in the same period. The share of young people aged 15-29 not in employment, education or training remained the highest in the Western Balkans, averaging 33.4% in the first three quarters of 2025. Over the same period, the gender gap also remained very large: The female employment rate was only around 27%, while the female labour force participation rate stood at 32%, compared with 67% for men. Weak labour market outcomes contribute to continuously high emigration rates. High inactivity, especially among women and young people, is being addressed primarily through the 'Super-employment' scheme, which has brought very strong results, with around 20 000 beneficiaries and a 70% retention rate.

2.3.2. The capacity to cope with competitive pressure and market forces in the EU

Education and innovation

Poor education quality and a mismatch with labour market needs continue to hinder Kosovo's development. Outdated learning materials, inadequate initial teacher training, and limited opportunities for professional development have undermined both the quality and relevance of education. Despite recent recruitments, there are not enough inspectors for assessing teachers. Meanwhile, high unemployment rates among university graduates further highlight the system's weaknesses. These shortcomings were also evident in the 2025 PISA results, where Kosovo ranked among the lowest-performing participating economies. To address these issues, the Ministry of Education and Science launched a curriculum and textbook review in January 2026, targeting grades 1-5 and 6-9. The initiative aims to enhance teaching quality, strengthen student competencies, and improve academic performance. Additionally, 16 dual-education profiles are being implemented to facilitate the transition from school to employment, better aligning education with labour market needs.

Kosovo's performance lags behind in research and innovation. In 2024, expenditure on research and development stood at about 0.1% of GDP – well below the EU average of 2.2%, the legal requirement of 0.7%, and even the Western Balkans and Türkiye average of 0.5% (OECD)[10]. Participation in the Horizon Europe programme offers greater potential, yet results remain modest. Since the programme's launch, Kosovo has submitted 300project

[10] OECD (2025), *Economic Convergence Scoreboard for the Western Balkans 2025*, https://www.oecd.org/en/publications/economic-convergence-scoreboard-for-the-western-balkans-2025_bc0babf3-en.html.

applications, of which 275 were eligible and only 19 were successful–securing EUR 2.19 million in EU funding and resulting in a success rate of just 6.33%. The Law on innovation and entrepreneurship, designed to stimulate innovation (including through the establishment of an Innovation Fund), has yet to be adopted by the Assembly.

Physical capital and quality of infrastructure

Kosovo has made limited progress in improving its road and railway infrastructure. Construction on the Pristina–Merdarë motorway, also known as the 'Peace Highway', has yet to start. Meanwhile, rehabilitation works on Rail Route 10 continued at a sluggish pace, with tendering for signalling systems and telecommunications still in the preparatory phase. The feasibility study for the Durrës–Pristina railway connection has been completed, though implementation has not yet begun. The transport sector as a whole continues to grapple with major challenges, including safety concerns, insufficient maintenance, and the weak administrative capacity of regulatory bodies.

Despite efforts to diversify energy supply and improve efficiency, Kosovo's energy sector remains a major bottleneck to economic growth. Over 90% of electricity is still generated by two ageing, unreliable, and heavily-polluting lignite power plants, which pose serious risks to public health and the environment. Kosovo continues to suffer from major technical and commercial losses in the distribution and transmission grids due to poor infrastructure. Frequent power outages[11] undermine energy security, imposing high costs on businesses and deterring foreign direct investment (FDI) – one of the biggest obstacles to economic development. Progress in renewable energy deployment has also been slow. The construction of the Kramovik solar park started in July 2026, more than two years after the completion of its auction, while the wind energy auction launched in December 2024 has yet to conclude, highlighting delays in meeting renewable energy targets.

The digital transformation of Kosovo's economy is progressing steadily. Kosovo remains one of the Western Balkans' frontrunners in connectivity, with near-universal household internet access and full basic broadband coverage. The substitution of coaxial with fibreoptic cable infrastructure is ongoing to keep up with increasing demand for high-speed broadband infrastructure. Meanwhile, the uptake of e-commerce among SMEs remains limited and concentrated on low-cost and informal channels (OECD)[12]. The digitalisation of public services has also advanced. The number of services available on the e-Kosova platform has increased and functionality has improved, however, the proportion of fully end-to-end digitalised services remains limited and interoperability between government systems remains weak. During the reporting period, Kosovo also made further progress in deploying its national electronic identification (eID) system, though it has yet to be fully operationalised.

Sectoral and enterprise structure

The services sector continues to dominate the economy, providing 46% of gross value added (GVA). The sectoral structure of GVA shows a gradual decrease in the share of industry in 2025 compared to 2019, by 1.7 pps to around 17%, mainly due to a decline in the shares of electricity, gas, steam and air conditioning supply as well as manufacturing to 2.5% and 12.5% in 2025, from 3.4% and nearly 13%, respectively in 2019. Kosovo's manufacturing base remains narrow, relying mainly on mineral mining and processed metal products, while the production of food products, beverages and plastics has increased over

[11] Since December 2025, prolonged and often unannounced power cuts began affecting large parts of Kosovo due to the ongoing renovation of thermal power plant Kosovo B and the consequent exceptional technical and human strain on Kosovo A, the oldest thermal power plant.

[12] OECD (2026), *SME Policy Index, Kosovo: Supporting the Digital Transformation of SMEs.*

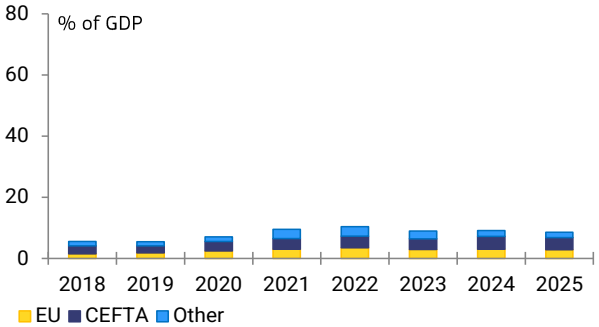
time. The share of wholesale and retail trade increased to around 14% in 2025, up from less than 13% in 2019, while the shares of financial and insurance services as well as ICT rose by 0.7 and 0.2 pps to 4.6% and 2%, respectively. Agriculture's share in GVA remained virtually unchanged at around 7% in 2025, compared to 6 years before. At the same time, the share of real estate activities fell by 1.6 pps. to 5.4%, compared to 2019.

The private sector is dominated by small firms with low levels of digital uptake and difficult access to finance. According to the OECD[13], SMEs are the backbone of economic activity in Kosovo, accounting for 99.8% of all registered enterprises and 79% of total employment, both above EU levels. Digital adoption among SMEs remains at an early stage, with uptake being lower than in most of the economies in the Western Balkans and Türkiye. About 79% of SMEs in Kosovo use at least one digital tool, compared to the Western Balkans and Türkiye average of 93%, highlighting the economy's lag in digital maturity (OECD). In 2024, only 20% of businesses indicated that access to finance is not an obstacle to their growth (OECD). Some progress has been made with various financing options available through the Kosovo Credit Guarantee Fund (KCGF). However, the limited availability of non-bank financing, combined with structural obstacles in access to credit, continues to constrain SMEs in Kosovo.

Economic integration with the EU and price competitiveness

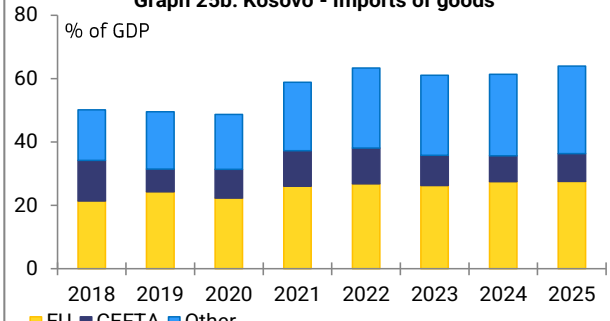
Over the last 6 years, the EU has remained Kosovo's largest trading partner while trade openness increased significantly. The EU's share in Kosovo's merchandise exports remained roughly unchanged in 2025 compared to 2019, at 33.6%, while the CEFTA countries' share increased to 45.8%, up from 43%. In 2025, the EU accounted for 43.1% of Kosovo's total imports of goods, significantly lower than in 2019 (49.1%), while the CEFTA partners' share slightly decreased by 0.6 pps. to 13.7%. Trade openness, which is measured as the total value of exports and imports as a share of GDP, rose significantly to 124.4% in 2025, up from 85.8% in 2019, reflecting an expansion in both merchandise and services trade. Exports of services are significantly larger than goods exports. Travel services, in particular, accounted for the largest share (75%) of service exports in 2025, mainly driven by diaspora tourism from Western Europe, and were followed by ICT service exports (9.3%), which have been growing steadily in recent years.

Graph 25a: Kosovo - Exports of goods



Source: The Vienna Institute for International Economic Studies (WiiW), Kosovo Agency of Statistics

Graph 25b: Kosovo - Imports of goods



Source: The Vienna Institute for International Economic Studies (WiiW), Kosovo Agency of Statistics

The EU remains the main investor in Kosovo over the past 6 years. Net FDI inflows grew by around 12.7% in 2025 and amounted to 6.6% of GDP. The bulk (nearly 82%) of them continued to be directed to real estate and financial and insurance activities, doing little to improve Kosovo's export capacity. The EU's share in

[13] OECD (2026), *SME Policy Index, Kosovo: Creating an enabling environment for SMEs and entrepreneurs.*

Kosovo's net FDI stock reached 46.6% in 2025, up from 34.6% in 2019. The shares of Germany and Switzerland, which both host large diasporas from Kosovo, increased to around 21% each in 2025, up from 13% each in 2019. A rapid rise in real wages (9.5% in 2025[14], partly reflecting the implementation of the wage coefficient increase[15] in the public sector), together with further rises expected due to strong increases in the monthly gross minimum wage[16], risks undermining external competitiveness and fuelling informality. Kosovo's real effective exchange rate appreciated by 1.3% in 2025.

PUBLIC PROCUREMENT, STATISTICS, FINANCIAL CONTROL

Chapter 5 – Public procurement

EU rules ensure that the public procurement of goods, services and works in any Member State is transparent and open to all EU companies based on non-discrimination and equal treatment.

Institutional set-up and legal alignment

The **legal framework** on public procurement remains partially aligned with the EU *acquis*. The revision of the public-private partnership legislation has started, while the revision of the public procurement legislation has stalled, pending approval by the Ministry of Finance. The drafting of relevant implementing legislation has not started. The established working group in charge of revising the legislative framework excluded relevant public procurement stakeholders and civil society organisations.

Interinstitutional coordination in public procurement was strengthened with regular consultations being held during the reporting period.

Implementation and enforcement capacity

In 2025, the **public procurement market** accounted for 8.84% of GDP, a slight decrease from 9.3% in 2024. The total value of contracts signed in 2025 amounted to EUR 1 billion, an increase of 6.37% compared to 2024. The dominant use of the open procedure (92.41%, compared with 90.5% in 2024) and the declining use of the negotiated procedure without the publication of a contract notice (6.4% compared with 7.52% in 2024) contributed to transparency in the public procurement processes. Contracts awarded based on the best price-quality ratio criterion remained stable at 13.65% of the total value (13.5% in 2024).

The Public Procurement Regulatory Commission (PPRC) continued to support the use of the best price-quality ratio criterion through training initiatives, yet the lowest price criterion remains predominant, accounting in 2025 for 88.35% of public contracts awarded, compared to 86.9% in 2024. During 2025, cancelled procurement activities amounted to 23%. The average number of bids per tender remained stable at 3.4.

The e-procurement system is now interconnected with the Treasury's Financial Management Information System. Kosovo needs to finalise the upgrade of its electronic procurement platform.in line with the planned revised legislative framework on public procurement.

The PPRC and the Procurement Review Body (PRB) continued to operate with insufficient **administrative capacities**. The PPRC continued delivering professional trainings to contracting authorities at both central and local levels.

[14] IMF (2026), Republic of Kosovo, 2026 Article IV Consultation, No 26/79.
[15] On 29 October 2024, the government announced that from January 2025 public sector employees would receive a EUR 55 increase in their monthly salaries with an additional EUR 55 raise from July.
[16] As of January 2026, the monthly gross minimum wage increased from EUR 350 to EUR 425, and further to EUR 500 in July 2026.

Public procurement remained vulnerable to irregularities and **corruption** in Kosovo. The Kosovo National Audit Office continued to identify shortcomings in this area, noting delays, non-compliance, poor planning and frequent bypassing public procurement procedures at both central and municipal levels. Kosovo adopted the Law on Mediterranean Games with provisions going beyond standard derogations from the EU public procurement procedures.

Efficient remedy system

The legislation on **the right to legal remedy** is partially in line with the EU *acquis*. Appeals against procurement awards can be submitted through the e-procurement platform. The board of the PRB remains incomplete as the position of President, as one out of the five members, is still vacant. The PRB continued to be inconsistent in its decision-making, while relying on short-term external expertise – otherwise used for the review of complex cases only. Such practice should be replaced with long-term qualified legal review experts to ensure transparent, efficient and quality decisions. The legislative framework does not yet ensure the functional independence of the PRB in line with the EU *acquis*.

Chapter 18 – Statistics

European statistics are developed, produced and disseminated by EU Member States, guided by the principles and quality criteria elaborated in the Regulation on European statistics, such as professional independence, impartiality, reliability, accessibility, and statistical confidentiality. Common rules are in place for the methodology, production and dissemination of statistical information, which are further specified in sectoral legislation that constitute the EU acquis on statistics.

On **statistical infrastructure**, the legal framework is broadly in line with the European statistics Code of Practice, but its implementation needs to improve. Kosovo should empower the Kosovo Agency of Statistics (KAS) to strengthen coordination of the statistical system and ensure access to administrative data sources on the level necessary to produce official statistics. KAS continues to face challenges regarding adequacy of office infrastructure, technological and human capacities, with vacant posts hindering productivity and the quality of its statistical products. Kosovo's statistical system underwent a peer review in 2025, examining its compliance with the European statistics Code of Practice and providing recommendations for further strengthening the system. In September 2025, the government appointed the National Statistical Council, comprising a total of 15 members, for a five-year term. The appointment was long overdue, as the previous Council's mandate had expired in 2024. Data transmission to Eurostat continued to improve.

On **classifications and registers**, Kosovo uses NACE Rev 2 and is working on the transition to NACE Rev 2.1. Existing registers (agriculture, business, households) need to be upgraded. KAS is in the initial stages of building a population register.

On **macroeconomic statistics**, alignment with the European System of Accounts (ESA) 2010 is ongoing, but further efforts are needed to produce and transmit the remaining data. Kosovo continued to transmit a limited set of annual and quarterly national accounts data, however the extensive application of confidentiality flags, preventing the publication of the transmitted data as well as methodological inconsistencies remain an issue. Data gaps remain in supply, use, and input-output tables, as well as in foreign direct investment statistics.

Monthly **trade** in goods data and the harmonised index of consumer **prices** (HICP) is routinely published, the latter now using ECOICOP version 2. In 2025, KAS started publishing a quarterly residential property price index (RPPI), covering 2018-2025. Further work is needed to fully align it with EU House Price Index requirements and advance the owner-occupied housing (OOH) price index. Regarding purchasing power parities (PPP), relevant

sectoral surveys were launched, some for the first time, and integrated into the calculations, improving accuracy.

Structural **business statistics** remain limited and lack distinction between public and private investments or by sectors. Kosovo is not compliant for any of the short-term business statistics datasets and should resume transmitting statistical business register data and metadata to Eurostat. Foreign affiliate statistics are still not available. Progress was made in ICT statistics for households, with households data transmitted to Eurostat in February 2026, while data for enterprises have not been provided.

In the area of **social statistics**, only demographic statistics are broadly in line with the EU *acquis*. During the reporting period, KAS published 48 thematic reports based on the 2024 Population Census. Statistics on income and living conditions (EU-SILC survey) are transmitted to Eurostat, but their quality and timeliness needs improvement. Social welfare statistics are produced monthly. Labour force survey (LFS) data have not been transmitted to Eurostat. Kosovo should intensify efforts to ensure the timely transmission of LFS data and quality reports to Eurostat in line with the EU *acquis*, while continuing to work towards the full implementation of EU-LFS standards. Labour cost indices, earnings structures, and job vacancy statistics are still absent. Public health and crime statistics remain unaligned with the EU *acquis*. As in the past, KAS does not systematically compile gender-disaggregated data.

On **agricultural statistics**, KAS continued to publish data on annual agricultural crops, livestock production, and orchards. The agricultural holding survey is produced regularly and is aligned with EU standards. Agricultural price indices and economic accounts for agriculture are produced on a regular basis. Meanwhile, supply balance sheets and the agriculture labour index are not yet produced regularly. Preparations for the agricultural census 2027 continue.

Transport and **tourism** statistics remain unaligned with the EU *acquis*. KAS initiated, for the first time, a road freight transport survey. Statistics on development and innovation are not produced regularly.

Energy and environment statistics remain partially aligned with the EU *acquis*. Kosovo should complete the remaining gaps in energy statistics, including energy efficiency indicators, by ensuring the timely submission of missing questionnaires and quality reports. KAS made progress in the field of environment statistics by initiating air emissions accounts, material flow accounts, and environmental taxes by economic activity surveys as per the SEEA 2012-Central Framework and Eurostat requirements. Data are, however, not yet provided to Eurostat. Kosovo regularly transmits data under the waste statistics regulation as well as municipal waste data.

Chapter 32 – Financial control

The EU promotes the reform of national governance systems to improve managerial accountability, sound financial management of income and expenditure, and external audit of public funds. The financial control rules further protect the EU's financial interests against fraud in the management of EU funds and protect the euro against counterfeiting.

Public internal financial control (PIFC)

Although broadly in place, the PIFC legal and strategic **framework** requires further strengthening of the **internal control** environment and establishing a robust system for risk assessment and management and for reporting and addressing irregularities and suspected fraud. Persistent understaffing in the central harmonisation unit hinders its capacity to steer the process, monitor and evaluate the control framework, and offer a consistent system-wide response to challenges. The first-time publication of the summary of the findings of the

PIFC report in July 2026 is a positive step. However, regular updates on PIFC system and publication of the full annual PIFC report, remain key to enhancing accountability and incentivising budget users to perform legally, efficiently and effectively.

Managerial accountability remains a challenge as delegation, largely formal, is not supported by effective transfer of operational responsibility within a clear performance framework nor by a consistent link between performance, compliance, and consequences. Kosovo will need to scale up the awareness-raising efforts, introduce a structured set of performance objectives and reporting, and improve internal audit and monitoring systems.

While **internal audit** is functionally independent and supported by a methodological framework covering all audit types and internal auditors' certification scheme, the effectiveness and the overall quality of internal audit is affected by persistent staff shortcomings and weak quality assurance. No progress has been made on systemic follow-up of the internal audit findings.

External audit

The National Audit Office (NAO) enjoys a good degree of operational and functional **independence** but full alignment with international standards requires a new law to strengthen its financial independence, mandate and accountability. The NAO's independence should be anchored in the Constitution.

The NAO's **administrative capacity** is gradually improving with increased number of auditors and a stronger strategic and methodological framework underpinning its operations, including on quality management. The NAO carries out a full range of audit activities, while expanding the use of performance audits to areas such as gender equality, healthcare and welfare, quality education, industry, innovation and infrastructure. Audit selection has been informed through an evidence-based process and consultations with civil society, professional associations and donor community.

Parliamentary scrutiny was further constrained in the challenging political context, with oversight activity limited to just three meetings with the Committee for Oversight of Public Finance.

The NAO has established a structured system for following up on audit recommendations, complemented by enhanced outreach to auditees and relevant stakeholders. However, the rate of **implementation of recommendations** dropped from 41% to 36% pointing to persistent gaps in effective enforcement, accountability and parliamentary oversight.

Protection of the EU's financial interests

Kosovo still needs to align its legislation with the EU *acquis*, notably the **PIF Directive**, establish an **anti-fraud coordination service** (AFCOS) and **network**, adopt **anti-fraud strategy**, build capacity to effectively detect, manage, and report fraud and irregularities, including through consistent use of the Commission's irregularity management system. Kosovo should further strengthen its **cooperation with the European Anti-Fraud Office** (OLAF) through active engagement in investigations.

Protection of the euro against counterfeiting

Alignment with the EU *acquis* on the fight against currency counterfeiting still requires adoption of the new legislation and establishment of the institutional framework, involving the Central Bank of Kosovo, the Ministry of Internal Affairs and the Forensic Agency. The Central Bank of Kosovo and the European Central Bank signed a cooperation agreement on the protection of euro banknotes in September 2025. Kosovo needs to strengthen coordination among the relevant authorities and ensure timely data exchange through a modern counterfeit monitoring system. The ratification of the 1929 Geneva Convention for

the Suppression of Counterfeiting Currency would be beneficial to support international cooperation in the area.

3. GOOD NEIGHBOURLY RELATIONS AND REGIONAL COOPERATION

Kosovo maintained its active engagement in a number of regional cooperation initiatives such as the Central European Free Trade Agreement (CEFTA), the Energy Community, the Transport Community, the South-East European Cooperation Process, and the Regional Cooperation Council.

The **EU-Western Balkans Summit** took place in Brussels in December 2025 and in Tivat in June 2026 reaffirmed the EU membership perspective of the Western Balkans and explored measures to further advance gradual integration. Kosovo has actively engaged in the regional dimension of the **Growth Plan for the Western Balkans**, participating in both ministerial and leaders' meetings.

On the **Common Regional Market** (CRM), at the Berlin Process summit in London in October 2025, the leaders of the region endorsed a revised and streamlined action plan to implement the Green Agenda for the Western Balkans, adopted a Western Balkans Climate Adaptation Roadmap and committed to make progress in the promotion of regional mobility and implementation of relevant regional agreements and CEFTA decisions. Kosovo adopted the CRM action plan 2025-2028 and is contributing to its implementation. Kosovo still has to ratify the fifth mobility agreement on access to higher education and admission to studies in the Western Balkans. The **roadmap for roaming** between the Western Balkans and the EU entered the first phase of implementation. In February 2026, the Commission proposed launching negotiations with Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia to integrate them into the EU's 'Roam Like at Home' regime.

The appointment of a new Director and commitment from the parties gave impetus to the work of **CEFTA**: substantial advancements have been made on specific areas, including on the Green Lanes, recognition of qualified trust services, recognition of advanced electronic signatures and advanced electronic seals, the establishment of the Advisory Body for Customs Cooperation and the adoption of the Risk Management Strategy 2025-2028.

Kosovo ratified protocols 5 and 6 establishing trade facilitation framework for customs cooperation and liberalisation of trade in services and the additional protocol 7 establishing a regional dispute settlement mechanism.

The unresolved fate and whereabouts of **missing persons** during the conflicts of the 1990s remain one of the most enduring humanitarian and political issues in the Western Balkans. In Kosovo alone, 1 579 persons remain unaccounted for. In July and August 2026, Kosovo excavated three new mass graves in Zubin Potok and recovered human remains in all three sites. The Institute for Crimes Committed during the War in Kosovo is fully functional. Civil society is actively engaged in truth-seeking, reconciliation and memorialisation initiatives.

The International Committee of the Red Cross (ICRC) plays an important role in addressing the issue of missing persons, as the neutral intermediary chairing the Working Group on Persons Unaccounted for in Connection with the Events in Kosovo and its sub-fora, in an effort to maintain dialogue and promote operational cooperation between the parties. Following a session of the Working Group in June 2025, technical discussions in the framework of the ICRC Sub-Working Group on Forensic Issues and the Analysis Team took place in September and November 2025. In the framework of the Working Group, five joint field assessments/excavations (two under Kosovo and three under Serbia jurisdictions) were conducted. The session of the Sub-Working Group on Forensic Issues, planned for January 2026, was postponed.

Kosovo continued to take part in the work of the Western Balkans Missing Persons Group to address unresolved cases of mutual interest and unidentified persons together with Bosnia and Herzegovina, Montenegro, Croatia and Serbia. Kosovo also joined trilateral meetings to foster cooperation and dialogue with the families of the missing, together with Montenegro and Serbia, under the auspices of the ICRC.

Overall, Kosovo-Serbia cooperation within the ICRC-led working group continued to face significant challenges, with progress constrained by difficulties in the parties' engagement and by the sensitive political context surrounding the file. An inaugural session of the Joint Commission on missing persons, held within the framework of the EU-facilitated Dialogue, took place in January 2026 and was followed by a first technical meeting on 22 April 2026.

Relations with **Albania** continued to be good, with regular high-level bilateral visits. Building on the joint declaration on defence cooperation signed in March 2025, Kosovo, Albania and Croatia announced further operational coordination, notably through a military exercise to be conducted in 2026. Kosovo-based companies recorded a significant growth of investments in Albania, enabling Kosovo to rank among the leading foreign investors.

Kosovo maintains good neighbourly relations with **Montenegro**. In July 2026, Montenegro and Kosovo signed a bilateral Agreement on the Mutual Recognition of Qualified Electronic Trust Services and Electronic Identification Schemes.

Bilateral relations with **North Macedonia** remain positive, although no high-level meetings took place during the reporting period.

Serbia and **Bosnia and Herzegovina** have not recognised Kosovo, but they interact in the framework of regional cooperation.

Kosovo's relation with **Türkiye** remains robust in the political, defence, economic and cultural sectors. Both countries emphasise their strategic partnership and Kosovo's leadership has repeatedly expressed gratitude for Türkiye's political and economic backing. Ankara has supplied advanced military equipment, such as combat drones. The Turkish Cooperation and Coordination Agency has expended its projects in Kosovo, focusing on cultural infrastructure, education and healthcare.

Georgia, the **Republic of Moldova** and **Ukraine** have no formal relations with Kosovo, as they do not recognise Kosovo's independence.

4. NORMALISATION OF RELATIONS BETWEEN KOSOVO AND SERBIA

The EU-facilitated Dialogue on the normalisation of relations between Kosovo and Serbia, while heavily impacted by domestic political developments, continued during the reporting period with regular meetings at chief negotiator and technical levels in bilateral and trilateral formats. While some progress was achieved, implementation of outstanding Dialogue commitments remained limited, compounded by unilateral actions and rhetoric not conducive to normalisation. In April 2026, Kosovo appointed Ambassador Agron Bajrami as its chief negotiator replacing former Deputy Prime Minister Besnik Bislimi. High Representative/ Vice President Kaja Kallas continues to stand ready to hold a high-level Dialogue meeting once the situation allows.

Both Kosovo and Serbia are expected to implement all of their respective obligations stemming from the Agreement on the path to normalisation and its implementation annex (2023 Ohrid Agreement), as well as all past Dialogue agreements, in line with their official recommitments in September and October 2024, without delays or preconditions. This includes self-management arrangements for the Kosovo Serb community. Kosovo is expected to start the process leading to their establishment, while Serbia is expected in

parallel to initiate the recognition of Kosovo's documents, symbols and institutions. Neither Party has made sufficient progress. The 2023 Ohrid Agreement is valid and legally binding on the Parties, and any formalities, including those related to its adoption or "formalisation", should not impede implementation. Normalisation and implementation of Dialogue commitments remain essential conditions on the European path of both Parties, and both risk losing important opportunities in the absence of progress.

During the reporting period, the situation in the north of Kosovo remained calm but fragile. Actions and rhetoric not conducive to normalisation increased. Kosovo repeatedly took actions contrary to its Dialogue obligations, or actions undermining the normalisation process. These included police and administrative actions targeting Serbia-supported structures and services, arrests of Kosovo Serbs, and the rejection of the withdrawn resignations of Kosovo Serb judges and prosecutors, undermining their reintegration. The EU expressed deep concern on 21 July and 28 August, including over the recurrent lack of coordination by Kosovo and the negative impact on local communities and their access to basic public and social services. Serbia, for its part, repeatedly acted contrary to its obligations under the 2023 Ohrid Agreement, including by lobbying against Kosovo's membership in international organisations, notably the Council of Europe and Interpol. These actions and recurrent inflammatory rhetoric by Serbian officials, continue to undermine normalisation. Serbia has not taken any significant step to ensure accountability for the violent attack by armed Kosovo Serb assailants against Kosovo Police on 24 September 2023 in Banjska/Banjskë.

As regards the implementation of Dialogue agreements:

- **Justice and reintegration:** The withdrawal of Kosovo Serbs from Kosovo institutions in November 2022 violated Serbia's Dialogue obligations under the April 2013 "First agreement of principles governing the normalisation of relations" (2013 Brussels Agreement) and dismantled core achievements of the 2015 Justice Agreement. Since November 2022, the EU has consistently called on Belgrade to support the reintegration of Kosovo Serbs into Kosovo institutions and on Pristina to enable it. The EU therefore welcomed participation of Kosovo Serbs in all 2025/2026 electoral processes in Kosovo, including the taking of office of the newly elected Kosovo Serb mayors in the four northern municipalities in December 2025. In line with the EU's call for Serbia to take the first step, on 15 July 2026, Kosovo Serb judges, prosecutors and support staff withdrew the resignations they had submitted 3.5 years earlier. This represented an important first step towards reversing the consequences of the 2022 withdrawal and opened a pathway for the reintegration of Kosovo Serb judicial personnel. However, subsequent decisions by the Kosovo Prosecutorial Council (KPC), Kosovo Judicial Council (KJC) and the Acting President to accept the withdrawn resignations prevented it from moving forward. These decisions are inconsistent with the objectives and commitments of the 2015 Justice Agreement by Kosovo. Kosovo has not enabled reintegration of Kosovo Serb judicial personnel. A subsequent call for recruitment with a quota for Kosovo Serb prosecutors was not successful.

- **Association/Community of Serb-Majority Municipalities:** There has been no further progress towards establishing the Association/Community, as laid down in the 2013 Brussels Agreement and the August 2015 Agreement on the general principles and main elements for establishing the Association/Community. Kosovo is expected to start the process, in line with its Dialogue obligations, including under the 2023 Ohrid Agreement. Both Parties are expected to engage constructively without further delay. The status of Serbia-supported structures and services in Kosovo needs to be addressed fully in line with Dialogue agreements and Kosovo law, not through uncoordinated measures. The EU insists on structured consultations with representatives of the Kosovo Serb community to ensure their meaningful involvement. The process should proceed in close cooperation with the EU Special Representative for the Dialogue.

- **Austerlitz Bridge:** Works on the Austerlitz Bridge in Mitrovica, including additional assessments and consultations, have been completed. The EU position remains that the bridge should be opened. While the technical conditions have been met, effective coordination and meaningful consultations between the municipalities concerned and central-level institutions need to improve for the bridge to serve all communities. The EU took note of KFOR's change of posture.

- **Energy:** Implementation of the 2013 and 2015 Energy Agreements and the 2022 Energy Roadmap continued. The Serbian transmission system operator EMS has yet to determine net transmission capacities at the interconnection with Kosovo, preventing cross-border capacities from being allocated to market participants. This adversely affects security of supply and competition and raises power import prices. Serbia needs to address this longstanding issue, including by fulfilling its obligations under the Energy Community Treaty.

- **Technical Dialogue Agreements:** Implementation of several technical Dialogue agreements (2011 - 2012) remains incomplete. Both Parties need to continue implementing the Arrangements on regional representation and cooperation, which enable Kosovo's participation in regional forums. Neither Party should block regional forums over bilateral disputes. Implementation of the agreements on cadastre and acceptance of university diplomas remains pending due to non-implementation by Serbia. Serbia also has yet to address relocated Serbian administrative customs structures with Kosovo denomination operating from within Serbia.

- **Integrated Border/Boundary Management (IBM):** The Interim Common Crossing-Points (CCPs) between Kosovo and Serbia remain operational, but implementation is incomplete. Only two of six permanent CCPs have been established (Merdarë/Merdare and Mutivodë/Mutivode). Serbia has yet to establish those hosted by its side (Jarinje/Rudnica, Končulj/Dheu i Bardhë and Depce/Muçibabë) and needs to engage constructively to enable construction of the third CCP hosted by Kosovo in the north (Tabavije/Bërnjak-Tabalije/Brnjak). Serbia also needs to close illegal roads and bypasses and allow the resumption of EU-facilitated joint IBM meetings at all levels (local, regional and central). Limited progress was made on maintenance deficiencies at the interim CCPs hosted by Serbia, but substantial shortcomings, including health and safety concerns, remain. The full operationalisation of the freight scanner at Merdarë/Merdare during summer 2026 facilitated the movement of Serbian goods and significantly reduced waiting times. However, restrictions on Serbian goods through other CCPs remain. Kosovo needs to ensure free movement of goods through all designated CCPs, in line with its Dialogue commitments.

- **Freedom of movement:** The EU welcomes the overall satisfactory implementation of the 14 March 2026 agreement on the implementation of the Law on foreigners and the avenues opened to register civil status facts in the Kosovo system using Serbia-issued documents. Kosovo is encouraged to find a long-term solution ensuring an effective registration process for all those living, working or studying in Kosovo to obtain the necessary documentation.

- **Telecommunications:** There was no progress in resolving outstanding issues under the Telecom Agreements. Both Parties need to fully respect the agreements, resolve cross-border frequency interference between Serbian and Kosovo mobile operators, and ensure adequate postal service quality for all communities.

- **Mutual legal assistance:** Limited progress was made following the Serbian government's decision to take steps towards resuming MLA after a prolonged interruption by Belgrade. Serbian courts have resumed using MLA channels in a very limited number of cases. Further efforts are needed to ensure effective, consistent and timely use of MLA, including on outstanding requests from Kosovo.

- **Official visits:** Both Parties continued to fall short of fully implementing the Arrangements for official visits, with announced visits rejected by both. The EU welcomes that two visits by the Serbian Orthodox Patriarch to Kosovo, including for Orthodox Easter, and a visit by Kosovo's caretaker Minister for Culture and Tourism to Presevo Valley took place without incidents. However, Kosovo and Serbia need to allow visits by their respective chief negotiator, other government officials and religious authorities when announced and conducted in line with the Arrangements. This was not the case for the majority of announced visits. Official visitors are expected to refrain from divisive statements or behaviour.

- **Missing Persons:** The EU welcomes the first meeting of the Joint Commission on Missing Persons, held in January 2026, to advance the implementation of the political Declaration on Missing Persons adopted in May 2023, followed by a technical meeting on access to archives in April. This constituted progress in operationalising the 2023 Declaration, although further cooperation is required. The Parties are encouraged to refrain from politicisation of this humanitarian issue and improve cooperation.

Overall, Kosovo and Serbia continued to participate in the EU-facilitated Dialogue, but engagement has not translated into sufficient implementation of their respective obligations. Aside from missing persons, neither Party has made noticeable progress on the 2023 Ohrid Agreement. While progress was achieved on missing persons, mutual legal assistance and freedom of movement, implementation of several key agreements remains incomplete and some previous Dialogue achievements have been undermined. Both Parties need to demonstrate greater commitment to their respective obligations, refrain from unilateral actions and rhetoric detrimental to normalisation, and engage constructively to resolve outstanding issues.

5. RESILIENCE, SECURITY AND DEFENCE

Kosovo has a clear strategic alignment with the EU, driven by strong public support. Kosovo has been aligning with the EU’s Common and Foreign Security Policy and is eager to become a contributor to European security, resilience and defence readiness. At this stage, it however lacks the necessary institutional and industrial capacities.

The EU Rule of Law Mission in Kosovo (EULEX) continues to support selected rule of law institutions and to act as second security responder in Kosovo, as part of a three-layer mechanism together with Kosovo Police as the first security responder and NATO’s Kosovo Force KFOR as the third.

Kosovo’s unresolved relations with Serbia represent one of the most serious challenges to regional stability and security, which is the subject of the EU-facilitated Dialogue on the normalisation of relations between Serbia and Kosovo.

Democratic resilience

Kosovo is showing a growing commitment to strengthening **democratic resilience**, though its capacities are still developing. Elections are peaceful, competitive and generally well managed. At the same time, protracted periods of political stalemate have put a strain on institutional stability. There is susceptibility to disinformation, including false news, AI-generated content, and foreign information manipulation and interference. Weaknesses remain in online media regulation, in interinstitutional coordination and rapid response mechanisms, which leave Kosovo vulnerable to related threats. There is no fully institutionalised mechanism for responding to hybrid threats foreign information manipulation and interference.

Economic security and resilience

Kosovo's **economic security** remains constrained by a weak industrial base and high external dependencies. Kosovo lacks export-oriented industries, relying on diaspora remittances that primarily fuel consumption and construction rather than productive foreign direct investment. This results in chronic trade deficits and limited economic resilience.

Energy security is fragile: while domestic lignite provides supply autonomy, ageing and unreliable lignite-fired generation units, lack of energy storage and bottlenecks in the transmission and distribution grids cause recurring winter shortages and a slow transition to renewables. **Critical raw materials** offer potential, but low administrative capacity, investment strategy and barriers have prevented progress despite political ambitions.

Kosovo's **ICT sector** is relatively strong, enabling IT service exports, but artificial intelligence development is hindered by energy-intensive demands and electricity supply issues. Cybersecurity is a priority requiring stronger institutional and financial engagement, while protection of critical infrastructure in energy, telecom, and transport would need enhanced risk management.

Resilience to **economic coercion** remains moderate. Structural indicators show limited capacity to absorb external shocks due to high import dependence. The EU is Kosovo's main trading partner, however further market integration is hindered by an export structure concentrated in low value added products, while services linkages benefit from a large diaspora in EU Member States.

Defence and defence industrial dimension

Kosovo is an overall security beneficiary, with continued substantial international military and civilian presence. At present, the **defence industrial dimension** has become a policy priority. Kosovo is building its first ammunition factory in Gjakovë/Đakovica within a dedicated defence industrial zone. The core project is an ammunition plant currently developed by Türkiye's MKE corporation, alongside a larger site meant to attract other defence-related investments. The government has linked the industrial push to a broader defence spending increase stating that the factory could become operational by late 2026, with initial production focused on NATO-standard ammunition.

Civil protection and disaster resilience

Kosovo remains highly exposed to natural and human-induced risks, including floods, droughts, wildfires, landslides and other crises. Significant gaps remain in strengthening Kosovo's resilience and enhancing its capacity to effectively prevent, prepare for and respond to disasters, both domestically and, where relevant, as part of response efforts beyond Kosovo.

6. EUROPEAN STANDARDS

CLUSTER 2: INTERNAL MARKET

This cluster covers: the free movement of goods (Chapter 1); freedom of movement for workers (Chapter 2); right of establishment and freedom to provide services (Chapter 3); free movement of capital (Chapter 4); company law (Chapter 6); intellectual property law (Chapter 7); competition policy (Chapter 8); financial services (Chapter 9), and consumer and health protection (Chapter 28).

Chapter 1 – Free movement of goods

The free movement of goods ensures that many products can be traded freely across the EU based on common rules and procedures. Where products are governed by national rules, the

principle of the free movement of goods prevents these rules from creating unjustified barriers to trade.

General principles

Regarding the **general principles**, there was no progress on alignment with EU *acquis* on market surveillance, conformity assessment, mutual recognition of goods or on metrology. The sub-legal acts for the Law on general product safety were adopted.

Non-harmonised areas

The screening of Kosovo's legislation to eliminate trade barriers and to ensure alignment with the obligations under **Articles 34-36** of the Treaty on the Functioning of the European Union (TFEU) continues to progress slowly due to limited capacity and human resources.

Harmonised area: quality infrastructure

The Kosovo **Standardisation** Agency is still not able to become a full member of the Committee for Standardisation (CEN)/European Committee for Electro-technical Standardisation (CENELEC) due to the status of Kosovo. Its online e-standard system is still partly compatible with that of CEN/CENELEC; alternative solutions are needed to adopt standards more quickly.

The **Accreditation** Directorate of Kosovo has not yet signed a European Accreditation Multilateral Agreement (EA MLA). A new Regulation on internal organisation and systematisation of jobs has been adopted. The number of conformity assessment bodies in Kosovo has increased to 74, providing testing (52) and inspection (22) services, but no certification services yet, while the number of assessors has increased to 91.

In January 2026, the Constitutional Court upheld the Assembly's adoption of the Law on the central inspectorate of **market surveillance.** A new Regulation on internal organisation and systematisation of jobs has also been adopted. Kosovo needs to complete and adopt its new Law on inspection and product conformity to align with the EU *acquis* on market surveillance, conformity assessment, and mutual recognition. During the reporting period, an estimated number of 6334 market surveillance inspections were carried out, leading to 580 fines, and 100 cases were sent to the court.

The Kosovo **Metrology** Agency is not yet an associate member of the European Association of National Metrology Institutes (EURAMET). Kosovo needs to complete and adopt its new Law on metrology to further align with the EU *acquis* on measuring instruments, pre-packaged products, measuring containers, and non-automatic weighing instruments.

The standardisation, accreditation, metrology and market surveillance bodies and the Quality Infrastructure Division of the Ministry of Industry, Entrepreneurship, Trade and Innovation still authorities lack the necessary capacity and staffing to implement and enforce the relevant EU *acquis*.

Harmonised area: sectoral legislation

There was no progress on alignment with the **EU 'new and global approach' product *acquis***. There was no progress either on alignment with **the EU 'old approach' product *acquis***, including on vehicles, REACH and chemical labelling (CLP), or on **procedural measures**. Sufficient staffing to implement the EU *acquis* in these areas needs to be ensured.

Chapter 2 – Freedom of movement for workers

Nationals of one Member State have the right to work in another Member State and must be given the same working and social conditions as other worker nationals of that Member State.

Regarding **access to the labour market**, work permits are still required for EU nationals and their family members to be eligible to work in Kosovo. In the reporting period, Kosovo's Employment Agency issued 553 short-term work permits, of which 390 for EU nationals.

On the **coordination of social security systems**, no progress on bilateral agreements conclusion was reported.

The Kosovo Employment Agency has allocated dedicated resources within its new organisational structure to prepare for participation in the **European Network of Employment Services** (**EURES**). A preparatory analysis to support this participation was conducted with the assistance of the Regional Cooperation Council and an activity related to the alignment of the legal framework and strengthening the institutional capacities is included in the Migration Strategy 2026-2030.

There was no progress in implementing legislation to preserve the **supplementary pension rights** of mobile workers who have worked abroad, including in EU Member States.

There was no progress on the **European Health Insurance Card** over the reporting period.

Chapter 3 – Right of establishment and freedom to provide services

EU natural and legal persons have the right to establish themselves in any Member State and to provide cross-border services. For certain regulated professions, there are rules on mutual recognition of qualifications. EU rules on postal services focus on improving the quality of universal service, gradual market opening to competition, and the establishment of an independent regulator.

On the **right of establishment and freedom to provide services**, Kosovo remains partially aligned with the EU *acquis* on services. The implementation of the 2024-2026 action plan to align with the EU Service Directive is progressing slowly. Delays stem from limited capacities within the inter-ministerial working group and the legal departments of concerned line ministries responsible for assessing the compliance of national legislation with the EU Services Directive. Further efforts are needed to transform the point of single contact (PSC) into a user-friendly online service delivery point.

On **postal services**, Kosovo's legislation is aligned with the Postal Services Directive and Kosovo has adopted a Regulation on cross-border parcel delivery services, tariff transparency and reporting to align with the Regulation on cross-border parcel delivery services in July 2026. There is one universal service provider and 37 other operators active in the postal market. The institutional capacity of the regulatory authority needs to be strengthened to efficiently monitor and ensure compliance with the postal market rules. Kosovo started implementing a national postal strategy, focusing on a financially sustainable universal service in the context of digitalisation and increasing e-commerce.

Some progress was made in the area of **recognition of professional qualifications**, notably by drafting a new horizontal Law on the recognition of professional qualifications and related secondary legislation, including minimum training requirements for the seven sectoral professions. Amendments to sectoral laws and the Law on regulated professions were also prepared. The detailed list of 158 regulated professions was published. The national legislative acts for all regulated professions in Kosovo were screened. However, the Division for Regulated Professions within the Ministry of Education and Science remains understaffed to perform its new responsibilities effectively, alongside other competent authorities overseeing regulated professions.

Chapter 4 – Free movement of capital

In the EU, capital and investments must be able to move without restrictions, with common

rules for cross-border payments. Banks and other economic operators apply certain rules to support the fight against money laundering and terrorist financing.

The area of **capital movements** is largely liberalised, although some restrictions remain. In particular, foreign exchange regulations impose maximum limits on banks' net open foreign currency positions, expressed as a percentage of their capital, which constitutes a residual restriction on the free movement of capital.

Kosovo made further progress in the area of **payments**. Following a Constitutional Court ruling of January 2026 annulling the previous Law on Payment Services on procedural grounds, Kosovo adopted a new Law in April 2026. The Law established the overall framework for payment services and related activities and aims to further align with key EU *acquis*, including PSD 2, EMD2, rules on payment accounts, interchange fees for card-based transactions, and instant credit transfers.

In the **anti-money laundering and terrorist financing** (AML/CFT) area, the Constitutional Court annulled amendments to the existing law in January 2026. A new law, aiming to align with the fourth and fifth EU Anti-Money Laundering Directives, was adopted by the Assembly in October 2026. Kosovo should also adopt the secondary legislation stemming from the Law on implementation of targeted international financial sanctions.

Following the entry into force of the new Law on the Register of Beneficial Owners in December 2024, the authorities have prepared five implementing bylaws which are pending adoption. The Law provides the legal basis for enhancing the transparency of ownership and control. However, the central register of beneficial owners has not yet been fully established and operationalised, limiting the effective access of competent authorities to beneficial ownership information. In October 2025, the Financial Intelligence Unit finalised the non-profit organisations sectoral terrorist financing risk assessment, which remains pending government approval. In April 2026, the national risk assessment on AML/CFT was finalised and submitted to the government for adoption. Once adopted, the findings should be reflected in targeted risk mitigating measures.

In 2025, Kosovo received 974 suspicious transaction reports, a 9% increase compared with 2024. Kosovo still needs to strengthen interinstitutional cooperation to address these issues effectively.

Chapter 6 – Company law

The EU has common rules on the formation, registration and disclosure requirements of a company, with complementary rules for accounting and financial reporting, and statutory audit.

On **company law** and corporate governance, the draft Law on Business Organisations was finalised but remains to be reviewed and adopted. The law should regulate specific fields required by the EU company law *acquis*, which are not yet fully reflected in Kosovo's legislation, such as the minimum capital requirement, shareholders' rights (including the encouragement of long-term shareholder engagement), company takeovers and the disclosure of information about companies and their branches. Kosovo should also align with the EU Directive on the use of digital tools and the EU Directive on cross-border operations (mergers, divisions, conversions) and complete alignment with the Directive 2024/1760 on corporate sustainability due diligence (CSDDD), as amended by the Directive (EU) 2026/470 (Omnibus I).

The Kosovo Business Registration Agency made some improvements by digitalising entirely the registration process for new businesses. It needs, however, to further improve its technical infrastructure (database) and continue preparations for future interconnection with the Business Registers Interconnection System in line with the EU *acquis*.

On **company reporting and statutory audit**, amendments to the Law on Accounting, Financial reporting and Audit remain pending before the Assembly. The existing law is still only partially aligned with the EU *acquis* and including on country-by-country reporting and on corporate sustainability reporting.

The Kosovo Council for Financial Reporting continues to publish accounting documents. However, the mandates of the Council and its affiliated bodies (Public Oversight Board, Investigation and Disciplinary Committee, Licensing Committee and Accounting and Auditing Standards Committee) had expired in December 2024. While members of the Council have recently been appointed, the oversight bodies have not been renewed. The draft amendments to the Law on Accounting, Financial Reporting and Audit are expected to introduce sustainability reporting requirements. Under the current legal framework, companies are not required to prepare or publish sustainability reports. Significant gaps persist in disclosure requirements, including the publication of companies in certain legal situations including companies subject to insolvency proceedings, and there is no legal obligation to publish financial statements and audit reports of public and private limited liability companies in the business register.

Statutory audits continue to be conducted in line with international auditing standards. However, the public oversight framework requires further strengthening, and reporting requirements for large companies are not yet fully enforced.

Chapter 7 – Intellectual property law

The EU has to a large extent harmonised rules for the legal protection and enforcement of copyright and related rights, as well as of industrial property rights, including trademarks, designs, patents and related supplementary protection certificates (SPCs), geographical indications (GIs), including craft and industrial GIs.

Following the entry into force of the new Law on **copyright and related rights** in 2023, further key implementing acts were adopted. While legislation is partially aligned with the EU *acquis*, implementation and enforcement remain weak. The Office for Copyright and Related Rights is still in urgent need of additional resources to ensure effective implementation. In October 2025, the new collective management organisation (CMO) Kosova Music Rights Society was launched. However, a CMO for literary and visual arts right holders has yet to be established.

During the reporting period, enforcement institutions and police forces seized at least 717 pirated books and copyright-infringing materials, during a joint operation in September in Prishtina and Podujevë.

In the field of **industrial property rights**, the Industrial Property Agency remained understaffed, despite internal structural reforms and progress in the digitalisation of services, improving online registers. Although legislation governing patents, trademarks, designs, trade secrets, and topographies of semiconductor products is in place, the Agency still lacks a comprehensive long-term strategy beyond the 2025-2027 Industrial Property Programme.

In 2025, the Agency received 2 216 applications for trademarks, 8 for patents and 73 for industrial designs (compared to 2 171, 11 and 65 last year). Additionally, the Agency issued 7 746 official documents and published 10 Official Bulletins listing 6 082 industrial property objects.

Some **enforcement** actions were carried out. However, the State Intellectual Property Council and the Task Force against Piracy remain under-resourced and lack effective coordination tools, such as an integrated e-platform. Lengthy procedures and weak sanctions continue to hinder IPR enforcement. Kosovo Customs again reported several

large-scale seizures during the reporting period. A Creative Economy Strategy 2026-2035 has been under preparation.

The Commercial Court handled IPR-related cases efficiently. The collaboration with the European Union Intellectual Property Office (EUIPO) was enhanced through a newly launched support programme for the Western Balkans and a first EUIPO mission to Kosovo.

Copyright infringement remains a concern, especially in the publishing and education sectors. The Anti-Piracy Task Force continued implementing its action plan and seized approximately 20 suspected counterfeit branded products, including sportswear, bags and textiles, as well as 717 suspected pirated books, and carried out 49 inspections. The capacities of enforcement bodies remain limited, underscoring the need for stronger policies and institutional support for authors and creators.

Limited progress was made regarding the collective management of copyright and related rights. A new Collective Management Organisation (CMO) in the field of music copyright was licenced in October 2025. Despite additional awareness-raising campaigns of the CMO for the audiovisual sector, effective implementation and enforcement remain challenging, particularly regarding user compliance and the practical functioning of the system.

Chapter 8 – Competition policy

EU rules protect free competition. They include antitrust rules against restrictive agreements between companies and abuse of a dominant position, and rules on concentrations between companies which would significantly impede effective competition. EU rules also set out a system of State aid control. Governments are only allowed to grant State aid if restrictive conditions are met, with a view to preventing distortion of competition.

Antitrust and mergers

The **legislative framework** on antitrust and mergers is partially aligned with the EU *acquis*. The amendments to the Law on competition and relevant pieces of secondary legislation which had already been prepared were not yet adopted.

On the **institutional framework**, the Kosovo Competition Authority is responsible for implementing the legal framework, while the Kosovo Competition Commission acts as the decision-making body.

As regards its **capacity to enforce competition law**, the Kosovo Competition Commission has been operating with only two members since June 2025 effectively bringing its decision-making ability to a standstill. As a result, it has not adopted any decisions during this period. The Kosovo Competition Authority requested approval for 11 additional staff members to address the growing workload. It continued advocacy at institutional level on bid-rigging in public procurement procedures. The 2025 annual report was submitted to the Assembly at the end of March 2026.

On **implementation**, the Kosovo Competition Authority issued two professional opinions during the reporting period.

No progress was made in **enforcing competition rules** through fines and remedies due to the lack of decision-making capacity within the Competition Commission. No dawn raids were conducted, and the leniency programme has still not been used

State aid

The **legislative framework** on State aid is broadly aligned with the EU *acquis*. Recent changes at the EU level were incorporated into the draft Law on state aid, which is under preparation. That law and other important by-laws on horizontal aid, including block

exemptions, de minimis aid, services of general economic interest (SGEI), and regional aid, remain to be adopted.

As regards the **institutional framework**, no progress was made in addressing the mandate of the State Aid Commission expired in 2021. Additionally, the government has not established a new Commission. As a result, State aid control remains on hold. The State Aid Department, within the Ministry of Finance, is responsible for assessing State aid proposals, drafting assessment reports for the State Aid Commission and updating the State aid inventory. All management positions in the Department have been filled, and the recruitment of 10 additional staff is ongoing.

On **implementation**, no decisions could be adopted during the reporting period without a functional State Aid Commission. The State Aid Department has developed a State aid control information system for online notification and monitoring and re-started training for local and regional State aid providers in spring 2025. The annual reports on State aid have not been submitted to the Assembly for the fourth consecutive year.

Liberalisation

Public undertakings in Kosovo are subject to the Law on competition and the Law on State aid. Kosovo has monopolies of a commercial nature within the meaning of Article 37 TFEU. There is a need to raise awareness of how State aid rules apply to the activities of central institutions and publicly owned enterprises.

Chapter 9 – Financial services

EU rules aim at ensuring fair competition among financial institutions, and the stability and integrity of financial markets, namely in the field of banking, insurance, supplementary pensions, investment services and securities. They include rules on authorisation, operation and supervision of these institutions.

On **banks and financial conglomerates,** the amended Law on banks entered into force in January 2026 following a Constitutional Court review, further aligning with the EU *acquis* on capital requirements and the bank recovery and resolution framework. It provides the legal basis to establish a Resolution Fund, designates the Central Bank of Kosovo (CBK) as the resolution authority, and creates a dedicated institutional framework for bank recovery and resolution. The CBK has started operationalising the new framework by establishing a dedicated Recovery and Resolution Department. However, secondary legislation still needs to be adopted, the Resolution Fund needs to be established, and institutional capacity needs further strengthening before the framework becomes fully operational. Some progress has been made in implementing the Supervisory Review and Evaluation Process (SREP) roadmap, aiming to fully transition to risk-based supervision by 2027. Further strengthening of supervisory capacity, data availability and analytical tools is needed to support its implementation. While the Kosovo Deposit Insurance Fund further increased its available financial means, its legal framework remains partially aligned with the EU Deposit Guarantee Scheme Directive.

Regarding **insurance and occupational pensions**, no progress was made. The system for setting motor third party liability tariffs remains non risk-based. Kosovo remains outside the Green Card system. There was no progress on occupational pensions or alignment with the Solvency II framework.

Securities markets and investment services are at an early stage, with activity largely limited to government securities. Kosovo's financial market rules are not in line with the EU *acquis* and no progress was made in the reporting period.

There was limited progress on **sustainable and digital finance**. An amended Law on crypto assets is needed to address shortcomings identified during its implementation, and oversight capacities need to be further strengthened. The new Law on payment services, adopted in April 2026, represents a positive step in aligning with the digital finance *acquis* by incorporating open banking and authentication requirements *(see also Chapter 4- Free movement of capital)*.

Chapter 28 – Consumer and health protection

EU rules protect consumers' economic interests also ensure product safety, prevent dangerous imitations and establish liability for defective products. The EU also guarantees a high level of protection of public health and in particular also ensures high common standards for tobacco control, blood, tissues, cells and organ, and human and veterinary medicinal products. The EU also has rules for upholding patients' rights in cross-border healthcare and in preparing for and responding to serious cross-border health threats, including communicable diseases.

Consumer protection

On horizonal aspects, the new Law on consumer protection remains to be adopted. Enforcement of consumer rights remains limited. There are indications of inconsistent implementation of the requirement to provide product labels in Kosovo's official languages, as regards Serbian-language labelling. At the same time, the Law itself is not fully consistent, as the rules on commodity content data require Albanian while allowing other official languages, creating legal uncertainty as to the applicable language requirements.

Administrative capacities in the area of consumer protection, market surveillance and product safety remain to be further strengthened *(see also Chapter 1 on market surveillance)*. Kosovo is yet to align with the new EU *acquis* on general **product safety**. On **non-safety issues**, the weakness of consumer rights organisations remains a challenge.

Public health

On **public health** policy, the implementation of the 2025-2030 Health Sector Strategy remains slow. The new law on Mandatory Health Insurance has been adopted by the Parliament. New laws on health, reproductive health, medically assisted fertilisation and mental health remain to be adopted.

In 2025, Kosovo's health budget was EUR 358.8 million, 3.9% of the GDP, marking an increase compared to 2024. However, the allocated funding was not fully used, and it remains significantly lower than the EU average. Out-of-pocket health expenditure are estimated at around 40%. Strategic purchasing of health products is insufficient, resulting in significant inefficiencies of the health system and weaker health outcomes. Expenditures on pharmaceuticals remain the largest financial burden and impact mostly the poorest households.

Life expectancy at birth in Kosovo remains lower than the EU average, but the UN Inter-Agency Group for Child Mortality Estimation (UN IGME) 2026 Report noted significant progress in child survival rates.

Kosovo's **e-health** system remains fragmented, incomplete, and is not fully functional. Electronic health records are not available, limiting the continuity of care, performance monitoring and strategic purchasing.

Non-communicable diseases are the leading cause of death. In 2025, Kosovo established 49 health resource centres (at primary health care level) to improve access to early diagnosis, continuous treatment, patient education and long-term disease management for hypertension, type 2 diabetes and asthma.

The Law on **tobacco control** is not enforced comprehensively, and smoking prevalence remains high. Enforcement mechanisms are insufficient, and inspection capacity remains limited.

Mental health services remain integrated. Kosovo is yet to revise the existing Law on mental health.

The legislation on **blood, tissues, cells and organs** is partly aligned with the EU *acquis*.

On **communicable diseases** and serious **cross-border threats to health,** Kosovo has further strengthened its capacities in the surveillance of communicable diseases by including all 82 diseases as per EU recommendations. Kosovo has approved the 'One Health' Action Plan against Antimicrobial Resistance as recommended by the European Centre for Disease Prevention and Control. Routine immunisation coverage for 2025 remained at around 89%. Measles, Mumps, and Rubella vaccine coverage declined from 89% to 82% in 2025 vaccinations. Coverage of the Kosovo Roma, Ashkali and Egyptian communities remains a concern, with rates below 40%.

The **cancer** screening programme is not performed systematically, while the cancer registry is in place. The Ministry of Health has approved its Cervical Cancer Screening Action Plan, however the implementation has yet to begin.

There was no progress on alignment in the areas of **patients' rights in cross-border healthcare**, on **medical products for human use,** on **medical devices,** or on **veterinary medicinal products,** which all remain partially aligned with the EU *acquis*, or on **health technology assessment.** The list of essential medicines has been updated. However, despite the increasing health budget, some essential medicines remain unavailable on a regular basis. There were also no developments on reducing the harmful alcohol use, on **drug abuse and prevention**, or on **nutrition and physical activity**.

Health inequalities remain a serious concern. Persistent issues with health financing and financial protection have hampered progress towards universal healthcare and has exacerbated inequalities. This financial burden is particularly difficult for the vulnerable and poor portion of the society, including women, pensioners, children, and people with **disabilities** and chronic conditions.

The Kosovo Serb community continues to primarily rely upon Serbia-supported primary and secondary healthcare institutions in Kosovo. The status of Serbia-supported healthcare institutions is expected to be addressed within the EU-facilitated Dialogue.

The Ministry of Health has updated its 2025-2027 Institutional Integrity Plan with a view to preventing **corruption**, promoting transparency and accountability and ensuring it fulfils its role of protecting and improving public health in Kosovo.

CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

This cluster covers: digital transformation and media (Chapter 10); taxation (Chapter 16); economic and monetary policy (Chapter 17); social policy and employment (Chapter 19); industrial policy (Chapter 20), science and research (Chapter 25); education and culture (Chapter 26); and the customs union (Chapter 29).

Chapter 10 – Digital transformation and media

The EU supports the smooth functioning of the internal market for electronic communications, electronic commerce and audiovisual services. The rules protect consumers and support the universal availability of modern services.

In the area of **electronic communications**, broadband coverage remains at 100%. However, progress on high-speed broadband infrastructure remains limited. Investment constraints in the private sector and reliance on outdated cable infrastructure continue to hinder improvements in network quality.

Administrative barriers to infrastructure deployment persist due to incomplete harmonisation of legislation governing construction and permitting. Kosovo needs to align with the European Electronic Communications Code, finalise and adopt the new Law on electronic communications, and align with the EU Gigabit Infrastructure Act, the EU Connectivity Toolbox, and the revised Guidelines on State aid for broadband networks. The resources of the Electronic and Postal Communications Regulatory Authority remain limited compared with its mandate, hindering its effectiveness in overseeing an evolving digital market. Alignment with the Digital Services Act and Digital Markets Act needs to be stepped up. The European emergency number is operational, but it still needs to be brought fully in line with European standards.

In the area of digital services, the e-Kosova platform continues to offer online services, with ongoing efforts to improve user access and functionality. The share of fully digitalised public services remains low, and interoperability between government systems remains limited. Alignment with the EU framework on open data, the reuse of public sector information, and the Interoperable Europe Act remain incomplete and further efforts are needed to ensure compliance with accessibility standards to digital public services. Kosovo needs to take steps to build the societal and institutional capacity and to establish the legal basis to effectively support the enforcement of the Digital Services Act and the Digital Markets Act as of EU accession.

Regarding **digital trust and cybersecurity**, Kosovo needs to accelerate efforts to transpose and implement the EU NIS 2 Directive. The Cybersecurity Agency and the National Cyber Security Council are not yet fully operational. The authorities need to develop comprehensive policies to ensure a safer internet for children. Kosovo should also continue implementing the EU 5G Cybersecurity Toolbox measures. Kosovo should ensure alignment with the new EU Digital Identity Framework. The deployment of the government's national digital identity and eWallet is progressing.

On **artificial intelligence** (AI), Kosovo should strengthen institutional readiness and develop AI regulation and the necessary governance and enforcement structures in line with the EU AI Act.

On **media**, governance issues continued to affect the functioning of the Independent Media Commission. The lack of quorum until April 2026 hampered decision-making, including on key regulatory matters.

Chapter 16 – Taxation

EU rules on taxation cover value added tax, excise duties and aspects of corporate taxation. They also cover cooperation between tax administrations, including the exchange of information to prevent tax evasion.

In the area of **indirect taxation**, VAT rates are aligned with the EU *acquis*. The Tax Administration of Kosovo (TAK) reported an 8.4% increase in revenues from indirect taxation in 2025, with growth recorded across all subcategories, including VAT. VAT refund applications were treated within 23.6 days on average, a slight improvement compared to 2024.

In the area of **direct taxation**, Kosovo uses a progressive taxation for individuals, with rates ranging from 0% to 10%. The standard corporate income tax and capital gains tax remains relatively low at 10%. Kosovo remains committed to implementing the inclusive framework

on Base Erosion and Profit Shifting (BEPS) minimum standards, although it has not yet joined the BEPS inclusive framework.

On **administrative cooperation and mutual assistance**, a new double taxation agreement between Kosovo and Italy entered into force in January 2026. TAK continues to benefit from the EU FISCALIS programme 2021-2027. TAK should prioritise tackling international tax avoidance and evasion practices, while building technical and human capacities to manage international tax risks. While TAK has continued the implementation of modern Compliance Risk Management methodologies, no formal tax gap assessment has been performed.

On **operational capacity and digitalisation**, TAK has continued to advance in service digitalisation and service delivery. The replacement of fiscal cash registers with fully functional software is an important step under implementation by TAK and the Ministry of Finance, but it faces delay. TAK needs to further strengthen professional capacities and improve the effectiveness of tax audit functions. Fair, transparent and merit-based recruitment is a prerequisite for efficient TAK. TAK's IT infrastructure remains outdated.

Chapter 17 – Economic and monetary policy

EU rules require the independence of central banks and prohibit them from directly financing the public sector. Member States coordinate their economic policies and are subject to fiscal, economic and financial surveillance.

Fiscal policy remains Kosovo's principal macroeconomic policy tool, given its lack of an autonomous **monetary policy** and conventional monetary policy instruments. Kosovo's use of the euro as its legal tender is fully distinct from euro area membership.

The Law on the Central Bank of Kosovo (CBK) is currently being reviewed to strengthen its governance. The review includes rebalancing responsibilities between the governing board and the executive board and strengthening the governing board's oversight roles. An action plan to improve CBK's transparency is being developed.

On **economic policy**, fiscal rules are well-established in legislation and largely adhered to. Discussions on a new budget framework law are ongoing. One objective of the new law would be to align the fiscal governance framework (in place since 2008) with the revised EU framework, including on fiscal rules.

There was limited progress in aligning the annual budgetary process with the medium-term policy framework. In the absence of an approved medium-term expenditure framework (MTEF) 2026–2028, due to the political deadlock throughout 2025, the 2026 budget was prepared based on projected expenditure ceilings and policy priorities of the MTEF 2025–2027. No steps were taken towards establishing an independent fiscal review body to enhance budget oversight. The 2026–2028 **Economic Reform Programme** (ERP) was submitted on time and sets out Kosovo's key macroeconomic and fiscal policies. To better support multilateral surveillance, however, the ERP could be strengthened by incorporating more realistic macroeconomic forecasts, a long-term fiscal sustainability analysis, and an assessment of the budgetary impact of key fiscal measures. The policy guidance set out in the conclusions of the Economic and Financial Dialogue with Regional Partners of May 2025 has been partially implemented.

Chapter 19 – Social policy and employment

EU rules in the social field include minimum requirements for labour law, equality and non-discrimination, health, and safety at work. They also promote social inclusion, social protection, and social dialogue at EU level.

The adoption of the amendments to the legislation on **labour** and on **health and safety at work**, which would ensure further alignment with the EU *acquis,* remains pending.

In 2025, the Labour Inspectorate implemented the roll-out of the Electronic Case Management System to improve the efficiency of inspection procedures, replacing paper processes. Sixty additional inspectors were recruited, bringing the total to 120. The Inspectorate also organised an awareness campaign on occupational safety and health. During 2025, the number of reported non-fatal occupational accidents rose to 621, up from 512 in 2024 – an increase that may also reflect improved awareness and reporting practices, given Kosovo's ongoing challenge with underreporting. The number of occupational fatalities increased to 19 in 2025, up from seven in 2024.

Social dialogue remains limited. The capacity of social partners, in the public and to a larger extent in the private sector, requires strengthening. The mandate of the Social Economic Council (SEC) expired in 2023 given that none of the unions meet the legal representation threshold required for SEC membership. Amendments to the relevant legislation remains pending.

On **employment policy**, the employment and labour market strategy for 2024-2028 and its action plan are in place, however the adoption of a new regulation on active labour market measures and a new Law on employment are still pending. The overall activity rate stood at 48.9% in Q2 2025, an increase compared to Q4 2024 (43%). The minimum wage increased from EUR 350 in 2024 to EUR 425 in January 2026 and further to EUR 500 from 1 July 2026.

The rate of young people not in employment, not in education, nor in training (NEET) remains high, disproportionately affecting women and young people from rural areas. According to the Labour Force Survey (LFS), in Q3 2025 NEET rates were 33.4% of the total youth population. In response, during the reporting period, women and young people have been the principal beneficiaries of active labour market policies in Kosovo. However, women remain under-represented in the labour market, with only 21% of women active.

The Youth Guarantee (YG) Scheme remains in the pilot stage in two municipalities as a result of significant structural challenges, including under-resourced institutions, limited data collection mechanisms, and insufficient coordination across employment services, education providers and the private sector. The government finalised the restructuring plan for the Employment Agency and a new regulation is planned for adoption this year. The labour market information system, supporting evidence-based policymaking and planning, is outdated and lacks operational capacity in critical areas.

Regarding labour force participation and unemployment rate, *see the statistical annex and the section on the functioning of the labour market under 2.3. Economic criteria*.

On **social protection and inclusion**, since May 2024, Kosovo has been piloting a proxy means-tested social assistance system, supported by the World Bank to better target poverty. Under the new Social Assistance Scheme (SAS), the first payments began October 2024, reaching 4 000 families, a number which was reduced to 3 400 during the reporting period after the means testing and field monitoring found that they either were ineligible to benefit from the scheme, or beneficiaries were succesfully employed through job activation measures. The reform seeks to modernise the service delivery systems, including the development of the Social Registry Management System and the integration of the SAS management information system into a comprehensive Social Welfare Information System. It also upgrades the payment processes, promotes online application and enrolment, and strengthens outreach to vulnerable communities, and other discriminated groups, including women. Additionally, the project encompasses labour market activation measures for SAS beneficiaries, including women. Over 800 SAS recipients received training or were placed in jobs through the programme in the reporting period. It remains crucial to address the weak

capacities of the Centres for Social Work at the local level. The project partly addressed these challenges by recruiting around 200 job counsellors and social workers. Respective departments at the central level (the Department for Social Services and the Department for Child Protection) are understaffed.

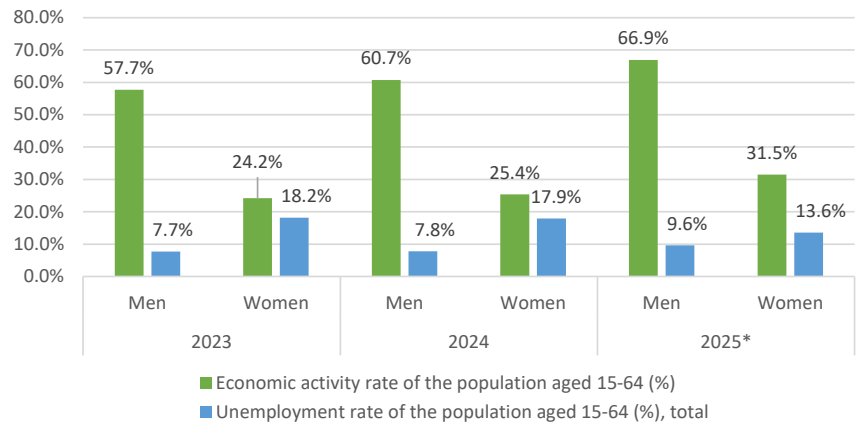
The universal child benefit programme was expanded to cover 391 904 children aged 0-16, providing additional monthly financial support. The scheme continues to provide women with the opportunity to open bank accounts to receive the benefits. Families now receive EUR 30 per child, and EUR 45 per child for families with three or more children.

The quality of the social services provided at the municipal level remains limited. The government contracting of NGO services requires a sustained and institutionalised approach to prevent interruptions in services. Combined with a lack of stable multiannual funding, insufficient number of social workers, and low salaries for social workers, capacities to provide quality social services are limited. Municipalities have not hired new social workers specialised in gender-based violence as provided by legislation. The capacity of municipalities concerning service planning and delivery, data collection, gender analysis and integrated care is weak. Around 9% of children are involved in work, of whom 5.6% are working under hazardous conditions. This issue is particularly prevalent among the Kosovo Roma and Ashkali communities.

In the field of **non-discrimination in employment and social policy**, Kosovo still needs to align its legal framework with the relevant EU *acquis*, including the Employment Equality Directive and the Racial Equality Directive. More efforts are needed to address challenges in this field, for example with regard to hiring procedures, promotion and pay. Persons with disabilities continue to face persistent inequality in accessing the labour market.

On **equality between women and men in employment and social policy,** Kosovo needs to align with the relevant gender equality EU *acquis*, including the application of the principle of equal treatment for men and women in matters of social security, employment and self-employment and improving the gender balance on company boards, maternity leave, work-life balance for parents and carers, and pay transparency. Kosovo's labour market continues to face a significant gender participation gap as 67% of those active in the labour market are men and only 32% are women according to the LFS for Q3 2025. The unemployment rate for women is 17.9% compared to 7.8% for men. Enhancing access to child and elderly care and support and community-based solutions for independent living for persons with disabilities can help boost women's labour force participation. Sexual harassment and gender discrimination cases in the workplace are common but underreported. Labour inspectors and judges need training to better address the issue of gender-based discrimination. The government continued to allocate funds to compensate young mothers on maternity leave and increased the amount to EUR 500 in line with the changes of the minimum wage.

Graph 25: Kosovo - Economic activity rate by sex



*The average of the first 3 quarters of 2025

Source: ECFIN

On the preparation of the **European Social Fund,** Kosovo has concluded the negotiations with the EU on its participation in the Employment and Social Innovation Strand (EaSI) of the European Social Fund + (ESF+). The agreement is pending ratification in the parliament. *(see Chapter 22 – Regional policy and coordination of structural instruments)*.

Chapter 20 – Enterprise and industrial policy

EU industrial policy strengthens competitiveness, facilitates structural change, and encourages a business-friendly environment that stimulates small and medium-sized enterprises (SMEs).

As regards **industrial policy and competitiveness**, Kosovo has a comprehensive Strategy for Industrial Development and Business Support 2023–2030 in place. Only 51% of actions planned for 2023–2025 were implemented, mainly due to a lack of financial resources. In February 2026, the Action Plan for years 2026-2028 was adopted.

Concerning **enterprise policy and instruments**, the Kosovo Investment and Enterprise Support Agency has been transformed into the new Agency for Support to Enterprises and Innovation under the Ministry of Industry, Entrepreneurship, Trade and Innovation, as per the new Law on sustainable investments. The organisational structure of the Agency for Investments and Export within the Prime Minister's Office was approved in February 2026. These two agencies will play an important role in assisting companies and attracting foreign direct investment, as well as in providing after-care services for investors, thereby addressing long-standing issues and complaints by enterprises. On dispute settlements, the Commercial Court improved efficiency in resolving cases, and online mediation remained a viable tool for dispute resolution. The government continues to invest in industrial parks, while at the same time sponsoring assessments of their operation and functionality to orient its management policies in the future.

SMEs still face obstacles to accessing business support services and obtaining permits and licences, due to a lack of timely and professional responses to their requests and prolonged administrative procedures within Kosovo's authorities due to limited capacities. Kosovo continued to extend services available on its e-government platform. Self-employed workers face a low tax burden and incorporated SMEs benefit from corporate income tax incentives. The simplification and digitalisation of services reduced tax compliance costs for SMEs. Kosovo needs to continue its efforts and diversify financing alternatives to address the barriers that early-stage businesses, as well as micro and small-sized enterprises, face in accessing finance. Small businesses continued to benefit from robust support in accessing bank finance through diversified e-credit guarantee schemes offered by the Kosovo Credit Guarantee Fund (KCGF). To date, the KCGF has guaranteed over EUR 1 billion to MSMEs in the sectors of production, service agriculture and trade, including start-up firms and women-owned businesses. The KCGF's donor dependency has declined with increase of government share in the Fund's capital. A new Law on Late Payments in Commercial Transactions is under preparation aiming to align with Directive 2011/7/EU on Combating Late Payment in Commercial Transactions

Kosovo showed renewed interest in the Single Market Highway initiative, participates in the SME Pillar of the Single Market Programme and is part of the Enterprise Europe Network.

In the area of **sectoral initiatives,** Kosovo has a tourism strategy for 2024-2030 and an implementing plan for the first two years in place. However, monitoring of implementation has only been carried out for 2024 and published in June 2025.

Chapter 25 – Science and research

The EU provides significant support to research and innovation. All Member States can participate in the EU's research and innovation programmes and benefit from them, especially

where there are scientific excellence and solid investment in research and innovation.

There has been no progress during the reporting period in terms of legislation. The Smart Specialisation Strategy remains in draft version. The policy framework for scientific research continues to be primarily set out through the 2013 Law on scientific research activities and the National Research Programme 2023-2028, which set out general objectives and priorities for the sector.

The Law on innovation and entrepreneurship, which includes the establishment of an Innovation Fund, remains to be adopted by the Assembly, while the Innovation Strategy 2030 is awaiting approval by the government.

In April 2026, the government launched an Innovation Grant Scheme for Dual Education, which will support consortia between businesses and educational institutions, including trainers/teachers from vocational schools

Based on the data provided by the Ministry of Education and Science, the budget allocated to scientific research in 2026 increased by 35% compared to 2025, from EUR 1 775 819 in 2025 to EUR 2 404 800 in 2026 (0.16% of GDP). This does not include universities and research institutes, which have separate budgets for scientific research. Comprehensive and reliable data on research and innovation indicators remains limited.

During the reporting period, a total of 160 proposals were submitted to the **Horizon Europe** programme, resulting in the awarding of 4 projects worth EUR 680 000.

The European Cooperation in Science and Technology (COST) actions have seen a steady increase in participation, particularly through the submission of action proposals. As of August 2026, there were 177 active COST actions with Kosovo's involvement, representing 65.6% of the running actions.

Chapter 26 – Education and culture

The EU supports cooperation in education and culture through funding programmes and the coordination of Member State policy through the 'open method of coordination'. The EU and the Member States must also prevent discrimination and ensure quality education for children of migrant workers, including those from disadvantaged backgrounds.

Public funding for education continued to increase in nominal terms, with the 2026 education budget reaching EUR 418.6 million, including higher allocations at both central and municipal levels, representing 5.10% of the national budget and 3.7% of the GDP, below the EU average of 4.7% of GDP (2023).

The Ministry of Education and Science started preparatory works to draft a new Education Strategy 2035+. The mid-term review of the 2022-2026 strategy has not been published, and the new strategy as of 2027 is yet to reach public consultation. The Law on the state matura examination was adopted during the reporting period, the draft Law on VET and adult education remains pending as well as the Law on Texbooks. Higher Education continues to be governed by the 2011 Law on higher education.

Work to implement the legal and regulatory framework for early childhood education (ECE) continued, including by increasing enrolment, structural quality standards, financing models, and cross-sector coordination. Timely adoption of the remaining secondary legislation remains essential for effective implementation. Reforms advanced through the approval of a new curriculum for children aged 0-6 and the establishment of a quality assurance framework for ECE. Systematic capacity-building and roll-out of new curricula remain necessary to achieve sustainable reforms.

Challenges remain in ensuring sufficient and predictable financing of staffing and

operational costs, particularly for the implementation of the Law on early childhood education and the delivery of quality, inclusive education and care. Pre-school enrolment increased slightly, while enrolment in primary and lower secondary education continued to decline. Girls represented 48.4% of students at these levels.

Kosovo made some progress in early childhood education. Enrolment of children aged 0-2 reached 8% in 2024/25 from 3.9% in 2023/24, while gross enrolment for 5-year-olds reached 87.1% in 2024-2025, a 4.3% increase from the previous year, following the introduction of mandatory pre-primary education. Gross enrolment for children aged 3-5 rose by 6.6% compared to 2023-2024, reaching 43.4%. Despite this progress, enrolment remains below EU and OECD benchmarks, and below the 45% target for 2026 set in Kosovo's own Education Strategy, with further expansion constrained by weaknesses in public financial management capacity.

In 2024-2025, the net enrolment rate in primary school and lower secondary education (grades 1-9) is 95.4%, a decrease of 0.5% from the previous year. The gross enrolment rate in upper secondary education (grades 10-12) for 2024-25 is 86.4%. In January 2026, the Ministry of Education and Science initiated the review of school curricula and textbooks for grades 1-9, to improve the quality of education.

Concerning the results of the Programme for International Student Assessment (PISA) 2025 results showed 21% of students attained at least basic proficiency (Level 2 or higher) in science, 15% in mathematics and 16% in reading. Compared with 2022, results slightly declined in reading, while remaining stable in mathematics and science. Overall, the findings are in line with previous PISA cycles, which have consistently shown very low performance below the OECD average. Significant equity gaps persist, with students from low socio-economic backgrounds, rural areas, and non-majority communities performing worse. The Teaching and Learning International Survey (TALIS 2024) whose results were issued in October 2025, reported a mixed outcome. Teachers reported continued challenges related to motivation, career progression and working conditions, largely linked to the unresolved collective agreement and budget instability. A new strategic framework to transform teacher education by 2030 has been established in April 2026.

On **vocational education and training (VET)**, efforts continued to strengthen the relevance of education and skills development in line with labour market needs through closer cooperation between academia and the private sector, work-based learning opportunities, and targeted non-formal training. In parallel to the dual VET profiles, school-based VET should be maintained and harmonised, especially in smaller municipalities. Dual education has progressed, offering 16 qualifications in dual mode since the academic year of 2025-2026 (4 more compared to 2024-2025). The draft Law on VET and adult education is pending adoption. Participation in **adult learning** was slightly above the EU average (11.5% vs 11.2% respectively), but still below the 60% EU target set for 2030.

Regarding **inclusiveness**, the participation of Kosovo Roma, Ashkali and Egyptian children in education remained significantly below the national average, with only 31% reaching upper secondary education compared to 87% nationally. Kosovo's legal and policy framework promotes the education of children with disabilities within mainstream educational settings wherever possible, with specialised support provided according to individual needs. Resource centres are intended to function primarily as support institutions for mainstream inclusion rather than segregated educational institutions. According to the 2024-2025 Annual Education Statistics Report, approximately 3 872 children with disabilities attend mainstream preschools and schools in Kosovo. The legislative framework requires schools to provide accessible infrastructure, individualised support, assistants, and pedagogical accommodations to facilitate inclusion.

The Kosovo Serb community continues to use Serbia-supported education institutions at all

levels. The status of these institutions is expected to be addressed within the EU-facilitated Dialogue. Challenges persist regarding the recognition of diplomas, professional qualifications and licences issued in Serbia, affecting Kosovo Serbs' access to employment.

University programmes in other non-majority community languages face accreditation problems due to additional requirements they need to meet in line with the European Qualification Framework.

In order to strengthen inclusive systems for children and young people with disabilities, more efforts should be made to ensure better access to quality inclusive education, assistive technologies, and tailored support services across youth programmes.

A Digital Competence Framework for teachers was adopted by the Ministry of Education and Science to standardise ICT skills in education. In 2026, the Ministry of Education started the preparation for national use of SELFIE for Teachers (with ETF) to assess the levels of teachers' digital skills.

Regarding **higher education**, Kosovo continues to align its higher education system with the European Higer Education Area (EHEA) and the Bologna process. There are five higher education institutions from Kosovo participating in the European Universities Alliances as associated partners.

Kosovo benefits from the international dimension of the 2021-2027 Erasmus+ programme. The positive trend continued, with Kosovo registering the highest number of Erasmus Mundus Joint Master Degree scholarships for students in 2025 (15 participants) and the highest number of higher education projects compared to previous years. Kosovo participates in 3 Jean Monnet projects, while additional 4 project were selected in July 2026. Preparations started for establishing a dedicated Erasmus+ national agency, with a view to participation in the next programme period.

Regarding **youth,** Kosovo continued implementing the Youth Strategy 2024-2032. Despite challenges with the 2024-2026 Action Plan, the Agency for Youth Development was established, but strengthened operational capacities are needed. The Central Youth Council has been created but is not yet operational and is not currently a member of the European Youth Forum.

Kosovo has a National **Sports** Strategy 2025-2030, which defines sports development policies and seeks to implement reforms in the sports sector. The Strategy requires sports federations to allocate a minimum share of their funding to promote the participation of women and girls in sports. Kosovo continued participating in the European Week of Sport and is currently developing the infrastructure plan for the 2030 Mediterranean Games where preparations are behind schedule.

Kosovo needs to develop a strategy on **culture**. Cultural policies in Kosovo are set out in the Law on art and culture. Kosovo is not a party to the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions. Kosovo takes part in the Culture strand of the Creative Europe 2021-2027 programme, but its participation in the MEDIA strand requires the alignment of the Law on the Independent Media Commission with the EU's Audiovisual Media Services Directive.

Chapter 29 – Customs union

All Member States are part of the EU customs union and follow the same customs rules and procedures. This requires legislative alignment as well as adequate implementing and enforcement capacity and access to and interoperability with EU electronic customs environment.

In the area of **customs legislation**, Kosovo's Customs and Excise Code is in line with the

Union Customs Code. Kosovo continued to develop secondary legislation in line with EU requirements. Kosovo has 29 mutual administrative agreements and memoranda of understanding on customs matters in place. Due to statehood issues and despite efforts made by Kosovo, there was no progress on Kosovo's application to become an observer under the Common Transit Convention (CTC). A total of 12 authorised economic operators are currently licenced and their administrative management needs to be enhanced.

Border controls are performed based on risk approach, in line with the Revised Kyoto Convention and the related EU Customs Blueprints. As of March 2026, Kosovo Customs has introduced pre-arrival clearance, allowing for advanced submission and processing of declarations through ASYCUDA World, a significant step towards trade facilitation and risk analysis advancement. Inter-agency coordination was strengthened through the development of an electronic data link via web services with the Food and Veterinary Agency (AUV). On the rules of origin, Kosovo continues to apply the rules of origin of the revised Pan-Euro Mediterranean (PEM) Convention. The legislation on customs measures governing intellectual property rights (IPR) and export controls for cultural goods is aligned with the EU *acquis*. Kosovo has finalised the transition from private to publicly-owned customs terminals. As of March 2026, customs clearance was performed in publicly-owned customs terminals, abandoning or reducing applicable fees to consignments in line with the SAA between the EU and Kosovo.

Looking forward, Kosovo should ensure that no existing fee in contradiction with the SAA is applied or a new fee is introduced in the future. The Port of Durrës and Porto Palermo remain the main sea hubs used by Kosovo Customs for import of petrol and other oil derivates.

Kosovo Customs has an accredited and operational Customs Laboratory, which continues to participate in the Customs Laboratories European Network as an observer. During the last quarter of 2025, Kosovo obtained a mobile border scanner to support and strengthen its border control. Kosovo Customs updated and confirmed its mutual administrative assistance contract with the European Anti-Fraud Office (OLAF). Regular cooperation and information exchange with EU counterparts should continue to strengthen the fight against customs fraud, in particular the smuggling of tobacco products. Cooperation with OLAF should intensify.

The IT strategy and Action Plan to enhance the use of artificial intelligence (AI) in risk management is ongoing. Kosovo Customs currently resorts to ASYCUDA World and is undergoing technical preparations with the UN Trade and Development (UNCTAD) to migrate to ASYCUDA 5.

On **administrative and operational capacities**, Kosovo participates in the EU 'Customs 2021-2027' programme and in different fora at the World Customs Organisation. The organisational and administrative structure of Kosovo Customs requires further strengthening. The fight against undue practices and the reinforcement of accountability should remain a priority of the customs administration. In August 2026, Kosovo Customs updated its integrity plan to address integrity-related risks. Investment in infrastructure continued, alongside the development of new border facilities aimed at further strengthening the capacity of publicly managed terminals and improving the efficiency of customs operations. Further progress is needed to meet international infrastructure standards.

CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE GROWTH

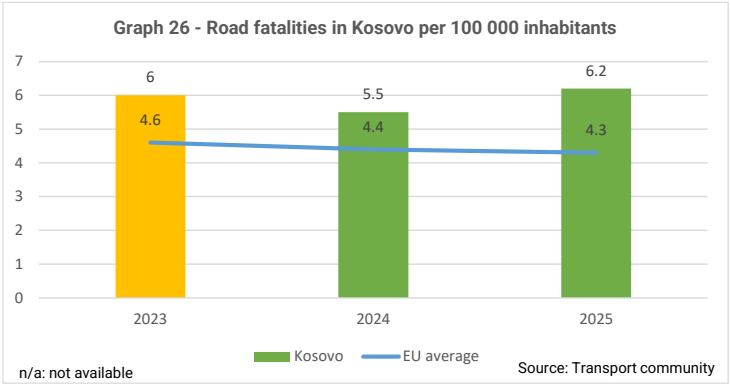
This cluster covers: transport (Chapter 14); energy (Chapter 15); trans-European networks (Chapter 21); and environment and climate change (Chapter 27).

Chapter 14 – Transport

The EU has common rules for technical and safety standards, security, social standards, State aid and market liberalisation in road transport, railways, inland waterways, multimodal transport, aviation and maritime transport.

On **transport matters**, Kosovo remained actively engaged in the activities of the Transport Community. However, Kosovo still needs to strengthen its administrative and operational capacities to enhance coordination and ensure the timely implementation of infrastructure projects. Efforts must be stepped up to align with and implement the EU *acquis* across all areas of the transport sector and to ensure the timely execution of the next generation Transport Community Action Plans, endorsed in 2025. Kosovo should address transport-related climate resilience, promote the use of alternative fuels, and develop sustainable urban mobility plans that adhere to EU environmental and social standards.

On **road transport**, further efforts are needed to implement its intelligent transport systems strategy and align with the EU *acquis* on social and market rules in road transport. Kosovo still needs to set up a road asset management system. The existing crash data system is not compliant with the common accident data set (CADaS) protocol. Kosovo should increase efforts to raise awareness of road safety, establish a road safety agency with clear competencies and dedicated funding, and make further efforts to implement the road safety *acquis*. With 112 road fatalities reported in 2025, Kosovo is still far from the UN's target of 56 by 2030. Alignment with the Directive on road infrastructure safety management and the creation of a system to increase the capacity of road safety inspectors and auditors remain priorities. Kosovo made no progress in implementing the **rail transport** *acquis*. Kosovo's railway legislation still needs to be fully aligned with the market and technical pillars of the fourth railway package. The drafting of the Law on railway and a Law on railway safety and interoperability is still ongoing and should be prioritised for finalisation.



Air transport continues to face many challenges arising from Kosovo's non-membership in several international civil aviation organisations. The NATO-led Kosovo Force (KFOR) still manages and coordinates the Kosovo airspace. Kosovo took measures to address institutional shortcomings of the Air Navigation Service Agency and the Civil Aviation Authority by recruiting and training specialised staff. Kosovo's airspace saw an increase in passenger traffic during the reporting period. However, the persistent lack of revenue from airspace management remains a long-standing issue. While two outstanding issues remain to complete the first phase of the European Common Aviation Area (ECAA) Agreement requirements, Kosovo has adopted nine additional second-phase aviation safety regulations. In August 2026, Kosovo's Civil Aviation Authority signed two Working Arrangements with the European Union Aviation Safety Agency (EASA) under the ECAA framework, strengthening cooperation on aviation safety and data exchange.

On **multimodal transport**, the implementation of the Action Plan of the 2023–2030 multimodal transport strategy remained slow. Kosovo has not aligned with the Combined Transport Directive. Kosovo should also align with the regulation on electronic freight transport information (eFTI).

On **passenger rights**, Kosovo is aligned with the air passenger rights *acquis*. However,

Kosovo should increase its efforts to implement the EU *acquis* in this field in all other modes of transport.

Chapter 15 – Energy

EU energy policy covers energy supply, infrastructure, the internal energy market, consumers, renewable energy, energy efficiency, nuclear energy, nuclear safety, and radiation protection.

Kosovo remains heavily reliant on outdated, highly polluting lignite-fired power plants, posing serious health and environmental risks. The start of environmental upgrade works in April 2026 marked progress after years of delay, but further efforts are needed to complete the Kosovo B thermal power plant upgrade, including investments in SO_2 emission reduction, and to decommission the non-operational units of the Kosovo A thermal power plant.

Kosovo made only limited progress on the **security of supply** and remains non-compliant with the **oil** *acquis*. The adoption of the draft Law on compulsory oil stockholding is pending and there are no procedures in place to release emergency oil stocks. Therefore, Kosovo remains dependent on stocks held for commercial purposes and uninterrupted imports, with Albania's Adriatic ports serving as key supply route. To date, Kosovo does not plan to develop **gas** infrastructure. The transposition of the Risk Preparedness Regulation in the electricity sector is still to be completed.

Regarding the **internal energy market**, alignment with the Electricity Integration Package (EIP) is pending, as a result of the delays in the adoption of the Laws on energy, electricity and the energy regulator. While the Energy Regulatory Office (ERO) is formally financially independent, Ministry of Finance oversight of its budget may limit its operational autonomy. Constraints in staffing, remuneration and capacity affect the ability to effectively enforce market rules. The pending law should address these gaps and ensure its independence. On 5 October 2026, the Assembly elected the new ERO Chair and Board member, restoring the Board's decision-making capacity and enabling ERO to resume the full exercise of its mandate.

The supply of smart meters for households and commercial consumers in the north of Kosovo was completed in October 2025 but installation of smart meters by the local electricity supply company is expected to be finalised by the end of 2026. The Serbian transmission system operator EMS has yet to determine net transmission capacities at the interconnection with Kosovo, which prevents cross-border capacities from being allocated to market participants. The lack of available interconnection capacity adversely affects security of supply and competition and raises power import prices.

The bulk supply agreement (BSA) between the Kosovo Electricity Supply Company (KESCO) and the Kosovo Electricity Corporation (KEK) remains an obstacle to the development of competition and market liquidity. At present, approximately 1300 large commercial consumers purchase their electricity on the liberalised electricity market from 8 suppliers, while a total of 30 suppliers licensed in Kosovo. In accordance with the EIP, Kosovo should continue opening the retail electricity market by ensuring that all non-household consumers not eligible for public intervention in retail price setting are supplied under market conditions, through predictable rules and in line with the relevant obligations set out in the Law on electricity. In parallel, Kosovo should fully align public interventions in retail price setting by limiting them to household customers and micro-enterprises, in accordance with the requirements set out in the EIP.

Concerning **renewable energy sources (RES)**, no progress was achieved. Kosovo needs to adopt secondary legislation under the Law on renewables to complete alignment with the Renewable Energy Directive (RED II). While the wind auction launched in December 2024 is still ongoing, the previously awarded solar auction has since moved into implementation.

Delays in the roll-out of renewable energy projects persist. Kosovo should launch the next round of renewable energy auctions, building on the capacity already awarded under its three-year auction plan, that needs to be updated for the period 2026–2028. During the reporting period, the installed RES capacity marginally increased to 339 MW, while the RES share in gross final energy consumption is stagnating. Following the establishment of the electronic registry for Guarantees of Origin (GOs), Kosovo made some progress with the preparation of a draft rule on GOs. However, disclosure rules and the methodology for calculating the residual energy mix remain to be adopted to make the system fully operational.

On **energy efficiency**, good progress was achieved with the implementation of energy efficiency measures in the residential and private sectors. However, Kosovo needs to adopt a new Law on energy efficiency, a long-term building renovation strategy, as well as secondary legislation to implement the Law on the energy performance of buildings, to align with the Energy Efficiency and Energy Performance of Buildings Directives. To increase energy efficiency, Kosovo needs to mobilise additional financing and strengthen institutional capacity to implement and monitor the associated savings. Kosovo is not aligned with the **energy labelling** and ecodesign *acquis*.

Regarding **governance**, adoption of the National and Energy Climate Plan (NECP) has been delayed for a few years and requires urgent action. Kosovo needs to accelerate the implementation of its Energy Strategy to achieve its objectives and develop robust monitoring frameworks for the overarching strategy for 2022-2031 and its implementation plans.

There has been no progress on **nuclear** safety, management of radioactive waste and the radiation protection *acquis*. Kosovo should accelerate its efforts to align with Euratom legislation and to participate in the European Community Urgent Radiological Information Exchange (ECURIE) and the European Radiological Data Exchange Platform (EURDEP).

Chapter 21 – Trans-European networks

The EU promotes trans-European networks (TENs) in the areas of transport, telecommunications and energy to strengthen the internal market and contribute to growth and employment.

Progress on the trans-European **transport** network (TEN-T) is limited, mainly due to insufficient interinstitutional capacities to ensure realistic cost-benefit analysis, EU standards, public procurement rules, State aid and environmental impact assessments.

Regarding roads, no progress was made on the Pristina–Merdarë/Merdare highway ('Peace Highway').

Regarding rail infrastructure, progress on finalising works on the railway on the Western Balkans Eastern Mediterranean Corridor (Rail Route 10) remained limited. As a matter of priority, Kosovo still needs to address technical, administrative, and institutional challenges related to Phase 1, between Hani i Elezit/Elez Han and Fushë Kosovë/Kosovo Polje, and Phase 2, between Fushë Kosovë/Kosovo Polje and Mitrovica. Work on these first two phases continued at a slow pace, mainly focusing on technically demanding structures such as bridges and tunnels. The railway crossing with North Macedonia was completed, but joint operations have not started. The tendering of signalling systems and telecommunications, which is necessary for trains to reach a speed of over 100 km/h, is delayed. On Phase 3, from Mitrovica to Lešak/Leshak, feasibility study and preliminary design activities have started.

On Trans-European Networks for **Energy** (TEN-E), Kosovo needs to align its legislation with the revised TEN-E Regulation 2022/869. Kosovo still needs to develop its regional electricity

connections, in line with the Central and South-Eastern Europe Energy Connectivity (CESEC) Action Plan on Electricity and Renewable Energy and the Projects of Energy Community Interest (PECI), in particular the "Reconfiguration of the 400 kV grid and new 400 kV interconnection Albania–Kosovo".

Chapter 27 – Environment and climate change

The EU promotes strong climate action, sustainable development and protection of the environment. EU rules contain provisions addressing horizontal environmental issues, climate change, water quality, air quality, waste management, nature protection, industrial pollution, chemicals, noise, and civil protection.

Environment

On **horizontal legislation**, no progress was made during the reporting period. The quality of the preparation and implementation of investments in compliance with the Environmental Impact Assessment (EIA) and the Strategic Environmental Assessment (SEA) Directives remains to be addressed. While Kosovo's engagement in the fight against environmental crime has increased, Kosovo still needs to align its legislation with the EU *acquis* and step up enforcement. Inadequate funding is a key obstacle for the implementation of the strategic framework in the environment sector. Administrative capacities of the environmental authorities, at central and local levels, to implement the environmental *acquis* need to be strengthened through adequate budget and staff. Limited capacities and involvement of institutions hamper progress in the sector. Public awareness of environmental protection remains low, increasing the urgency of enhanced awareness-raising efforts.

On **air quality**, there was no progress. Air pollution continues to present a health risk amid delays in the implementation of appropriate remedial measures to curb it. Emissions of SO_2, NOx and dust decreased in 2025 compared with 2024, mainly due to fewer operating days of power plants.

No progress was registered on the implementation of **waste management** legislation. The Law on waste management has yet to be adopted and align with the waste management strategy for the period 2024–2035. There was no progress in the implementation of the deposit refund system for beverage containers. The number of illegal dumpsites increased by 16.8%, bringing the total to 535 in 2025. The inspection capacity of institutions at central level needs to be urgently increased. Kosovo should accelerate preparation of further inter-municipal waste management plans and adopt plans already developed. As per implementing legislation, a national plan for landfill management (hazardous, non-hazardous, and inert wastes) needs to be adopted.

On **water quality**, the adoption of a new Law on water is still pending. Except for the Drini i Bardhë/Beli Drim River, river basin management plans remain to be approved. Overall, the capacities of the water management institutions at both central and local levels, remain low and need further strengthening. The lack of identification of agglomerations and of sensitive areas in line with the EU Urban Wastewater Treatment Directive, as well as the absence of a sludge management plan, hamper progress in the area of infrastructure development. Kosovo made no progress in aligning the legislation on water management and floods with the EU *acquis*. More efforts are necessary for the reduction of water losses and the management of water protection zones.

Kosovo made some progress on **nature protection.** In October 2025, the government placed Mokra Gora mountain and Lake Gazivode/Ujman under preliminary protection, bringing Kosovo's share of protected land up to 12.4%, one of the highest levels in the Western Balkans. Protected areas lack appropriate management and continue to be polluted and

exploited illegally. Additionally, weak enforcement, understaffing and underfunding undermine conservation efforts.

Kosovo needs to allocate adequate funding and human resources to ensure effective implementation of the management plans for the national parks. Transparent and inclusive consultations with municipal authorities should ensure effective and legitimate environmental protection measures and fully consider local communities' needs in any transition to permanent protection status. The adoption of a strategy for environmental protection and sustainable development for the period 2024-2033 is still pending, as is progress to align the legislation on nature protection.

Limited progress was made in the implementation of both the strategy and the Law on forestry. Deforestation and illegal logging remain a matter of serious concern, with 40% of the public forests being subject to uncontrolled or illegal harvesting activities. The forestry inventory remains to be completed.

On **industrial pollution and risk management**, there was no progress in aligning with the EU *acquis*. The implementation of industrial pollution prevention and control is very slow. Hazardous mining waste, as well as industrial discharge into rivers and industrial dumpsites continue to pose serious threats to soil and water, and thus public health. Kosovo needs to intensify efforts to align with the EU Industrial Emissions Directive and to ensure proper implementation and monitoring in this area.

On **chemicals,** there was no progress in aligning with the EU *acquis*. The implementation of the relevant legislation remains limited. Kosovo still needs to improve the implementation of the regulatory framework on the export and import of hazardous chemicals.

No progress was registered in aligning with the EU *acquis* on **noise**.

Regarding **civil protection**, Kosovo is not part of the Union Civil Protection Mechanism (UCPM) but remains eligible to a number of UCPM tools. A UCPM peer review of the disaster risk management capabilities of Kosovo was conducted in October 2025. While Kosovo's Emergency Management Agency demonstrated strong leadership, Kosovo needs to step up efforts, as well as financial and human resources, to address legislative, structural and procedural gaps. The legal, governance and financial framework for disaster prevention, preparedness and response should be revised, and coordination among responsible authorities strengthened to ensure that its civil protection system can deal effectively with large-scale natural and human-induced crises. Capacity building for municipalities on disaster risk management should be further fostered.

Climate change

No significant steps were taken in the area of climate change. Kosovo should step up its efforts to align with the EU climate *acquis* by prioritising the amendment of the Law on climate change and the adoption of the pending secondary legislation. These measures are essential to establish a robust monitoring, reporting, verification and accreditation framework aligned with the EU *acquis*, which needs to be swiftly implemented to introduce carbon pricing and align with the EU emissions trading system. One administrative instruction on the methodology for monitoring and reporting on greenhouse gas emissions was adopted in December 2025. The national adaptation plan and the national energy and climate plan should be swiftly adopted.

Kosovo still needs to align with EU *acquis* on fluorinated greenhouse gases, ozone-depleting substances, on emissions from the Land and Use, Land Use Change and Forestry sector and climate legislation concerning road transport (CO_2 performance standards, car labelling and fuel quality).

Kosovo should ensure the implementation of its first voluntary nationally determined contribution. The capacity of the relevant institutions needs to be significantly enhanced by increasing the number of staff. The Ministry of Environment and Spatial Planning has established a unit dedicated to climate change, but additional staff is needed to ensure the unit becomes operational. As public awareness remains low, awareness-raising on climate action needs to be strengthened.

CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

This cluster covers: agriculture and rural development (Chapter 11); food safety, veterinary and phytosanitary policy (Chapter 12); fisheries and aquaculture (Chapter 13); and regional policy and coordination of structural instruments (Chapter 22).

Chapter 11 – Agriculture and rural development

The EU's common agricultural policy supports farmers and contributes to ensuring Europe's food security. It helps tackle climate change and the sustainable management of national resources; maintains rural areas and landscapes across the EU; and keeps the rural economy alive by promoting jobs in farming, agri-food industries and associated sectors. This requires strong management and control systems. There are also common EU rules for marketing standards, quality policy and organic farming.

On **horizontal issues**, the national programme for agriculture and rural development was not implemented in 2025. Support measures should be aligned with the EU *acquis*. Kosovo needs to further strengthen its capacities and take additional steps towards the development of an integrated administration and control system and a farm sustainability data network.

On the **agricultural markets** - **common market organisation** (CMO), the adoption of the implementing legislation for the Law on market organisation for agricultural products remains pending.

On **quality policy**, the registration process and control remain to be strengthened and aligned with the EU *acquis*.

On **organic farming**, legislation remains to be aligned with the EU *acquis* and the National Organic Action Plan 2023-2026 remains to be implemented.

On the **fight against corruption**, Kosovo has appointed contact persons to coordinate complaints, corruption reports, and related issues, as regulated under the Law on civil servants, which applies to all public institutions.

Kosovo needs to amend the Law on Agricultural Land and the Action Plan to address the loss and degradation of farmland.

Chapter 12 – Food safety, veterinary and phytosanitary policy

The EU food acquis including EU hygiene rules for foodstuff production ensures a high level of food and feed safety and a high-level protection of consumers' interests. Animal health and welfare and the safety of food of animal origin are safeguarded together with the quality of seeds, plant protection material, the protection against harmful organisms and animal nutrition.

In the area of **general food safety**, Kosovo still needs to adopt implementing legislation to the Law on food, and the strategy to align with the EU *acquis* The Food and Veterinary Agency lacks sufficient financial and human resources to implement the EU *acquis* and immediate additional resources are needed, particularly for official controls. An

epidemiological unit, and the implementation of a risk-based approach to controls should be established.

The Agency continued to implement the national plan for the control and monitoring of food and animal disease and completed the obligatory proficiency testing schemes with EU reference laboratories, as part of the laboratory accreditation. The Kosovo Food and Veterinary Laboratory was re-accredited by the national Directorate for Accreditation of Kosovo and their accreditation scope was expanded.

Kosovo should assess potential risks related to the planned transfer of inspection services from the Food and Veterinary Agency to the central inspectorate under the Ministry of Agriculture, Forestry and Rural Development. Potential changes must ensure that the effectiveness and consistency of official controls across the food safety, veterinary and phytosanitary sectors are not undermined.

In the area of **veterinary policy**, Kosovo needs to adopt a Law on animal health and repeal the 2004 Law on veterinary. The Food and Veterinary Agency has not yet adopted a five-year disease monitoring and control plan due to a lack of government-allocated resources. Kosovo continued implementing the rabies vaccination campaign for 2025 and 2026 spring and fall. Further work remains necessary to adopt national legislation on animal welfare.

Financial and human resources for the control of animal health and welfare (e.g. at farm level, during transportation, in slaughterhouses and in livestock markets) remain insufficient. Animal movements remained underreported, and controls need to be strengthened. Kosovo is yet to align with the EU animal welfare legislation and ensure adequate resources for its implementation. Kosovo made no progress in identifying basic cross-compliance measures in the areas of food safety, animal health and welfare.

On **the placing of food, feed and animal by-products on the market**, Kosovo provisionally approved the economic operator for the existing rendering plant for the processing of animal by-products, however the rendering plan is not yet operating. The establishment and implementation of a system for the collection and safe disposal of animal by-products, and in particular Category 1, remains crucial and still needs to be set up. On **food safety rules** and its **specific rules for feed**, no new developments were reported.

In the area of **phytosanitary policy**, Kosovo needs to advance the alignment with the EU *acquis*. Strengthening actions regarding surveys, early detection and eradication of pests remains crucial. The legal framework and institutional set-up of the Kosovo Institute for Agriculture (KIA) should be consolidated, especially its mandate, structure and authority in plant protection. No progress on the preparation of the Plant Health law has been noted.

On the marketing of seed and other plant reproductive material, further alignment of the national legislation with the EU *acquis* on plant reproductive material (PRM) and forest reproductive material (FRM) is needed. This should be accompanied by the development of the necessary institutional framework and administrative capacities to establish and enforce effective certification systems for PRM and FRM.

Kosovo has yet to start working on the development of the legal basis for novel food and **genetically modified organisms**.

On the fight against corruption, Kosovo has appointed contact persons to coordinate complaints, corruption reports, and related issues, as regulated under the Law on civil servants, which applies to all public institutions.

Chapter 13 – Fisheries and aquaculture

The common fisheries policy lays down rules on fisheries management, protects living resources of the sea and limits the environmental impact of fisheries. This includes setting

catch quotas, managing fleet capacity, rules on control and inspection, rules on markets and aquaculture, and support for fisheries and coastal communities. Further, it promotes a sustainable aquaculture.

Kosovo has only inland fishing and aquaculture and therefore part of the EU *acquis* on fisheries is not applicable. Kosovo needs to adopt a Law on fisheries and aquaculture to align with the relevant EU *acquis*.

The adoption of a comprehensive national strategy for inland fisheries and aquaculture, incorporating market, environmental and social dimensions as well as the alignment of legislation with the EU *acquis,* remains pending.

Kosovo should focus on developing a **market policy** and data collection system including species inventory and production statistics in line with the EU *acquis*. A significant increase of the administrative capacity for market policy development, legal approximation, policy enforcement, and inter-agency coordination, as well as **inspection and control** aligned with EU best practices, are needed.

Regarding **data collection**, an inventory of fish species was created and should be continued.

There was no development concerning **resource and fleet management, structural actions, State aid, aquaculture and international agreements**.

Chapter 22 – Regional policy and coordination of structural instruments

Regional policy is the EU's main investment policy aiming at reducing economic, social, and territorial disparities between regions and promoting balanced development across the Union. It is implemented through 'shared management' between the Commission and EU Member States. The implementation of cohesion policy programmes requires appropriate administrative structures and capacity on programme and project level, the establishment of systems of sound financial management and control, and the fulfilment of other aspects of the EU acquis, such as environmental or public procurement legislation.

There has been no progress on **the legislative framework** underpinning regional development. The ongoing assessment of the current local self-governance strategy has yet to translate into an ambitious policy agenda to unlock regional potential. Along with stepping up funding to address persisting regional disparities, Kosovo should strengthen its regional development policy by empowering local authorities, actively promoting participatory decision-making, strengthening inter-municipal cooperation, optimising resource sharing, and enhancing service delivery at local level.

The **institutional framework** for the management of EU funds remains incomplete with key components missing, including managing authorities, intermediate bodies, audit authority, and anti-fraud service. The regional development governance architecture remains fragmented and marked by unclear and overlapping ministerial mandates and weak interinstitutional coordination.

The **administrative capacity** of the National IPA Coordinator, the Reform and Growth Facility Coordinator and the line ministries involved in programming and managing EU funds is gradually improving, but delays in the public administration reform and the fragmentation of training mechanisms continue to undermine progress on EU reforms and the use of the funding. Kosovo should establish an adequate platform for sector-based policy dialogue with central and local stakeholders, civil society and donor community.

On **programming**, the last funds under the Instrument for Pre-accession Assistance III were successfully allocated to an ambitious reforms package proposed by Kosovo covering the rule of law, good governance, energy, environment protection and socio-economic

development. However, the delays in implementing the Reform and Growth Facility limit the replenishment of the investment envelope and affect the programming and the implementation of the investments. Improving public investment management remains a priority, including through sound, transparent and inclusive methodology for assessing and prioritising projects within a single project pipeline in support of regional development and the achievement of energy, climate, environmental and social objectives. Kosovo continues to participate successfully in three IPA cross-border cooperation programmes with Albania, North Macedonia, and Montenegro for 2021-2027.

Monitoring and evaluation of EU assistance improved through stronger central oversight and enhanced reporting on the use of the EU funds. The monitoring committees under both IPA and RGF held constructive and inclusive meetings in June 2026, marking a step forward in the bilateral dialogue on the use of EU funds. Monitoring and reporting lines needs to be further strengthened and complemented by adequate risk assessment to identify and address problems early.

The **financial management, control and audit systems** for EU funds remain at an early stage. In the context of RGF, the control environment has improved with the government decision from March 2026 on establishing a system for the RGF implementation and appointing of a RGF Coordinator. However, limited progress was achieved in establishing a fully functioning anti-fraud coordination network.

Verification controls, including checks on double funding, need to be strengthened, applied consistently and evidenced. Moreover, to ensure effective protection of the EU financial interests, Kosovo needs to align its implementing legislation with EU and international standards, notably by setting a formal operational risk assessment and management framework, strengthening the internal controls and audit capabilities, improving irregularity detection and reporting capacities.

On **fight against corruption with the EU funds**, Kosovo needs to adopt an anti-fraud strategy and put in place a comprehensive fraud control and governance framework including ongoing monitoring of fraud risk indicators, supported by data analytics tools, effective mechanisms for whistleblowing and timely escalation of suspected cases to the competent authorities. The introduction of new anti-fraud tools needs to be accompanied by the optimisation and robust implementation of existing instruments to ensure overall effectiveness (*see also Chapters 5, 23 and 32*).

CLUSTER 6: EXTERNAL RELATIONS

This cluster covers: external relations (Chapter 30); and foreign, security and defence policy (Chapter 31).

Chapter 30 – External relations

The EU has a common commercial policy towards third countries, based on multilateral and bilateral agreements and autonomous measures. There are also EU rules in the field of humanitarian aid and development policy.

On the **common commercial policy**, Kosovo ratified the CEFTA Additional Protocols (APs) on trade facilitation, trade in services, and dispute settlement. Kosovo ratified the Berlin Process mobility agreements, including those on the mutual recognition of professional qualifications and movement with ID cards.

The authorities continued to participate in regional economic integration through **CEFTA,** and other initiatives aimed at removing trade barriers, while also actively participating in regional digital initiatives. Under Kosovo's CEFTA chairmanship in 2025, the Joint

Committee adopted 12 decisions and appointed key positions in the Secretariat, ensuring the continuity of its operations. The CEFTA Director was appointed, and key expert positions were filled during the reporting period. Kosovo needs to further strengthen the capacities of the Ministry of Industry, Entrepreneurship, Trade and Innovation to more efficiently fulfil its commitments under the Common Regional Market 2 Action Plan 2025–2028, and to implement the CEFTA additional protocols and related decisions.

Kosovo continued to apply increased controls on imports of goods originating from Serbia, which are currently permitted only through the Merdarë/Merdare crossing point. Combined with disproportionately frequent inspections and regulatory enforcement, this practice continued to impact economic activity in Kosovo Serb-majority areas, disrupting supply chains and local access to certain goods.

As a protective measure against external shocks (notably the instability in the Middle East), Kosovo adopted a new Law on temporary measures for basic products to address market instability and prevent price abuse. The government also temporarily introduced profit margin limits for wholesale and retail petroleum products.

Kosovo's Law on **dual-use goods** aims to be aligned with the EU *acquis*. While Kosovo is not a member of the Australia Group, it applies controls consistent with its principles through its efforts for alignment with the EU dual-use framework and regular updates of the national list. Kosovo has yet to align with the EU *acquis* on the screening of foreign direct investment.

As regards **bilateral agreements with third countries,** in April 2026 the Assembly ratified a free trade agreement with the European Free Trade Association. Kosovo also has free trade agreements with Türkiye and the United Kingdom.

There has been limited progress in the areas of **development policy** and **humanitarian aid**. As a recipient of aid programmes, Kosovo does not provide humanitarian assistance to third countries in a systematic manner and does not have a dedicated development aid agency.

Kosovo is encouraged to initiate the development of a legal framework covering international cooperation, development policy and humanitarian aid, in line with EU policies and principles. It is also encouraged to establish dedicated administrative structures.

Chapter 31 – Foreign, security, and defence policy

Member States must be able to conduct political dialogue under the EU foreign, security and defence policy, align with EU statements, take part in EU actions, and apply agreed sanctions and restrictive measures.

Kosovo actively engaged in **political dialogue** with the EU on foreign and security policy issues. Kosovo participated in the EU-Western Balkans meetings of Political Directors in Sarajevo in October 2025, in Brussels in April 2026 and in Kruje in October 2026, the informal meetings of the Foreign Ministers in Brussels in November 2025 and in May 2026, as well as in the EU-Western Balkans Summit in Brussels in December 2025 and in Tivat in June 2026.

In line with the EU-Kosovo SAA, during the reporting period, Kosovo reached full alignment with the **EU's Common Foreign and Security Policy (CFSP)**, including statements by the High Representative on behalf of the EU and Council decisions on EU's restrictive measures. It also continued to condemn Russia's war of aggression against Ukraine and to implement the EU **restrictive measures** against Russia and Belarus. Kosovo has provided military assistance to Ukraine. In addition, a law on targeted sanctions against foreign human rights violators is in place, allowing the government to impose sanctions on individuals responsible for human rights abuses, violations and corruption. Kosovo should align with EU *acquis* on criminalisation of violation of sanctions.

As regards **cooperation with international organisations** the lack of universal recognition affects Kosovo's ability to join many international organisations that require full UN membership or broad recognition. Kosovo's foreign policy is thus primarily focused on increasing its international visibility and recognition, including through EU and Euro-Atlantic integration. Kosovo is also working towards partnership with NATO and is an associate member to the NATO Parliamentary Assembly.

Kosovo's Security Force (KSF) participated in NATO-led Defender Europe 2025, with around 1 000 troops. In April 2026, Kosovo's National Assembly approved the deployment of a KSF contingent to the Gaza Strip, within the framework of the UNSC-mandated International Stabilisation Force.

Internationally, Kosovo is very active in the implementation of the Women, Peace and Security (WPS) Agenda, but has not adopted a new National Action Plan on Women, Peace and Security. Parts of the WPS Agenda are covered in Kosovo's overarching framework in the National Strategy on Protection Against Domestic Violence and Violence Against Women (2022-2026)**,** however, a separate national action plan is still to be developed**.** As Kosovo is currently not in a position to become a party to the Rome Statute, it cannot directly refer cases to the **International Criminal Court**.

Kosovo is a founding member of the Board of Peace, initiated by the US President in January 2026.

While Kosovo is not a member of the UN and thus not a party to **non-proliferation and disarmament** treaties and conventions, it supports global non-proliferation norms and aligns itself with the international community's efforts to prevent the spread of weapons of mass destruction. Kosovo is an EU partner in the outreach project to promote effective arms export control (COARM VII) and is striving to achieve alignment with the EU Common Position 2008/944. The verification of final destination and end-user certificates in the assessment of license applications has yet to be achieved.

As regards the control of **small arms and light weapons** (SALW), the legislative framework is in place but requires further alignment with the EU *acquis*. In particular, Kosovo still needs to update the Law on weapons and the Law on the civil use of explosives. The 2024-2028 National Small Arms, Light Weapons and Explosives Control Strategy and Action Plan is aligned with the Western Balkans SALW Roadmap and continues to guide implementation. During the reporting period, enforcement efforts by the Kosovo Police and other competent institutions continued, but legislative gaps remain in areas such as traceability, licensing, categorisation, deactivation standards and explosives control.

In terms of **security measures**, the Law on protection of classified information created the Agency for Protection of Classified Information. It contains two articles regarding the protection of EU classified information, signalling Kosovo's ambition for concluding such an agreement with the EU.

Kosovo has not yet been invited to conclude a framework agreement on participation in the **Common Security and Defence Policy** missions and operations, but it has expressed an interest in participating. It participates in training activities of the European Security and Defence College.

While Kosovo is vulnerable to **hybrid threats** and specifically identifies them as such in its Security Strategy 2022-2027, its legal and institutional framework focuses mostly on cyber security *(see under Chapter 10 – Digital transformation and media)*. Kosovo should establish a cross-sectoral and inclusive mechanism to reduce the space for **foreign information manipulation and interference**, including disinformation. This mechanism should be part of a broader strategy aimed at building societal resilience against all forms of hybrid threats. Additionally, Kosovo should align its legal framework with EU standards, invest in media

literacy programmes, strengthen inter-agency coordination, and engage with civil society to ensure a comprehensive and effective response.

ANNEX I – RELATIONS BETWEEN THE EU AND KOSOVO

The EU-Kosovo **Stabilisation and Association Agreement** (SAA), which entered into force in April 2016, provides a framework for political dialogue and cooperation across a wide range of sectors. Since 2016, five Stabilisation and Association Council meetings and seven cycles of subcommittee meetings were held. After the smooth and orderly transfer of local governance in northern Kosovo following the 2025 local elections, the Commission lifted the measures vis-a-vis Kosovo that were in place since May 2023. Accordingly, the delivery of financial assistance (see below) and the meetings of SAA bodies resumed.

The EU is Kosovo's main trading partner, accounting for 42% of its total trade in goods. EU-Kosovo total trade in goods amounted to EUR 2.7 billion in 2025.

Kosovo formally submitted its **application for EU membership** on 15 December 2022.

Visa liberalisation for Kosovo entered into force on 1 January 2024, allowing Kosovo biometric passport holders to travel to the EU without a visa for a period of stay of 90 days within any 180-day period. Visa requirements were also lifted for holders of passports issued by the Serbian Coordination Directorate.

In accordance with the Regulation on the establishment of a list of safe countries of origin at Union level, candidate countries and potential candidates are, in principle, designated since 2026 as safe countries of origin at Union level.

On 9 October 2024, Kosovo adopted its **Reform Agenda** under the **Reform and Growth Facility** (Growth Plan for the Western Balkans), which allocates up to EUR 882.6 million to Kosovo for the period until end 2027. The Reform Agenda covers reform milestones in the areas of: (i) governance, public administration reform and public financial management; (ii) green and digital transition; (iii) private sector development; (iv) human capital development and retention; and (v) fundamentals and the rule of law. Kosovo ratified the Facility and Loan agreements in February 2026, while in March 2026, the government adopted a decision establishing the system for the implementation of the Reform and Growth Facility and appointing a *National Coordinator* for the Facility. In April 2026, the European Commission released pre-financing of EUR 61.8 million. Kosovo made its first request for disbursement on 15 July 2026, reporting on Reform Agenda steps originally due in December 2024, June 2025, December 2025 and June 2026.

The **Instrument for Pre-accession Assistance** (IPA) III allocations under the bilateral strand reached EUR 414 million for 2021-2027 with the adoption of the last IPA III package for the period 2026-2027 amounting to EUR 180,6 million. 18.5% of the total IPA III funding will support the fundamental reforms in the areas of rule of law and fundamental rights, civil society and border and migration management; 17.6% of the EU funding is dedicated to the reforms related to good governance and alignment with the EU standards; 43.8% focuses on green agenda and sustainable connectivity, while the remaining 20% supports competitiveness of private sector and agriculture along with education and employment.

Kosovo continues to benefit from the implementation of the EU assistance of EUR 602 million under the Instrument for Pre-accession II (2014-2020), 44% of which targets democracy, governance, rule of law and human rights, while 56% has been allocated for competitiveness and growth.

Kosovo is participating in nine EU Programmes for the period 2021-2027: Erasmus+; Horizon Europe; Creative Europe; Customs; Fiscalis; the Single Market Programme; Citizens, Equality, Rights and Values; the Justice Programme and Digital Europe. This participation - supported by EU grant funding of EUR 2,55 million - enables Kosovo to benefit from enhanced exchanges with

the EU member states and accession countries in the areas of academic mobility and intercultural cooperation, competitive scientific research, innovation, digitalisation, taxation and customs, fundamental rights and rule of law. Kosovo's contribution of €805,477 leveraged approximately €6.1 million in EU programme funding in 2025, which represents a substantial return on investment. Kosovo is a beneficiary of the EU's autonomous trade measures in favour of the Western Balkans.

Kosovo also receives supplementary support under the multi-country and regional programmes and under three cross-border cooperation programmes with Albania, North Macedonia and Montenegro.

Under Western Balkans Investment Framework, since 2009-, Kosovo received grant funding of EUR 253.6 million for an investments portfolio of EUR 743.2 million focused on rail and road transport connectivity (64%), resilient energy systems (28%) and modern water supply and sanitation (7%).

The Kosovo **Specialist Chambers** (KSC) **and the Specialist Prosecutor's Office** (SPO**)**, which were set up to investigate and prosecute allegations stemming from the 2011 Council of Europe Report, continued to advance cases in fulfilment of their mandate. To date, the court has indicted 17 individuals for war crimes, crimes against humanity and offences against the administration of justice, obstructing proceedings in the war crimes and crimes against humanity cases. Proceedings against 16 of them have been opened in six separate cases of which four have concluded. The two remaining cases at trial phase – one concerning war crimes and crimes against humanity the *Specialist Prosecutor v. Hashim Thaçi et al.*, and one concerning the administration of justice case also involving Mr Hashim Thaçi and his co-accused – progressed significantly. Both cases are in their last trial phases: the former is pending an appeal following the first instance conviction on 16 September 2026 and the pronouncement of judgement for the latter expected on 17 November 2026.

Since 2008, the **European Union Rule of Law Mission in Kosovo** (EULEX) has been assisting Kosovo authorities in strengthening sustainable and independent rule of law institutions. Under its current mandate (extended until June 2027), EULEX has only limited executive functions. It continues to perform monitoring and advisory activities. EULEX has been supporting selected rule of law institutions in Kosovo on their path towards increased effectiveness, sustainability, multi-ethnicity and accountability, free from political interference and in full compliance with international human rights standards and best European practices, through monitoring, mentoring and advising activities. It also continues to have the role of the second security responder through the EULEX Formed Police Units (the Regular Formed Police Unit and the Reserve Formed Police Unit). EULEX also assists the KSC/SPO with logistical and operational support, in compliance with its mandate and Kosovo legislation.

Frontex is sending officers to several crossing points in Kosovo based on mutually agreed operational plans. Additionally, it provides other border management-related support such as advice on setting up a national coordination centre.

During the reporting period, the UN Secretary-General continued to provide regular updates on the implementation of the mandate of the UN Mission in Kosovo. In June 2026, NATO announced that it will gradually adjust KFOR's size and posture over the next year. As of 31 August, KFOR is staffed by 4 657 personnel from 31 contributing nations.

To date, according to the government, Kosovo has been **recognised by 121 countries**, including 22 EU Member States.

ANNEX II – STATISTICAL DATA

STATISTICAL DATA (as of 14/09/2026)

Kosovo

Basic data	Note	2013	2021	2022	2023	2024	2025
Population (thousand)		1 816 i	1 798 i	1 774 i	:	:	:
Total area of the country (km²)		10 908 w	10 905 w	10 905 w	10 905 w	10 905 w	10 905 w

National accounts	Note	2013	2021	2022	2023	2024	2025
Gross domestic product (GDP) (million national currency)		5 071	7 958	8 896	9 680	10 350	11 026 p
Gross domestic product (GDP) (million euro)		5 071	7 958	8 896	9 680	10 350	11 026 p
GDP per capita (euro)		2 793 i	4 426 i	5 015 i	:	:	:
GDP per capita (in purchasing power standards (PPS)		:	:	:	:	:	:
GDP per capita (in PPS), relative to the EU average (EU-27 = 100)		:	:	:	:	:	:
Real GDP growth rate: change on previous year of GDP volume (%)		5.3	10.7	4.3	4.1	4.6	3.6 p
Employment growth (national accounts data), relative to the previous year (%)		C	:	:	:	:	:
Labour productivity growth: growth in GDP (in volume) per person employed, relative to the previous year (%)		C	:	:	:	:	:
Unit labour cost growth, relative to the previous year (%)		C	:	:	:	:	:
Nominal unit labour cost index based on persons (3 year % change)		:	:	:	:	:	:
Labour productivity per person employed: GDP (in PPS) per person employed relative to EU average (EU-27 = 100)		:	:	:	:	:	:
Gross value added by main sectors							
Agriculture, forestry and fisheries (%)		10.2	8.6	9.2	9.0	9.3	9.4 p
Industry (%)		23.3	23.6	23.3	22.8	22.8	21.9 p
Construction (%)		9.7	10.6	10.7	10.1	10.0	9.9 p
Services (%)		56.8 i	57.2 i	56.9 i	58.2 i	57.9 i	58.8 pi
Final consumption expenditure, as a share of GDP (%)		99.1	95.9	97.5	96.7	96.3	95.7 p
Gross fixed capital formation, as a share of GDP (%)		29.2	32.9	32.5	31.5	31.6	32.4 p
Exports of goods and services, relative to GDP (%)		23.0	33.4	38.6	39.6	41.7 p	44.0 p
Imports of goods and services, relative to GDP (%)		52.1	65.2	71.4	70.3	72.0	74.3 p
Gross fixed capital formation by the general government sector, as a percentage of GDP (%)		:	:	:	:	:	:

Business	Note	2013	2021	2022	2023	2024	2025
Industrial production volume index (2015 = 100)		:	:	:	:	:	:
Number of active enterprises (number)		30 803 w	45 468 w	46 157 w	48 317 w	50 523 w	:
Birth rate: number of enterprise births in the reference period (t) divided by the number of enterprises active in t (%)		8.5 w	22.9 w	22.1 w	21.7 w	:	:

Death rate: number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t (%)		8.6 w	2.9 w	2.8 w	2.8 w	:	:
People employed in SMEs as a share of all persons employed (within the non-financial business economy) (%)		74.8 iw	82.1 iw	67.3 iw	67.3 iw	:	:
Value added by SMEs (in the non-financial business economy) (EUR million)		:	:	:	:	:	:
Total value added (in the non-financial business economy) (EUR million)		:	:	:	:	:	:

Inflation rate and house prices	Note	2013	2021	2022	2023	2024	2025
Consumer price index (CPI), change relative to the previous year (%)		:	3.4 d	11.6 d	4.9 d	1.6 d	3.9 d

Balance of payments	Note	2013	2021	2022	2023	2024	2025
Balance of payments: current account total (million euro)		- 179.0	- 694.6	- 917.0	- 729.1	- 872.4	- 984.0
Balance of payments current account: trade balance (million euro)		- 1 995.6	- 3 567.0	- 4 287.2	- 4 598.3	- 4 926.8	- 5 575.5
Balance of payments current account: net services (million euro)		520.0	1 034.9	1 367.5	1 625.5	1 791.4	2 294.3
Balance of payments current account: net balance for primary income (million euro)		121.5	150.9	119.8	202.8	246.0	222.9
Balance of payments current account: net balance for secondary income (million euro)		1 175.0	1 686.2	1 881.8	2 040.9	2 017.0	2 074.3
Net balance for primary and secondary income: of which government transfers (million euro)		369.7	233.7	295.9	301.8	292.7	:
*3 year backward moving average of the current account balance relative to GDP (%)		- 7.7	- 7.1	- 8.7	- 8.9	- 8.8	- 8.3
*Five year change in share of world exports of goods and services (%)		:	46.9	33.8	46.8	54.5	114.4
Net balance (inward - outward) of foreign direct investment (FDI) (million euro)		250.2 w	320.4 w	556.9 w	650.1 w	569.2 w	729.2 w
Foreign direct investment (FDI) abroad (million euro)		30.0 w	100.3 w	175.2 w	190.0 w	224.3 w	365.8 w
of which FDI of the reporting economy in the EU-27 countries (million euro)		:	26.5	37.8	40.8	56.6	:
Foreign direct investment (FDI) in the reporting economy (million euro)		280.2 w	420.7 w	732.0 w	840.1 w	793.5 w	1 095.0 w
of which FDI of the EU-27 countries in the reporting economy (million euro)		:	215.6	388.9	392.8	360.7	:
*Net international investment position, relative to GDP (%)		0.0	- 11.5	- 17.9	- 18.8	- 19.9	- 21.1
Year on year rate of change in gross inflow of remittances (in national currency) from migrant workers (%)		:	14.5 i	13.7 i	13.8 i	0.0 i	:

Public finance	Note	2013	2021	2022	2023	2024	2025
General government deficit / surplus, relative to GDP (%)		:	:	:	:	:	:
General government gross debt relative to GDP (%)		:	:	:	:	:	:
Total government revenues, as a percentage of GDP (%)		:	:	:	:	:	:
Total government expenditure, as a percentage of GDP (%)		:	:	:	:	:	:

Financial indicators	Note	2013	2021	2022	2023	2024	2025
Gross external debt of the whole economy, relative to GDP (%)		31.7 iw	37.1 iw	38.6 iw	39.6 iw	40.7 iw	:
Gross external debt of the whole economy, relative to total exports (%)		137.8 w	111.2 w	100.0 w	100.0 w	97.6 w	91.0 w
Money supply: M1 (banknotes, coins, overnight deposits, million euro)		1 551.2 w	1 877.0 w	1 972.3 w	2 107.5 w	2 070.8 w	2 137.6 w

Total credit by monetary financial institutions to residents (consolidated) (million euro)		:	:	:	:	:	:
*Annual change in financial sector liabilities (%)		:	:	:	:	:	:
*Private debt, consolidated, relative to GDP (%)		:	:	:	:	:	:
Interest rates: day-to-day money rate, per annum (%)		:	:	:	:	:	:
Euro exchange rates: average of period (1 euro = … national currency)		1 w	1 w	1 w	1 w	1 w	1 w
Trade-weighted effective exchange rate index, 42 countries (2015 = 100)		98.9 w	115.8 w	121.1 w	128.0 w	133.7 w	138.7 w
*3 year change (T/T-3) in the trade-weighted effective exchange rate index, 42 countries (2015 = 100)		0.0 iw	0.1 iw	0.1 iw	0.1 iw	0.2 iw	0.2 iw
Value of reserve assets (including gold) (million euro)		- 35.7	168.9	67.6	- 44.0	69.7	49.5

External trade in goods	Note	2013	2021	2022	2023	2024	2025
Value of imports: all goods, all partners (million euro)		2 421	4 684	5 639	5 918	6 370	7 056
Value of exports: all goods, all partners (million euro)		273	756	998	874	933	942
Trade balance: all goods, all partners (million euro)		- 2 148	- 3 929	- 4 642	- 5 044	- 5 437	- 6 114
Terms of trade (export price index / import price index * 100) (number)		96.6 iw	101.4 iw	87.5 iw	81.6 piw	:	:
Share of exports to EU-27 countries in value of total exports (%)		42.7 iw	31.5 iw	33.9 iw	32.3 iw	33.1 iw	:
Share of imports from EU-27 countries in value of total imports (%)		44.2 iw	44.3 iw	42.4 iw	43.0 iw	44.7 iw	:

Demography	Note	2013	2021	2022	2023	2024	2025
Crude rate of natural change of population (natural growth rate): number of births minus deaths (per thousand inhabitants)		12.2 e	5.5	:	:	:	:
Infant mortality rate deaths of children under one year of age (per thousand live births)		:	:	:	:	:	:
Life expectancy at birth: male (years)		:	:	:	:	:	:
Life expectancy at birth: female (years)		:	:	:	:	:	:

Labour market	Note	2013	2021	2022	2023	2024	2025
Economic activity rate for persons aged 20–64: proportion of the population aged 20–64 that is economically active (%)		46.4 w	43.9 w	43.2 w	45.1 w	47.9 w	:
Employment rate for persons aged 20–64: proportion of the population aged 20–64 that are in employment (%)		33.0 w	35.1 w	37.9 w	40.3 w	42.9 w	:
Male employment rate for persons aged 20–64 (%)		51.5 w	51.9 w	55.7 w	59.4 w	62.5 w	:
Female employment rate for persons aged 20–64 (%)		14.9 w	18.5 w	20.5 w	22.0 w	23.5 w	:
Employment rate for persons aged 55–64: proportion of the population aged 55–64 that are in employment (%)		30.8 w	32.1 w	32.1 w	32.8 w	33.1 w	:
Employment by main sectors							
Agriculture, forestry and fisheries (%)		5.9 w	2.8 w	2.2 w	2.4 w	2.8 w	:
Industry (%)		16.8 w	14.8 w	13.3 w	12.9 w	14.4 w	:
Construction (%)		11.4 w	10.5 w	11.0 w	11.8 w	12.6 w	:
Services (%)		65.9 w	71.9 w	73.4 w	72.9 w	70.2 w	:

People employed in the public sector as a share of total employment, persons aged 20–64 (%)		31.5 w	28.3 w	27.7 w	27.4 w	26.1 w	:
People employed in the private sector as a share of total employment, persons aged 20–64 (%)		68.5 w	71.7 w	72.3 w	72.6 w	73.9 w	:
Unemployment rate: proportion of the labour force that is unemployed (%)		30.0 w	20.6 w	12.5 w	10.8 w	10.9 w	:
Male unemployment rate (%)		26.9 w	18.9 w	11.0 w	7.6 w	7.7 w	:
Female unemployment rate (%)		38.8 w	24.9 w	16.5 w	18.2 w	18.5 w	:
Youth unemployment rate: proportion of the labour force aged 15–24 that is unemployed (%)		55.9 w	38.0 w	21.4 w	17.3 w	19.5 w	:
Long-term unemployment rate: proportion of the labour force that has been unemployed for 12 months or more (%)		20.7 w	14.5 w	8.1 w	7.7 w	8.5 w	:
Unemployment rate for persons (aged 25–64) having completed at most lower secondary education (ISCED levels 0-2) (%)		37.3 w	27.6 w	21.8 w	22.6 w	22.0 w	:
Unemployment rate for persons (aged 25–64) having completed tertiary education (ISCED levels 5-8) (%)		12.6 w	13.7 w	9.7 w	6.7 w	5.5 w	:

Social cohesion	Note	2013	2021	2022	2023	2024	2025
Average nominal monthly wages and salaries (national currency)		386 w	484 w	521 w	570 w	639 w	:
Index of real wages and salaries (index of nominal wages and salaries divided by the inflation index) (2016 = 100)		:	:	:	:	:	:
Gini coefficient		:	57 w	:	:	:	:
Poverty gap		:	65.0 w	:	:	:	:

Standard of living	Note	2013	2021	2022	2023	2024	2025
Number of passenger cars relative to population size (number per thousand population)		:	179.3 iw	191.2 iw	:	:	:

Infrastructure	Note	2013	2021	2022	2023	2024	2025
Density of railway network (lines in operation per thousand km²)		30.5 iw	30.5 iw	30.5 iw	30.5 iw	30.5 iw	30.5 iw
Length of motorways (kilometres)		:	:	:	:	:	:

Education, Innovation and Research	Note	2013	2021	2022	2023	2024	2025
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8)		12.0 w	32.3 w	30.9 w	30.6 w	29.1 w	:
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), males		14.2 w	30.8 w	26.3 w	23.9 w	23.6 w	:
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), females		9.9 w	34.0 w	35.9 w	37.4 w	34.8 w	:
Participation in early childhood education (children aged 3 and over)		:	:	:	:	:	:
Participation in early childhood education (children aged 3 and over), males		:	:	:	:	:	:
Participation in early childhood education (children aged 3 and over), females		:	:	:	:	:	:
Low achieving 15-year-olds in reading (%)		:	:	:	:	:	:
Low achieving 15-year-olds in mathematics (%)		:	:	:	:	:	:

Low achieving 15-year-olds in science (%)		:	:	:	:	:	:
Early leavers from education and training: proportion of persons aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		18.4 w	7.0 w	7.8 w	7.7 w	6.2 w	:
Early leavers from education and training: proportion of men aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	:	:	:	:	:
Early leavers from education and training: proportion of women aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	:	:	:	:	:
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks)		:	:	:	4.5 w	2.3 w	:
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), men		:	:	:	4.3 w	2.0 w	:
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), women		:	:	:	4.8 w	2.5 w	:
Exposure of vocational education and training (VET) graduates to work-based learning (% of population aged 20-34)		:	:	:	:	:	:
Share of individuals having at least basic digital skills (% of population aged 16-74)		:	:	:	:	:	75.6
Share of individuals having at least basic digital skills (% of population aged 16-74), males		:	:	:	:	:	80.1
Share of individuals having at least basic digital skills (% of population aged 16-74), females		:	:	:	:	:	71.1
Public expenditure on education relative to GDP (%)		4.0 iw	4.3 iw	3.9 iw	4.1 iw	4.3 iw	:
Gross domestic expenditure on R&D relative to GDP (%)		:	:	:	:	:	:
Government budget appropriations or outlays on R&D (GBAORD), as a percentage of GDP (%)		:	:	:	:	:	:
Percentage of households who have internet access at home (%)		:	:	:	:	99.1	99.4

Environment	Note	2013	2021	2022	2023	2024	2025
Index of greenhouse gas emissions, CO_2 equivalent (1990 = 100)		:	:	:	:	:	:
Energy intensity of the economy (kg of oil equivalent per 1 000 euro GDP at 2015 constant prices)		446.1	405.0	358.0	:	:	:
Electricity generated from renewable sources relative to gross electricity consumption (%)		1.6	5.2	6.7	9.0	9.4	:
Road share of inland freight transport (based on tonne-km) (%)		:	:	:	:	:	:

Energy	Note	2013	2021	2022	2023	2024	2025
Primary production of all energy products (thousand TOE)		1 792	1 937	1 796	1 560	1 756	:
Primary production of crude oil (thousand TOE)		0	0	0	0	0	:
Primary production of solid fuels (thousand TOE)		1 532	1 591	1 543	1 290	1 504	:
Primary production of gas (thousand TOE)		0	0	0	0	0	:
Net imports of all energy products (thousand TOE)		505 i	942 i	858 i	983 i	969 i	:
Gross inland energy consumption (thousand TOE)		2 312	2 888	2 662	2 552	2 731	:

Gross electricity generation (GWh)		6 525	6 892	6 998	6 353	6 750	:

Agriculture	Note	2013	2021	2022	2023	2024	2025
Agricultural output volume index (at producer prices) (2015 = 100)		106.9 w	95.2 w	93.9 w	93.7 w	94.7 w	:
Utilised agricultural area (thousand hectares)		441.6	421.2	421.4	421.6	421.3	:
Livestock numbers: live bovine animals (thousand heads, end of period)		:	260.5	250.9	247.5	240.9	:
Livestock numbers: live swine (thousand heads, end of period)		:	47.4	45.4	43.7	44.1	:
Livestock numbers: live sheep and live goats (thousand heads, end of period)		:	241.4 i	233.5 i	235.0 i	237.2 i	:
Raw milk available on farms (thousand tonnes)		:	:	:	:	:	:
Harvested crop production: cereals (including rice) (thousand tonnes)		540.1	504.4	518.7	477.2	544.5	:
Harvested crop production: sugar beet (thousand tonnes)		:	0.0	0.0	0.0	0.0	:
Harvested crop production: vegetables (thousand tonnes)		135.4	165.0	175.6	170.2	164.1	:

Source: Eurostat and/or the statistical authorities in Kosovo**

: = not available

C = confidential value

d = definition differs

e = estimated

p = provisional

i = Eurostat estimate

w= data supplied by and under the responsibility of the national statistical authority and published on an "as is" basis and without any assurance as regards their quality and adherence to EU statistical methodology

* = Macroeconomic Imbalance Procedure (MIP) indicator