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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND  
THE COUNCIL**

**First Report under the Visa Suspension Mechanism**

{SWD(2017) 480 final}

## I. Introduction

Visa liberalisation is one of the Union's most powerful tools in facilitating people-to-people contacts and strengthening ties between the citizens of third countries and the Union. This Report follows up on the Commission's duty to monitor the continuous fulfilment of visa liberalisation requirements by third countries and to report on those matters to the European Parliament and the Council, at least once a year in accordance with Article 1a (2b) of Regulation (EC) No 539/2001<sup>1</sup> and in line with the Commission Statement of 17 February 2017<sup>2</sup>.

The assessment of the visa liberalisation benchmarks applies to countries which have successfully concluded visa liberalisation dialogues according to relevant action plans and roadmaps, i.e. Western Balkan and Eastern Partnership countries. The Report focuses on specific areas<sup>3</sup> identified for each country where further monitoring and actions are considered necessary in order to ensure the continuity and sustainability of the progress achieved in the framework of the visa liberalisation process. Therefore, benchmarks and commitments with a stable implementation record are not being covered in this report. The Commission reports in detail on the broader situation in the area of home affairs and justice, also relevant for the implementation of visa liberalisation commitments, in the framework of Enlargement package for the Western Balkans countries<sup>4</sup> and for the Eastern Partnership countries in the framework of the implementation of the respective Association Agreements. The assessment period for this Report starts with the adoption date of the last relevant reports: i.e. for the Western Balkan countries with the *Fifth report on the post-visa liberalisation monitoring* adopted in February 2015<sup>5</sup> and for the Eastern Partnership countries with the *Final visa liberalisation progress reports* adopted respectively for the Republic of Moldova<sup>6</sup> in December 2013, Ukraine and Georgia in December 2015.

The statistical part of the Report covers those Member States and associated countries, namely the 26 Member States that apply Regulation (EC) No 539/2001 and the four Schengen

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<sup>1</sup> Council Regulation (EC) No 539/2001 of 15 March 2001 listing the third countries whose nationals must be in possession of visas when crossing the external borders and those whose nationals are exempt from that requirement (OJ L 81 21.3.2001, p.1) as amended by Regulation (EU) 2017/371 of the European Parliament and the Council of 1 March 2017 (OJ L 61 8.3.2017, p.1).

<sup>2</sup> <http://data.consilium.europa.eu/doc/document/ST-6290-2017-ADD-1/en/pdf> .

<sup>3</sup> The specific areas are identified in line with the respective visa liberalisation action plans for each country. The benchmarks are divided in four 'blocks' of technically relevant issues: (1) document security, including biometrics; (2) integrated border management, migration management and asylum; (3) public order and security; (4) external relations and fundamental rights. In this report the focus is on the following specific areas (related to blocks 2 and 3): Albania (irregular migration, law enforcement), The former Yugoslav Republic of Macedonia (organised crime, law enforcement), Bosnia and Herzegovina (irregular migration, organised crime), Montenegro (irregular migration, organised crime), Serbia (irregular migration, organised crime), Moldova (irregular migration, anti-corruption, money laundering), Georgia (irregular migration, asylum, organised crime, anti-corruption, anti-discrimination), Ukraine (irregular migration, anti-corruption, organised crime). The Commission continues also to closely follow the implementation of the benchmarks related to block (1) and block (4) in particular, as regards anti-discrimination and the situation of vulnerable population groups, notably Roma inclusion measures.

<sup>4</sup> Last adopted in November 2016.

<sup>5</sup> In line with the Commission Statement of 8 November 2010:

<sup>5</sup> [http://www.europarl.europa.eu/meetdocs/2009\\_2014/documents/d-mk/dv/1027\\_12/1027\\_12en.pdf](http://www.europarl.europa.eu/meetdocs/2009_2014/documents/d-mk/dv/1027_12/1027_12en.pdf)

<sup>6</sup> Hereinafter referred to as Moldova.

Associated Countries (hereinafter referred to as "the Schengen+ area")<sup>7</sup>. The assessment of specific areas is based primarily on: information provided to Eurostat by Schengen+ area, by the EU Agencies (Europol, eu-LISA, European Asylum Support Office (EASO), European Border Coast Guard Agency (EBCGA), and exchange of information between the Commission, European External Action Service (EEAS) and visa-free countries.

The Report is accompanied by a **Commission Staff Working Document**, which provides more detailed background information on the developments identified for specific areas.

## **II. Assessment of specific areas in line with visa liberalisation benchmarks**

### **II.1 Western Balkans**

#### **Albania**

##### **Irregular migration, including readmission**

As regards irregular migration challenges, between the second half of 2016 and the first half of 2017, refusals of entry increased considerably and illegal stay decreased slightly. Though the number of asylum applications by Albanian nationals in the EU is still the absolute highest for any visa-free state, it decreased by 28% in first half of 2017 compared to the second half of the previous year (from 17,165 to 12,440). Between 2015 and 2016, refusals of entry increased by 91% (from 15,835 to 30,305) and illegal stay decreased by 30% (from 47,755 to 33,445), while asylum applications decreased by 54% (from 66,715 to 30,840). The asylum recognition rate is low (1.84% in 2015 and 2.61% in 2016). Between 2015 and 2016, the number of return decisions decreased by 19% from 39,310 to 31,975. Readmission is functioning well, with the country swiftly honouring readmission requests from Member States, and the return rate shows a substantial increase from 86% in 2015 to 129% in 2016.

Albania has taken a number of steps in recent months to address the challenge of unfounded asylum applications lodged by Albanian nationals, but implementation must continue unabated. Albania has achieved initial results in implementing an action plan against irregular migration, which focuses on operational cooperation in the management of irregular migration, identification and protection of unaccompanied minors and fight against document fraud. Albania has stepped up information exchange with Member States on Schengen entry bans. It has also strengthened controls of documents at certain border crossing points (BCPs), including Rinas airport, but should improve border control at all BCPs.

Albania has also stepped up operational cooperation with Member States most affected by irregular migration. Albania's recent practice of conducting 'exit interviews' with travellers at BCPs is an effective but temporary measure, which should be implemented in a manner that respects travellers' fundamental rights. Albania has also made efforts to increase its capacity to host asylum seekers through the construction of a new open centre in Babrru, as well as to improve the reception conditions at the border with Greece.

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<sup>7</sup> Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Germany, Estonia, Greece, Spain, France, Italy, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland and Sweden, as well as Switzerland, Norway, Liechtenstein and Iceland.

## **Public order and security**

Albanian-speaking **organised crime** groups (OCGs) are particularly active across a broad range of criminal activities in the EU. These groups are usually poly-criminal and engage in drug trafficking, (notably of cannabis, cocaine and heroin), migrant smuggling and trafficking in human beings (THB); organised property crime, racketeering and extortion.

Albania has taken steps to improve the effectiveness of its **law enforcement** efforts to combat serious and organised crime. Seizures of illicit drugs, cannabis in particular, increased substantially from 2015 to 2017, and a significant reduction of cannabis cultivation was observed throughout the 2017 crop season.

*Overall, the visa liberalisation benchmarks continue to be fulfilled. Further improvement of the implementation is expected, in particular to address the irregular migration challenges. The following areas need to be addressed:*

- Improve border controls, including via ‘exit interviews’ at BCPs, conducted in a manner that fully respects travellers’ fundamental rights;
- Continue the effective implementation of the readmission agreement, if necessary by concluding implementing protocols with additional Member States;
- Continue implementing actions agreed bilaterally with Member States to reduce irregular migration flows;
- Organise a high-profile information campaign on the rights and obligations of visa-free travel targeting areas particularly affected by irregular migration;
- Step up assistance to vulnerable populations more prone to leave the country irregularly, aiming at enhancing their long-term socio-economic integration including by providing support to the reintegration of Albanian returnees;
- Further improve the effectiveness of law enforcement efforts to combat trafficking in human beings, migrant smuggling, drug trafficking and organised property crime;
- Step up investigations and prosecution of OCGs, notably those engaged in drug trafficking and migrant smuggling;
- The deployment of a Europol Liaison Officer will further contribute to an enhanced cooperation in the fight against organised crime.

## **The former Yugoslav Republic of Macedonia**

### **Irregular migration, including readmission**

As regards irregular migration challenges, between the second half of 2016 and the first half of 2017, refusals of entry remained stable while the numbers increased for illegal stay. Over the same period, the number of asylum applications by nationals of the former Yugoslav Republic of Macedonia in the EU fell by 28% (from 5,240 to 3,755). Between 2015 and 2016, refusals of entry decreased by 2% (from 2,555 to 2,495); illegal stay decreased by 13% (from 5,265 to 4,595); and asylum applications decreased by 44% (from 16,110 to 9,100). The asylum recognition rate is low (1.34% in 2015 and 0.80% in 2016). Between 2015 and 2016, the number of return decisions increased by 6.8% from 5,700 to 6,085.

**Readmission** is functioning well, with the country swiftly honouring readmission requests from EU Member States and having an excellent return rate of 127% in 2016. Implementing protocols are in place with five Member States, another six such instruments are to be implemented soon. It has started negotiations with the Commission enabling the deployment on its territory of team members of the EBCGA. It has also amended its law on foreigners to align it with EU standards on legal migration.

### **Public order and security**

As regards **organised crime**, OCGs from the former Yugoslav Republic of Macedonia are active in the trafficking and distribution of drugs, in particular heroin. The country remains a source of trafficked archaeological objects, religious items and cultural goods to the EU. Some criminal groups also engage in sports corruption, notably betting fraud. Returning foreign terrorist fighters passing through the territory of the former Yugoslav Republic of Macedonia also pose a risk.

The former Yugoslav Republic of Macedonia has developed its own Serious and Organised Crime Threat Assessment, as well as a regional one with Serbia and Montenegro. As regards **law enforcement**, efforts to crack down on drug trafficking have resulted in increased seizures of drugs, in particular cannabis and synthetic drugs, and the disruption of several drug trafficking gangs. A national coordinator has been appointed to oversee efforts to combat terrorism. Law enforcement cooperation with Western Balkan partners, Italy and Slovenia has improved, as has operational cooperation with Europol. While the cooperation agreement with Eurojust is in force, there is very limited cooperation and a new contact point has not been nominated.

*Overall, the visa liberalisation benchmarks continue to be fulfilled. Further improvement of the implementation is expected. The following areas need to be addressed:*

- Continue the effective implementation of the EU-former Yugoslav Republic of Macedonia Readmission Agreement, if necessary by concluding implementing protocols with additional EU Member States;
- Strengthen border controls in a manner that fully respects travellers' fundamental rights;
- Organise a high-profile information campaign on the rights and obligations of visa-free travel targeting areas particularly affected by irregular migration;
- Step up assistance to vulnerable population, aiming at enhancing their long-term socio-economic integration;
- Improve the effectiveness of law enforcement efforts to combat drug trafficking, notably heroin, the trafficking of archaeological objects and sports corruption, as well as other illicit activities;
- Step up investigations and prosecution of OCGs, notably those engaged in drug trafficking;
- Swiftly nominate a contact point for Eurojust and ensure full implementation of the Cooperation Agreement in place.

### **Bosnia and Herzegovina**

#### **Irregular migration, including readmission**

As regards irregular migration challenges, between the second half of 2016 and first half of 2017, the trends remained stable for refusal of entry and illegal stay. The trend for the asylum applications by nationals of Bosnia and Herzegovina in the EU between the second half of 2016 and first half of 2017 indicates a decrease by 38% (from 2,340 to 1,440). The figures for refusal of entry were already stable between 2015 and 2016 (5,185 cases in 2015 compared to 5,150 in 2016), as were the figures for illegal stay (3,585 cases in 2015 compared to 3,645 in 2016). Asylum applications had already decreased by 51% between 2015 and 2016 (from 9,100 to 4,495). The asylum recognition rate was 3.50% in 2015 and 4.20% in 2016. Between 2015 and 2016, the number of return decisions decreased by 10% (from 5,675 to 5,080). In this period, there was a stable return rate of around 73%. Cooperation with Member States on readmission is smooth and satisfactory, while efforts need to be maintained.

In March 2016, Bosnia and Herzegovina adopted a Strategy and action plan on migration and asylum for the period 2016-2020, aiming to improve its strategic framework on **migration management**. A new law on asylum entered into force in February 2016 with a view to further harmonise the country's asylum policy with international standards and the EU *acquis*, notably on the rights of asylum applicants and beneficiaries of international protection to work, education, social and medical welfare, reunification of families and the *non-refoulement* principle.

### **Public order and security**

As regards **organised crime**, nationals of Bosnia and Herzegovina are among the most frequently reported nationalities for organised property crimes in the EU. OCGs from the country are involved in home theft, violent burglaries and rip-deals as well as in THB and trafficking of illicit drugs via the Western Balkans route. The country is also a destination country for vehicles stolen in various Member States. There remain significant weapon stocks in Bosnia and Herzegovina, a risk in the framework of firearms trafficking.

In August 2016 an operational cooperation agreement with Europol was signed which aims at supporting the country in prevention of and fight against organised crime, terrorism and other forms of international crime. Following that, in May 2017 an agreement was signed on posting a Liaison Officer to the Europol headquarters. Work is currently ongoing on appointing a national Europol contact point. Measures to address THB need to be stepped up. A comprehensive, multidisciplinary and victim-oriented approach to trafficking still needs to be developed and identification of victims needs to be improved.

***Overall, the visa liberalisation benchmarks continue to be fulfilled. Further improvement of the implementation is expected. The following areas need to be addressed:***

- Continue the effective implementation of the EU-Bosnia and Herzegovina Readmission Agreement, if necessary by concluding implementing protocols with remaining EU Member States; further attention needs to be given to respecting deadlines and improving identification processes;
- Strengthen border controls in a manner that fully respects travellers' fundamental rights;
- Organise a high-profile information campaign on the rights and obligations of visa-free travel targeting areas particularly affected by irregular migration;

- Step up assistance to vulnerable populations, aiming at enhancing their long-term socio-economic integration;
- Further efforts are needed to address THB;
- The use of financial investigations in cases of corruption and organised crime needs to be stepped up.

## **Montenegro**

### **Irregular migration, including readmission**

As regards irregular migration challenges, between the second half of 2016 and first half of 2017, the trends indicate a slight increase for refusal of entry and a considerable increase for illegal stay. The figures remain however low in absolute terms. The trend on asylum applications by Montenegrin nationals in the EU indicates a 36% decrease between the second half of 2016 and the first half of 2017 (from 795 to 510). Between 2015 and 2016, the figures for refusal of entry had decreased by 13% from 385 to 335, as did the figures for illegal stay which had decreased by 26% from 770 to 570. The overall number of asylum applications decreased significantly between 2015 and 2016 (from 4,115 to 1,830, representing a 56% decrease). The asylum recognition rate is low (1.63% in 2015 and 1.75% in 2016). Between 2015 and 2016, the number of return decisions for Montenegrin citizens remained stable (1,565 in 2015 and 1,500 in 2016). Very good cooperation on readmission was reported by the EU Member States and the 2016 return rate to Montenegro of 160% is the highest of all third countries benefitting from visa-free regime after fulfilling visa liberalisation benchmarks. However, the acceptance rate of readmission requests issued by EU Member States concerning third countries' nationals remains low.

In 2016, a Strategy for the reintegration of persons returned on the basis of readmission agreements for the period 2016-2020 was adopted. Upon the adoption of the Strategy for Integrated Migration Management for the period 2017-2020, the overall strategic framework is in place and alignment to the EU acquis in this area has advanced. An Inter-Ministerial Working Group established in August 2017 monitors the implementation of this strategy.

### **Public order and security**

As regards **organised crime**, Montenegro has been a hub for trafficking of illicit tobacco products to the EU. The OCGs originating from the country are in particular active in the trafficking of cocaine. Montenegrin OCGs are known for laundering and re-investing the proceeds from serious and organised crime.

Montenegro had further strengthened its institutional set-up in the fight against organised crime. The Special Police Unit now has 20 positions filled as foreseen; however a further staff increase remains necessary as to meet the needs. Montenegro adopted in recent years its own Serious and Organised Crime Threat Assessment on the basis of which its security priorities are determined. Amendments to the Criminal Code allowing for the implementation of the Protocol to the United Nations Convention against Transnational Organised Crime concerning smuggling of migrants were adopted. The operational agreement with Eurojust entered into force in June and in September the Eurojust liaison prosecutor was appointed.

***Overall, the visa liberalisation benchmarks continue to be fulfilled. Further improvement of the implementation is expected. The following areas need to be addressed:***

- Continue the effective implementation of the EU-Montenegro Readmission Agreement, if necessary by concluding implementing protocols with EU Member States;
- Organise a high-profile information campaign on the rights and obligations of visa-free travel targeting areas particularly affected by irregular migration;
- Further develop a track record in the area of the fight against organised crime and corruption;
- Step up assistance to vulnerable populations, aiming at enhancing their long-term socio-economic integration.

## **Serbia**

### **Irregular migration, including readmission**

As regards irregular migration challenges, between the second half of 2016 and first half of 2017 the trend indicates a slight increase in the refusal of entry, as for illegal stay. The figures for asylum applications by Serbian nationals in the EU show a considerable decrease by 41% between the second half of 2016 and the first half of 2017 (from 7,140 to 4,225). The number of Serbian nationals which were refused entry in 2016 was 7,910, roughly the same as in 2015 when 7,850 cases were reported. The number for illegal stay decreased by 19% between 2015 and 2016 (from 13,785 to 11,180). There was already a significant decrease of 55% in asylum applications between 2015 and 2016 (from over 30,325 to 13,515). The asylum recognition rate is low (1.86% in 2015 and 1.95% in 2016). The number of return decisions for Serbian citizens decreased by 7% from 14,985 in 2015 to 13,870 in 2016. Serbia's cooperation on the readmission of its own nationals is very good, with a return rate of 86.65% in 2015 and 89.04% in 2016. Readmission of third-country nationals is an area of concern (especially as regards readmissions from Bulgaria, Hungary and Romania). Serbia committed itself in the Joint Readmission Committee on 3 October 2017 to fully implement the provisions on third-country nationals in the EU-Serbia Readmission Agreement. Close monitoring will take place in the coming months. Serbia's recent decision to grant visa-free travel to Iranian citizens raises concerns and needs to be monitored carefully.

Serbia revised its response plan for an increased number of migrants at the end of 2016 to cover the period until December 2017. In February 2017, Serbia started working on a new strategy and action plan to counter irregular migration for 2017-2020. The adoption of the new law on asylum is delayed and a new law on foreigners is yet to be adopted. Serbia continuously monitors trends in the number of asylum seekers as well as the number of returnees under readmission agreements, including through updating statistical data and creating migration profiles. Serbia has been making efforts to support the re-integration of returnees including at the level of local communities. Serbia also financially supports civil society organisations to implement information campaigns on readmission procedures and the risks of abusing the visa-free regime, including towards specific population segments more prone to leave the country irregularly.

### **Public order and security**



As regards **organised crime**, nationals of Serbia are among the most frequently reported nationalities for organised property crimes in the EU, particularly in Belgium, France, Germany and Italy. Nationals of Serbia are also one of the most frequently encountered victims of THB originating from the Western Balkans region. Criminals from Serbia are mentioned to be involved in the trafficking of cocaine via the Western Balkans route and illicit tobacco products are frequently smuggled via Serbia into the EU. There remain significant weapon stocks in Serbia, a risk in the framework of firearms trafficking.

In order to step up the fight against organised crime, the Law on Organisation and Jurisdiction of Government Authorities in Suppression of Organised Crime, Terrorism and Corruption (entering into force in March 2018) foresees the establishment of specialised authorities for investigating, prosecuting and adjudicating cases in the mentioned fields. Serbia enhanced its cooperation with Europol; a Serbian liaison officer was sent to Europol's headquarters in March 2017. An EBCGA regional liaison officer has been sent to Belgrade in September 2017. The same month, the Serbia signed a working arrangement with CEPOL. A new financial investigation strategy has not been adopted yet and there is a general lack of a pro-active approach in financial investigations. A Permanent Task Force on People Smuggling was established in 2016. In August 2017, a new Strategy for the Prevention and Suppression of Human Trafficking for 2017-2022 was adopted, together with an accompanying action plan. On the basis of this strategy, Serbia needs to take steps towards pro-active identification and due protection of victims of THB. Serbia has not yet started negotiations on an operational agreement with Eurojust, as a new Law on Data Protection in line with the EU acquis is not yet adopted.

***Overall, the visa liberalisation benchmarks continue to be fulfilled. Further improvement of the implementation is expected. The following areas need to be addressed:***

- Continue the effective implementation of the EU-Serbia Readmission Agreement, if necessary by concluding implementing protocols with EU Member States; further attention needs to be given to the readmission of third country nationals;
- Organise a high-profile information campaign on the rights and obligations of visa-free travel targeting areas particularly affected by irregular migration;
- Continue stepping up intelligence-led investigations with a view to developing a sustainable track record of final convictions and dismantling networks involved in organised crime, money laundering, people smuggling and THB;
- Step up assistance to vulnerable populations, aiming at enhancing their long-term socio-economic integration.

## **II.2 Eastern Partnership**

### **Moldova**

#### **Irregular migration, including readmission**

As regards irregular migration challenges, between the second half of 2016 and the first half of 2017, the number of refusal of entries went slightly up, while the figures for illegal stay decreased. The peak of asylum applications by Moldovan nationals in the EU was reached in

spring 2016 and the trend for asylum applications between the second half of 2016 and first half of 2017 indicates a considerable decrease by 58% (from 1,730 to 720). The refusals of entry at the borders showed a 71% increase between 2015 and 2016 (from 2,725 to 4,660), while the number of illegal stays had also increased drastically by 89% in that period (from 4,050 to 7,660). Between 2015 and 2016, the number of asylum applications increased drastically, by 99% (from 1,850 to 3,675). The asylum recognition rate was 10.81% in 2015 but decreased to 2.07% in 2016. The number of return decisions for Moldovan citizens greatly increased by 178% between 2015 and 2016 (from 1,810 to 5,035) The return rate decreased from 67.13% in 2015 to 48.16% in 2016. The quality of readmission cooperation is greatly valued by the EU Member States, and is also proved by a high rate of positive replies to readmission applications. The last Joint Readmission Committee of 6 October 2017 assessed the cooperation with Moldova as generally positive.

In the area of **migration management**, Moldova is implementing the action plan 2016-2020 to implement the National Strategy on Migration and Asylum 2011-2020. Through projects such as the NEXUS information platform, which is online accessible and has offices in various cities in Moldova as well as one in Paris, information on the benefits and risks of different aspects of migration is being provided to Moldovan citizens.

### **Public order and security**

Moldovan OCGs are particularly active in Austria, France, Germany, Latvia and Poland, and remain primarily involved in different types of **organised crime** such as organised property crime, illicit tobacco trade, drugs trafficking (heroin being a significant concern), excise fraud, payment card fraud and money laundering. In particular Russian-speaking OCGs exploit Moldova as a transit country to launder money and bring it into the EU. Moldova remains a source country for THB. To improve judicial cooperation, Moldova signed an agreement with Eurojust mid-2014, which entered into force in October 2016. Law enforcement cooperation was strengthened by signing a Europol in December 2014.

Since the final visa liberalisation report, Moldova adopted laws to reinforce the institutional framework for the **fight against corruption** (in particular high-level corruption) and **money laundering**. However, the implementation is seriously lagging behind. There remain concerns regarding political influence on the fight against corruption and money laundering. Attempts to undermine the anti-corruption framework (such as the so-called "capital liberalisation law" and the so-called "business package" aiming inter alia at changing the institutional set-up of anti-corruption bodies) have a negative effect on the credibility of the political will to fight corruption. While the set-up of an asset recovery office was envisaged in the last visa liberalisation report, the office was only established in 2017 and its scope remains currently limited to cases of corruption and money laundering. Delays in the implementation of the Law on the National Integrity Authority led to a standstill in the verification of asset declarations and conflicts of interests since August 2016. Progress on anti-money laundering legislation (to align to the 4<sup>th</sup> EU Anti-Money Laundering Directive) is stalling.

***Overall, the visa liberalisation benchmarks continue to be fulfilled. However the fulfilment of the anti-corruption and anti-money laundering benchmarks could be endangered unless immediate actions are taken in order to ensure continuous and sustainable implementation. The following areas need to be addressed:***

- Step up the fight against organised crime by adopting new anti-money laundering legislation;
- Ensure the full independence, efficiency and effectiveness of the specialised anti-corruption institutions. Ensure that the future legal framework of the so-called "business package" does not negatively affect the fight against corruption and the investigation of the banking fraud;
- Ensure as a matter of priority the functioning of the National Integrity Authority by appointing senior management and inspectors;
- Ensure the proper functioning of the Criminal Assets Recovery Agency by ensuring access to all necessary information (including databases), allocating sufficient budget and staff, and broadening its scope to proceeds stemming from any type of crime;
- Step up efforts in order to build a track-record in the fight against high-level corruption;
- Step up targeted information campaigns clarifying the rights and obligations entailed in visa-free travel.

## **Georgia**

### **Integrated border management, migration management and asylum**

As regards irregular migration challenges, between the second half of 2016 and mid-2017 the trends for illegal stay and refusal of entry remained stable. The figures for asylum applications by Georgian nationals in the EU between the second half of 2016 (4,750) to mid-2017 (4,630) do not indicate a further increase. Refusals of entry decreased by 39% from 1,330 in 2015 to 810 in 2016 and illegal stays by 3% from 5,405 in 2015 to 5,240 in 2016; asylum applications increased by 7.2% (from 8,110 in 2015 to 8,700 in 2016). An increase of 22% was registered between the first and second half of 2016 (from 3,905 to 4,750). The asylum recognition rate remained almost the same (6.62% in 2015 and 6.48% in 2016). The number of Georgian citizens ordered to leave decreased by 12% from 6,415 in 2015 to 5,635 in 2016, while the return rate increased from 45.13% in 2015 to 55.90% in 2016. While the return rate remains relatively modest, readmission cooperation is deemed excellent by Member States and the vast majority of readmission requests filed in 2016 were approved by Georgian authorities.

Georgia has made further progress in implementing the 2016-2020 Migration Strategy and its Action Plan, inter alia in establishing the Unified Migration Analytical System (testing launched in October 2016), the Unified System of Risk and Threat Analysis at the borders, the Migration Risk Analysis methodology, updating the 2015 Migration Profile, and thereby continued implementing the visa liberalisation benchmarks in a sustained manner. Georgia has been carrying out three phases of nation-wide campaigns and trainings on the rules of visa free travel and is monitoring travels to the Schengen area.

Regarding asylum procedures, the significant number of asylum applications in Georgia rejected on the basis of national security considerations during the first half of 2017<sup>8</sup> is an

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<sup>8</sup> In January-June 2017, 26% of all decisions were rejections based on national security grounds. In 2016 and 2015 these percentages were 5% and 4% respectively (source UNHCR).

issue of concern which has been raised in the third and fourth progress reports on Georgia's implementation of the action plan on visa liberalisation<sup>9</sup>, and which needs to be addressed.

### **Public order and security**

Since the last visa liberalisation report, OCGs from Georgia are still reported as one of the most frequently represented non-EU nationalities involved in **serious and organised crime** in the EU. Georgian OCGs are highly mobile, are mainly involved in organised property crime (particularly organised burglaries and thefts) and especially active in France, Greece, Germany, Italy and Spain. These OCGs are particularly threatening to the EU because their activities are often dismissed as low intensity crime, their control of criminal markets is gradually increasing and they cooperate with other non-EU OCGs. Georgia remains a transit country for various illicit commodities trafficked to the EU, in particular drugs. Georgia has been increasingly used to launder illicit proceeds generated by various OCGs in the EU and outside the EU and has been emerging as a transit country for laundered criminal proceeds.

Georgia ensured continuous fulfilment and demonstrated serious commitment in **preventing and fighting organised crime**. It has stepped up cooperation at international level. Efforts need to be sustained and consolidated, in particular on the enforcement side. National strategies and actions plans, as well as legislation are regularly updated. The new National Strategy of 2017-2020 for Combating Organised Crime and Action Plan 2017-2018 focuses on the following key areas: organised crime groups (“thieves-in-law”), drugs, cybercrime, modern policing and international cooperation. Their timely and effective implementation must be ensured in the coming months. Police reforms began in 2015 on intelligence-led and community policing are progressing, as well as the establishment of the unified crime analysis system. They are of crucial importance for understanding and analysing criminal activities and targeted law enforcement and criminal justice action. Police attachés are posted in key Member States and new law enforcement agreements are being concluded. Georgia signed an Operational and Strategic Cooperation Agreement with the Europol in April 2017 which entered into force in July 2017. The steps towards the negotiation of the Cooperation agreement with Eurojust are ongoing and negotiations are scheduled to start in January 2018.

While overall Georgia has a good track record in implementing **anti-corruption** reforms, particular attention should be paid to the effective implementation of the verification mechanism of asset declarations introduced in January 2017.

***Overall, the visa liberalisation benchmarks continue to be fulfilled. Further improvement of the implementation is expected. The following areas need to be addressed:***

- Continue campaigns on the rules of visa free travel, finalise the migration analytical and risk analysis systems and step up efforts in addressing the identified root causes of migration;
- Operationalise the Cooperation Agreement concluded with Europol as a matter of priority and conclude the cooperation agreement with Eurojust;

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<sup>9</sup> COM (2015) 199/SWD(2015) 103 final, adopted on 8.5.2015, and COM(2015)684/SWD(2015) 299 final, adopted on 18.12.2015.

- Finalise the reform on intelligence-led policing and the creation of a unified crime analysis system as a matter of priority;
- Continue and further strengthen cross-border law enforcement and judicial cooperation;
- Step up efforts on enforcing money-laundering legislation, tracing, freezing and confiscating criminal assets, including across borders. Designate a national Asset Recovery Office. Align the legislation with the fourth EU Anti-Money Laundering Directive;
- Adopt amendments to the anti-discrimination law to make its implementation effective.

## **Ukraine**

### **Integrated border management, migration management and asylum**

As regards irregular migration challenges, the trends between the second half of 2016 and first half of 2017 for illegal stay and refusal of entry, indicate a slight decrease. The numbers for asylum applications by Ukrainian nationals in the EU between the second half of 2016 and first half of 2017 indicate a stable trend (from 5,435 to 5,380). Refusals of entry slightly decreased by 5% from 23,795 in 2015 to 22,495 in 2016, while illegal stays increased by 26% from 23,480 in 2015 to 29,565 in 2016. There was a substantial decrease in asylum application by 44% from 22,100 asylum application in 2015 to 12,460 in 2016. The asylum recognition rate was 30.12% in 2015 and 24.61% in 2016. The number of Ukrainian citizens ordered to leave increased from 19,200 in 2015 to 26,865 in 2016, while the return rate increased from 76.41% in 2015 to 82.58% in 2016. Cooperation with Ukraine on readmission remains very good, which is proven by qualitative assessments of both the EU and Member States.

**As regards migration management**, on 12 July 2017 the 2025 State Migration Policy of Ukraine was adopted. During 2015-2017 targeted national preventive operations were conducted to monitor the implementation of the migration legislation. In May 2017, Ukraine launched a state-wide information campaign to explain the rights and obligations of the visa-free regime.

### **Public order and security**

Regarding **organised crime**, Ukraine still remains a transit country for various illicit commodities trafficked to the EU. Heroin is trafficked along the Caucasus route, among other Eastern Partnership countries, via Ukraine to the EU in large quantities. OCGs originating from Ukraine are involved in excise fraud, particularly the production and smuggling of illicit tobacco products to the EU. Cybercriminals based in Ukraine are highly sophisticated. As regards illegal firearms trafficking, although the level of trafficking activity appears to be currently low, Ukraine is a potential source country for illegal firearms trafficking to the EU. The former unit in the National Police dedicated to investigate organised crime was disbanded in 2015 without plans for replacing it.

Ukraine ratified an agreement with Europol on Operational and Strategic Cooperation. In September 2017, the Cooperation agreement with Eurojust on combating cross-border crime

and terrorism entered into force. In a first step to establish a system of cyber security, in October 2017 the Parliament adopted a cyber security law to start state policy formation in this field and create conditions for ensuring cyber protection of the country's information infrastructure.

Since the final visa liberalisation report, there has been progress in the implementation of the **anti-corruption reform**, in particular regarding the effective functioning of newly created National Anti-Corruption Bureau (NABU) and Specialised Anti-Corruption Prosecution (SAP), but the sustainability of reforms remains a challenge. Maintaining and strengthening the independence as well as the effective functioning of NABU, SAP and the National Agency for the Prevention of Corruption (NAPC) should be key priorities. Recent developments such as the introduction of tight time limits for pre-trial investigations, as well as the public disclosure of NABU's undercover investigations at the end of November by the General Prosecutors Office seriously undermine NABU's capacity to effectively conduct investigations and public trust in the anti-corruption institutions. A draft law introduced in the Parliament beginning of December 2017, which would unduly facilitate the dismissal of the heads of anti-corruption institutions, although currently taken off the agenda, still remains registered. Further, the lack of convictions in cases falling under the jurisdiction of NABU and SAP is of serious concern. The set-up of an independent specialised high anti-corruption court in full compliance with the Venice Commission opinion would contribute to remedying these shortcomings.

As regards NAPC, following the successful launch of the e-declarations system in September 2016, the effective verification of e-declarations is severely hampered by challenges. Concerns relate to the management of the Agency, a cumbersome regulatory framework, failure to install automated verification software, absence of direct and automatic access to relevant databases and registries, as well as a persistent lack of cooperation of other state institutions. The recent whistle-blower case against the leadership of NAPC raises further concerns on the credibility of the institution and its ability to deliver results.

Increasing pressure on civil society, including through criminal investigations and physical attacks are additional worrying developments. Legislative changes introduced in March 2017 requiring anti-corruption activists to submit asset declarations equally raise serious concerns.

***Overall, the visa liberalisation benchmarks continue to be fulfilled. However, in view of recent developments, immediate actions need to be taken in order to ensure full implementation and sustainability of past reforms, in particular as regards the anti-corruption benchmark. The following areas need to be addressed:***

- Enhance cooperation with EU relevant agencies to prevent risks stemming from irregular migration,
- Step up targeted information campaigns clarifying the rights and obligations entailed in visa-free travel,
- Ensure the independence, effectiveness and sustainability of the anti-corruption institutional framework, in particular by setting up an independent and specialised high anti-corruption court in accordance with the Venice Commission opinion and Ukrainian legislation. In parallel, the independence and capacity of NABU and SAP must be ensured and reinforced, reversing current trends undermining their work.

- Restore as a matter of urgency the credibility of the NAPC and establish an effective verification system of asset declarations, including through the automatic verification software with direct and automatic access to state databases and registers;
- Repeal the amendments extending the scope of asset declaration obligations to civil society declarants and ensure that civil society can play its role without undue obstacles and interference;
- Step up efforts to combat organised crime, including by dedicating sufficient resources and expertise in the National Police, introducing a clear delineation of competencies and improving cooperation between law enforcement agencies.

### III. Conclusions

In accordance with Article 1a (2b) of Regulation (EC) No 539/2001 requiring the Commission to monitor and report on the continuous fulfilment of visa liberalisation requirements by third countries, the Commission considers that on the basis of the analysis presented in this Report and the annexed Staff Working Document, the visa liberalisation requirements for the concerned countries continue to be fulfilled. The Report identifies further actions that should be undertaken in specific areas in order to preserve continuous and sustainable implementation. In addition, continued implementation of all other benchmarks needs to be ensured.

The Western Balkan and Eastern Partnership countries continued to take measures to address the still persisting **irregular migration** challenges, in particular **Albania**. These measures are already yielding results. Cooperation on readmission continues smoothly for all Western Balkan and Eastern Partnership visa-free countries with overall high return rates.

As regards **prevention and fight against organised crime**, despite continuous efforts, organised crime groups from these countries are still active in trafficking in illicit fire arms, property crime and trafficking of various illicit commodities (in particular drugs and tobacco), money laundering, trafficking in human beings, smuggling of migrants and cybercrime in EU Member States. Efforts in this respect need to be strengthened.

As regards the **prevention and fight against corruption and money laundering**, **Moldova** needs to take immediate actions to ensure the continuous implementation of the benchmark and the sustainability of the reforms. In view of recent developments, **Ukraine** also needs to take immediate actions to safeguard anti-corruption measures introduced with previous reforms and to allow further progress to be made.

**Implementation of the visa liberalisation benchmarks is a continuous ongoing process.** Regular Justice, Liberty and Security Subcommittee Meetings and Dialogues between the EU and visa liberalisation countries, including for the Western Balkans countries, where relevant, EU accession negotiations, as well as senior officials meetings provide the appropriate framework to discuss these matters further. The Commission will report again to the European Parliament and the Council on the continuous fulfilment of visa liberalisation requirements by third countries in 2018.