



EUROPEAN  
COMMISSION

Brussels, 19.12.2018  
COM(2018) 856 final

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

**SECOND REPORT UNDER THE VISA SUSPENSION MECHANISM**

{SWD(2018) 496 final}

## I. Introduction

The visa-free regime brings important benefits for citizens and reinforces social, cultural and economic ties between the EU and its partners. At the same time, the visa-free regime also brings responsibilities to sustain the progress achieved under visa liberalisation dialogues and ensure a well-managed migration and security environment, including through a visa policy that is aligned with the EU *acquis*.

This **Second Report under the Visa Suspension Mechanism** stems from the Commission's duty to monitor the continuous fulfilment of visa liberalisation requirements by third countries and to report, at least once a year<sup>1</sup>, on those matters to the European Parliament and the Council. The assessment period starts with the adoption date of the First Report under the Visa Suspension Mechanism<sup>2</sup> in December 2017. In terms of geographical scope, the report continues to cover those countries which have successfully concluded visa liberalisation dialogues. This report continues to focus on specific areas<sup>3</sup> where further actions are necessary to ensure the sustainability of the progress achieved. Therefore, as in the case of the First Report under the Visa Suspension Mechanism, benchmarks with a stable implementation record are not being covered in this report.

The statistical part of this report covers 26 EU Member States that apply Regulation (EU) 2018/1806 and the four Schengen Associated Countries (hereinafter referred to as "Schengen+ area")<sup>4</sup>. The assessment of specific areas is primarily based on information provided to Eurostat<sup>5</sup> by countries in the Schengen+ area, information provided by EU Agencies (Europol, eu-LISA, the European Asylum Support Office, the European Border Coast Guard Agency and Eurojust) and the exchange of information between the Commission, European External Action Service and authorities of the visa-free countries. This report is accompanied by a **Commission Staff Working Document**, which provides more detailed background information on the developments identified for specific areas.

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<sup>1</sup> In accordance with Article 8(4) of Regulation (EU) 2018/1806 of the European Parliament and of the Council of 14 November 2018 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 303, 28.11.2018, p. 39.

<sup>2</sup> COM(2017) 815 final.

<sup>3</sup> As last year, the specific areas are identified in line with the respective visa liberalisation actions plans for each country. In this report the focus is on the following specific areas: Albania (irregular migration, law enforcement, money laundering), the former Yugoslav Republic of Macedonia (irregular migration, organised crime), Bosnia and Herzegovina (irregular migration, organised crime, money laundering), Montenegro (irregular migration, organised crime), Serbia (irregular migration, visa policy, organised crime, money laundering), Moldova (irregular migration, anti-corruption), Georgia (irregular migration, organised crime, anti-corruption) and Ukraine (irregular migration, organised crime, anti-corruption). The Commission continues also to closely follow the implementation of the benchmarks related to document security, as well as anti-discrimination and the situation of vulnerable population groups. As regards the broader situation in the area of home affairs and justice, also relevant for the implementation of visa liberalisation commitments, the Commission continues to monitor and report in the framework of EU Enlargement package for the visa-free Western Balkans countries and, for the Eastern Partnership countries, in the framework of the implementation of the respective Association Agreements.

<sup>4</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.

<sup>5</sup> Eurostat statistics are continuously updated, with the authorities of countries in the Schengen+ area providing more accurate data throughout time. Bearing this in mind, statistics for the previous years (including the period covered by the First Report under the Visa Suspension Mechanism) have been retroactively updated with the most recent information available at the moment of writing.

## 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 2016 and 2017, the total number of refusals of entry increased by 13% (from 30,305 to 34,310). The number of illegal stay also increased by about 11% (from 33,445 illegal stay in 2016 to 37,325 in 2017). According to the European Border and Coast Guard Agency data, the trends for the irregular migration challenges, between the first half of 2017 and the first half of 2018, indicate a decrease in the number of refusals of entry and for illegal stay<sup>6</sup>. As regards asylum applications, these decreased by 32% in the first half of 2018 compared to the first half of 2017 (from 12,635 to 8,525). The asylum recognition rate of 2017 is 5.19% (an increase compared to 2016 when it was 2.12%)<sup>7</sup>. Readmission and return is functioning well, with the country swiftly honouring readmission requests from Member States both for own and third country nationals. The return rate (above 100%<sup>8</sup> in 2017), shows that Albanian nationals ordered to leave are effectively returned (29,850 in 2017). This good result must be maintained.

**Albania has taken actions identified in the First Report under the Visa Suspension Mechanism** to address the challenges of irregular migration, in particular of unfounded asylum applications lodged by Albanian nationals. Albania has achieved good results in implementing the 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. It also continued to increase the operational cooperation with Member States most affected by irregular migration. In order to raise awareness on the rights and obligations of the visa-free regime, the Albanian authorities conducted awareness raising campaigns which have been aired on all national TV stations.

##### **Public order and security**

Albanian-speaking organised crime groups are usually poly-criminal and continue to be particularly active across a broad range of criminal activities in the EU. These organised crime groups traffic heroin in large quantities cooperating with Turkish and Albanian-speaking organised crime groups along the trafficking routes. Several key locations in Albania have been a source of radicalisation and recruitment, but there has been a decrease in departures of recruited foreign terrorist fighters to conflict zones in Syria and Iraq.

Albania has taken further steps to improve the effectiveness of its law enforcement efforts to combat serious and organised crime, as outlined in the actions to be taken in the First Report

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<sup>6</sup> Based on the European Border and Coast Guard Agency data available until mid-2018. Eurostat statistics are available only yearly (except asylum data).

<sup>7</sup> This means that for 93.78% of the asylum applications lodged there were negative decisions issued by relevant asylum authorities. This corresponds to 24,603 asylum applications out of the 26,235 asylum applications lodged by Albanian nationals in the Schengen+ area in 2017.

<sup>8</sup> The amount of returnees in a given year is compared to the amount of return orders in that same year. A return rate higher than 100% indicates that the country is effectively addressing the backlog from previous years.

under the Visa Suspension Mechanism. The action plan on anti-cannabis was adopted at the end of May 2018. The working arrangement between Albania and the European Monitoring Centre for Drugs and Drug Addiction was initialled on 5 October 2018. This arrangement will enable crucial expertise to be provided to the Albanian authorities in the fight against drugs. Albania has a working arrangement in place with the European Agency for Law Enforcement Training and participates in the EU Justice Programme since February 2018. On 1 November 2018, the Albanian Parliament ratified the Liaison Agreement with Europol allowing a Europol liaison officer to be posted in Albania early 2019. A Cooperation Agreement between Eurojust and Albania was signed in October 2018.

While a new law on the prevention of money laundering and financing of terrorism adopted in 2017 strengthened the overall legislative framework, Albania was placed under enhanced follow-up, following the adoption of the Moneyval report.<sup>9</sup> In September 2018, the Government adopted an Action Plan to address the Moneyval recommendations.

*Overall, the visa liberalisation benchmarks continue to be fulfilled. While good progress has been achieved in the implementation of actions to tackle irregular migration challenges, further efforts are needed to ensure the improvement and the sustainability of results. The following areas need to be addressed:*

- Further strengthen border controls, in full respect of fundamental rights;
- Continue to organise information campaigns on the rights and obligations of visa-free travel;
- Further improve the effectiveness of prosecution and law enforcement efforts to combat organised crime;
- Swiftly implement the recommendations of the Moneyval report on anti-money laundering/counter-terrorism financing.

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

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

As regards irregular migration challenges, between 2016 and 2017, the total number of refusals of entry increased by 28% (from 2,495 refusals in 2016 to 3,200 refusals in 2017). The number of illegal stays had also increased by 43% in 2017 (6,555) compared to 2016 (4,595). As regards the trends between the first half of 2017 and the first half of 2018, according to the European Border and Coast Guard Agency data, there was an increase in the number of refusals of entry and no increase in illegal stay. As regards asylum applications, in the first half of 2018, 2,360 asylum applications were submitted, which represents a 39% decrease compared to the first half of 2017, when a total of 3,860 asylum applications were submitted. The asylum recognition rate remained low (0.81% in 2016 and 1.45% in 2017). Readmission and return is functioning well and should be maintained in future. The return rate (reaching 130% in 2017) shows that nationals of the former Yugoslav Republic of Macedonia ordered to leave are effectively returned (5,580 in 2017).

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<sup>9</sup> <https://rm.coe.int/moneyval-56th-pleinary-report-august-2018-eng-fin/16808d593a>.

**The former Yugoslav Republic of Macedonia continued to take actions identified in the First Report under the Visa Suspension Mechanism**, in particular as regards irregular migration challenges. Border controls and stricter document checks have been strengthened. The Ministry of Interior organised trainings for border police as regards the respect of human rights. The implementation of action plans to improve the assistance to vulnerable populations has been strengthened but further efforts are needed in order to maintain the measures in place.

### **Public order and security**

As regards organised crime, organised crime groups from the former Yugoslav Republic of Macedonia are active in the trafficking and distribution of drugs. Some are poly-criminal groups involved in other forms of trafficking (goods, cigarettes). The former Yugoslav Republic of Macedonia remains a source of trafficked archaeological objects, religious items and cultural goods to the EU. Migrant smuggling networks are active in border areas, especially with Greece and Serbia, despite several arrests throughout the year.

The Ministry of Interior carried out operations to fight drug trafficking and continued with its activities to fight organised crime. A national task force and mobile teams have been established to prevent trafficking in human beings and support early identification of potential victims. The former Yugoslav Republic of Macedonia and Montenegro signed an agreement on cooperation in the field of fighting trafficking in human beings. 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. Law enforcement cooperation with Western Balkan partners, Italy and Slovenia has improved, as has operational cooperation with Europol. The former Yugoslav Republic of Macedonia has appointed a liaison prosecutor, who has been deployed to Eurojust since November 2018.

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

- Further strengthen border controls, in full respect of fundamental rights;
- Continue to organise information campaigns on the rights and obligations of visa-free travel;
- Improve the effectiveness of law enforcement efforts to combat organised criminal networks especially involved in drug trafficking and to provide a credible track-record;
- Step up investigations and prosecution of organised crime groups, including those engaged in migrant smuggling.

### **Bosnia and Herzegovina**

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

As regards **irregular migration** challenges, between 2016 and 2017, there was no increase in refusals of entry (from 5,150 to 5,145), while the number of illegal stay slightly increased by about 13% (from 3,645 to 4,135). As regards the trends between the first half of 2017 and the first half of 2018, according to the European Border and Coast Guard Agency data, there is an increase in the number of refusals of entry and no increase in illegal stay. In the first half of

2018, 1,080 asylum applications were submitted by nationals of Bosnia and Herzegovina, which represents a 27% decrease compared to the same period in 2017, when a total of 1,485 asylum applications were submitted. The asylum recognition rate was 3.10% in 2016 and increased to 5.66% in 2017. Bosnia and Herzegovina's decision to grant visa-free travel to Chinese nationals (decision effective as of May 2018) needs to be monitored closely. On readmission and return, cooperation is functioning well. The return rate remains good but should be further improved with all Member States (reaching 72% in 2017 with 2,680 Bosnian nationals effectively returned).

**Bosnia and Herzegovina has taken actions identified in the First Report under the Visa Suspension Mechanism.** The Strategy and Action Plan on migration and asylum (2016-2020) has been implemented. Information campaigns on the rights and obligations of the visa free regime were carried out. On 15 May 2018, the Council of Ministers adopted an Action Plan for Emergency Measures. The implementation of the Action Plan was affected by the lack of coordination among responsible levels of governance. Notably, the border police has been affected by this issue and is currently understaffed.

### **Public order and security**

As regards organised crime, organised crime groups from Bosnia and Herzegovina are among the most frequently reported for organised property crimes in the EU, as well as the trafficking in human beings and trafficking of illicit drugs. In addition, Bosnia and Herzegovina is a destination country for vehicles stolen in Member States. There remain significant weapon stocks in Bosnia and Herzegovina, which is a risk in the framework of firearms trafficking. Bosnia and Herzegovina adopted a new Strategy on fighting organised crime and is implementing the action plan on anti-money laundering and financing of terrorism.

The authorities continued to increase the capacity of the law enforcement in tackling organised crime and investigations. However, improvements are needed to guarantee a more effective judicial follow-up. The implementation of the 2016-2019 Action Plan on fighting trafficking in human beings is ongoing. In May 2017, an agreement was signed on posting a liaison officer to Europol. To date, Bosnia and Herzegovina has not appointed a National Contact Point foreseen in the Agreement on Operational Cooperation with Europol. Bosnia and Herzegovina cannot send its liaison officer to Europol until a National Contact Point is in place.

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

- Increase the effective and sustainable allocation of sufficient resources to the management of borders and further strengthen the border controls, also in the context of identification and registration measures, in full respect of fundamental rights;
- Continue to organise information campaigns on the rights and obligations of visa-free travel;
- Appoint a National Contact Point as required in the Cooperation Agreement in place with Europol;
- Further efforts are needed to effectively prevent and fight organised crime and money laundering, in a coordinated manner among law enforcement authorities.

## Montenegro

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

As regards **irregular migration** challenges, between 2016 and 2017, the number of refusals of entry increased by around 63% (from 335 to 545), while the number of illegal stay also increased by 42% in 2017 (810 in 2017 compared to 570 in 2016). The figures, however, remain low in absolute terms. According to the European Border and Coast Guard Agency data, the trends between the first half of 2017 and the first half of 2018 indicate a slight increase in the number of refusals of entry and for illegal stay. In the first half of 2018, 330 asylum applications were submitted by Montenegrin nationals, which represents a 38% decrease compared to the same period in 2017, when a total of 530 asylum applications were submitted. Overall, in the whole of 2017 a total of 970 asylum applications were submitted, compared to 1,830 in 2016 (a 47% decrease). The asylum recognition rate is low (0.96% in 2016 and 2.10% in 2017). Readmission and return is functioning well, with the country swiftly honouring readmission requests from Member States both for own and third country nationals. The return rate (above 100% in 2017), shows that Montenegrin nationals ordered to leave the EU are effectively returned (820 in 2017) and this needs to be continued.

**Montenegro has taken actions identified in the First Report under the Visa Suspension Mechanism.** While it did not organise a media campaign on the rights and obligations of visa-free travel in 2018, there is one foreseen for 2019. In March 2018, the Government adopted a new Action Plan under the Reintegration Strategy for Persons Returned under the Readmission Agreement, in order to improve the reintegration of readmitted nationals. The legal framework on legal and irregular migration has been aligned to the EU framework with the adoption in February 2018 of the new Law on Foreigners. The Law on International and Temporary Protection of Foreigners entered into force on 1 January 2018.

Montenegro adopted on 22 November 2018 an investor citizenship scheme. The investor citizenship scheme needs to be closely monitored, as it could pose migratory and security risks. Therefore, appropriate due diligence and security checks should be applied.

### **Public order and security**

As regards **organised crime**, a source of concern remains the drug transit through Montenegro into the EU. Organised crime groups are active in the trafficking of cannabis and cocaine (with direct links to criminal groups in South America). Despite the success of several initiatives conducted by the Montenegrin authorities to reduce the prevalence of firearms, these are still widely available. Montenegro is an important transit country and a potential source of counterfeit and contraband cigarettes.

Montenegro has a well-established cooperation with Europol and Interpol. The police cooperation with EU Member States is being steadily strengthened, as illustrated in recent joint police operations. The cooperation with Eurojust is also smooth, and in 2018 Montenegro has been involved in 16 Eurojust registered cases. Several investigations on high-profile criminal cases have been on-going since 2017, in which money-laundering is prosecuted as a stand-alone crime. In July 2018, Montenegro adopted amendments to the Law on Money Laundering and Terrorism Financing, as well as the Law on International Restrictive Measures. In order to improve the fight against trafficking in human beings and smuggling of migrants, a specialised department was established in the police services. On

20 July 2018, Montenegro and the former Yugoslav Republic of Macedonia signed an agreement on cooperation in the field of fighting trafficking in human beings. The number of cases of trafficking in human beings investigated and prosecuted remains low.

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

- Continue to organise information campaigns on the rights and obligations of visa-free travel;
- Consolidate the track-record in the area of the fight against organised crime, including trafficking in human beings, drug trafficking, money laundering and high level corruption.

## **Serbia**

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

As regards **irregular migration** challenges, between 2016 and 2017, there was no increase in the refusals of entry (from 8,070 to 7,910), while the number of Serbian nationals found to be illegally present increased by 31% between 2016 and 2017 (from 11,180 to 14,665 in 2017). According to the European Border and Coast Guard Agency data, the trends between the first half of 2017 and the first half of 2018 indicate an increase in the number of refusals of entry and for illegal stay. In the first half of 2018, 3,460 asylum applications were submitted by Serbian nationals, which represents a more than 20% decrease compared to the same period in 2017, when 4,375 asylum applications were submitted. The total number of asylum applications in 2017 is 8,325, a 38% decrease compared to 2016 when there were 13,515 applications. The asylum recognition rate remains low (1.57% in 2016 and 3.23% in 2017). The return rate (above 100% in 2017), shows that Serbian nationals ordered to leave the EU are effectively returned (7,920 in 2017). Serbia's cooperation on the readmission and return of its own nationals is functioning well and should be continued. However, the continuous lack of implementation of the third-country national provision of the EU-Serbia Readmission Agreement remains of concern, especially for Romania and Bulgaria.

**Serbia has taken actions identified in the First Report under the Visa Suspension Mechanism.** A European Border and Coast Guard Agency's regional liaison officer has been posted in Belgrade since September 2017.

The Commission expressed its concerns regarding the visa-free regime granted to Iranian nationals by Serbia in its First Report under the Visa Suspension Mechanism adopted in December 2017. In view of the significant number of Iranian nationals abusing the visa-free travel to Serbia with an intention to move on to EU, this decision has been highly detrimental to a safe and secure migration management. Available statistics show that from 2 September 2017 to 16 October 2018, 46,493 Iranian nationals were recorded on entry, 33,568 were recorded on exit. In this context, the Commission takes positive note of Serbia's announcement to terminate of the visa-free status for Iranian nationals, effective as of 17 October 2018. The visa-free status given by Serbia to other countries which are on the EU's visa required list remains a source of concern due to possible migratory and security risks and needs to be closely monitored. Such a risk has been recently observed in relation to nationals from India, with indications of abuse of the Serbian visa-free regime in a similar pattern as observed with Iranian nationals. Furthermore, the procedure of issuing of visas should also be



aligned with the standards of the EU visa policy, in particular as regards the checks of the visa applicants, because of migratory and security risks.

## **Public order and security**

As regards organised crime, Serbian nationals continue to be reported as one of the most frequently reported nationalities for organised property crimes in the EU, particularly in Belgium, France, Germany and Italy. Serbian nationals have also continued to be one of the most frequently encountered victims of trafficking in human beings originating from the Western Balkans region. Organised crime groups comprised of Iranian nationals are involved in the trafficking of heroin along this route, as well as the Southern Caucasus route. There remain significant weapon stocks in Serbia, which is 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 entered into force in March 2018. In order to strengthen its administrative capacity, in June 2018, Serbia established a new Coordination Body for the Prevention of Money Laundering and the Financing of Terrorism. The working arrangement between the Ministry of the Interior and the European Police College was ratified in March 2018 and entered into force in April 2018. Preparatory work is ongoing to deploy a Europol liaison officer to Serbia.

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

- Further alignment with the EU visa policy, which is an underlying condition for the continuous fulfilment of the migration management benchmark;
- Further strengthen border controls, in full respect of fundamental rights;
- Step up the effective implementation of the EU-Serbia Readmission Agreement for the readmission of third country nationals;
- Continue to organise information campaigns on the rights and obligations of visa-free travel;
- Ratify the Europol Liaison Agreement as soon as possible, so as to enable the timely deployment of the liaison officer;
- Continue stepping up intelligence-led investigations with a view to developing a sustainable track-record of final convictions and dismantling organised crime.

## **II.2 Eastern Partnership**

### **Moldova**

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

As regards **irregular migration** challenges, between 2016 and 2017, the number of refusals of entry increased by 56% (from 4,660 to 7,270). The number of illegal stay has slightly increased from 7,660 in 2016 to 8,785 in 2017 (a 15% increase). According to the European Border and Coast Guard Agency data, the trends between the first half of 2017 and the first half of 2018 indicate an increase of the number of refusals of entry and a considerable

increase in illegal stay. As regards asylum applications, after an important decrease by more than 50% between 2016 and 2017 (from 3,675 to 1,610), in the first half of 2018 a total of 1,665 applications were registered, which is 128% higher than in the same period in 2017 (730 applications). The asylum recognition rate is low (1.48% in 2016 and 1.35% in 2017). The return rate (around 83% in 2017) has significantly increased compared to 2016 (around 48%) with 3,835 Moldovan nationals effectively returned in 2017. The cooperation on readmission and return with Moldova is functioning well and should be continued.

Moldova is implementing the Action Plan 2016-2020 in the framework of the National Strategy on Migration and Asylum 2011-2020. Moldova has stepped up efforts to develop targeted information campaigns to clarify the rights and obligations regarding visa-free travel. Vulnerable categories have been specifically targeted with information campaigns including on the the risk of overstaying in the Schengen+ area and the penalties linked to it. In November 2018 Moldova launched an investor citizenship scheme, which needs to be closely monitored, as it could pose migratory and security risks. Therefore, appropriate due diligence and security checks should be applied.

### **Public order and security**

Moldovan organised crime groups continue to represent an important security threat, particularly in Austria, France, Germany, Latvia and Poland. Their main areas of activity cover property crime, illicit tobacco trade, drug trafficking (heroin), excise fraud, card payment fraud and money laundering. In particular, Russian-speaking organised crime groups exploit Moldova as a transit country to launder money and transfer it into the EU. The main terrorist-related risk factors are the use of Moldovan territory as a transit zone to Middle Eastern conflict zones, radicalisation and mercenary activities in Eastern Ukraine. There is an increasing number of cybercrime services from Moldova and attacks against Automated Teller Machines, such as black box attacks.

**Moldova has taken some actions identified in the First Report under the Visa Suspension Mechanism**, including the adoption of new anti-money laundering legislation, the establishment of operational anti-corruption institutions, the broadening of the Criminal Assets Recovery Agency's scope and the implementation of information campaigns related to visa-free travel. However, significant shortcomings remain in ensuring the fulfilment of the anti-corruption benchmark. The adoption of the package of laws on the fiscal reform in July 2018 has raised concerns regarding the political will to fight corruption. The legal initiatives in the package include a capital and fiscal amnesty, which had been previously withdrawn from the legislative agenda following criticism from *inter alia* the EU. It also includes a so-called "business package", which re-introduces the "de-criminalisation" of several economic crimes.

*Overall, the visa liberalisation benchmarks continue to be fulfilled. In the First Report under the Visa Suspension Mechanism, the Commission noted that 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. However, some of the recommended actions have not been implemented. Immediate actions are needed to address the irregular migration challenges, including as regards unfounded asylum applications by Moldovan nationals. Moldova also needs to take immediate actions*

*as a matter of urgency to ensure the fulfillment of the anti-corruption benchmark. The following areas need to be addressed:*

- Strengthen border controls, in full respect of fundamental rights;
- Continue to organise information campaigns on the rights and obligations of visa-free travel;
- Strengthen the operational cooperation to achieve a swift decrease in the number of unfounded asylum applications lodged by Moldovan nationals in the Schengen+ area;
- Align the laws on fiscal reforms with the EU standards;
- Strengthen the National Integrity Authority by appointing the necessary number of integrity inspectors. Ensure the effective implementation of the asset declaration system with regard to all high-level actors;
- Step up efforts in order to build a track-record in the fight against high-level corruption, implement the Asset Recovery Strategy and ensure a thorough, impartial prosecution of the banking fraud, the recovery of the misappropriated funds and bringing all those responsible to justice without further delay.

## **Georgia**

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

As regards irregular migration challenges, between 2016 and 2017, the number of refusals of entry increased by around 200% (from 810 to 2,655), while there was a slight increase in illegal stay between 2016 (5,240) and 2017 (5,860). According to the European Border and Coast Guard Agency data, the trends between the first half of 2017 and the first half of 2018 indicate a considerable increase in the number of refusals of entry and an increase in illegal stay. In the first half of 2018 the number of asylum applications has doubled compared to the same period in 2017, with 9,680 asylum applications submitted in the first half of 2018 compared to 4,770 in the same period of 2017. Germany and France are the main countries affected by this increase. The asylum recognition rate was 14,09% in 2016 and 5,48% in 2017, showing a considerable decrease. Georgia's cooperation on readmission and return is functioning well and should be continued. The return rate (around 63% in 2017) has increased compared to 2016 (around 56%) with 4,560 Georgian nationals effectively were returned in 2017.

**Georgia has taken actions identified in the First Report under the Visa Suspension Mechanism** and continued to address the challenge of unfounded asylum applications and to increase the operational cooperation with Member States most affected by irregular migration. Georgia has introduced important legislative changes to address the increased asylum applications and to prevent irregular migration, including an amendment of the Law on Civil Acts (which restricted terms and conditions for changing the last name) in April 2018. Georgia has made progress in implementing the 2016-2020 Migration Strategy and its Action Plan. The third wave of the EU-funded intensive information campaign on the rights and obligations under the visa-free regime, with a particular focus on preventing the abuse of EU asylum procedures, was launched in October 2018. The Georgian authorities published a bilingual guidebook on legal migration and developed a Schengen/EU Mobile Application to allow Georgian nationals to calculate the period spent in Schengen+ area and the remaining days to avoid overstaying.

### **Public order and security**

Organised crime groups from Georgia are still reported as one of the most frequently represented non-EU nationalities involved in serious and organised crime in the EU, notably in France, Greece, Germany, Italy, Spain and Sweden. Property crime remains the main crime in which Georgian organised crime groups are involved, while they continue to be active in laundering criminal proceeds. Drug trafficking remains an issue to be monitored. In the recent years Georgian authorities were successful in dismantling organised crime groups based in Georgia.

**Georgia has taken actions identified in the First Report under the Visa Suspension Mechanism** and stepped up cooperation at international level to prevent and fight organised crime. The new National Strategy 2017-2020 for Combating Organised Crime and Action Plan 2017-2018 need to be implemented in a timely and effective manner. Following last years' recommendations, police reforms on intelligence-led and community policing are progressing, as well as the establishment of the unified crime analysis system. Police attachés are posted in key Member States and new law enforcement agreements are being concluded. Further enhanced police cooperation with the most-affected Member States is needed to continue reducing the impact of Georgian organised crime groups on the EU. In March 2018, the Memorandum of Understanding on Secure Communication Line and Liaison Agreement were signed with Europol and a liaison officer was placed at Europol in September 2018. The negotiations on the Cooperation Agreement with Eurojust have been finalised.

Overall Georgia has a good track-record in implementing anti-corruption reforms, although high level corruption and further involvement of civil society still remain areas for improvement. The mechanism for the verification of asset declarations, introduced in January 2017, has been implemented effectively and will be further supported by the EU. While Georgia designated the Unit of European Integration and Cooperation with International Organisations of the Chief Prosecutor's Office as its national Asset Recovery Office in July 2018, an independent asset recovery office should be set up.

*Overall, the visa liberalisation benchmarks continue to be fulfilled. While concrete measures have been put in place to address irregular migration challenges, further immediate action is needed to address these challenges, including increasing numbers of unfounded asylum applications. The following areas need to be addressed:*

- Strengthen the operational cooperation with concerned countries to achieve a swift decrease in the number of unfounded asylum applications by Georgian nationals in the Schengen+ area;
- Strengthen border controls, in full respect of fundamental rights;
- Continue to organise information campaigns on the rights and obligations of visa-free travel;
- Continue to strengthen cross-border law enforcement cooperation to fight against Georgian organised crime groups;
- Finalise the reform on intelligence-led policing and the creation of a unified crime analysis system as a matter of priority;
- Continue strengthening the anti-corruption framework, including through the setting up of an independent Asset Recovery Office.

## Ukraine

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

As regards irregular migration challenges, between 2016 and 2017, the refusals of entry increased by 47% (from 22,495 refusals to 33,105 refusals). The number of Ukrainians found to be illegally present slightly increased (13% up) in 2017 (33,485) compared to 2016 (29,570). According to the European Border and Coast Guard Agency data, the trends between the first half of 2017 and the first half of 2018 indicate a considerable increase in the number of refusals of entry and no increase in illegal stay. In the first half of 2018 the number of asylum applications decreased by 9%, with 4,710 applications submitted by Ukrainians, compared to the same period of 2017, when there were 5,280 applications. The total number of asylum applications in all of 2017 was 10,075, a 19% decrease compared to 2016, when there were 12,460 asylum applications. The asylum recognition rate was 20.41% in 2016 and 16.24% in 2017. Cooperation on readmission and return is functioning well and should be continued. The return rate remains stable (around 79% in 2017) with 25,330 Ukrainian nationals effectively returned in 2017.

Integrated border management remains a challenge and inter-agency cooperation is still insufficient. A mid-term evaluation of the current strategy for integrated border management was completed and the drafting of a new strategy 2020-2025 and action plan is envisaged by spring 2019. Ukraine implemented a state-wide information campaign to explain the rights and obligations of the visa-free regime.

### **Public order and security**

Regarding organised crime, Ukraine remains a transit country for various illicit commodities trafficked to the EU. Ukrainian organised crime groups continue to be involved in excise fraud, particularly the production and smuggling of illicit tobacco products to the EU. Attention needs to be paid to active smuggling groups operated by Ukrainian nationals from Turkey and Greece via the Western Balkan route. Cybercriminals with Ukrainian nationality, notably Russian-speaking ones, are increasingly involved in highly sophisticated operations within the digital underground.

**Ukraine has taken some actions identified in the First Report under the Visa Suspension Mechanism.** A High Anti-Corruption Court has been established, but is not yet fully operational. The selection process for anti-corruption judges was launched and is envisaged to be finalised in early 2019. A group of international experts (Public Council of International Experts) has been selected for the selection of anti-corruption judges, but does not have sufficient access to information. The automatic verification system for electronic asset declarations by public officials has been set up and the verification software is now operating with the system being connected to the majority of state registers. Despite this progress, further measures are required to establish a fully functioning verification system and to effectively process the backlog in asset declarations. Efforts to fight organised crime were stepped up with the recent establishment of a new organised crime fighting department within the National Police of Ukraine.

There are still actions identified in the First Report under the Visa Suspension Mechanism which remain outstanding. Ukraine has so far failed to revoke the legislative amendments from March 2017 extending the scope of asset declaration obligation to anti-corruption

activists. The continued attacks over the past years against civil society exposing corruption are raising concerns. Investigations into these attacks are progressing slowly. The anti-corruption institutions National Anti-Corruption Bureau and Specialised Anti-Corruption Prosecution continue to be operational but concerns relating to their effectiveness and independence have not been addressed. The pending audit of National Anti-Corruption Bureau raises concerns due to the politically driven appointment of auditors, which threatens to undermine the Bureau's leadership. It has still not been granted independent access to wire-tapping. Its ability to conduct effective investigations into complex corruption cases is hampered by the failure of the National Agency for Corruption Prevention to grant direct and automated access to its database of asset declarations, as well as by the shortened time-limits for criminal investigations (introduced in 2017 and reinforced in September 2018).

***Overall, the visa liberalisation benchmarks continue to be fulfilled. In the First Report under the Visa Suspension Mechanism, the Commission noted that in view of recent developments immediate actions needed to be taken in order to ensure full implementation and sustainability of past reforms in particular as regards the anti-corruption benchmark. However some recommendations of the First Report under the Visa Suspension Mechanism have not been implemented and therefore immediate actions are needed to ensure the continuous fulfilment of the anti-corruption benchmark. Immediate actions are also needed to address the irregular migration challenges. The following areas need to be addressed:***

- Strengthen the operational cooperation with concerned countries to swiftly decrease the irregular migration by Ukrainian nationals to the Schengen+ area;
- Continue to organise information campaigns on the rights and obligations of visa-free travel;
- Urgently repeal the amendments extending the scope of asset declarations to civil society and ensure that civil society can play its role without undue interference;
- Ensure the independence, effectiveness and sustainability of the anti-corruption institutional framework, including by ensuring that the High Anti-Corruption Court swiftly becomes fully operational and that the Public Council of International Experts can adequately play its role in the selection process;
- Re-establish the independence and credibility of the Specialised Anti-Corruption Prosecution;
- Establish a fully functioning system for the verification of asset declarations, notably by ensuring automated access to all remaining registers and databases, in order to produce a convincing track-record of effectively verified declarations;
- Reinforce the capacities of the National Police and improve the cooperation between law enforcement agencies to further tackle organised crime, in particular cybercrime.

### **III. Conclusions**

In accordance with Article 8(4) of Regulation (EU) 2018/1806 requiring the Commission to monitor and report on the continuous fulfilment of visa liberalisation requirements by third countries, as in the First Report, 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. This Report identifies further actions – in some cases immediate actions – that need to be taken by specific countries

in specific areas in order to ensure continuous fulfillment of the benchmarks. In case any of the requirements is no longer fulfilled, the Regulation sets out the procedures for the temporary suspension of the exemption from the visa requirement for nationals of the third country concerned. 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 **irregular migration challenges**. Further efforts are needed to ensure the improvement and the sustainability of results. Increasing numbers of **unfounded asylum applications**, in the case of **Moldova** and **Georgia** are a source of concern. Increased irregular migration from **Ukraine, Serbia** and **Bosnia and Herzegovina** has been observed. **Albania** took effective measures but continued efforts are nevertheless needed to ensure the improvement and the sustainability of results. Cooperation on readmission and return continues smoothly for all Western Balkan and Eastern Partnership countries with overall high return rates and should be continued. There remains, however, room for improvement, in particular as regards the readmission of third-country nationals in the case of Serbia.

**The swift conclusion of the European Border and Coast Guard status agreements** will also contribute to a stronger support for the management of irregular migration, although the primary responsibility for managing the borders remains a competence of the Western Balkan partners. Albania was the first to sign such status agreement; the agreements with Serbia and the former Yugoslav Republic of Macedonia have been initialled. Procedures still need to be finalised so the agreements with Montenegro and Bosnia and Herzegovina can be swiftly initialled.

In order to ensure a well-managed migration and security environment as the underlying condition for the continuous fulfilment of the benchmarks, the Commission urges **to ensure alignment with the EU visa policy**. This is particularly relevant for Serbia.

The Western Balkan and Eastern Partnership countries continued to take measures **to prevent and fight against organised crime**. However, efforts need to be even further strengthened. Organised crime groups from these countries continue to be active in trafficking of illicit firearms and various illicit commodities (in particular drugs and tobacco), property crime, money laundering, trafficking in human beings, smuggling of migrants and cybercrime.

The First Report identified the need for **Moldova** to take immediate actions to ensure the continuous implementation of **the fight against corruption and money laundering** benchmarks, as well as the sustainability of the reforms. While some actions have been taken against **money laundering**, **Moldova** needs to take immediate actions to ensure the fulfilment of the **fight against corruption** benchmark **as a matter of urgency**. The First Report also identified immediate action that needed to be taken by **Ukraine to safeguard anti-corruption measures** introduced with previous reforms and to allow further progress to be made. While some actions have been taken, more efforts are needed to ensure full implementation and sustainability of past reforms, and address **outstanding** recommendations.

Implementation of the visa liberalisation benchmarks is a continuous ongoing process. Further monitoring will continue, including through senior officials meetings as well as through the regular Justice, Liberty and Security Subcommittee Meetings and Dialogues between the EU and visa-free countries – and for the Western Balkans countries, where relevant, EU accession negotiations.