REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

THIRD REPORT UNDER THE VISA SUSPENSION MECHANISM

{SWD(2020) 132 final}

I.   Introduction

Visa liberalisation continues to trigger key reforms in the area of migration, security and justice and facilitates people-to-people contacts by exempting third country nationals from the visa requirement for stays of up to 90 days in any 180-day period. The visa-free regime also entails responsibilities. Third countries have to continuously fulfil the visa liberalisation requirements and ensure conditions exist for well-managed migration and security at all times. This is in line with the European Commission's holistic approach addressing all aspects of migration and security.

This **Third Report under the Visa Suspension Mechanism** stems from the Commission's duty to monitor the continuous fulfilment of visa liberalisation requirements by third countries that have obtained visa-free access and to report, at least once a year, to the European Parliament and the Council[1]. In terms of geographical scope, the report continues to cover those countries that have successfully concluded a visa liberalisation dialogue. Statistical data in the report reflects 2019 Eurostat data with a focus on variation between 2018-2019. Where possible, the policy developments in analysed countries are described until up to publication of this report in July 2020. As in the case of the Second Report under the Visa Suspension Mechanism[2] of 17 December 2018 (hereinafter referred to as 'the Second Report'), this report focuses on specific areas[3] where further action is necessary to ensure the sustainability of the progress achieved. This includes irregular migration, asylum applications, readmission, public order and security (including organised crime, anti-corruption, law enforcement and anti-money laundering). Therefore, benchmarks with a stable implementation record are not covered in this report.

After the introduction of COVID-19-related restrictions by most EU Member States and partner countries in mid-March, movement throughout the Western Balkan and Eastern Partnership region decreased considerably. Most of the restrictive measures in the partner countries have subsequently been lifted. On 11 June 2020 the Commission adopted a Communication assessing the application of the temporary restriction of non-essential travel to the EU.[4] With regards to the countries neighbouring the EU, the Commission expressed a readiness to associate the region of the Western Balkans[5] closely with the implementation of its Joint European Roadmap towards lifting COVID-19 containment measures.As a follow up the Council adopted on 30 June 2020 a recommendation on the progressive lifting of the travel restriction on non-essential inbound travel, including the first list of 15 countries (including Georgia, Montenegro and Serbia). The Recommendation is a first step towards the lifting of the restriction and it follows the gradual approach proposed by the Commission**.**

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[1]   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.

[2]   COM (2018) 496 final.

[3]   The Commission continues to monitor the broader situation in the area of home affairs and justice, also relevant for the implementation of visa liberalisation commitments and benchmarks, in the framework of the EU Enlargement package for the visa-free Western Balkans countries and in the framework of the implementation of the respective Association Agreements for the Eastern Partnership countries.

[4]   COM(2020) 399 final

[5]   Commission Communication on the support to the Western Balkans in tackling COVID-19 and the post pandemic recovery (COM (2020) 315 final).

The present report is accompanied by a **Commission Staff Working Document**, which provides more detailed background information on the developments.

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

II.1 Western Balkans

Albania

Irregular migration, asylum applications, readmission

Between 2018 and 2019, the number of refusals of entry for Albanian nationals in the Schengen+ area decreased by 9% (from 21,515 to 19,670), while the number of Albanian nationals found to be illegally staying increased by 6% (from 32,355 to 34,410). Irregular migration of Albanian nationals continues to be the highest of all the Western Balkan countries analysed in this report. The detection of Albanian nationals using fraudulent documents, including EU passports, increased by 64% between 2018 and 2019.

The number of asylum applications lodged by Albanian nationals in the Schengen+ area continued to decrease for the fourth year in a row, with 18,555 applications lodged in 2019 compared to 19,615 applications lodged in 2018. This represents a decrease of 5%. Despite the decreasing trend, Albania was at the top of visa-free countries in the Western Balkans in 2019 in terms of the number of asylum applications. The asylum recognition rate[6] decreased to 5.6% in 2019 (compared to 7.6% in 2018). In the first quarter of 2020, 2,895 asylum applications were reported, 44% less than in the same period of 2019.

As regards cooperation on readmission there has been a decrease in return rate. The return rate in 2019 decreased to 50% (compared to 66%[7] in 2018), with 15,370 Albanian nationals effectively returned. However, since EU Member States report good cooperation of own and third country nationals, this decrease may be due to the processing of exceptionally large volumes of decisions, a backlog in previous years and possibly secondary movements.

Unfounded asylum applications lodged by Albanian nationals to EU Member States and Schengen-associated countries remain an issue that requires continuous and substantial efforts by the Albanian authorities. In this sense, Albania continues to implement measures addressing unfounded asylum applications lodged by Albanian nationals. The Albanian authorities have strengthened efforts to raise awareness among the population on the rights and obligations of the visa-free regime, as well as penalties for violations of these obligations. They continued to organise information projects and campaigns and regularly posted relevant information on Government websites and social media.

The Albanian authorities have also strengthened operational cooperation with the EU Member States most affected by irregular migration and unfounded asylum applications and reinforced

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[6] For the purposes of this report, asylum recognition rate is calculated as the share of all positive decisions at first instance (refugee status, subsidiary protection, humanitarian protection under national law) in the total number of decisions at first instance.

[7] The return rate in a given year is calculated as the ratio between the number of Albanian citizens returned to Albania in a given year from the Schengen+ area and the numbers of Albanian citizens who received a return order in the same year.

the checks on Albanian nationals travelling abroad, including minors, through more thorough exit interviews. In December 2019, Albania adopted additional measures to prevent trafficking in human beings.

Albania is the first among the Western Balkan countries to have signed and operationalised a European Border and Coast Guard (Frontex)[8] Status Agreement with the EU. The entry into force of the Agreement on 1 May 2019 was followed by a deployment of joint Frontex teams to Albania's border with Greece on 21 May 2019. This has marked a new phase for border cooperation between the EU and Western Balkan countries. Despite limitations related to the outbreak of COVID-19, the operation continues to yield good results. By June 2020, 20 EU Member States participated in this joint operation and over 12,000 irregular migrants were apprehended.

As a consequence of the COVID-19 pandemic, Albania closed its borders on 16 March 2020 and subsequently declared a state of emergency on 24 March. The latter was lifted on 23 June. As of 22 March all commercial flights were cancelled. On 1 June, Albania opened all land borders with its neighbours. During this period, Albanian authorities repatriated around 2,500 citizens from abroad (and primarily from the EU) through chartered repatriation flights. Some commercial flights (Vienna, Belgrade, and Athens) resumed on 15 June.

Public order and security

Albanian-speaking organised crime groups are poly-criminal and are particularly active across a broad range of criminal activities in the EU, although they cannot be linked to Albania or to Albanian nationals alone. According to Europol, Albanian nationals specifically are among the most frequently reported non-EU suspects for serious criminal offences. They are one of the most prevalent users of fraudulent documents on intra-Schengen air movements.

Albania continued to consolidate its track-record and the effectiveness of its law enforcement efforts to combat organised crime. A greater number of large police operations has led to high-profile arrests and important indictments and prosecutions, also as a result of closer police cooperation with the EU Member States. Albanian authorities have consistently shown a strong commitment to counter the production and trafficking of cannabis. Albania is the only country in the region that allows an intrusive monitoring mechanism by a third country (aerial surveys by the Italian Guardia di Finanza for detection and monitoring of cannabis plantations in Albania, co-financed by the EU) to be in place. However, there is a considerable gap between the numbers of new referrals and final convictions.

In February 2019, Albania adopted a new National Strategy on Small Arms and Light Weapons for the period 2019-2024. A Firearms Focal Point was established in April 2019, but still needs to be fully integrated into the police structure to become entirely operational.

In 2018 and 2019, Albania took a number of legislative actions to improve the legal framework in the area of corruption. The overall positive trend as regards the track-record of investigations, prosecutions and convictions in the fight against corruption continued, although final convictions for high level officials remain rare.

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[8] European Border and Coast Guard Agency (EBCGA), commonly referred to as Frontex.

In January 2020, the Albanian government adopted a legislative package introducing preventive measures to step up its fight against corruption, organised crime and terrorism, focusing in particular on seizure and confiscation of criminal assets. This law provides a set of new investigative tools put at the disposal of the Special Prosecution Office within the newly established Special Anti-Corruption and Organised Crime Structure.

Albania is pursuing a thorough and comprehensive justice reform, which aims at strengthening the overall efforts to fight corruption and organised crime. This reform also includes the temporary re-evaluation of all judges and prosecutors (the vetting process), which has advanced steadily, producing tangible results. The vetting has continued despite the impact of the COVID-19 pandemic. Although hearings were temporarily suspended due to the lockdown, investigative activities on vetting dossiers have continued through remote exchanges. The vetting hearings resumed on 3 June 2020. Overall, 64% of the vetting dossiers processed so far have resulted in dismissals or voluntary resignations by the assessee. The vetting process and its results remain crucial to restore public trust in the judiciary and law enforcement bodies of the State.

A Europol liaison officer was deployed to Albania in June 2019, and in July Europol officially opened its Liaison Office in Tirana, the first one in the Western Balkans. This has further strengthened cooperation between the EU Member States' and Albanian police officers in the fight against organised crime and helped align efforts to jointly tackle cross-border threats and fight criminal networks.

The working arrangement between Albania and the European Monitoring Centre for Drugs and Drug Addiction, the first in the Western Balkans, was signed in March 2019. It enables crucial expertise to be provided to the Albanian authorities and supports a further approximation of Albanian law and policies on drug related issues with those of the EU.

Furthermore, the Cooperation Agreement between Eurojust and Albania entered into force on 1 November 2019. The Agreement will further facilitate judicial cooperation between the EU and Albanian practitioners and increase the fight against transnational organised crime.

Albania was one of the first Western Balkan countries to sign, on 9 October 2019, a bilateral implementing arrangement on Counter-Terrorism with the Commission, as a follow-up to the Joint EU-Western Balkans Action Plan on Counter-Terrorism[9]. Albania submitted its first report on the implementation of the arrangement in June 2020.

The number of convictions for money-laundering remains low and there is still a lack of systematic parallel investigation on terrorism financing. Following the adoption of the "Moneyval package" by the Albanian Parliament in June 2019, Moneyval assessed that, overall, Albania has made progress in implementing its 2018 recommendations, but some gaps remain[10]. On 21 February 2020, the Financial Action Task Force (FATF) listed Albania among the jurisdictions with strategic deficiencies in the area of Anti-Money Laundering/Combating the Financing of Terrorism and proposed an action plan targeting the most serious deficiencies. This Plan contains actions to be implemented by October 2021 to allow Albania to be removed from the FATF "grey list". Albania has made a high-level

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[9]   https://ec.europa.eu/home-affairs/sites/homeaffairs/files/news/docs/20181005_joint-action-plan-counter-terrorism-western-balkans.pdf

[10]   https://rm.coe.int/anti-money-laundering-and-counter-terrorist-financing-measures-albania/16809988c0

political commitment to implement the FATF action plan. The implementation has started despite the COVID-19 crisis, in particular by conducting a risk analysis regarding banking products and service and the misuse of legal entities. The Albanian Parliament is expected to examine a draft Law on Citizenship, which, if adopted, could establish a legal basis that could be used for the setting-up of an investor citizenship scheme. The Commission addressed a letter to the Albanian authorities in October 2019 asking for clarifications in this regard and alerting the Albanian authorities about the inherent risks and possible consequences of introducing such a scheme. The Commission is closely monitoring this issue and risks arising from the possible introduction of an investor citizenship scheme, in particular as regards security, money laundering, tax evasion, terrorist financing, corruption or infiltration by organised crime.

The Netherlands notified the Commission on 2 June 2019, in the framework of Regulation (EU) 2018/1806[11], that it faced circumstances that could lead to triggering the Visa Suspension Mechanism for Albania. The concerns expressed in the notification were predominantly linked to public order and security, but also to irregular migration and unfounded asylum applications lodged by Albanian nationals. After a careful examination of the content of the notification and based on the available information and the relevant data, the Commission considered that the circumstances to trigger the Visa Suspension Mechanism for Albania were not met.

Based on the above analysis, Albania has taken actions identified in the Second Report and the visa liberalisation benchmarks continue to be fulfilled. Good progress has been achieved in the implementation of actions to tackle irregular migration, including strengthened border controls. Despite the decrease in the return rate, good cooperation on readmission continued and should be maintained as well as cooperation with the EU and Member States on migration and security. At the same time further efforts are needed to ensure the improvement and the sustainability of results, in particular as regards the unfounded asylum applications and the fight against organised crime.

The following areas need to be further addressed:

- Step up measures to address irregular migration and unfounded asylum applications of Albanian nationals, including through identifying and addressing the underlying reasons and organising further information campaigns on the rights and obligations of visa-free travel.
- Maintain and step up proactive operational cooperation with the EU Agencies and with the EU Member States facing migratory pressure originating from Albania as well as public order and security threats posed by the involvement of Albanian nationals in organised crime groups.
- Improve the effectiveness of prosecution and law enforcement efforts to combat high-level corruption and organised crime.
- Improve track-record of cases in respect of anti-money laundering/counter-terrorism financing and make full use of the support provided by the Commission to reinforce the capacity for combating money laundering and terrorist financing.

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[11]   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.

Bosnia and Herzegovina

Irregular migration, asylum applications, readmission

Between 2018 and 2019, the number of refusals of entry for nationals from Bosnia and Herzegovina in the Schengen+ area decreased by 20% (from 5,320 to 4,270 in 2019), while the number of nationals from Bosnia and Herzegovina found to be illegally staying increased by 10% (from 3,915 to 4,290).

The number of asylum applications lodged by nationals from Bosnia and Herzegovina decreased by 17%, with 1,895 applications lodged in 2019 (compared to 2,280 applications lodged in 2018). The asylum recognition rate decreased to 7.2% in 2019 (compared to 10.6% in 2018). In the first quarter of 2020, 390 asylum applications were reported, 26% less than in the same period of 2019.

As regards cooperation on readmission, there has been a decrease in the return rate. The return rate in 2019 decreased to 40% (compared to 54% in 2018), with 1,495 nationals from Bosnia and Herzegovina effectively returned. However, since EU Member States report good cooperation of own and third country nationals, this decrease may be due to the processing of large volumes of decisions, a backlog in consecutive years and possibly secondary movements.

The country has made significant efforts in border control and raising public awareness through targeted information campaigns on negative effects of the misuse of the visa-free regime evidenced by the decreasing numbers of unfounded asylum applicants from Bosnia and Herzegovina in the Schengen+ area.

The European Border and Coast Guard (Frontex) Status Agreement with the EU was initialled in January 2019 and its ratification remains pending. Following the entry into force of the new European Border Coast Guard Regulation, the Commission is working with Bosnia and Herzegovina in view of the ratification and entry into force of the Status Agreement.

Bosnia and Herzegovina continued to address irregular migration challenges including the flow of third-country nationals through the country towards the Schengen+ area. Following the increased influx of refugees and migrants in 2018 and in 2019, the authorities have redeployed available border guards. However, border and migration management, including in terms of reception capacities and coordination among institutions across the various levels of government require improvement. The Coordination Body within the Ministry of Security, responsible for monitoring migratory trends, and acting as operational headquarters in case of crises is not functioning effectively, in particular regarding the allocation of suitable premises for reception centres and relocation of asylum seekers and migrants to available accommodation. Serious obstacles remain to an effective access to asylum procedures due to very limited human resources and operational capacity.

As a consequence of the COVID-19 crisis, Bosnia and Herzegovina declared the state of natural or other disasters on 18 March, restricting domestic and international movement of persons. The *Republika Srpska* entity declared a state of emergency from 28 March to 20 May. As of 30 March all commercial flights were cancelled until 1 June, when the flights resumed.

Public order and security

The country has several strategies in place, notably on organised crime, trafficking in human beings and integrated border management. However, the legal framework needs to be harmonised across the country and further aligned with the EU *acquis*. There are systemic shortcomings in the operational cooperation of law enforcement agencies, due to the lack of harmonisation of criminal legislation in the country, exacerbated by weak institutional coordination, and a very limited exchange of intelligence. Criminal organisations operating in the country take advantage of legal and administrative loopholes. Financial investigations and asset seizures are largely ineffective.

A rigorous and credible system of checks of asset declarations of judicial office holders is lacking. The fight against money laundering needs to be stepped up. Final convictions in high-level corruption cases are very rare and sanctions do not act as a sufficient deterrent. Cases of corruption in sports have recently been detected. A proactive approach remains fundamental to countering criminal infiltration of the political, legal and economic systems.

Despite an Agreement on Operational Cooperation with Europol signed in May 2017, to date, Bosnia and Herzegovina has not appointed a National Contact Point as foreseen in that agreement, which is necessary for the country to send its liaison officer to Europol and to deploy the Europol Liaison Officer to Bosnia and Herzegovina.

Bosnia and Herzegovina signed the bilateral implementing arrangement on Counter-Terrorism with the Commission on 19 November 2019, as a follow up to the Joint EU-Western Balkans Action Plan on Counter-Terrorism.

Based on the above analysis, Bosnia and Herzegovina has taken actions identified in the Second Report; the visa liberalisation benchmarks continue to be fulfilled and progress has been achieved in countering the misuse of the visa-free regime. Despite the decrease in the return rate, good cooperation on readmission continued and should be maintained. However, further improvement is expected, in particular as regards irregular migration challenges and the need to ensure adequate reception conditions for migrants and refugees, border control and to proactively prevent and fight organised crime.

The following areas need to be further addressed:

- Improve crisis response capacity and adequate contingency planning to ensure protection-sensitive management of migratory flows, as well as ensure the functioning of the asylum system. Full responsibility for the management of migration and operational coordination mechanisms at all levels need to be strengthened significantly.
- Continue to organise information campaigns on the rights and obligations of visa-free travel.
- Strengthen border control, especially border surveillance, including identification and registration measures, in full respect of fundamental rights, ensuring effective operational cooperation with the EU Member States and Frontex.
- Continue efforts in view of concluding of the European Border and Coast Guard (Frontex) Status Agreement with EU and appoint a National Contact Point for Europol without further delay.
- Strengthen the prevention and fight against corruption and organised crime, including money laundering and terrorism notably by adopting and implementing legislation on conflict of interest and whistle-blowers' protection; ensuring the effective functioning

and coordination of anti-corruption bodies; and demonstrating progress towards establishing a track record of proactive investigations, confirmed indictments, prosecutions and final convictions against organised crime and corruption, including at high-level.

- Step up efforts to strengthen the asset recovery framework by adopting and implementing a more comprehensive legal framework for the confiscation of proceeds of crime and improving the capacity of the competent authorities to impose effective and deterrent sanctions.

Montenegro

Irregular migration, asylum applications, readmission

The number of refusals of entry in the Schengen+ area and of Montenegrin nationals found to be illegally staying remained low in 2019. Between 2018 and 2019, the number of refusals of entry decreased by 9% (from 515 to 470), while the number of Montenegrin nationals found to be illegally staying increased by 10% (from 805 to 885). No detection of illegal border crossing was recorded in 2019.

The number of asylum applications lodged by Montenegrin nationals in the Schengen+ area continued to decrease, with 410 applications lodged in 2019 compared to 640 applications lodged in 2018. In fact, this was the lowest number recorded in the last ten years. The asylum recognition rate increased to 4.9% in 2019 (compared to 4.1% in 2018). In the first quarter of 2020, 110 asylum applications were reported, 8% less than in the same period of 2019.

As regards cooperation on readmission, there has been a decrease in the return rate. The return rate in 2019 decreased to 60% (compared to 73% in 2018) , with 355 Montenegrin nationals effectively returned. However, since EU Member States report good cooperation of own and third country nationals, this decrease may be due to the processing of exceptionally large volumes of decisions, a backlog in previous years and possibly secondary movements.

Given the above trends, in 2019 there was no nation-wide communication campaign explaining rights and obligations related to visa free travel. However, the Montenegrin Ministry of Foreign Affairs has developed an e-Consular application providing the necessary information for Montenegrin citizens travelling abroad and responds to questions and enquiries of citizens regarding Schengen rules.

Major pieces of legislation and initiatives in the area of migration and asylum have been consolidated and upgraded in the past years. Montenegro signed the European Border and Coast Guard (Frontex) Status Agreement with the EU on 7 October 2019 which entered into force on 1 July 2020, providing for deployments of joint operations. It is the second Western Balkans country where such an Agreement has entered into force.

As a consequence of the COVID-19 crisis, Montenegro closed its borders on 15 March 2020, but did not declare a state of emergency. As of 6 March, all commercial flights were cancelled until 9 June. During this period, Montenegrin authorities repatriated around 17,000 citizens from abroad (and primarily from the EU) through the activities carried out by the competent authorities, including charter flights. The COVID-19 epidemic was declared officially over in Montenegro on 2 June. The borders were consequently opened for countries with less than 25 active COVID-19 cases per 100,000 citizens.

Public order and security

Drug trafficking is the main criminal activity of Montenegrin organised crime groups and triggers other security challenges. Montenegrin organised crime groups active in drug trafficking operate largely outside the country. Montenegro is also perceived as a platform for cigarette smuggling.

Montenegro has enhanced its international cooperation in the fight against organised crime, which led to successful operations against Montenegrin crime groups, in the country and abroad. Large amounts of drugs were seized and prominent members of crime groups were arrested in 2019. As regards cigarette smuggling, cooperation has improved with EU Member States' customs and the European Anti-Fraud Office (OLAF) and three large-scale investigations into cigarette smuggling three large-scale investigations into tobacco smuggling took place, however there were no court convictions in 2019. Despite increasing efforts in this area, the number of cases is still insufficient, considering the estimated scale of tobacco smuggling from, to, and across Montenegro. Good cooperation with Europol and Interpol has been observed with an increasing amount of information exchanged through their channels.

Within the EU Policy Cycle/EMPACT (European Multidisciplinary Platform against Criminal Threats) in 2020, Montenegro is strongly involved in the priority on "illicit firearms trafficking", driven by Spain, notably by co-leading one of the operational actions. Montenegro is one of the first Western Balkan partners to co-lead an operational action in an EMPACT priority. Montenegro is also participating in several operational actions in other EMPACT priorities addressing drugs trafficking, child sexual exploitation, facilitation of illegal immigration and organised property crime.

Corruption is an issue of concern. While financial investigations are now being launched in earlier stages of criminal investigations than before, they are still not launched systematically in all corruption cases. Concerns still exist as regards the low number of convictions and the widespread use of plea bargains, leading to a lenient sentencing policy.

An asset recovery office was established in early 2019 within the department of the police responsible for international police cooperation. Despite some progress, the track-record in the freezing and confiscation of assets needs to be strengthened.

The Strategy for the control and reduction of small arms and light weapons and ammunition for 2019-2024 and the Action Plan on illicit trafficking in firearms between the EU and the South East Europe region (2015-2019) continued to be implemented. An operational firearms focal point has been established and is operational.

For the second year in a row, Montenegro amended in December 2019 its law on prevention of money laundering and terrorism financing, in order to reflect the changes in the Financial Intelligence Unit's (FIU) institutional setting. The amendments aimed at ensuring the compliance with FATF recommendations, in particular by ensuring the independence and operational autonomy of the FIU, despite the latter being now administratively a department of the Police. In May 2020, Moneyval formally removed Montenegro from the follow-up process, considering that the country had taken sufficient steps to remedy deficiencies that had been identified in 2015. The law on international restrictive measures has yet to be amended to comply with the EU *acquis*. The initial track-record on money laundering was further developed, reflecting a stronger focus and increasing capacities of law-enforcement agencies in this area. However, the number of final convictions and asset confiscations in

money-laundering cases remain low. Systemic deficiencies in the criminal justice system, including the way courts handle money-laundering offences, remain to be addressed.

Montenegrin authorities signed on 19 November 2019 a bilateral implementing arrangement with the Commission as a follow-up to the joint EU-Western Balkans Action Plan on Counter-Terrorism.

Montenegro's investor citizenship scheme has been in place since 1 January 2019. To date, 24 applications have been received and while five positive final decisions have been made, no passports have yet been issued. The Commission is closely monitoring the migratory and security risks this scheme could pose, in particular as regards money laundering, tax evasion, terrorist financing, corruption or infiltration by organised crime, and has continuously raised the issue with Montenegrin authorities. Appropriate due diligence and security checks should be applied.

Based on the above analysis, Montenegro has taken actions identified in the Second Report and the visa liberalisation benchmarks continue to be fulfilled. Good progress has been achieved in the implementation of actions to tackle migration challenges. Despite the decrease in the return rate, good cooperation on readmission continued and should be maintained as well as cooperation with the EU and Member States on migration and security. At the same time, further efforts are needed to ensure the improvement and the sustainability of results in the fight against organised crime and corruption.

The following areas need to be further addressed:

- Organise information campaigns on the rights and obligations of visa-free travel.
- Prevent and fight organised crime and high-level corruption, including through the confiscation of proceeds of crime and freezing of assets and taking measures to limit the use of plea bargains to exceptional cases.
- Strengthen the capacity of the police, the prosecution and the courts to investigate, prosecute and adjudicate money-laundering cases in accordance with EU best practices.

The Republic of North Macedonia

Irregular migration, asylum applications, readmission

Between 2018 and 2019, the number of refusals of entry for nationals of North Macedonia in the Schengen+ area decreased by 12% (from 3,185 to 2,815), while the number of nationals found to be illegally staying increased by 16% (from 6,010 to 7,000). The number of asylum applications lodged by nationals of North Macedonia in the Schengen+ area decreased by 16% in 2019, with 4,035 applications lodged in 2019 compared to 4,785 applications lodged in 2018. The asylum recognition rate decreased to 1.4% in 2019 (compared to 2.3% in 2018). In the first quarter of 2020, 650 asylum applications were reported, 59% less than in the same period of 2019.

As regards cooperation on readmission, there has been a decrease in return rate. The return rate in 2019 decreased to 78% (compared to 99% in 2018) in 2019, with 3,005 nationals of North Macedonia effectively returned. Since EU Member States report good cooperation of own and third country nationals, this decrease may be due to the processing of exceptionally

large volumes of decisions, a backlog in consecutive years and possibly secondary movements.

North Macedonia continued to address irregular migration challenges. The legislative framework for the management of external borders is largely aligned with EU standards and border control was carried out in respect of human rights. The European Border and Coast Guard (Frontex) Status Agreement with the EU was initialled in July 2018, but is not yet signed. The authorities cooperate extensively with Frontex, including as observers in joint operations. The National Coordination Centre for Integrated Border Management should strengthen its institutional and operational capacity including with IT and technical expertise. Border guards, customs and other bodies still do not have mutual access to databases and there is no formalised and secure information exchange arrangement with the appropriate security services.

North Macedonia has carried out a number of information campaigns on the rights and obligations of the visa free regime in order to give proper information to its citizens and to prevent abuses.

In December 2012, North Macedonia introduced a modification in the law which could allow the acquisition of citizenship for special economic interest. The Commission will continue monitoring this area, taking into account the possible risks related to fully fledged investor citizenship schemes, in particular as regards security, money laundering, tax evasion, terrorist financing, corruption or infiltration by organised crime.

As a consequence of the COVID-19 crisis, North Macedonia closed its borders on 16 March and subsequently introduced a state of emergency for consecutive periods limited in time on 18 March. The latter was lifted on 22 June. As of 18 March all commercial flights have been cancelled until further notice. During this period, North Macedonia authorities repatriated 3.032 citizens from abroad (and primarily from the EU) through chartered repatriation flights. North Macedonia opened its land borders on 26 June.

Public order and security

The legislative framework regarding the fight against organised crime is broadly in line with European standards. Some progress was made by further improving the track-record on organised crime, stepping up law enforcement cooperation and substantially improving the operational capacity to fight trafficking in human beings. Since 1 January 2020, six investigations were opened against 20 people, five cases concern unauthorised production and trade of narcotics, psychotropic substances and precursors and one case concerns human trafficking (including juvenile) and migrant smuggling. North Macedonia continued to work on preventing and combating all forms of organised crime and corruption. Further progress was made at the operational level by improving the effectiveness of the National Coordination Centre for the Fight against Organised Crime and by participating in joint operations with the EU Member States and neighbouring countries. The Criminal Code is broadly in line with European standards and criminalises trafficking in human beings, online child pornography, computer crime and drug trafficking.

The number of criminal investigations opened at the prosecutor's office in relation to criminal organised groups increased. Most of the investigations and trials concern drug trafficking and smuggling of migrants. Despite some progress, law enforcement and prosecution bodies should further build up operational capacity, including systematically conducting financial

investigations. There is still a need to further improve coordination and systemic data exchange. The country's tools for freezing, managing and confiscating criminal assets are still not effective enough. A more integrated operational approach to effectively ensure asset recovery is needed.

North Macedonia signed on 9 October 2019 a bilateral implementing arrangement on Counter-Terrorism with the Commission, as a follow up to the Joint EU-Western Balkans Action Plan on Counter-Terrorism[12].

Based on the above analysis, North Macedonia has taken actions identified in the Second Report and the visa liberalisation benchmarks continue to be fulfilled. Good progress has been achieved in particular as regards information campaigns on the rights and obligations of the visa free regime and in the area of prevention and law enforcement efforts to combat serious and organised crime. Despite the decrease in the return rate, good cooperation on readmission continued and should be maintained. However, further improvement in the implementation is expected.

The following areas need to be further addressed:

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

Serbia

Irregular migration, asylum applications, readmission

Between 2018 and 2019, the number of refusals of entry for Serbian nationals in the Schengen+ area decreased by 8% (from 9,035 to 8,300), while the number of Serbian nationals found to be illegally staying increased by 4% (from 13,090 to 13,635). The number of asylum applications lodged by Serbian nationals in the Schengen+ area decreased by 5%, with 6,075 applications lodged in 2019 compared to 6,425 applications lodged in 2018. The asylum recognition rate decreased to 4.8% in 2019 (compared to 7.0% in 2018). In the first quarter of 2020, 1,015 asylum applications were reported, 53% less than in the same period of 2019.

As regards cooperation on readmission, there has been a decrease in the return rate. The return rate decreased to 60% in 2019 (compared to 77% in 2018), with 5,250 Serbian nationals effectively returned. However, since EU Member States report good cooperation of own and third country nationals, these fluctuations, however, may be due to the processing of

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[12]   https://ec.europa.eu/home-affairs/sites/homeaffairs/files/news/docs/20181005_joint-action-plan-counter-terrorism-western-balkans.pdf

exceptionally large volumes of decisions, a backlog in consecutive years and possibly secondary movements.

The European Border and Coast Guard (Frontex) Status Agreement with the EU was signed on 19 November 2019. As the EU has finalised its ratification procedure, the agreement will enter into force once Serbia ratifies it. After the entry into force, the Status Agreement should be operationalised as soon as possible, including through the deployment of joint Frontex teams.

As regards visa policy, the visa-free status given by Serbia to other countries[13] which are on the EU's visa required list remains a source of concern due to possible migratory and security risks and is closely monitored.

Information campaigns directed at raising the level of awareness on rights and obligations under the visa-free regime for Serbian nationals are continuously being organised.

As a consequence of the COVID-19 crisis, Serbia closed its borders on 15 March and subsequently introduced a state of emergency on the same day. The latter was lifted on 6 May. On 19 March all commercial flights were cancelled until 21 May. Until 22 May Serbian authorities repatriated 5,637 citizens from abroad (and primarily from the EU) through chartered repatriation flights.

Public order and security

Organised crime groups, in particular Serbian, continue to play a prominent role in the trafficking and distribution of cocaine in the EU. The remaining weapon stocks in Serbia, are a risk in the framework of firearms trafficking.

The Working Arrangement between the Serbian Office for Combatting Drugs and the European Monitoring Centre for Drugs and Drug Addiction is expected to be signed in the foreseeable future. Serbia is actively participating in the EU Policy Cycle for serious international and organised crime (2018-2021/European Multidisciplinary Platform Against Criminal Threats, EMPACT. In 2020, Serbia participates in 15 operational actions within EMPACT (out of 249 in total). A Serbian Police Liaison Officer has been posted at Europol since March 2017. The deployment of a Europol Liaison Officer to Serbia is still pending, despite the fact that an agreement on this deployment was ratified in November 2019.

As regards the confiscation of criminal assets, Serbia designated the Financial Investigation Unit in the Ministry of the Interior to perform the function of the Asset Recovery Office but it is not yet fully operational. Serbia is implementing the law on the organisation and jurisdiction of government authorities in fighting organised crime, terrorism and corruption. However, the law enforcement and judicial authorities still need to establish a convincing track record of investigation, prosecution, and convictions in serious and organised crime cases. The introduction of the special departments for combating corruption in the Higher Prosecutors' Offices two years ago starts to yield results and the number of first instance convictions, following prosecution by the special departments, is increasing.

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[13] The EU *acquis* foresees that nationals of Armenia, Azerbaijan, Bahrain, Belarus, Bolivia, Burundi, China, Cuba, Guinea-Bissau, India, Indonesia, Jamaica, Kazakhstan, Kuwait, Kyrgyzstan, Mongolia, Oman, Qatar, Suriname, Turkey, Tunisia, and Russia are under the obligation to possess a visa when entering the EU whilst Serbia offers these nationals visa-free access to their territory.

Serbia has adjusted the organisational structure of the police to the needs of the intelligence-led policing model. In June 2019, Serbia adopted a Strategy for Small Arms and Light Weapons Control for the period 2019 – 2024 with its accompanying Action Plan, which are now being implemented. A team for monitoring and exchanging all operational data regarding weapons has been established. A Cooperation Agreement between Serbia and Eurojust was signed on 12 November and entered into force in December 2019. The Serbian authorities signed on 19 November 2019 a bilateral arrangement with the Commission to implement the joint EU-Western Balkans Action Plan on Counter-Terrorism.

Based on the above analysis, Serbia has taken actions identified in the Second Report and the visa liberalisation benchmarks continue to be fulfilled. Good progress has been achieved in the implementation of actions to tackle irregular migration challenges. Despite the decrease in the return rate, good cooperation on readmission continued and should be maintained, as well as cooperation with the EU and Member States on migration and security. At the same time, further efforts are needed to ensure the improvement and the sustainability of results, in particular as regards the alignment to the EU's visa policy.

The following areas need to be further addressed:

- Alignment with EU visa policy, which is an underlying condition for the continuous fulfilment of the migration management benchmark.
- Continue to organise information campaigns on the rights and obligations of visa-free travel.
- Further strengthen the border control process, especially border surveillance, including identification and registration measures, in full respect of fundamental rights.
- Ensure the Europol liaison officer's timely accreditation and deployment.
- Establish a convincing track-record of investigation, prosecution, and convictions in organised crime cases, including drugs and money laundering, based on proactive investigations (including systematic tracking of money flows and their confiscation as well as the efficient use of special investigative measure to collect relevant evidence).

II.2 Eastern Partnership

Georgia

Irregular migration, asylum applications, readmission

Between 2018 and 2019, the number of refusals of entry for Georgian nationals in the Schengen increased by 17% (from 3,805 to 4,435), also the number of Georgian nationals found to be illegally staying increased by 26% (from 9,400 to 11,845). The number of asylum applications lodged by Georgian nationals in the Schengen+ area increased by 9%, with 21,570 applications lodged in 2019 compared to 19,730 applications lodged in 2018. For the third year in a row, Georgia continued to be the main country of origin of applicants among visa free Eastern Partnership countries. The asylum recognition rate decreased to 4.1% in 2019 (compared to 4.7% in 2018). In the first quarter of 2020, 3,795 asylum applications were reported, 42% less than in the same period of 2019.

As regards cooperation on readmission, there has been a decrease in the return rate. The return rate in 2019 decreased to 52% (compared to 65% in 2018), with 8,520 Georgian nationals effectively returned. However, since EU Member States report good cooperation on

readmission of own and third country nationals, this decrease in the return rates should not be attributed to underperformance or changes in the cooperation.

With EU support, Georgia has developed an Electronic Readmission Case Management System (RCMS) currently used by 17 Member States who have repeatedly expressed satisfaction with its use and especially appreciate the timely manner in which Georgia handles the applications. There has been a 98% rate of positive replies to readmission requests. The system is often used as an example of good practice and technology for other third countries.

Unfounded asylum applications lodged by Georgian citizens to EU Member States and Schengen-associated countries remains an issue that requires ongoing and substantial efforts by the Georgian authorities. Asylum applications are often abused for the purpose of seeking medical care in the EU. The Georgian authorities continued to address the challenge and are working with the Commission, the Justice and Home Affairs Agencies, and the EU Member States on a set of operational measures to decrease irregular migration and crime-related challenges. To tackle the misuse of the visa-free regime, Georgia introduced amendments to the Criminal Code, which foresees the criminalisation of the facilitation of illegal stay of Georgian nationals abroad, as well as assistance for submission of falsified information with a view to obtaining international protection (e.g. asylum). Georgia has committed to tighten the procedure of changing family names (further to the restrictions introduced in 2018) and adopted in November 2019 the amendments to the law on the Procedure for Enforcing Non-Custodial Sentences and Probation introducing stricter regulations and clearer criteria to decide whether a convicted person may leave the country.

In the area of border management Georgian authorities stepped up their cooperation with Frontex. To mitigate the flow of Georgian irregular migrants arriving at EU airports, Frontex, together with the Georgian authorities and EU Member States, launched a Joint Activity in the spring of 2019. In this context, Frontex experts were deployed to support the Georgian Patrol Police at Kutaisi international airport, to advise Georgian Patrol Police officials on the admissibility to the Schengen+ area of departing Georgian passengers. As a parallel and complementary activity, four Georgian Patrol Police officers were deployed monthly to the selected EU Member States' airports in 2019 and at the beginning of 2020, to assist local border authorities as observers in second-line activities. The operation is currently on hold, due to the COVID-19 pandemic.

In June 2020, the Commission approved a new working arrangement between Frontex and Georgia to counter irregular migration and cross-border crime, to exchange the information and best practice in the field of border management including return, also through joint risk analysis.

In 2019 and 2020, EU experts were deployed through the European Commission's Technical Assistance and Information Exchange Instrument (TAIEX) to advise the Georgian authorities on the necessary legislative framework improvements to conduct pre-departure checks at borders.

The Georgian Government has conducted three rounds of information campaigns to increase the awareness of the population about the rules of visa-free travel to the EU. The third round was specifically targeted to potential asylum seekers, stressing the responsibility of each Georgian national to comply with the rules of the visa free regime.

As a consequence of the COVID-19 crisis, Georgia closed its borders on 18 March and subsequently introduced a state of emergency on 21 March. The latter was lifted on 22 May.

On 21 March all commercial flights were cancelled until 30 June. During this period, the Georgian Foreign Ministry repatriated over 13,000 Georgian citizens from abroad (and primarily from the EU) through chartered repatriation flights.

Public order and security

Organised crime groups from Georgia continue to be reported as highly active within the Schengen+ area and play a significant role in organised property crimes. Georgian organised crime groups have changed their activities in several EU Member States from domestic burglaries to organised shoplifting. Some of them have also moved to other countries for their operations. This is, to some extent, probably the result of increased efforts undertaken by many EU Member States in recent years to tackle organised crime. Furthermore, since the entry into force of the visa-free regime, several EU Member States reported an increase of Georgian asylum seekers amongst criminals arrested.

Georgian cybercriminals were involved in the international *GozNym* criminal network dismantled in May 2019 by an international law enforcement operation supported by Europol[14].

Georgia has reinforced its cooperation on international law enforcement with Europol and strengthened the network of Georgian police attachés in the EU. Within the framework of the recently adopted Action Plan (2019-2020) of the National Strategy for Combating Organised Crime (2017-2020), Georgia has further strengthened its action against organised crime as well as continuing to strengthen its modern crime analysis mechanisms through the gradual introduction of intelligence-led policing.

Georgia continues to implement anti-corruption reforms via its Anti-Corruption Strategy and Action Plan 2019-2020 reflecting anticorruption priorities in different sectors (judiciary, private sector, political corruption, procurement, etc.) and taking into account the recommendations by international actors. However, some concerns of high-level corruption persist.

Based on the above analysis, Georgia has taken actions identified in the Second Report and the visa liberalisation benchmarks continue to be fulfilled. Despite the decrease in the return rate, good cooperation on readmission continued and should be maintained. While concrete measures have been put in place to address irregular migration and crime related challenges, further immediate action is needed to address these challenges, in particular the increasing numbers of unfounded asylum applications.

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[14] The criminal network used GozNym malware in an attempt to steal an estimated USD 100 million from more than 41,000 victims, primarily businesses and their financial institutions.

The following areas need to be further addressed:

- Strengthen operational cooperation to achieve and maintain a swift decrease in the number of unfounded asylum applications lodged by Georgian nationals in the Schengen+ area, in particular to address, in a more systematic way healthcare related issues, which is one of the pull factors for lodging asylum applications in the EU.
- Strengthen the pre-departure checks, in particular for low cost flights at international airports in full respect of fundamental rights and data protection requirements.
- Continue to organise information campaigns on the rights and obligations of visa-free travel.
- Strengthen cross-border law enforcement cooperation to fight against Georgian organised crime groups and as part of this process, finalise the reform on intelligence-led policing as a matter of priority.

The Republic of Moldova

Irregular migration, asylum applications, readmission

Between 2018 and 2019, the number of refusals of entry for Moldovan nationals in the Schengen+ area decreased by 3% (from 8,170 to 7,940), while the number of Moldovan nationals found to be illegally staying increased by 47% (from 11,280 to 16,540). The number of asylum applications lodged by Moldovan nationals in the Schengen+ area increased by 48%, with 5,685 applications lodged in 2019 compared to 3,830 applications lodged in 2018. The asylum recognition rate decreased to 0.8% in 2019 (compared to 1.4% in 2018). In the first quarter of 2020, 1,345 asylum applications were reported, 7% less than in the same period of 2019.

As regards cooperation on readmission, there has been a decrease in the return rate. The return rate in 2019 decreased to 63% (compared to 86% in 2018), with 4,720 Moldovan nationals effectively returned. However, since EU Member States report good cooperation on readmission of own and third country nationals, this decrease in the return rates should not be attributed to underperformance or changes in the cooperation. Moldova has put in place information campaigns related to visa-free travel and a number of actions particularly targeted at the integration of vulnerable communities.

As a consequence of the COVID-19 crisis, Moldova declared a state of emergency and closed its borders on 17 March. Travel restrictions were extended until 15 July 2020. At the beginning of the pandemic, 200,000-250,000 Moldovan citizens were repatriated from the EU. These returns may represent an increased cost for the social system, together with a drop in revenues from remittances. The National Bank of Moldova (NBM) statistics indicate that in March 2020 remittances dropped by 12% compared to 2019.

Public order and security

Moldovan organised crime groups continued to represent a substantial crime threat during the reporting period. Their involvement in excise fraud (mainly tobacco) increased in 2019 and the organised crime groups continue to be involved in sports corruption. Moldova is an important source country for counterfeit alcoholic beverages smuggled to the EU and a major source of contraband and counterfeit cigarettes, as well as skilled tobacco technicians working in illicit cigarette factories in the EU. Moldova is a transit country for illegal drugs, especially

heroin, trafficked to the EU. Moldovan organised crime groups are reported to be heavily involved in financially motivated malware and ransomware distribution and cybercriminals played key roles in the international *GozNym* malware criminal network dismantled in May 2019[15].

Moldova has made efforts related to the fight against corruption, such as the increase of the annual budget of anti-corruption institutions, including the National Integrity Authority, the Criminal Assets Recovery Agency and the Financial Investigation Unit. In June-August 2019 the Government led by former Prime Minister Maia Sandu approved the Activity Programme 'Partnership for the de-politicisation of the State' and Action Plan 2019-2020, which provided the framework for the investigation of corruption, and focused the activity of the Anticorruption Prosecution Office on high-level cases. The law on the Prosecutor's Office was amended in order to set up a new selection procedure for the position of the General Prosecutor. Questions concerning the recruitment process of the Prosecutor General resulted in a vote of non-confidence in the government of Moldova on 12 November 2019. The new government, sworn in on 14 November 2019, presented a programme until autumn 2020 and on 11 December 2019 approved an Action Plan for 2020-2023 including anticorruption, justice reform and the investigation of banking fraud. On 28 May 2020, Moldova officially joined the Istanbul Anti-Corruption Action Plan of the Anti-Corruption Network of the OECD. Moldova also adopted the law on Anti-Money Laundering sanctions on 21 May 2020.

Under the justice reform initiative, the Government proposed amendments in December 2019 to the law on the Superior Council of Magistracy (SCM)[16] which was adopted and promulgated. An urgent opinion by the Venice Commission on the draft law was pending and expressed regret regarding the amendments that were perceived to have been rushed through[17]. Under these amendments, four lay members were appointed to the SCM in March 2020. Draft constitutional amendments for the reform of the judiciary, in particular the SCM, were submitted to the Venice Commission. While several proposals were regarded as positive, the Venice Commission criticised the March 2020 appointments and called on the Government to address this issue in the constitutional reform process.[18] The draft Justice Reform Strategy and Action Plan 2020-2023 were submitted to the Council of Europe for consultation.

On 19 July 2019, Moldova temporarily suspended the 'Citizenship by Investment' scheme for four months, which was further extended for two more months in December 2019. Since the launch of the programme and until the establishment of the moratorium, eight persons acquired the citizenship of Moldova and 34 pending applications (introduced before the establishment of the first moratorium) continued to be processed. On 26 February 2020, the Government adopted a new law that introduced a new moratorium until 1 September 2020. The law was voted on 28 February 2020 in two readings and the new moratorium entered into force on 20 March 2020. On 18 June 2020, the Parliament adopted the law to abolish the Citizenship for Investment Programme as of 1 September 2020 (end of the existing moratorium). Until the programme is cancelled only existing applications will continue to be processed. The Commission is closely monitoring that robust security and background checks

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[15] The criminal network used GozNym malware to steal from more than 41 000 victims, primarily businesses and their financial institutions. So-called 'crypters' (including one in Balti in Moldova) were used to crypt the malware so antivirus software would not detect it.

[16] Law No. 193 of 20 December 2019 on amending the SCM Law.

[17] Venice Commission Opinion CDL-PI(2020)001.

[18] Venice Commission Opinion CDL-AD(2020)001.

are in place for the applications received prior to the entry into force of the moratorium and which will continue to be processed until the cancellation of the programme on 1 September 2020.

Regarding the COVID-19 crisis, the Parliament declared the state of emergency for 60 days on 17 March 2020 and modified the state of emergency law to allow the Parliament to vote organic laws, as well as to offer some flexibility to the governmental bodies that manage the emergency situation, i.e. the Commission for Emergency Situations – coordinated by the Prime Minister, the Ministry of Internal Affairs and the Inspectorate for Emergency Situations. The state of emergency was declared on the same day in the Transnistrian region, originally for 30 days only, but then extended until 15 May. On 1 April the Government assumed responsibility on a socio-economic package to tackle the consequences of COVID-19, which was suspended by the Constitutional Court on 9 April and declared unconstitutional on 13 April. On 10 April, the Commission on Exceptional Situations adopted most of the measures included in the package. On 23 April, Parliament adopted the corresponding budget rectification and the related laws were promulgated by the President and entered into force on 25 April.

Based on the above analysis, Moldova has taken actions identified in the Second Report and the visa liberalisation benchmarks continue to be fulfilled. Although the former Moldovan Government led by then Prime Minister Maia Sandu initiated important actions with regard to the anti-corruption benchmark, these efforts need to be fully implemented and sustained by the new Government. Despite the decrease in the return rate, good cooperation on readmission continued and should be maintained. With regard to irregular migration, Moldova needs to increase efforts and take action to address the increase of unfounded asylum applications.

The following areas need to be further addressed:

- Strengthen operational cooperation to achieve a swift decrease in the number of unfounded asylum applications lodged by Moldovan nationals in the Schengen+ area.
- Continue to organise information campaigns on the rights and obligations of visa-free travel.
- Continue effective consultations to adopt a strategic concept and action plan for justice reform based on a comprehensive diagnostic, ensuring wide consensus from stakeholders and in strict adherence with the Constitution and European standards.
- Ensure progress with regard the adoption of constitutional amendments related to the judiciary in line with the Venice Commission's recommendations.
- Significantly reduce the existing backlog of e-declarations by the National Integrity Authority and ensure the effective implementation of the Asset Recovery Strategy and the asset declaration system with regard to all high-level actors.
- Strengthen efforts in order to perform and finalise an impartial and comprehensive investigation and prosecution of the 2014 banking fraud, with a view to bringing all those responsible to justice without further delay and to recovering the misappropriated funds.

Ukraine

Irregular migration, asylum applications, readmission

Between 2018 and 2019, the number of refusals of entry for Ukrainian nationals in the Schengen+ area increased by 25% (from 53,185 to 66,390) as well as the number of Ukrainian nationals found to be illegally staying increased by 11% (from 37,410 to 41,705). The number of asylum applications lodged by Ukrainian nationals in the Schengen+ area decreased by 5%, with 9,505 applications lodged in 2019 compared to 10,035 applications lodged in 2018. The asylum recognition rate decreased to 10.2% in 2019 (compared to 17.3% in 2018). In the first quarter of 2020, 1,570 asylum applications were reported, 41% less than in the same period of 2019.

As regards cooperation on readmission, there has been a decrease in the return rate. The return rate decreased to 73% in 2019 (compared to 85% in 2018), with 27,200 Ukrainian nationals effectively returned. However, since EU Member States report good cooperation on readmission of own as well as third country nationals, this decrease in the return rates should not be attributed to underperformance or changes in the cooperation. An ongoing EU-funded project will deliver an electronic readmission case management system that aims to bring further efficiency in the operational cooperation.

Ukraine continued organising information campaigns informing Ukrainian nationals about their rights and obligations when travelling to the EU on visa waivers.

Ukraine is stepping up its efforts in the area of border management. An inter-agency working group was set up by the Cabinet of Ministers in January 2019 with the main aim of coordinating border management related operational policies. A new comprehensive strategy for Integrated Border Management 2020-2025 was developed with expert support of the EU and adopted in July 2019. An accompanying action plan was adopted in November 2019. Discussions regarding the need to criminalise the smuggling of all goods (and not only excise goods) as an indispensable element of border management are ongoing, with no clear commitment on the Ukrainian side so far.

As a consequence of the COVID-19 crisis Ukraine put in place a series of measures, including a general ban on the entry of foreign citizens, with exceptions, and the suspension of all regular commercial international flights, train and bus traffic in and out of Ukraine as of 17 March 2020. "Emergency situation" provisions were introduced nationwide as of 25 March 2020, which included reinforced public order measures, obligatory medical examination of persons with COVID-19 symptoms and enforced hospitalisation or quarantine of these persons, as well as enhanced communication with citizens and sanitary measures including disinfection of public facilities. These measures have been extended until 31 July 2020, allowing for the easing of restrictions region-by-region depending on development of the epidemiological situation.

During this period, Ukraine repatriated several thousand citizens notably through hundreds of flights sporadically organised for this purpose. The government ordered the resumption of border crossing services at Ukraine's international airports as of 15 June 2020. Commercial flight services have resumed gradually as of this date, based also on the epidemiological situations, bilateral agreements with and outstanding measures in force among third countries, including EU Member States.

Public order and security

Ukrainian organised crime groups are increasingly involved in drugs trafficking, organised property crime in particular motor vehicle crimes, as well as investment fraud schemes and sports corruption. They frequently cooperate with organised crime groups from other countries. Ukrainian cybercriminals continue to be involved in various types of cybercrime, including attacks on EU citizens and targets. Moreover, the conflict in Ukraine and the effective lack of controls on parts of Ukraine's Eastern border continues to pose a risk for the diversion of firearms and other trafficked/smuggled goods from the region to the EU. In addition, Ukrainians are among the most reported non-EU victims of trafficking in human beings during the past years.

Ukraine has stepped up efforts in international cooperation, including with Europol. Ukrainian law enforcement agencies are involved in joint operations under the EU Policy Cycle/ EMPACT. Ukraine is developing international law enforcement cooperation to combat organised crime. The EU actively supports Ukrainian law enforcement agencies in strengthening their capacities via the PRAVO Police[19] flagship support project and the EU Advisory Mission. Ukraine, while still lacking an overarching strategy for the reorganisation of the law enforcement sector, continues to reform the National Police. A recently developed Ukrainian-led Security for Combating Organised Crime (SOCTA), based on Europol's methodology is a significant step to fight organised crime and in improving internal law enforcement inter-agency cooperation but is still awaiting approval.

In the area of the fight against corruption, Ukraine continued to build on earlier progress in the establishment of an effective institutional framework including the new High Anti-Corruption Court (HACC), which began functioning on 5 September 2019. The HACC still has not received permanent premises, which is essential to ensure independence and sustainability of its work. The removal of the obligation to submit e-declarations by anti-corruption activists and foreign members of supervisory boards for state owned enterprises as well as re-criminalisation of illicit enrichment and introduction of provisions on non-conviction based confiscation were important steps. Progress has been made towards the effective and automated verification of electronic asset declarations, notably by ensuring that the National Agency for Corruption Prevention (NACP) has full and automated access to all relevant registers and databases.

In October 2019, a law was adopted that foresees a full reboot of the NACP, in particular changing its management structure from a collegiate body to a single Director. Following a transparent selection process with the participation of international experts, a new Head of the NACP was appointed in January 2020.

Following sustained international pressure over the past several years, in October 2019, the National Anti-Corruption Bureau (NABU) was finally granted an autonomous wiretapping power.

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[19] EUR 36 million programme designed to support the creation of an efficient law-enforcement system, respectful of human rights, in support of the people of Ukraine, via the provision of the necessary support to the National Police of Ukraine and other Ukrainian authorities in charge of law enforcement (December 2017 – June 2021).

Concerns relating to the independence of the Specialised Anti-Corruption Prosecutor's Office (SAPO) raised in 2018 by allegations of serious misconduct against the Head of the SAPO have not been addressed. Despite the tensions caused by these allegations, NABU and SAPO continued to cooperate actively in 2019, during the last six months of 2019 with more persons exposed for corruption than during the whole of 2018. Attempts to dismiss the head of NABU regained momentum in early February 2020, when a Parliamentary petition for his removal received more than 200 signatures although none of the grounds for dismissal under the law were fulfilled. Following the controversial and heavily politicised 2018 appointment of auditors for the external audit of NABU, the previous appointments were cancelled by the new leadership without new appointments made. A negative audit conclusion is a ground for the dismissal of the head of NABU.

In June 2020, the Office of the Prosecutor General initiated the selection process for a new SAPO Head by appointing four members to the selection commission. A further seven members remain to be appointed by the Parliament. The new head of SAPO is expected to take up work in autumn 2020.

In December 2019, a law relaunching the State Bureau of Investigations (SBI), in charge of investigating misconduct of public officials (including corruption offences outside NABU's mandate), was adopted and an acting Director appointed. The selection of the permanent head of the SBI is delayed due to political controversy about the composition of the selection commission.

Based on the above analysis, Ukraine has taken action identified in the Second Report and the visa liberalisation benchmarks continue to be fulfilled. Despite the decrease in the return rate, good cooperation on readmission continued and should be maintained as well as cooperation with the EU and Member States on measures to tackle migration challenges and mitigate security risks. Ukraine continued its efforts in the area of rule of law. However, more efforts are needed to ensure the sustainability of results in particular as regards the fight against corruption and organised crime as well as further improvement of the Integrated Border Management System (including the criminalisation of smuggling of all goods). Immediate actions are also needed to address irregular migration challenges.

The following areas need to be further addressed:

- Strengthen operational cooperation with Member States to decrease irregular migration by Ukrainian nationals to the Schengen+ area.
- Continue to organise information campaigns on the rights and obligations of visa-free travel.
- Ensure the independence, effectiveness and sustainability of the anti-corruption institutional framework and avoid politicisation of the work of all law enforcement agencies. In particular address persisting concerns with the independence and integrity of SAPO, including by ensuring a credible selection procedure for the next SAPO Head. Ensure that the appointment and dismissal of the all law enforcement agencies leadership takes place in strict accordance with the law. Ensure that the relaunched National Agency for the Prevention of Corruption credibly fulfils its mandate, including by continuing to operate a fully functioning and effective system for the verification of asset declarations.
- Reinforce the capacities of the National Police and improve the cooperation and delineation between law enforcement agencies to better tackle organised crime.

III.   Conclusions

The Commission considers that on the basis of the analysis presented in this Report and the accompanying Staff Working Document, the visa liberalisation requirements for the assessed countries continue to be fulfilled. This Report identifies further actions which need to be taken – in some cases immediately – in specific areas in order to ensure continuous fulfilment of the benchmarks.

As a broader response to COVID-19, the Commission is redirecting assistance from the Instrument of Pre-Accession and European Neighbourhood Instrument respectively for Western Balkans and Eastern Partnership partners for immediate needs and to tackle socio-economic consequences. Since the beginning of the pandemic, the Western Balkan and Eastern Partnership partners have put in place wide range of measures and repatriated their nationals including from Schengen+ area.

Numbers of **unfounded asylum applications**, in the case of **Albania** and **Georgia** continue to be a source of concern. Some Member States report the phenomenon that asylum applications are lodged to seek medical care in the EU (notably Georgians). Increased irregular migration from **Georgia, Ukraine, Serbia** and **Bosnia and Herzegovina** has been observed. Irregular migration of **Albanian nationals** continues to be high. The Western Balkan and Eastern Partnership countries took measures to address these challenges, but more efforts are needed to ensure the improvement and the sustainability of results.

Insufficient reception capacity in some Western Balkan countries (notably Bosnia and Herzegovina) raises concerns about the capacity to fully address irregular migration challenges. Despite the decrease in the return rate, the cooperation on readmission and return continues smoothly for all Western Balkan and Eastern Partnership countries. However, a steady rate of return and readmission of own country nationals should be maintained, while the readmission of third-country nationals should be further improved in particular by Western Balkan countries.

The swift finalisation and implementation of the remaining Frontex Status Agreements is of great importance, as this will contribute to a stronger management of irregular migration, although the primary responsibility for managing their respective borders remains with the Western Balkan countries.

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 all visa-free countries **to ensure their alignment with the EU's visa policy**.

The Western Balkan and Eastern Partnership countries continued to take measures **to prevent and fight against organised crime**. However, efforts need to be sustained and 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, motor vehicle crime, money laundering, trafficking in human beings[20], smuggling of migrants and cybercrime.

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[20]   Trafficking in human beings remains a highly profitable form of serious and organised crime, driven by high profits, and by the demand that fosters all forms of exploitation. Trafficking does not require the crossing of borders, and a significant number of victims are trafficked within national borders, including in the EU. Efforts have been made on addressing trafficking in human beings. It remains key to ensure that all victims, including those trafficked within national borders, have access to appropriate assistance and support, taking into account that women and girls remain globally the majority of the victims, and mainly

High-level corruption remains an issue in all countries covered by this report. As in previous years, the report identified the need for **Moldova** to take immediate actions as a matter of urgency to ensure the fulfilment of the anti-corruption benchmark. While some important actions were taken by the Government of former Prime Minister Maia Sandu, efforts need to be implemented and sustained by the new Moldovan Government. The reform process in **Ukraine** – particularly on anticorruption – is ongoing and further progress is expected.

The EU-Western Balkans Joint Action Plan on Counter-Terrorism was endorsed on 5 October 2018. One year later bilateral arrangements were negotiated and signed with all Western Balkans partners. These bilateral arrangements are an important milestone, in addressing key priority security areas, including the prevention of all forms of radicalisation and violent extremism, and challenges posed by returning foreign terrorist fighters and their families. These should be now actively implemented.

Implementation of the visa liberalisation benchmarks is a continuous and ongoing process. Close monitoring will therefore 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, the regular enlargement reports, including, where relevant, EU accession negotiations.

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trafficked for sexual exploitation. Prevention must remain at the core of all anti-trafficking action, focussing on countering the culture of impunity for all perpetrators that fosters the crime.