



Brussels, 20.12.2017
SWD(2017) 480 final

COMMISSION STAFF WORKING DOCUMENT
Accompanying the document

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

First Report under the Visa Suspension Mechanism

{COM(2017) 815 final}

TABLE OF CONTENTS

I. INTRODUCTION	2
II. ASSESSMENT OF SPECIFIC AREAS IN LINE WITH VISA LIBERALISATION BENCHMARKS	2
II.1 WESTERN BALKANS	2
II.1.1 ALBANIA	2
II.1.2 THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	5
II.1.3 BOSNIA AND HERZEGOVINA	8
II.1.4 MONTENEGRO	11
II.1.5 SERBIA	14
II.2 EASTERN PARTNERSHIP	18
II.2.1 REPUBLIC OF MOLDOVA	18
II.2.2 GEORGIA	23
II.2.3 UKRAINE	30
III. ANNEX - STATISTICS	36
III.1 IRREGULAR MIGRATION	36
III.2 ASYLUM	37
III.3 RETURN AND READMISSION	38
III.4 SECURITY	39

I. INTRODUCTION

The Commission Staff Working Document (CSWD) accompanies the First Report under the Visa Suspension Mechanism (First Report). The CSWD builds on the information and the assessment provided in the First Report and provides a detailed analysis of the most relevant developments relating to the implementation of the visa liberalisation benchmarks.

II. ASSESSMENT OF SPECIFIC AREAS IN LINE WITH VISA LIBERALISATION BENCHMARKS

II.1 WESTERN BALKANS

II.1.1 ALBANIA

Irregular migration, including readmission

As regards irregular migration challenges, between 2015 and 2016, refusals of entry increased by 91% from 15,835 to 30,305. Greece was the most-affected Member State in 2016, followed by Italy:

<i>Refusals of entry for citizens of Albania</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	1,135	1,715	2,195	15,990	12,495	12,260	13,240	15,835	30,305
Greece	305	670	1,015	9,000	7,415	4,845	3,800	4,440	15,930
Italy	355	435	575	4,930	2,920	3,105	3,375	3,760	5,280
Croatia	N/A	N/A	N/A	N/A	N/A	1,125	1,560	1,730	1,955
Hungary	10	35	50	210	180	840	1,400	1,795	1,855
France	45	105	60	170	90	150	105	335	1,510

Illegal stay: Between 2015 and 2016, illegal stays fell by 30% from 47,755 to 33,445. Greece remained the most-affected Member State in 2016, followed by Germany:

<i>Illegal stay by citizens of Albania</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	71,920	68,655	52,170	16,640	17,665	25,815	29,895	47,755	33,445
Greece	65,480	63,140	47,120	11,225	10,525	15,555	15,090	16,910	11,335
Germany	755	615	460	545	855	1,345	1,920	17,995	10,520
France	1,210	635	560	1,495	1,750	3,170	5,255	5,540	4,635
Italy	3,635	2,875	2,820	1,715	2,230	2,265	2,390	2,555	2,270
Switzerland	0	465	440	500	680	810	925	1,035	935

Asylum: Between 2015 and 2016, asylum applications fell by 54% from 66,715 to 30,840. Germany was the most-affected Member State in 2016, followed by France:

<i>Yearly total number of asylum applications by citizens of Albania</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	1,160	1,810	1,720	2,685	6,670	9,685	15,185	66,715	30,840
Germany	75	55	45	85	250	1,295	8,110	54,760	17,230
France	345	560	515	505	2,705	5,065	3,000	3,650	7,445
Netherlands	10	15	20	30	20	35	90	1,010	1,700
Greece	200	515	695	275	385	580	570	1,005	1,425
Belgium	175	280	245	1,290	1,075	775	730	825	815

In the first half of 2017, asylum applications fell by 27% compared to the previous six months. In this period, France overtook Germany as the Member States most affected by Albanian asylum applications. These figures are still the absolute highest for any visa-free state:

<i>Monthly asylum applications by citizens of Albania</i>	2016 M07	2016 M08	2016 M09	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2016 2nd half	2017 1st half
Schengen+ area	2,800	3,035	3,730	2,625	2,695	2,280	1,945	1,620	2,325	2,220	2,170	2,160	17,165	12,440
France	585	655	670	1,000	1,045	1,120	1,030	880	1,200	1,170	1,160	1,060	5,075	6,500
Germany	1,710	1,915	2,510	1,035	1,030	705	575	380	680	625	475	525	8,905	3,260
Greece	90	95	130	180	175	140	105	100	125	190	250	245	810	1,015
Belgium	75	75	70	95	130	60	55	85	95	60	50	60	505	405
Sweden	65	55	75	95	75	80	35	30	60	50	55	90	445	320

Albania has stepped up operational cooperation with Member States most affected by irregular migration from Albania, including information exchange with Member States on Schengen entry bans. Albania's practice of conducting 'exit interviews' with travellers at BCPs must respect travellers' fundamental rights.

Since July 2017, Albanian authorities have been working very closely with most affected Member States to address the irregular migration of unaccompanied minors, the facilitation of irregular migration, operational cooperation to address irregular migration and information exchange, document fraud and information campaigns on the rights and obligations of the visa-free travel. Cross-checking information with Member State authorities enabled Albania, in August and September 2017, to persuade 4,271 Albanian travellers with SIS entry bans not to continue their journeys towards the EU. Albania has also begun negotiations with the European Commission enabling the deployment, on its territory, of team members of the

European Border and Coast Guard Agency. Although the pressure on Albania represented by mixed migration flows route has been manageable, such an agreement could provide a further layer of protection in controlling mixed migration flows along this route.

Albania has also amended its law on foreigners to further align it with the EU *acquis* on legal migration.

Readmission and return: Readmission is functioning well, with the country swiftly honouring readmission requests from EU Member States. With 41,285 returns performed to Albania in 2016, the return rate to this country increased substantially from 86.45% in 2015 to 129.12% in 2016. Member States commend Albania's very good collaboration on readmission and return, especially given EU's concern on the high number of Albanian irregular migrants and asylum seekers in the EU. Albania's efforts to rigorously respect deadlines, run return operations smoothly, organise information campaigns to prevent irregular migration and improve the readmission of unaccompanied minors are a good step forward.

	2014			2015			2016		
	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate
Schengen+ area	27,125	23,260	85.75%	39,310	33,985	86.45%	31,975	41,285	129.12%
Germany	N/A	N/A	N/A	10,960	15,730	143.52%	10,900	22,890	210.00%
Greece	15,090	17,145	113.62%	12,000	9,630	80.25%	7,730	9,690	125.36%
France	4,505	2,125	47.17%	5,235	2,280	43.55%	4,170	2,335	56.00%
Italy	2,390	1,070	44.77%	2,555	1,160	45.40%	2,270	1,115	49.12%
Netherlands	130	255	196.15%	475	545	114.74%	1,585	1,765	111.36%

Implementing protocols (IP) exist with Austria, Benelux, Bulgaria, France, Italy, Hungary, Malta, Portugal and Slovakia. Negotiations have been finalised with Spain and IP should be signed soon. Negotiations are ongoing with Greece. A bilateral agreement has been signed with Denmark. Readmission Agreements have also been signed with Serbia and Moldova. Negotiations started with Russia in 2015 and are ongoing. Following the recommendations of last year's progress report on the post-visa liberalisation, negotiations are also being conducted with Morocco, Afghanistan, Iraq and Iran.

Public order and security

Albanian-speaking **organised crime groups** are particularly active across a broad range of criminal activities in the EU, although they cannot be linked to Albania alone. These groups are usually poly-criminal and engage in drug trafficking, notably of cannabis, cocaine and heroin; migrant smuggling; organised property crime; racketeering and extortion. Albania also retains one of the largest weapon stocks in the region. Between 2012 and 2016, 144 Foreign Terrorist Fighters have travelled from Albania to Syria to join the armed conflict. According to the authorities there have been no new departures since 2015 to date.

The monthly number of alerts created by Member States in the Schengen Information System (SIS) based on Article 26 alerts remained the absolute highest for any visa-free state, with 269 total entries, throughout the period October 2016-September 2017.

<i>Art. 26 SIS alerts</i>	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2017 M07	2017 M08	2017 M09	Grand Total
Albania	24	31	18	20	16	30	23	11	23	31	20	22	269

To target **organised crime**, Albania has tightened its legislation on combating drug trafficking, as well as its criminal code on controlled deliveries. It has also amended its legislation to enable weapon tracing and identification. Albania has also taken steps to improve the effectiveness of its law enforcement efforts to combat serious and organised crime. Albania has also strengthened controls of documents at certain BCPs, including Rinas airport. Seizures of illicit drugs, cannabis in particular, increased substantially from 2015 to 2017.

Albania has also amended its legal framework on **corruption** by extending the scope of asset investigations in criminal investigations. Relations with Europol have deepened between 2016-mid 2017, as demonstrated by the number of complex joint investigations on drug trafficking.

II.1.2 THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Irregular migration, including readmission

As regards irregular migration challenges, between 2015 and 2016, refusals of entry fell by 2% from 2,555 to 2,495. Countries close to the former Yugoslav Republic of Macedonia, such as Hungary, Greece, Slovenia and Croatia have been most affected; further afield, French detections have increased.

<i>Refusals of entry for citizens of the former Yugoslav Republic of Macedonia</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	2,115	2,300	4,165	3,320	2,325	2,465	2,560	2,555	2,495
Hungary	110	215	515	555	495	770	915	755	785
Greece	305	450	1,415	950	565	480	510	395	380
Slovenia	425	1,035	1,090	835	475	520	450	450	355
Croatia	N/A	N/A	N/A	N/A	N/A	165	275	285	200
France	30	20	10	15	15	15	15	45	160

Illegal stay: Between 2015 and 2016, illegal stays fell by 13% from 5,265 to 4,595. Germany has detected the bulk of irregular stay by citizens of the former Yugoslav Republic of

Macedonia; Switzerland, Hungary and Slovenia are also affected by this irregular migration trend.

<i>Illegal stay by citizens of the former Yugoslav Republic of Macedonia</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	2,770	2,200	3,580	3,765	3,840	3,835	4,505	5,265	4,595
Germany	1,225	560	1,125	1,255	1,805	1,970	2,205	3,530	2,560
Switzerland	N/A	295	430	530	430	285	330	420	480
Hungary	35	80	130	225	500	395	505	370	365
Slovenia	105	85	420	685	45	35	40	40	365
Austria	380	345	195	175	200	215	180	95	140

Asylum: Between 2015 and 2016, asylum applications fell by 44% from 16,110 to 9,100. Germany was the most-affected Member State, but asylum applications increased rapidly in 2016 in Iceland, making it the second most-affected Associated Country in the Schengen area.

<i>Yearly total number of asylum applications by citizens of the former Yugoslav Republic of Macedonia</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	930	1,010	8,090	6,565	10,780	11,175	10,435	16,110	9,100
Germany	135	160	3,545	1,755	6,890	9,415	8,905	14,130	7,010
Iceland	0	0	5	0	0	0	10	25	470
Netherlands	5	15	390	265	60	100	120	110	435
France	110	75	595	745	855	345	235	340	430
Sweden	60	90	900	875	615	455	425	465	185

In the first half of 2017, asylum applications fell by 28% from 5,240 to 3,755 compared to the previous six months. Germany remains the most-affected Member State, followed by France.

<i>Monthly asylum applications by citizens of the former Yugoslav Republic of Macedonia</i>	2016 M07	2016 M08	2016 M09	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2016 2nd half	2017 1st half
Schengen+ area	905	930	1,170	805	855	575	560	555	925	690	465	560	5,240	3,755
Germany	760	775	915	475	545	405	440	395	710	470	295	410	3,875	2,720
France	20	20	55	70	45	30	55	45	105	100	65	90	240	460

Belgium	10	15	20	30	20	10	10	25	35	25	30	15	105	140
Sweden	5	15	35	25	15	15	10	30	15	15	15	10	110	95
Netherlands	65	65	25	25	15	20	5	20	15	20	10	10	215	80

Readmission and return: Readmission is functioning well, with the country swiftly honouring readmission requests from EU Member States and an excellent return rate of 127.71% in 2016. Implementing Protocols are in place with Bulgaria, Estonia, Germany, Austria and Slovakia. The country is in the process of concluding implementing protocols with France, Hungary, Italy, Latvia, Lithuania and Iceland. While not necessary for the operation of the EU readmission agreement, these implementing protocols could buttress the agreement's functioning.

	2014			2015			2016		
	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate
Schengen+ area	2,530	2,400	94.86%	5,700	5,800	101.75%	6,085	7,710	126.71%
Germany	N/A	2,160	N/A	2,880	4,825	167.53%	3,715	6,530	175.77%
Austria	0	20	N/A	420	N/A	N/A	525	245	46.67%
Belgium	625	155	24.80%	520	105	20.19%	460	115	25.00%
Netherlands	185	115	62.16%	145	60	41.38%	335	225	67.16%
Sweden	410	270	65.85%	580	455	78.45%	260	225	86.54%

The former Yugoslav Republic of Macedonia has also started negotiations with the European Commission enabling the deployment on its territory of team members of the European Border and Coast Guard Agency. These negotiations are expected to be concluded soon, adding a new layer of protection to controlling mixed migration flows along the Western Balkan migration route. It has concluded agreements with Austria, Hungary and Serbia on the management of mixed migration flows.

The country has also amended its Law on foreigners to align it with EU standards on legal migration and has hosted a small number of stranded migrants since the *de facto* closure of the Western Balkan route in March 2016.

Public order and security

Criminals from the former Yugoslav Republic of Macedonia are active in the trafficking and distribution of drugs, notably heroin. The country remains a source of archaeological objects, religious items and cultural goods trafficked to the EU. Some criminal groups also engaged in sports corruption, notably betting fraud. Returning foreign terrorist fighters also pose a risk to this country.

The monthly number of alerts created by Member States in the Schengen Information System (SIS) based on Article 26 remained stable throughout the period October 2016-September 2017, amount to 35 over this period.

<i>Art. 26 SIS alerts</i>	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2017 M07	2017 M08	2017 M09	Grand Total
Former Yugoslav Republic of Macedonia	1	0	1	4	1	7	3	3	2	2	5	6	35

The former Yugoslav Republic of Macedonia has adopted a new national Serious and Organised Crime Threat Assessment (SOCTA) in line with Europol's model, focusing on trafficking in human beings, notably unaccompanied minors, and a new strategy in combating the trafficking of small weapons, and new counter-terrorism strategy and aimed to step up its efforts to combat drug trafficking. It has also developed a regional SOCTA with Serbia and Montenegro.

As regards law enforcement, efforts to crack down on drug trafficking have resulted in increased seizures of drugs, in particular cannabis and synthetic drugs, and the disruption of several drug trafficking gangs. A national coordinator has been appointed to oversee efforts to combat terrorism. Law enforcement cooperation with Western Balkan partners, Italy and Slovenia have improved, as has operational cooperation with Europol. It has also signed bilateral agreements or memoranda of understanding with Austria, Italy, Poland, Slovakia, Slovenia to enhance law enforcement cooperation and the fight against serious crime. Operational relations with Europol have also improved.

II.1.3 BOSNIA AND HERZEGOVINA

Irregular migration, including readmission

As regards irregular migration challenges, the **refusal of entry** rate in 2016 stayed at the same level as in 2015 with 5,150 cases. The number of detected illegal stays remained low, and in comparison to 2015 decreased slightly in 2016 from 3,585 to 3,645 cases.

<i>Refusals of entry for citizens of Bosnia and Herzegovina</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	1,610	1,280	865	1,695	1,610	6,045	4,910	5,185	5,150
Croatia	N/A	N/A	N/A	N/A	N/A	4,515	3,540	3,525	3,525
Slovenia	930	1,025	630	1,230	1,215	1,145	865	865	720
Hungary	95	100	140	210	225	240	360	585	570

<i>Illegal stay by citizens</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
---------------------------------	------	------	------	------	------	------	------	------	------

<i>of Bosnia and Herzegovina</i>									
Schengen+ area	2,500	2,170	2,320	2,770	2,870	3,220	3,950	3,585	3,645
Germany	1,115	685	650	790	1,095	1,330	1,640	1,715	1,440
Slovenia	210	315	400	555	140	115	175	175	495
Croatia	N/A	N/A	N/A	N/A	N/A	195	400	390	395
Hungary	45	40	40	70	90	175	250	290	280
Switzerland	N/A	85	85	90	135	125	150	180	225

After a period of elevated figures of around 400 **asylum** applications on average per month in the second part of 2016, the number of asylum applications lodged by the country's nationals in the Schengen zone dropped in the second quarter of 2017 and in June 2016 amounted to 180. The top destinations countries were: Germany and France.

<i>Yearly total number of asylum applications by citizens of Bosnia and Herzegovina</i>									
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	1,115	1,600	2,295	2,965	6,395	7,320	10,895	9,100	4,495
Germany	215	250	355	405	2,370	4,845	8,475	7,475	3,105
France	235	450	500	250	785	925	845	400	480
Netherlands	15	20	10	30	70	85	130	125	295
Sweden	155	135	120	970	1,555	520	495	540	155

<i>Monthly asylum applications by citizens of Bosnia and Herzegovina</i>														
	2016 M07	2016 M08	2016 M09	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2016 2nd half	2017 1st half
Schengen+ area	330	455	465	390	405	295	295	260	355	185	165	180	2,340	1,440
Germany	225	355	350	255	260	180	165	150	235	95	90	85	1,625	820
France	30	35	45	65	50	55	55	50	70	65	45	65	280	350
Netherlands	25	35	25	15	25	25	15	5	5	5	0	10	150	40
Sweden	10	5	20	25	20	5	25	5	15	5	10	10	85	70

Readmission and return: As regards implementation of the readmission agreement with EU, a satisfactory level of cooperation was reported by EU Member States. Eurostat figures show a constant trend of around 5,000 return decisions per year (of which more than 2,000 from Germany) and a stable the return rate around 73% over the period 2015-2016.

13 Implementation Protocols (IP) were concluded with 15 EU Member States: Estonia, Malta, Austria, Bulgaria, Hungary; Czech Republic, Romania, Belgium, The Netherlands, Luxemburg, Germany, France, Slovakia, Greece and Slovenia. An IP should be signed soon

with Italy, as the internal procedures are finalised. Negotiations with Sweden are on-going. Spain, Portugal, Lithuania and Latvia expressed their willingness to conclude IP as well.

	2014			2015			2016		
	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate
Schengen+ area	5,450	3,320	60.92%	5,675	4,100	72.25%	5,080	3,755	73.92%
Germany	2,065	1,665	80.63%	2,210	2,280	103.17%	2,105	2,235	106.18%
Croatia	770	595	77.27%	695	535	76.98%	645	485	75.19%
Austria	0	N/A	N/A	355	N/A	N/A	435	155	35.63%
Slovenia	175	45	25.71%	175	45	25.71%	325	35	10.77%
France	735	235	31.97%	435	205	47.13%	320	100	31.25%

Public order and security

According to Europol, nationals of Bosnia and Herzegovina are among the most frequently reported nationalities for organised property crimes in the EU. Organised crime groups from the country are involved in home theft, violent burglaries and rip-deals as well as in human trafficking. The country is also a destination country for vehicles stolen in various Member States.

The monthly number of alerts created by Member States in the Schengen Information System (SIS) based on Article 26 increased in the recent months.

<i>Art. 26 SIS alerts</i>	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2017 M07	2017 M08	2017 M09	Grand Total
Bosnia and Herzegovina	6	6	3	8	8	13	5	10	8	9	12	21	109

In October 2016 a framework action plan accompanying the 2015-2020 Strategy on prevention and fight against terrorism was adopted. The Council of Ministers established a supervisory body for the implementation of the Strategy. A counter-terrorism taskforce was established in order to coordinate counter-terrorism efforts in the country. Amendments to the criminal code qualify terrorism and joining foreign paramilitary formations as criminal offences. The Additional Protocol to the Council of Europe Convention on the Prevention of Terrorism is currently in the process of ratification. In 2016 there were 11 cases of terrorism against 26 persons brought to court. In two of them the final verdicts were pronounced with 5 persons found guilty. The government supports and promotes activities of the academic community, the Islamic community and civil society aimed at prevention of radicalisation and violent extremism. Financial challenges exist for programmes aimed at prevention of violent extremism, in particular at local administrative level. In the area of border management, an Integrated Border Management Strategy was adopted in 2016 together with an accompanying

action plan. The projects on closing illegal border crossings with Croatia and Montenegro were finalised. The agreement with Serbia is in the final stage of implementation. The border demarcation agreement with Montenegro entered into force in April 2016. The border police works closely with EBCGA and Interpol through active engagement in international police operations and other events. A working arrangement with EBCGA is in place. Further improvements are needed on infrastructure and equipment at border crossing points. There are two joint centres for police cooperation with the neighbouring countries in Trebinje and Nova Sela.

II.1.4 MONTENEGRO

Irregular migration, including readmission

As regards irregular migration challenges, between 2015 and 2016, the number of refused entry fell from 385 to 335 cases and the number of illegal stays also decreased from 770 to 570 persons.

<i>Refusals of entry for citizens of Montenegro</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	75	135	315	300	250	435	400	385	335
Hungary	5	30	115	115	95	170	195	145	140
Croatia	N/A	N/A	N/A	N/A	N/A	90	45	90	65
Slovenia	35	45	110	85	75	70	60	60	40
France	0	0	10	0	5	5	15	10	35

<i>Illegal stay by citizens of Montenegro</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	355	305	365	385	480	610	810	770	570
Germany	210	140	175	165	230	245	275	430	250
France	100	70	70	80	85	140	200	120	95
Hungary	0	5	10	20	30	40	105	75	85

Asylum applications: A decrease could be observed in the number of asylum applications lodged by Montenegrin nationals in the Schengen area since the beginning of 2017. The figures amount to only 80 per month on average. There was no change in top destinations countries (i.e. Germany and France).

<i>Yearly total number of asylum applications by citizens of Montenegro</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	310	275	435	670	1,305	975	1,870	4,115	1,830

Germany	55	95	95	125	395	380	1,270	3,635	1,625
France	120	80	80	200	320	245	260	160	110
Luxembourg	15	5	0	105	290	115	145	75	10

<i>Monthly asylum applications by citizens of Montenegro</i>	2016 M07	2016 M08	2016 M09	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2016 2nd half	2017 1st half
Schengen+ area	105	230	150	75	115	100	115	70	75	100	80	70	795	510
Germany	100	210	130	70	90	75	100	45	45	70	75	50	675	385
France	0	5	15	5	20	15	10	15	20	20	5	20	60	90
Netherlands	0	10	0	0	0	10	0	0	0	5	0	0	20	5

Readmission and return: The readmission agreement with the EU continues to be implemented smoothly. Montenegro concluded implementing protocols with 13 EU Member States. Even if the number of returns performed to Montenegro in 2016 is not very high (2,405), Montenegro shows the highest return rate from Schengen+ area not only for the Western Balkans but for all third countries with a substantial increase from 78% in 2015 to 160 % in 2016. Most readmissions are taking place from Germany, France, Sweden and Luxembourg.

So far, Montenegro signed Implementation Protocols with Slovenia, Malta, Austria, Bulgaria, Czech Republic, Germany, Slovakia, Benelux, Estonia, Italy and Hungary. Negotiations with Spain have been finalized and the implementation protocol is ready to be signed. The readmission agreement with Turkey, signed already in 2013, entered into force in December 2016. In July 2017 the readmission agreement with Azerbaijan was signed and its ratification is on-going.

A set of training courses by EBCGA for Montenegrin officials was organised on European standards applicable in return operations. Montenegro made further progress in concluding readmission agreements with third countries. Readmission agreements with Georgia, Ukraine and Turkey entered into force in the second half of 2016. The readmission agreement with Azerbaijan was signed in July 2017, the agreement with Russia remains to be signed. Montenegro is negotiating readmission agreements with Iceland and China. Readmission agreements with all neighbouring countries as well as with the former Yugoslav Republic of Macedonia are in place and have been implemented in a satisfactory manner.

	2014			2015			2016		
	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate
Schengen+ area	1,090	525	48.17%	1,565	1,225	78.27%	1,500	2,405	160.33%
Germany	430	185	43.02%	945	825	87.30%	1,065	2,160	202.82%
France	235	40	17.02%	160	40	25.00%	135	60	44.44%
Sweden	70	60	85.71%	165	105	63.64%	45	45	100.00%

Austria	0	N/A	N/A	30	N/A	N/A	45	20	44.44%
----------------	---	-----	-----	----	-----	-----	----	----	--------

The Strategy for the Integrated **Migration Management** for the period 2017-2020 was adopted in February 2017, together with an Action Plan. It should foster inter-agency cooperation between services concerned and lead to a more coherent policy approach towards migration. In the field of irregular migration, legislative work is under way to align legislation with EU acquis. Border surveillance activities were intensified since the migration crisis hit the region and a substantial number of joint patrols and operations were conducted with all neighbouring countries (apart from Croatia) with a special focus on detecting smuggling routes and activities. One investigation into people smuggling was launched in the second half of 2016. In July 2016 a second instance judgement led to a conviction to effective prison sentences of 10 persons, organisers and members of a criminal organisation specialised in migrant smuggling. The Centre for irregular migrants accommodated 123 people in 2016, compared with 112 in 2015. The existing capacities of the Centre fully meet the current needs. And its staff continued to receive relevant training.

In the area of **asylum**, the overall capacity of Montenegro to handle asylum applications remains sufficient for the current flow of asylum seekers entering the country. In 2016, 335 requests for asylum were registered. The top three nationalities were citizens from Afghanistan, Syria and Iraq. The vast majority of asylum applicants leave the country during the course of the procedure. Montenegro reported good **cross border cooperation** with all its neighbours. Based on a thorough needs analysis covering staffing, training, equipment and infrastructure a Schengen Action Plan was adopted in February 2017. It determines further steps in the legislative alignment of domestic legislation with the EU acquis in the area of border management, as well as for the modernisation of infrastructure and training.

Public order and security

Montenegro adopted in recent years its own Serious and Organised Crime Threat Assessment on the basis of which is rolling out its security priorities. Montenegro has been a hub for trafficking of illicit tobacco products to the EU. Particular efforts need to be put to tackle drug trafficking, as the organised crime groups originating from the country are active in particular as regards trafficking of cocaine. The organised crime groups active in Montenegro have also invested illicit proceeds in sport clubs which can generate profits by selling players and can facilitate additional frauds.

The monthly number of alerts created by Member States in the Schengen Information System (SIS) based on Article 26 remained stable throughout the period October 2016-September 2017.

<i>Art. 26 SIS alerts</i>	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2017 M07	2017 M08	2017 M09	Grand Total
Montenegro	1	1	0	3	2	2	0	1	1	1	3	1	16

Montenegro has been a hub for trafficking of illicit tobacco products to the EU. Particular efforts need to be put to tackle drug trafficking, as the organised crime groups originating from the country are active in particular as regards trafficking of cocaine. The organised crime groups active in Montenegro have also invested illicit proceeds in sport clubs which can generate profits by selling players and can facilitate additional frauds.

As regards **fight against organised crime**, a new draft law on Internal Affairs was prepared, which is supposed to introduce structural changes in the internal organisation of the police, in particular by promoting merit-based recruitment, evaluation and promotion. A new national Serious and Organised Crime Threat Assessment (SOCTA) is currently under preparation. The institutional set-up in the fight against organised crime was further strengthened. The Special Police Unit has now 20 positions filled as foreseen, however further staff increases remain necessary so as to meet the needs. The number of staff of the Special Prosecutor Office has increased to 29 civil servants while 8 vacant positions are still to be filled. Efforts should continue to develop the country's track record in organised crime cases, also as regards trafficking in human beings and money laundering where results are limited. Pro-active investigations remain rare and most investigations in organised crime cases still start on the basis of signals received. Money laundering is *de facto* not prosecuted as a standalone crime, which hampers the establishment of relevant track record. There are currently several criminal investigations into suspicions of money laundering but no case has been brought before the court in recent years. Use of financial investigations is still limited. As regards relations with Europol, the cooperation runs smoothly and Montenegro takes part in numerous Analysis Work Files. Its liaison officer was seconded to Europol already in 2015.

II.1.5 SERBIA

Irregular migration, including readmission

As regards irregular migration challenges, the number of Serbia's nationals which were refused entry in 2016 was 7,910 (roughly the same as in 2015 where 7,850 cases were reported). The number of illegal stays decreased from 13,785 to 11,180 between 2015 and 2016. A significant decrease was reported in the number of asylum application, from over 30,325 in 2015 to 13,515 in 2016).

<i>Refusals of entry for citizens of Serbia</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	5,615	3,580	6,500	6,620	5,590	9,170	9,520	7,850	7,910
Hungary	1,515	1,730	2,920	3,580	3,325	5,445	6,530	4,805	4,710
Croatia	N/A	N/A	N/A	N/A	N/A	1,235	730	740	765

Slovenia	615	825	1,575	1,245	1,050	865	700	700	605
Romania	390	260	455	450	245	715	600	575	510
France	355	55	45	45	55	65	110	175	265

<i>Illegal stay by citizens of Serbia</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	12,980	8,330	12,020	9,390	11,280	11,820	15,400	13,785	11,180
Hungary	355	495	540	1,125	2,030	2,275	3,350	2,580	2,455
Switzerland	N/A	0	0	0	745	715	665	810	850
Austria	2,290	1,280	855	940	1,015	1,090	815	460	660
Slovenia	230	125	355	610	115	90	110	110	440

The number of **asylum** applications lodged by Serbian nationals in the Schengen area is still high and amounts to 600 on average per month in the second quarter of 2017. However, a significant decrease was registered if compared to figures from last year where average monthly rates exceeded 1,300 applications. Germany and France continued to constitute top destinations for asylum applicants from Serbia.

<i>Yearly total number of asylum applications by citizens of Serbia</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	15,660	6,435	18,845	15,630	21,065	22,725	31,170	30,325	13,515
Germany	2,250	890	6,795	6,990	12,810	18,000	27,145	26,945	10,260
Netherlands	45	55	65	105	145	265	195	445	945
France	3,425	980	800	665	840	700	605	460	655
Sweden	2,035	585	6,255	2,645	2,670	1,670	1,510	1,055	460

<i>Monthly asylum applications by citizens of Serbia</i>	2016 M07	2016 M08	2016 M09	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2016 2nd half	2017 1st half
Schengen+ area	1,255	1,415	1,375	930	1,175	990	815	695	910	710	565	530	7,140	4,225
Germany	1,005	1,100	1,080	650	845	670	555	445	610	410	320	285	5,350	2,625
France	35	45	70	50	80	60	100	70	125	125	100	100	340	620
Netherlands	130	135	80	35	60	80	20	35	5	30	10	25	520	125

Readmission and return: Serbia's cooperation on the readmission of own nationals is very good with a return rate that stayed more or less equal between 2015 (90.9%) and 2016

(90.1%) and 12,245 returns performed in 2016. However, readmission of third country nationals (especially from HU, RO and BG) constitutes an area of concern and needs to be further addressed. So far, less than 10% of readmission requests of third country nationals who illegally crossed the borders to the EU coming from Serbia have been approved. Good cooperation of Serbia on border controls is however appreciated by neighbouring Member States.

So far, 19 Implementing Protocols have been signed with 21 Member States: Italy, Slovenia, France, Hungary, the United Kingdom, Austria, Malta, Slovakia, Germany, Romania, Bulgaria, Estonia, Czech Republic, Belgium, The Netherlands, Luxemburg, Cyprus, Greece, Latvia, Portugal and Sweden. Bilateral Readmission agreements have been signed with Bosnia and Herzegovina, Denmark, Canada, Norway, Croatia, Switzerland, Former Yugoslav Republic of Macedonia, Moldova, Montenegro and Russia. The first round of negotiations took place with Ukraine. Negotiations have been launched with Algeria, Morocco, Afghanistan, Iraq, Pakistan, Arab Emirates, Belarus and Georgia.

	2014			2015			2016		
	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate
Schengen+ area	12,145	8,705	71.68%	14,985	12,985	86.65%	13,870	12,350	89.04%
Germany	6,690	6,040	90.28%	8,300	10,230	123.25%	7,560	9,910	131.08%
Austria	0	N/A	N/A	1,195	N/A	N/A	1,715	685	39.94%
Netherlands	310	180	58.06%	315	235	74.60%	850	635	74.71%
Sweden	1,300	885	68.08%	1,450	1,085	74.83%	710	505	71.13%
France	745	165	22.15%	655	190	29.01%	520	175	33.65%

The coordination among all institutions involved, in particular at a strategic policy level in order to improve migration management in a systematic manner, as well as donor coordination still needs to be further strengthened. Also, the establishment and adoption of a multi-annual strategy for the fight against irregular migration is needed. Works on a new law on foreigners are on-going. Serbia has created a specific task force in response to the threat from organised migrant smuggling through its territory. The task force constitutes a positive and concrete response to the irregular migration threats in the country. It is headed by the State Prosecutor and includes stakeholders from Serbian law enforcement with a responsibility for facilitating anti-migrant smuggling prosecutions.

In the area of **asylum**, work on the new Law on Asylum intended to ensure alignment with the *acquis* and to provide the basis for the implementation of the asylum procedure in line with European standards needs to be completed. Recruitment is still ongoing for vacant posts in the Asylum Office. Training continued on advanced interview techniques with vulnerable groups, on identification of persons with special needs as well as on collection of information on the country of origin.

As regards **border management**, the revised integrated border management (IBM) strategy and its dedicated action plan were adopted by the Serbian authorities in the first half of 2017. The procedure for drafting a Schengen Action Plan is still in the early stages. The related necessary comprehensive assessment of the legal, technical, infrastructural and human requirements has been carried out. A substantial challenge concerns the technical equipment and infrastructure for border checks and border surveillance which needs to be strengthened and upgraded where needed in order to ensure a more effective control of the borders.

Public order and security

As regards organised crime, according to Europol, nationals of Serbia (along with those of Albania and Bosnia and Herzegovina) are among the most frequently reported nationalities for organised property crimes in the EU. Serbian organised crime groups carry out burglaries, thefts and robberies across the EU. Nationals of Serbia are also one of the most frequently encountered victims of trafficking in human beings originated from the Western Balkans region. Serbia enhanced its cooperation with Europol, increasing the number of Analysis Work Files it cooperates on. A Serbian liaison officer was sent to Europol's HQ in March 2017 and an EBCGA regional liaison officer has been sent to Belgrade in September 2017. Also in September 2017, the country signed a working arrangement with CEPOL.

The monthly number of alerts created by Member States in the Schengen Information System (SIS) based on Article 26 has been increasing in the recent months.

<i>Art. 26 SIS alerts</i>	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2017 M07	2017 M08	2017 M09	Grand Total
Serbia	12	13	15	12	32	24	24	20	32	30	41	42	297

In order to step up the fight against **organised crime**, the Law on Organisation and Jurisdiction of Government Authorities in Suppression of Organised Crime, Terrorism and Corruption (entering into force in March 2018) foresees the establishment of specialised authorities for investigating, prosecuting and adjudicating cases in the mentioned fields. There is a delay in adopting a new Financial Investigation Strategy after the previous one expired in 2016. In August 2017, a new Strategy for the Prevention and Suppression of Human Trafficking for 2017 – 2022 was adopted, together with accompanying action plan. On the basis of this strategy, Serbia needs to take steps towards a pro-active identification and due protection of human trafficking victims. An operational agreement with Europol is in place and a Serbian Police Liaison Officer is posted at Europol since March 2017. The working arrangement with the European Police College (CEPOL) was signed in September 2017. Providing for a solid basis for mutual support in training activities for law enforcement officials and the exchange of best practices in international and European cooperation mechanisms, this arrangement should help enhancing the effectiveness of fighting cross-border crime in particular. Further efforts need to be taken in order to develop a sustainable track record of final convictions and dismantling networks involved in organised crime, money laundering, people smuggling and trafficking in human beings.

II.2 EASTERN PARTNERSHIP

II.2.1 REPUBLIC OF MOLDOVA¹

Irregular migration, including readmission

The Commission confirmed Moldova's implementation of the Visa Liberalisation Action Plan benchmarks in its fifth (final) report of 15 December 2013. Visa-free travel for Moldovan citizens with a biometric passport started on 28 April 2014. According to statistics provided by the Moldovan authorities, more over 980,000 Moldovan citizens² have made more than 2,700,000 trips to the EU Member States³ under the visa-free regime between 28 April 2014 and 25 April 2017.

As regards irregular migration challenges, the number of Moldovan citizens being refused entry at the external Schengen borders has increased from 1,845 (in 2014) over 2,725 (in 2015) to 4,660 (in 2016). According to operational data received by EBCGA from the Member States, there was an increase by almost a quarter in refusal of entry between the second half of 2016 and the first half of 2017. When looking at the larger picture, there was an increase by almost half in refusal of entry between the first half of 2016 and the first half of 2017. During 2016 and the first half of 2017, the main countries issuing a refusal of entry were Romania, Poland and Italy, as has typically been the case since the introduction of the visa-free regime for Moldova.

<i>Refusal of entry for citizens of Moldova</i>	2012	2013	2014	2015	2016
Schengen+ area	1,540	1,150	1,845	2,725	4,660
Romania	875	655	640	725	1,410
Hungary	280	160	460	605	835
Italy	40	30	225	510	790
Poland	110	100	115	165	740
Germany	15	20	25	65	110

According to Eurostat data, the number of Moldovan citizens apprehended as illegally present in the Schengen area amounted to 2,245 (in 2014), increasing to 4,050 (in 2015) and 7,660 (in 2016). On the basis of operational data provided by EBCGA, we can say that while the number of Moldovan citizens apprehended as illegally present appears to have risen by around 40% between the first half of 2016 and the first half of 2017, there appears to have been a decrease of less than 10% between the second half of 2016 and the first half of 2017, indicating a slight downward tendency. During 2016 and the first half of 2017, the Schengen

¹ Hereinafter referred to as Moldova.

² Number of Moldovan citizens, holders of biometric passports, which exit from Moldova towards the EU via border crossing points at the Moldovan-Romanian border and via Chisinau international airport.

³ Number of exits by Moldovan citizens, holders of biometric passports, from Moldova towards the EU via border crossing points at the Moldovan-Romanian border and via Chisinau international airport.

countries where the highest numbers Moldovans apprehended as illegally present could be found in Hungary, Poland and Germany.

<i>Illegal stay by citizens of Moldova</i>	2012	2013	2014	2015	2016
Schengen+ area	3,325	2,505	2,245	4,050	7,660
Hungary	255	305	425	2,040	3,015
Germany	265	260	205	285	2,050
Poland	75	50	80	160	870
France	865	435	575	435	410
Romania	350	340	225	175	360
Italy	670	500	370	365	295

At the start of the visa-free regime for Moldova, there was a sharp increase in **asylum** applications by Moldovan citizens in the Schengen countries: from 475 (in 2014) over 1,850 (in 2015) to 3,675 (in 2016). These numbers can be mainly attributed to Germany, where the number of asylum applications rose from 270 (in 2014) over 1,565 (in 2015) to 3,405 (in 2016). In all cases, over 95% of the asylum applications came from first-time applicants.

<i>Yearly total number of asylum application by citizens of Moldova</i>	2012	2013	2014	2015	2016
Schengen+ area	435	315	475	1,850	3,675
Germany	35	70	270	1,565	3,405
Greece	20	20	10	35	45
Italy	10	5	20	35	35

Monthly data, however, indicates that the peak of monthly asylum applications was in March 2016 (660 asylum application Schengen-wide, of which 640 in Germany) with the number gradually falling after the summer and sharply after December 2016, now amounting to 120 monthly applications on average during the first six months of 2017.

<i>Monthly asylum applications by citizens of Moldova in Schengen+ area</i>	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
2014	20	20	15	20	20	35	35	50	35	40	65	55
2015	60	80	120	130	145	265	165	170	220	190	135	145
2016	235	625	660	110	75	185	215	285	115	250	355	510

2017	265	130	85	45	85	110
-------------	-----	-----	----	----	----	-----

<i>Monthly asylum applications by citizens of Moldova</i>	2016 M07	2016 M08	2016 M09	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2016 2nd half	2017 1st half
Schengen+ area	215	285	115	250	355	510	265	130	85	45	85	110	1,730	720
Germany	195	265	100	230	330	495	245	115	50	35	35	25	1,615	505
Netherlands	5	0	5	5	0	0	5	5	15	0	35	65	15	125
Italy	5	0	0	0	0	0	10	5	10	0	5	5	5	35
Greece	0	10	5	5	5	5	0	0	5	5	5	5	30	20

The recognition rate was high (over 10% in 2015), but has dropped (to 2% in 2016 and further down to around 1% during the first half of 2017).

Readmission and return: The number of return decisions issued to Moldovan citizens has almost tripled between 2014 and 2016 (from 1,700 to 5,035). This also translated into a large increase of the number of persons returned (from 1,060 in 2014 to 2,425 in 2016). The drop in return rate (Schengen-wide over 60% in 2014 and 2015, compared to 48% in 2016) has to be seen in this relative perspective. A closer insight shows that the existing challenges in effective returns were not due to lack of performance in this field by Moldovan authorities. The quality of their cooperation is greatly valued by the EU Member States, and is also proved by a high rate of positive replies to readmission applications. The meetings of the Joint Committee of the EU-Moldova Readmission Agreement allow for systematically discussions on arising practical issues. The last Joint Readmission Committee of 6 October 2017 assessed the cooperation with Moldova as generally positive.

Between 2015 and 2017, Moldova signed a Readmission Agreement with Kazakhstan and finalised (pending signature) readmission agreements with Armenia and Ukraine. Negotiations on a readmission agreement with Azerbaijan, Russia and Lebanon are ongoing.

	2014			2015			2016		
	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate
Schengen+ area	1,700	1,060	62.35%	1,810	1,215	67.13%	5,035	2,425	48.16%
Germany	55	20	36.36%	80	25	31.25%	2,435	590	24.23%
France	405	350	86.42%	295	380	128.81%	355	335	94.37%
Italy	370	130	35.14%	365	125	34.25%	295	130	44.07%
Poland	80	60	75.00%	150	135	90.00%	820	825	100.61%

Romania	215	220	102.33%	160	165	103.13%	165	165	100.00%
---------	-----	-----	---------	-----	-----	---------	-----	-----	---------

Public order and security

Europol's threat assessment tells that the activities of Moldovan organised crime groups continue to represent a substantial crime threat. Moldovan organised crime groups are particularly active in Austria, France, Germany, Latvia and Poland, and are primarily involved in drugs trafficking (with the trafficking of heroin being a significant concern), organised property crime, excise fraud, payment card fraud and money laundering. These crime groups tend to link up with other groups from primarily Romania, Ukraine and Bulgaria, while Russian-speaking organised crime groups exploit Moldova as a transit country to launder money and bring it into the EU⁴. Illicit tobacco trade remains a primary driver of crime and corruption in Moldova. While Moldova is not a major course country for irregular migrants, it remains a source country for trafficking in human beings for sexual and labour exploitation. Moldova is working on a new National Strategy for Preventing and Combating Trafficking in Human Beings for the period 2018-2023, to be approved end of 2017. At the same time, it is working on a new National Anti-Drugs Action Plan. Europol has no evidence that Moldovans would still be involved in counterfeiting Italian Euro banknotes. To improve judicial cooperation, Moldova signed an agreement with Eurojust mid-2014, which entered into force in October 2016. The country also signed an agreement with Europol after the visa liberalisation.

The monthly number of alerts created by Member States in the Schengen Information System (SIS) based on Article 26 remained stable throughout the period October 2016-September 2017.

Art. 26 SIS alerts	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2017 M07	2017 M08	2017 M09	Grand Total
Moldova	4	5	6	7	5	6	2	8	6	4	1	6	60

While Moldova has been working on adopting legislation to create a framework for the **fight against corruption and money laundering**, it is at times endangered and the implementation seriously lags behind.

The **National Integrity and Anti-Corruption Strategy (NIAS)** for the period 2017-2020 comprises activities to ensure integrity and to fight corruption in the private sectors as well as the public sectors. The ten sectorial action plans to tackle corruption would need to be elaborated as a matter of priority in the implementation of the strategy.

In the current structure, the institutional framework in Moldova primarily consists of: the **Anti-Corruption Prosecutor's office (APO)**; the **National Anti-Corruption Centre**

⁴ More on corruption and money-laundering in Moldova in the section assessing the continuous fulfilment of some critical VLAP benchmarks.

(NAC), together with its subordinate **Criminal Assets Recovery Agency (CARA)**⁵ and **Office for Prevention and Fight Against Money Laundering (OPFML)**⁶; and the **National Integrity Authority (NIA)**⁷. There are issues in the functioning of this system and only limited progress is made on the efficiency and effectiveness of this framework.

Since the finalisation of the VLAP, the **NAC** was made accountable to the Parliament again (as it was prior to 2013 when it was made accountable to the Government). There remain however concerns as regards political influence on the anti-corruption system in Moldova. Over the past months, there have also been attempts to undermine the anti-corruption framework by proposals such as the so-called "capital liberalisation law" or intentions to deprive the NAC from some of its prerogatives. A weakened anti-corruption framework and less investigative powers would further endanger the effectiveness of the investigations concerning the frauds around Banca de Economii, Banca Sociala and Unibank.

An asset recovery office has been set up in 2017 under the umbrella of the NAC: the **CARA**. The CARA is supported by the **OPFML** for the financial investigations. However, while the CARA aims at strengthening the investigation, prosecution, recovery and management of criminal assets, its scope remains limited to corruption and money laundering offences. The CARA is currently not dealing with the proceeds stemming from other serious crime (such as cases of drugs trafficking or trafficking in human beings). It is currently considered to transfer the necessary competences for all types of crimes to the CARA in view of establishing an efficient single asset recovery office. Also, there is currently the intention to make the OPFML an independent body under the direct responsibility of the government.

In the area of integrity testing, **professional and institutional integrity testing** has been introduced. After many struggles regarding the legal set-up of an integrity system, a law was adopted in 2017 to unify the standards for preventing corruption and ensuring integrity in the public and private sectors. The law provides for the establishment of fixed responsibilities for the heads of authorities and civil servants (including judges), regulates the role of the national anti-corruption authorities in strengthening and controlling the implementation of the measures to ensure integrity and provides sanctions for the lack of integrity.

The body responsible for the integrity system is the **NIA**, which replaces the old National Integrity Commission (NIC). The law on the NIA entered into force in August 2016 and envisaged that the establishment of the NIA would have taken 6 months, resulting in effective operation as of January 2017. According to the law on the NIA, the president and vice-president are crucial in making the NIA operational, including through appointing inspectors and deciding on the organisational structure. Unfortunately, the selection process for the senior management has seen no progress at all: after serious delays, the initial selection

⁵ The Criminal Assets Recovery Agency (CARA) is the Moldovan asset recovery office (ARO).

⁶ The Office for Prevention and Fight Against Money Laundering (OPFML) is the Moldovan financial intelligence unit (FIU). OPFML is the English abbreviation; locally the abbreviation SPCSB is used.

⁷ NIA is the English abbreviation; locally the abbreviation ANI is used.

procedure for the president was cancelled in October 2017 (when the two final candidates both failed the last stage with a polygraph test) and a new selection procedure is now being organised. With no senior management in place, inspectors cannot be appointed, which means that declarations on assets, personal interests and conflicts of interest are currently not being verified. The competition for the selection of the NIA vice-president has however started. It has to be considered if the vice-president could take over the tasks of the president, until appointment of the latter, in order to ensure progress in the set-up and functioning of the NIA, notably by appointing inspectors.

In autumn 2017 there was already a backlog of around 60,000 declarations. These declarations, made after August 2016, cannot be verified by the inspectors of the previous integrity authority NIC as they have seized their activity with the entry into force of the law on the NIA. The *de facto* non-functioning of the integrity system casts a shadow on the integrity climate in Moldova. Also, with an integrity system being part of the VLAP benchmark on anti-corruption, the continuous fulfilment of the VLAP benchmarks is at risk, also considering the slow developments to improve the efficiency and effectiveness of the NAC and its subordinate bodies highlighted above.

With regard to the **fight against money laundering**, a draft law to align the legislation to the 4th EU Anti-Money Laundering Directive was voted in first reading in the Parliament in March 2017, after which serious delays in the final adoption occurred. This new law foresees in the establishment of centralised bank registries and also envisages the implementation of the 40 recommendations of the Financial Action Task Force. The non-adoption of the law can ultimately lead to the rejection of business relations and significant problems with foreign partners.

II.2.2 GEORGIA

Integrated border management, migration management and asylum

Visa free travel for Georgian citizens with a biometric passport entered into force on 28 March 2017, on the same day as the revised visa suspension mechanism. According to information received from Georgia, between 28 March and 30 November 2017, 173,396⁸ Georgian citizens enjoyed the visa free travel to the Schengen area.

Georgia has made further progress in establishing the Unified Migration Analytical System (testing launched in October 2016), the Unified System of Threat and Risk Analysis at the borders, the Migration Risk Analysis methodology, updating the 2015 Migration Profile, and thereby continued implementing the visa liberalisation benchmarks in a sustained manner. One of the biggest remaining challenges is to assess and address the root causes of irregular migration from the country, as well as integration of internally displaced persons.

⁸ This figure only takes into account those who left the country by plane (air borders).

Georgia has been carrying out three phases of nation-wide campaigns and trainings on the rules of visa free travel and is monitoring travels to the Schengen area.

Regarding asylum: the significant number of asylum applications rejected based on national security considerations during the first half of 2017⁹, which was an issue raised in the third and fourth progress reports on Georgia's implementation of the action plan on visa liberalisation¹⁰, is of concern, and Georgia needs to ensure that appropriate legal and procedural guarantees are in place for effective legal remedy in such cases.

As regards irregular migration challenges, according to Eurostat data, in 2015 1,330 Georgian citizens were refused entry at the external borders of the Schengen+ area. In 2016, this number was much less: 810. According to the operational data received by EBCGA from the Schengen+ countries, the trend is a sustained number of refusals of entry in the first half of 2017 compared to the second half of 2016 and a slight increase compared to the first half of 2016. Quarterly EBCGA data in 2017 seems to indicate an increase in April-June compared to January-March. In 2016, most refusals were done by Poland, Greece and France.

<i>Refusal of entry for citizens of Georgia</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	370	6,050	3,315	2,820	8,965	8,160	3,185	1,330	810
Poland	40	5,685	2,885	2,340	8,245	7,250	1,345	505	200
Greece	50	125	75	75	95	160	210	135	130
France	30	25	15	30	20	30	5	25	105
Romania	25	5	20	15	10	25	230	170	55

According to Eurostat data, there were 5,405 Georgian citizens apprehended as illegally present in the Schengen+ Area in 2015 and 5,240 in 2016. Operational data received by EBCGA in 2017 seems to indicate similar trends for the first half of 2017 (slight decrease compared to the second half of 2016 but increase compared to the first half of 2016). In 2016 Germany (1,810), Greece (865), France (615), Spain (495) Austria and Italy reported the most of illegal stays.

<i>Illegal stay by citizens of Georgia</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	4,745	6,785	5,095	4,360	5,425	5,165	6,550	5,405	5,240
Germany	460	605	710	585	1,085	1,380	1,580	1,495	1,810

⁹ In January-June 2017, 26 % of all decisions were rejections based on national security grounds. In 2016 and 2015 these percentages were 5 % and 4 % respectively (source UNHCR).

¹⁰ Brussels, 8.5.2015 COM(2015) 199 and SWD(2015) 103 final, Brussels, 18.12.2015 COM(2015)684 and SWD(2015) 299 final.

Greece	1,915	2,395	1,340	850	795	590	820	1,055	865
France	0	410	400	285	390	400	905	830	615
Spain	635	595	440	355	290	245	390	455	495

According to Eurostat annual data, the number of **asylum** seekers in the Schengen+ area increased from 8,110 in 2015 to 8,700 in 2016. In 2016, the most affected Member States were Germany (3,770), France (1,165), Greece (690), Sweden (720) and the Netherlands (595).

<i>Yearly total number of asylum application by citizens of Georgia</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	5,340	10,985	7,465	7,450	11,620	9,750	8,570	8,110	8,700
Germany	285	640	750	525	1,430	2,485	3,180	3,195	3,770
France	460	540	1,435	1,740	2,680	2,695	1,610	1,325	1,165
Sweden	225	370	290	280	750	620	805	890	720
Greece	2,240	2,170	1,160	1,120	895	535	350	385	690
Netherlands	75	425	610	235	250	215	335	265	595
Switzerland	480	640	640	400	725	655	465	405	465
Austria	510	975	370	260	300	255	415	405	350
Belgium	275	385	365	400	505	370	430	300	240
Italy	65	85	80	30	65	105	90	135	195
Poland	70	4,180	1,085	1,735	3,235	1,240	720	390	125

Monthly Eurostat data show an increase in the first half of 2017 (average 771) compared to 2016 (average 721), but if we compare the first half of 2017 to the second half of 2016 (average 791), the trend is not increasing.

<i>Monthly asylum application by citizens of Georgia (2016)</i>	2016 M01	2016 M02	2016 M03	2016 M04	2016 M05	2016 M06	2016 M07	2016 M08	2016 M09	2016 M10	2016 M11	2016 M12	2016 1st half	2016 2nd half
Schengen+ area	590	685	645	605	610	770	915	855	785	815	745	635	3,905	4,750
France	100	105	80	85	125	115	60	105	100	90	110	90	610	555
Germany	205	280	230	275	220	360	525	480	390	345	275	180	1,570	2,195
Greece	55	65	70	25	45	45	65	35	55	60	85	85	305	385
Sweden	70	70	70	60	50	50	50	65	55	65	65	50	370	350
Italy	5	15	15	15	25	25	10	5	10	25	25	20	100	95
Switzerland	40	25	40	30	35	55	60	40	30	30	35	35	225	230
Netherlands	25	30	60	40	40	40	60	45	40	70	80	65	235	360
Austria	30	30	30	10	20	20	20	40	45	40	30	40	140	215

Iceland	0	0	0	0	0	0	5	0	10	15	5	5	0	40
Monthly asylum application by citizens of Georgia (2017)	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2017 1st half							
Schengen+ area	690	720	830	725	830	835	4,630							
France	85	105	110	125	160	175	760							
Germany	205	205	215	270	240	170	1,305							
Greece	70	75	85	65	110	105	510							
Sweden	90	65	80	40	50	70	395							
Italy	30	25	45	20	45	50	215							
Switzerland	35	35	45	25	50	50	240							
Netherlands	75	85	75	40	35	40	350							
Austria	25	30	45	35	20	40	195							
Iceland	0	5	5	5	5	40	60							

If we compare the last two months for which Eurostat data seems to be complete to a reliable extent, May-June 2017 (830 and 835) to the same two months in 2016 (610 and 770), there is an increase of 20%. Among the most effected Schengen countries, asylum requests are going down in Germany but increasing in France, Greece and Iceland and seem to be stable in the other countries.

The recognition rate for asylum requests lodged by Georgian citizens at first instance was 6.62% in 2015 and 6.48% in 2016.

Readmission and return: The number of persons of Georgian nationality ordered to leave decreased from 6,415 in 2015 to 5,635 in 2016, while the return rate increased from 45% in 2015 to 55.9% in 2016. However, this relatively modest return rate does not necessarily reflect Georgia's response to readmission application once these are submitted by the Member States. In fact, cooperation with Georgia on readmission is assessed as exemplary. This was confirmed in the last meeting of the Joint Readmission Committee which took place on 21 March 2017 in Tbilisi. With EU support, Georgia has an Electronic Readmission Case Management System (RCMS) currently used by 17 Member States who all expressed satisfaction with its use. MS using RCMS currently receive travel documents free of charge. Georgia also intends to develop a possibility of printing travel documents directly by EU MS.

Georgia is also making efforts to conclude further readmission agreements with EU and other countries. In the course of 2016, the following new readmission agreements entered into force: with Denmark (1 August); Belarus (18 June) and Moldova (1 August). Furthermore, Georgia initiated new agreements with other third countries, both origin and destination countries (Serbia, Montenegro, Pakistan, Iceland, Afghanistan, Kazakhstan, Kyrgyzstan, Iraq etc.).

The Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia is now fully responsible for the implementation of the national reintegration programme of returned Georgian migrants. Annual reintegration programmes are prepared with annual national budget allocations dedicated to their implementation, and it is important to maintain the appropriate level of budget allocations.

	2014			2015			2016		
	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate
Schengen+ area	6,260	3,375	53.91%	6,415	2,895	45.13%	5,635	3,150	55.90%
Germany	1,040	620	59.62%	1,090	730	66.97%	1,350	1,180	87.41%
France	1,535	280	18.24%	1,500	265	17.67%	1,255	220	17.53%
Greece	820	1,200	146.34%	1,240	810	65.32%	830	690	83.13%
Sweden	320	155	48.44%	360	230	63.89%	395	165	41.77%

Public order and security

In view of the significant and sustained impact Georgian organised crime groups represent for the EU, this report focuses on preventing and fighting organised crime, judicial and law enforcement cooperation.

According to Europol's threat assessment, OCGs from Georgia are still reported as one of the most frequently represented non-EU nationalities (including dual nationals) of suspects involved in serious and organised crime in the EU. Georgian OCGs are particularly active in France, Greece, Germany, Italy and Spain. In many cases, Georgian organised crime groups are linked to so-called thieves-in-law. These groups are highly mobile and they are mainly involved in organised property crime (particularly organised burglaries and thefts), but also corruption, document fraud, extortion and racketeering, and their control of the criminal markets is gradually increasing. Georgia remains a transit country for various illicit commodities trafficked to the EU, in particular drugs (heroin being the main concern).

Georgia is also increasingly used to launder illicit proceeds generated by organised crime groups in the EU. These include groups originating from Georgia as well as other EU and non-EU-based organised crime groups. Georgia has been also emerging as a transit for laundered criminal proceeds flowing from Europe to the ultimate beneficiaries and organisers of fraud schemes located in Israel, China, and Hong Kong. This is in itself a significant crime threat, one to focus on in the future.

The number of alerts created by Member States in the Schengen Information System based on Article 26 slightly increased over the last six months compared to the previous six months,

with a more sharp increase in September 2017. This may indicate a trend and will need to be monitored.

<i>Art. 26 SIS alerts</i>	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2017 M07	2017 M08	2017 M09	Grand Total
Georgia	5	12	1	2	7	10	3	7	4	8	11	18	88

Georgia continues to progress and demonstrates serious commitment in preventing and fighting organised crime, including cross-border cooperation for this purpose. Steered by the Interagency Coordinating Council for Combating Organised Crime (established in 2013), a new National Strategy of 2017-2020 for Combating Organised Crime and Action Plan 2017-2018 was adopted focusing on: fight against thieves-in law; drug-transit, cybercrime, applying modern police methods and international cooperation. A new Anti-Drugs Action Plan for 2016-2018 was also adopted in December 2016 and the legislative package aimed at implementing the rulings of the Constitutional Court¹¹ was adopted on 26 July 2017. The Financial Monitoring Service prepared a draft AML/CFT Law aiming to implement the 4th EU AML Directive (2015/849).

The Ministry of Internal Affairs continues the reforms started in 2015 to introduce intelligence-led policing and building a unified crime analysis system which are key aspects of the fight against organised crime. A new package of legislative amendments on racketeering and organised crime was prepared, based on international experiences. The Central Criminal Police Department underwent structural reforms, specialised units have been created, some representing good example of inter-agency cooperation, such as the Unit of Fighting against Drug Transit which involves both police and customs officers.

In the coming months, Georgia will have to demonstrate that the newly adopted strategies and action plans are thoroughly implemented with adequate resources allocated, and their implementation is regularly evaluated.

The Government or the Ministry of Internal Affairs have signed new law enforcement agreements or Memoranda of Understanding with several EU Member States and other countries in 2016-2017¹², which brought the number of EU Member States with which Georgia has such agreements in force to 16, including the key Member States most affected by Georgian crime groups. The International Criminal Cooperation Centre (ICCC) created within the Central Criminal Police Department is responsible for ensuring cooperation in fight against international crime and coordinating activities through police attachés and liaison

¹¹ The Constitutional Court (24 October 2015 and 29 September 2016) ruled that the imprisonment of individuals for the possession and purchase of up to 70 grams of marijuana for personal use was unconstitutional.

¹² Slovakia, several German Lands – Rhineland-Palatinate, Saxony, Baden-Wurttemberg, Hessen –, Sweden, Hungary, Lithuania, Latvia, Greece, Italy, Belarus Kyrgyzstan, Armenia.

officers¹³. On 3 October, a Co-operation Plan was signed between the Ministry of Internal Affairs and CEPOL which defines organised crime as a priority. Georgian authorities pursued very active operational cooperation also at regional (i.e. in the framework of GUAM-Organisation for Democracy and Economic Development) and international level.

The Operational and Strategic Cooperation Agreement with the European Police Office (Europol) was signed in April 2017 and entered into force in July. The process for the conclusion of a Memoranda of Understanding on confidentiality and information assurance and the establishment of a secure line is ongoing and Georgia requested posting a liaison officer to Europol. It is of outmost importance that operational cooperation with Europol starts as soon as possible.

The negotiations of a cooperation agreement with Eurojust have not yet started, in May 2017 a delegation from Eurojust carried out an assessment mission to Georgia. In October 2017, Eurojust sent a letter to the Council informing that Eurojust envisages launching, on 15 January 2018, formal negotiations with the intention of entering into a cooperation agreement with Georgia.

According to the Memorandum of Understanding signed with the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), Georgia is expected to set up a National Drugs Minorng Centre. There is delay in setting the Centre up, originally foreseen for mid-2015.

Anti-corruption: While Georgia has an electronic system of asset declarations of public servants since 2012, an effective verification mechanism of the declarations was missing. The relevant amendments to the Law on Conflict of Interest and Corruption in Public Institutions entered into force on 1 January 2017. Georgia has to demonstrate in the coming years that the verification mechanism functions effectively.

External relations and fundamental rights

During the assessment of the effective implementation of legislation and policies on anti-discrimination, (including by ensuring effective legal aid and implementation of relevant UN and Council of Europe instruments), Georgia reported that it expected the amendments to the Anti-Discrimination Law as proposed by the Public Defender to be adopted by Parliament by end 2015. These changes would, inter alia, require private persons to provide the Public Defender with necessary materials, documents or information for the examination of a case. However, no amendments have been adopted to date which would make the anti-discrimination legislation more effective.

¹³ Georgia has police attachés in the following 8 EU Member States: Austria (since 2005), France (since 2014), Greece (since 2014), Germany (since 2015), Poland (since 2015), Spain (since 2015), Italy (since 2016) and Sweden (since 2016).

II.2.3 UKRAINE

Integrated border management, migration management and asylum

According to figures received from Ukraine, the total number of entries of Ukrainian citizens to the Schengen area from 11 June to 10 November 2017 was 9,594,490. Of them 2,332,682 entries were based on with biometrical passports and 235,795 329,670 entries to the Schengen area were without visas (3% of the total).

As regards irregular migration challenges, according to Eurostat data, in 2015, 23,795 Ukrainian citizens were refused entry at the external borders of the Schengen+ area. In 2016, this number slightly decreased: 22,495. According to the operational data received by EBCGA from the Member States, in the second half of 2016 the number of refusals increased compared to the first half and this trend seems to be sustained in the first half of 2017 (18% compared to the second half of 2016, 36% compared to the first half). EBCGA quarterly data seems to indicate an increase in January-June 2017 compared to January-July 2016. In 2017, Poland, Romania, Hungary, Slovakia and Lithuania seem to be the most affected Member States. In 2016, most refusals were done by Poland, Hungary, Germany and Czech Republic.

<i>Refusal of entry for citizens of Ukraine</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	15,375	19,100	18,725	16,115	18,345	16,775	15,585	23,795	22,495
Poland	9,445	12,800	11,095	9,115	12,555	12,060	11,185	19,020	18,775
Hungary	2,355	3,710	4,780	4,560	2,985	2,190	2,040	1,825	0
Romania	1,185	935	1,190	1,125	1,320	1,000	855	1,090	1,490
Slovakia	1,435	750	790	550	530	395	410	440	705
Lithuania	120	105	100	60	55	60	70	330	345

According to Eurostat data, there were 23,480 Ukrainian citizens illegally present in the EU+ area in 2015 and 29,565 in 2016. Operational data received by EBCGA in 2017 seems to indicate a positive outlook for the first half of 2017 (increase compared to the first half of 2016, however a decrease compared to the second half of 2016). The most affected Member States are Poland, Hungary, Germany, Czech Republic, Slovakia and France.

<i>Illegal stay by citizens of Ukraine</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	12,275	10,860	10,400	11,370	11,980	12,265	16,520	23,480	29,565
Poland	3,200	2,070	1,885	3,995	4,800	5,210	7,455	11,885	17,445
Hungary	795	1,000	1,605	1,095	1,310	1,905	1,695	2,820	3,620
Germany	1,325	1,155	1,070	1,095	1,280	1,265	1,455	2,550	2,270

Czech Republic	1,545	1,500	955	1,125	1,065	890	1,020	1,225	1,550
Slovakia	600	410	365	370	335	355	500	785	1,165
France	555	355	290	375	310	340	565	935	625

Asylum: According to Eurostat annual data, the number of asylum seekers in the Schengen+ area decreased from 22,100 in 2015 to 12,460 in 2016. The most affected Member States were Spain, Italy, Germany, Poland, France and Sweden.

<i>Yearly total number of asylum application by citizens of Ukraine</i>	2008	2009	2010	2011	2012	2013	2014	2015	2016
Schengen+ area	955	915	790	920	1,090	1,020	14,090	22,100	12,460
Spain	5	10	5	10	20	15	895	3,345	2,570
Italy	15	10	20	20	35	35	2,080	4,665	2,570
Germany	45	85	70	55	135	150	2,705	4,660	2,490
Poland	40	35	45	65	70	45	2,275	2,295	1,300
France	75	75	90	100	145	135	1,425	1,645	660
Sweden	55	130	120	190	130	170	1,320	1,415	615

Monthly Eurostat data shows a slight decrease in the second half of 2016 (average 906) compared to the first half (average 1,001). Similar monthly figures can be found in the first half of 2017 (average 897).

<i>Monthly asylum application by citizens of Ukraine</i>	2016 M07	2016 M08	2016 M09	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2016 2nd half	2017 1st half
Schengen+ area	875	890	880	970	1,000	820	850	915	985	735	935	960	5,435	5,380
Italy	190	125	140	195	215	185	180	230	260	155	280	255	1,050	1,360
Spain	135	140	150	230	250	160	275	270	235	170	185	220	1,065	1,355
Germany	180	210	170	135	185	105	80	80	130	120	140	140	985	690
Austria	40	20	15	40	20	35	15	25	25	20	20	65	170	170
France	50	60	45	55	40	55	50	55	60	40	55	60	305	320
Czech Republic	45	40	50	50	30	45	50	50	40	35	40	40	260	255

If we compare the last two months for which Eurostat data seems to be complete to a reliable extent, April-May 2017 (735 and 935) to the same two months in 2016 (1,390 and 970), there is a decrease in asylum applications of 30%. Among the most affected Schengen countries, asylum requests are decreasing in Italy, Spain, Germany, Austria and France.

Readmission and return: The cooperation with Ukraine on readmission remains very good, which is proved by both qualitative assessment of the EU Member States, and by a high return rate (82.58% in 2016). The latter remains stable despite a surge of return decisions issued in

the Schengen+ area in the last years to Ukrainian nationals (2016 - 26,865; 2015 - 19,200; 2014 – 12,220). A large majority of returns are voluntary, or – where stipulated in the readmission agreement – are processed without a readmission application, or under accelerated procedure. Positive experience is also reported with respect to readmission of third-country nationals. The 10th Joint Readmission Committee held on 22 September 2017 took account of the proper implementation of the readmission agreement, and agreed on ways to handle remaining practical issues. In 2016, most return decisions were issued by Poland, Czech Republic, Slovakia, Sweden, Germany, France.

	2014			2015			2016		
	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate
Schengen+ area	12,220	9,135	74.75%	19,200	14,670	76.41%	26,865	22,185	82.58%
Poland	6,575	6,405	97.41%	10,780	10,410	96.57%	16,170	15,360	94.99%
Czech Republic	940	95	10.11%	1,330	110	8.27%	2,200	220	10.00%
Slovakia	480	455	94.79%	770	740	96.10%	1,160	1,105	95.26%
Sweden	140	110	78.57%	435	270	62.07%	960	455	47.40%
Germany	270	140	51.85%	540	325	60.19%	815	1,370	168.10%
France	450	190	42.22%	695	385	55.40%	815	330	40.49%

Public order and security

According to Europol, OCGs originating from Ukraine are heavily involved in excise fraud, particularly the production and smuggling of illicit tobacco products to the EU. Cybercriminals based in Ukraine are among the most sophisticated in the world and represent a serious threat to EU digital infrastructures. Cybercrime originating from Ukraine continues to increase, both in scale and sophistication.

Heroin is trafficked along the Caucasus route via Georgia, Moldova and Ukraine to the EU in large quantities, though no significant production exists in these countries. Ukrainian OCGs provide couriers to deliver drugs or stolen goods and establish their own distribution channels to supply drugs from Spain, Netherlands to Russia and Ukraine. Ukrainian OCGs operate across the EU and are particularly active in Austria, France, Germany, Latvia and Poland. They are involved in corruption, drug trafficking, organised property crime, excise fraud, money laundering and contract killings. Over the past two years, there has been a rapid increase in the cross-border activities of Ukrainian thieves-in-law. Ukrainian OCGs maintain close links with Russian OCGs and have increasingly reached out to establish links with EU-based OCGs.

The monthly number of alerts created by Member States in the Schengen Information System (SIS) based on Article 26 increased throughout the period October 2016-September 2017.

<i>Art. 26 SIS alerts</i>	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2017 M07	2017 M08	2017 M09	Grand Total
Ukraine	7	8	7	3	12	16	13	15	24	27	8	13	153

Ukraine is potential source country for illegal firearms trafficking to the EU. Currently, the level of trafficking activity appears to be low. However, the large number of firearms in circulation and diverted from military stockpiles constitute a considerable risk of increased trafficking activity in the future.

As regards measures against **organised crime**, in July 2017, Ukraine ratified an **agreement with Europol** on Operational and Strategic Cooperation. The agreement aims at expanding cooperation, exchanging intelligence in criminal proceedings, participating in joint investigations in a wider range of crimes, locating persons involved in the commission of crimes, participating in intelligence analysis and creating joint investigation teams. It replaces an earlier agreement between Ukraine and Europol of December 2009. Furthermore, in September 2017, a Cooperation **agreement with Eurojust** entered into force. It will allow for a faster exchange of information between Ukrainian and EU law enforcement agencies through shared access to databases and shared investigative records. In a first step to establish a system of **cyber security**, in October 2017 the Parliament adopted a cyber security law to start state policy formation in this field and create conditions for ensuring cyber protection of the country's information infrastructure.

The establishment of the State Bureau of Investigation (SBI) has advanced at a slow pace with its leadership only being appointed in late November 2017. It will be important to swiftly make the new agency fully operational while taking further measures to ensure its independence from political interference. The National Police of Ukraine (NPU) created in 2015 continues to enjoy a relatively high trust in the population but deeper reforms in the field of criminal investigation, which are necessary to combatting organised crime, remain slow. Recently, the Minister of Interior rejected calls for the creation of a dedicated unit to combat organised crime in the NPU to replace the previous *UBOZ*, disbanded in 2015. A reform concept for the **Security Service of Ukraine** (SSU) was elaborated in 2016 to transform it into a European-style intelligence service. The Reform Concept envisages the removal of ordinary law-enforcement competencies from the SSU to retain only counter-terrorism, counter-intelligence, and protection of state secrets. The removal of SSU's law-enforcement competencies within organised crime, including smuggling (among others), would create a delineation of competencies and delimit the SSU's current ad-hoc practice of taking responsibility for investigations that seem to be of interest for the political level or a source of corruption within the SSU itself. However, no decision has been taken towards the adoption of the SSU Reform Concept, which is stalled at political level. In the first nine months of 2017, the Ukrainian law enforcement agencies uncovered 188 organised crime groups with a total of more than 800 persons. Crime groups were predominantly active in drug-related crimes, theft, robbery and illegal excise operations.

The **State Border Guard Service** has further advanced towards a modern law-enforcement agency in line with the EU best practices. It is foreseen to further enhance SBGS capacity through an EU financed twinning project lead by three EU MS (Germany, Lithuania and Poland). This aims at strategy revision, legislative revision and operational improvements. The Ukrainian authorities have as per their reports ensured until now access to Interpol databases at 126 international border crossing points. This needs to be expanded to local and inter-state border crossing points.

Prevention and fight against corruption

The Commission confirmed Ukraine's implementation of all benchmarks in its sixth and final report on 18 December 2015. The sustained reforms progress in the **prevention and fight against corruption** and the commitments taken by the Ukrainian leadership in this area have led to the completion of the visa liberalisation process and entry into force of the visa free regime on 11 June 2017.

The National Anti-Corruption Bureau (NABU), the Specialised Anti-Corruption Prosecution (SAP), the National Agency for Prevention of Corruption (NAPC), as well as the Asset Recovery and Management Office Agency (ARMA) are now in place and first results have been already achieved, notably by NABU. Nevertheless, the sustainability of the reforms achieved requires measures to ensure both the independence and effectiveness of anti-corruption institutions. NABU's effectiveness would be improved with independent access to wire-tapping. The independence of NABU and SAP is under serious threat.

In particular, the upcoming audit of NABU raises concerns since it threatens to undermine the leadership of NABU with a politically-driven appointment of auditors.. The recent amendments to the Criminal Procedural Code – which were adopted on 3 October 2017 without prior consultation with the main stakeholders, who were not aware of these amendments until the text was published on 29 November 2017. Concerns relate notably to a shortening of time-limits for investigations which will result in many cases having to be closed because the maximum time-limit for investigations has expired. The requirement to have many investigative decisions approved by the judge is also problematic in light of the current bottlenecks which NABU cases are facing in the courts. NABU's capacity to effectively fight corruption is further undermined by the recent raid of its undercover operations by the SSU and the subsequent public disclosure of the identities of NABU's undercover agents by the GPO which destroyed NABU's undercover operations and thwarted several ongoing investigations of high-level public officials.

In addition, as also highlighted by the Venice Commission's opinion, there is still a missing link as regards the set up an anti-corruption court to adjudicate high level corruption cases and ensure a track record of convictions. Out of 92 criminal proceedings sent to court, only 23 convictions were passed, most of which concerning secondary participants in high-level cases.

17 convictions came into force, out of which 15 were results of the plea-bargaining agreements with suspects.

The electronic declaration system has been successfully launched on 1 September 2016 and as of 14 August 2017 the e-declaration register contained 1,463,214 declarations. However, very little progress has been made since then on the verification of asset declarations. Since the setting-up of NAPC in 2015, its envisaged five-member board has still not been fully elected. Currently two board members still remain to be elected. The delays in the selection process of the leadership, challenges related to the internal management of the NAPC, an inadequate legal and regulatory framework, the lack of direct and automated access to external databases and registries, as well as of a data verification software system prevented NAPC from being fully functional in its tasks control and verify asset declaration of high level officials. The current regulatory set-up and dysfunctionality of the agency risk resulting in impunity of declarants due to the expiry of time limits. In November, three former NAPC employees publically accused NAPC Head Natalya Korchak of falsifying the verification of e-declarations of public officials and accused the Presidential Administration of political interference in the verification process.

The Assets Recovery and Management Agency (ARMA) was set up under the law passed in June 2016. It is at an early stage of institutional and operational capacity development. At the present, ARMA has 60 officers employed out of the maximum 130 workforce positions envisaged in the law. It has initiated signature of memorandum of understanding with the national bodies, including the Prosecutor General's Office, Ministry of Justice and the National Police, to be able to exchange information more quickly efficiently. On the international scale, it has become a national contact point of the Camdem Assets Recovery Interagency Network in Europe (CARIN), Interpol and the partnership between the World Bank and the United Nations Office on Drugs and Crime, StAR. ARMA has already started to receive requests from NABU, the General Prosecutors Office, National Police, and the State Security Service of Ukraine to conduct operational searches.

Serious concerns are related to legislative amendments to the law on corruption prevention, adopted by the Rada in 23 March 2017. The amendments extended the scope of declarants to include among others independent experts and anti-corruption NGOs involved in international assistance projects on anti-corruption to submit electronic asset declarations in 2018. As a result of wide spread criticism, a draft law removing these reporting obligations has been registered in the Rada early July but its adoption is still pending. The recent increase of criminal investigation and physical attacks against civil society activists and journalists exposing corrupt practices is also worrying.

III. ANNEX - STATISTICS

III.1 IRREGULAR MIGRATION

<i>Third country nationals refused entry at the external borders</i>	Schengen+ area	
	2015	2016
Albania	15,835	30,305
Ukraine	23,795	22,495
Serbia	7,850	7,910
Bosnia and Herzegovina	5,185	5,150
Moldova	2,725	4,660
Former Yugoslav Republic of Macedonia	2,555	2,495
Georgia	1,330	810
Montenegro	385	335

<i>Third country nationals found to be illegally present</i>	Schengen+ area	
	2015	2016
Albania	47,755	33,445
Ukraine	23,480	29,565
Serbia	13,785	11,180
Moldova	4,050	7,660
Georgia	5,405	5,240
Former Yugoslav Republic of Macedonia	5,265	4,595
Bosnia and Herzegovina	3,585	3,645
Montenegro	770	570

III.2 ASYLUM

<i>Total number of asylum applications</i>	Schengen+ area	
	2015	2016
Albania	66,715	30,840
Serbia	30,325	13,515
Ukraine	22,100	12,460
Former Yugoslav Republic of Macedonia	16,110	9,100
Georgia	8,110	8,700
Bosnia and Herzegovina	9,100	4,495
Moldova	1,850	3,675
Montenegro	4,115	1,830

<i>Monthly number of asylum applications</i>	2016 M07	2016 M08	2016 M09	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06
Albania	2,800	3,035	3,730	2,625	2,695	2,280	1,945	1,620	2,325	2,220	2,170	2,160
Serbia	1,255	1,415	1,375	930	1,175	990	815	695	910	710	565	530
Former Yugoslav Republic of Macedonia	905	930	1,170	805	855	575	560	555	925	690	465	560
Bosnia and Herzegovina	330	455	465	390	405	295	295	260	355	185	165	180
Montenegro	105	230	150	75	115	100	115	70	75	100	80	70
Moldova	215	285	115	250	355	510	265	130	85	45	85	110
Ukraine	875	890	880	970	1,000	820	850	915	985	735	935	960
Georgia	915	855	785	815	745	635	690	720	830	725	830	835

<i>Decisions on asylum applications</i>	Schengen+ area					
	2015			2016		
	Total decisions	Total positive decisions	Recognition rate	Total decisions	Total positive decisions	Recognition rate
Albania	39,965	735	1.84%	41,985	1,095	2.61%
Serbia	22,070	410	1.86%	23,075	450	1.95%
Former Yugoslav Republic of Macedonia	8,595	115	1.34%	13,765	110	0.80%
Ukraine	9,330	2,810	30.12%	11,620	2,860	24.61%
Bosnia and Herzegovina	6,720	235	3.50%	7,030	295	4.20%
Georgia	5,510	365	6.62%	6,795	440	6.48%
Montenegro	2,460	40	1.63%	3,150	55	1.75%
Moldova	185	20	10.81%	3,135	65	2.07%

III.3 RETURN AND READMISSION

<i>Third country nationals ordered to leave and returned to a third country following an order to leave</i>	Schengen+ area								
	2014			2015			2016		
	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate	Ordered to leave	Returned	Return rate
Albania	27,125	23,260	85.75%	39,310	33,985	86.45%	31,975	41,285	129.12%
Ukraine	12,220	9,135	74.75%	19,200	14,670	76.41%	26,865	22,185	82.58%
Serbia	12,145	8,705	71.68%	14,985	12,985	86.65%	13,870	12,350	89.04%
Former Yugoslav Republic of Macedonia	2,530	2,400	94.86%	5,700	5,800	101.75%	6,085	7,710	126.71%
Georgia	6,260	3,375	53.91%	6,415	2,895	45.13%	5,635	3,150	55.90%
Bosnia and Herzegovina	5,450	3,320	60.92%	5,675	4,100	72.25%	5,080	3,755	73.92%
Moldova	1,700	1,060	62.35%	1,810	1,215	67.13%	5,035	2,425	48.16%
Montenegro	1,090	525	48.17%	1,565	1,225	78.27%	1,500	2,405	160.33%

III.4 SECURITY

Number of Article 26 alerts (persons wanted for arrest¹⁴) created between October 2016-September 2017 by all Member State, broken down by country and month.

<i>Art. 26 SIS alerts</i>	2016 M10	2016 M11	2016 M12	2017 M01	2017 M02	2017 M03	2017 M04	2017 M05	2017 M06	2017 M07	2017 M08	2017 M09	Total over 12 months
Albania	24	31	18	20	15	30	23	11	23	31	20	22	268
Bosnia and Herzegovina	6	6	3	8	8	13	5	10	8	9	12	21	109
Former Yugoslav Republic of Macedonia	1	0	1	4	1	7	3	3	2	2	5	6	35
Montenegro	1	1	0	3	2	2	0	1	1	1	3	1	16
Serbia	12	13	15	12	32	24	24	20	32	30	41	42	297
<i>Total Western Balkans per month</i>	44	51	37	47	58	76	55	45	66	73	81	92	725
Georgia	5	12	1	2	7	10	3	7	4	8	11	18	88
Moldova	4	5	6	7	5	6	2	8	6	4	1	6	60
Ukraine	7	8	7	3	12	16	13	15	24	27	8	13	153
<i>Total Eastern Partnership per month</i>	16	25	14	12	24	32	18	30	34	39	20	37	301

¹⁴ Person against whom a European Arrest Warrant or Extradition Request (Associated Countries) has been issued.