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

SIXTH REPORT UNDER THE VISA SUSPENSION MECHANISM

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INTRODUCTION

Visa liberalisation is a pillar of the EU's cooperation on migration, security, and justice. It facilitates mobility and people-to-people contacts.

Article 8(4) of Regulation (EU) 2018/1806 (the 'Visa Regulation')¹ requires the Commission to ensure an appropriate monitoring of the continuous fulfilment of the visa exemption requirements by those countries whose nationals obtained visa-free access to the EU following the successful completion of a visa liberalisation dialogue. To this end, since 2017 the Commission has adopted five reports under the Visa Suspension Mechanism², covering the visa-free countries in the Western Balkans (Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia) and in the Eastern Partnership (Georgia, the Republic of Moldova – referred to below as Moldova –, and Ukraine).

Building on the findings of these reports, and on the overall monitoring of the visa-free regimes that the EU has in place across the world³, the Commission adopted on 30 May 2023 a Communication⁴ that highlighted the main challenges in the areas of irregular migration and security linked to the functioning of visa-free regimes and the main shortcomings of the current visa suspension mechanism, setting out a consultation process on the possible ways to address those challenges and improve the mechanism.

One of the aspects covered by the Communication concerned the need for a reinforced monitoring of visa-free countries, in line with the European Council conclusions of 9 February 2023⁵. As announced in President von der Leyen's letter to the European Council of 20 March 2023, the Commission is presenting today a legislative proposal to revise the visa suspension mechanism⁶ as well as a new strategic and comprehensive Visa suspension mechanism report. One of the main objectives of the proposal is to strengthen the Commission's monitoring and reporting tasks, introducing an explicit possibility for the Visa suspension mechanism report to cover other geographical areas beyond the EU neighbouring countries, focusing on those third countries presenting specific problems that, if not addressed, may lead to trigger the suspension mechanism.

On the one hand, as required by Article 8(4) of Regulation (EU) 2018/1806, the report assesses the continuous compliance with the visa liberalisation requirements of countries that have completed a visa liberalisation dialogue less than seven years ago (Georgia and Ukraine). On the other hand, the reporting on the countries that have completed a visa liberalisation dialogue more than seven years ago

¹ 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(2017) 815 final (first report); COM(2018) 856 final (second report); COM(2020) 325 final (third report); COM(2021) 602 final (fourth report), COM/2022/715 final/2 (fifth report).

³ As listed in Annex II of Regulation (EU) 2018/1806.

⁴ Communication from the Commission to the European Parliament and the Council on the monitoring of the EU's visa free regimes, COM/2023/297 final.

⁵ Special meeting of the European Council (9 February 2023) – Conclusions, <https://data.consilium.europa.eu/doc/document/ST-1-2023-INIT/en/pdf>. The European Council emphasised that 'visa policy alignment by neighbouring countries is of urgent and crucial importance for migration management as well as for the overall good functioning and sustainability of visa-free regimes where relevant', and that 'the monitoring of neighbouring countries' visa policies should be strengthened'.

⁶ COM(2023)642.

(Albania, Bosnia and Herzegovina, Moldova, Montenegro, North Macedonia, and Serbia)⁷ is targeted on specific challenges linked to the visa-free regimes with these countries, such as visa policy alignment, investor citizenship schemes, readmission cooperation and unfounded asylum applications.

For all eight countries, issues related to benchmarks addressed through the visa liberalisation dialogues that the countries have completed are assessed as part of the enlargement process, under Chapter 23, Judiciary and Fundamental Rights, and Chapter 24, Justice and Home Affairs, and are reported on in-depth in the upcoming Commission's annual enlargement package. In particular, the enlargement package also reports in detail on the efforts by candidate countries and potential candidates to strengthen the rule of law and the fight against corruption. These are parts of the so-called "fundamentals", which are a cornerstone of the accession process and will determine the partners' overall pace of progress on their path towards the EU.

With regard to the Western Balkans, the report builds on the ongoing implementation of the EU Action Plan to address migration along the route presented by the Commission on 5 December 2022⁸. The Action Plan has responded, among other challenges, to the surge of irregular migration to the EU via the Western Balkan route in 2022. The increased crossings of the external borders of Member States were – to some extent – the results of secondary movements passing through the region and visa-free arrivals in the Western Balkans, travelling onwards to the EU. The Action Plan has helped to ensure that arrivals have reduced, and aims at developing common, coordinated action at EU level but also at further strengthening cooperation between the EU and Western Balkan partners on migration matters. The Action Plan covers border management, asylum and reception capacities, fighting migrant smuggling, readmission cooperation and returns as well as visa policy alignment.

Overall, a good pace of delivery has been maintained in all these policy areas, thanks to enhanced engagement and outreach to all Western Balkan partners at all levels. However, work needs to continue on the implementation of the Action Plan. Irregular migration remains a key challenge for the Western Balkan partners. Combating migrant smuggling and trafficking in human beings remain priorities. While visa requirements have been reintroduced in the region for some key nationalities behind the increase in irregular arrival in 2022, ensuring further visa alignment is necessary. The Commission has stepped-up its financial support with total funding for migration-related activities in the region under the Instrument for pre-accession (IPA III) amounting to EUR 291.9 million (2021-2023).

In 2023, as of 31 August, 62 967 irregular border crossings on entry to EU Member States along the Western Balkans route have been registered⁹. This represents a decrease by 28% compared to the same period of 2022, in large part resulting from the ongoing process of visa alignment by Western Balkan partners. The main nationalities observed on the route remain Syrians, Afghans and Turks.

The report draws upon contributions from the eight countries covered, the European External Action Service and the EU delegations, the relevant EU justice and home affairs agencies¹⁰ and Member

⁷ Article 8(4) of Regulation (EU) 2018/1806 only requires the Commission to report for a period of seven years after the date of entry into force of visa liberalisation for those third countries; thereafter, the Commission may continue to report whenever it considers it to be necessary, or upon request by the European Parliament or by the Council.

⁸ https://home-affairs.ec.europa.eu/system/files/2022-12/Western%20Balkans_en.pdf

⁹ Operational data, Frontex, <https://www.frontex.europa.eu/what-we-do/monitoring-and-risk-analysis/migratory-map/>

¹⁰ The European Union Agency for Asylum (EUAA), the European Border and Coast Guard Agency (Frontex), the European Union Agency for Criminal Justice Cooperation (Eurojust), and the European Union Agency for Law Enforcement Cooperation (Europol).

States. Seventeen Member States provided contributions on relevant examples of cooperation with the countries in question, in the areas of migration and security. These contributions have informed the relevant assessments contained in the report.

This sixth report assesses actions taken by the concerned countries in 2022, with updates for 2023, where deemed to have a significant impact on this year's recommendations. It also reports on operational cooperation with the EU and with Member States¹¹, and it includes an overview of migration trends¹² reflecting Eurostat data for the 2022 statistical year, including changes compared with 2021.

As announced in the Communication of 30 May 2023, and already implementing the new approach set out in the legislative proposal on the revision of the suspension mechanism, the report also covers, for the first time, other geographical areas beyond countries in the EU's neighbourhood, focusing on visa-free countries where specific issues have arisen and where further cooperation may be needed to address specific migration and/or security challenges that could be assessed under the visa suspension mechanism. Following up to one of the main challenges identified in the above-mentioned Communication, section II of the report assesses the visa-free countries that operate investor citizenship schemes. Investor citizenship schemes (or citizenship-by-investment programmes, also commonly referred to as "golden passports") run by third countries with visa-free access to the EU may present a number of security risks for the EU. These schemes grant citizenship rights on the basis of local investments or against a flat fee, with low or no residence requirements, weak security checks and no genuine connection with the third country in question. The third countries concerned often advertise those schemes as 'golden passports' with the express purpose of allowing visa-free travel to the Union to third-country nationals that would otherwise be visa required. Such schemes can allow their beneficiaries to bypass the regular Schengen visa procedure and the in-depth assessment of individual migratory and security risks it entails, including a possible evasion of measures to prevent money laundering and financing of terrorism¹³.

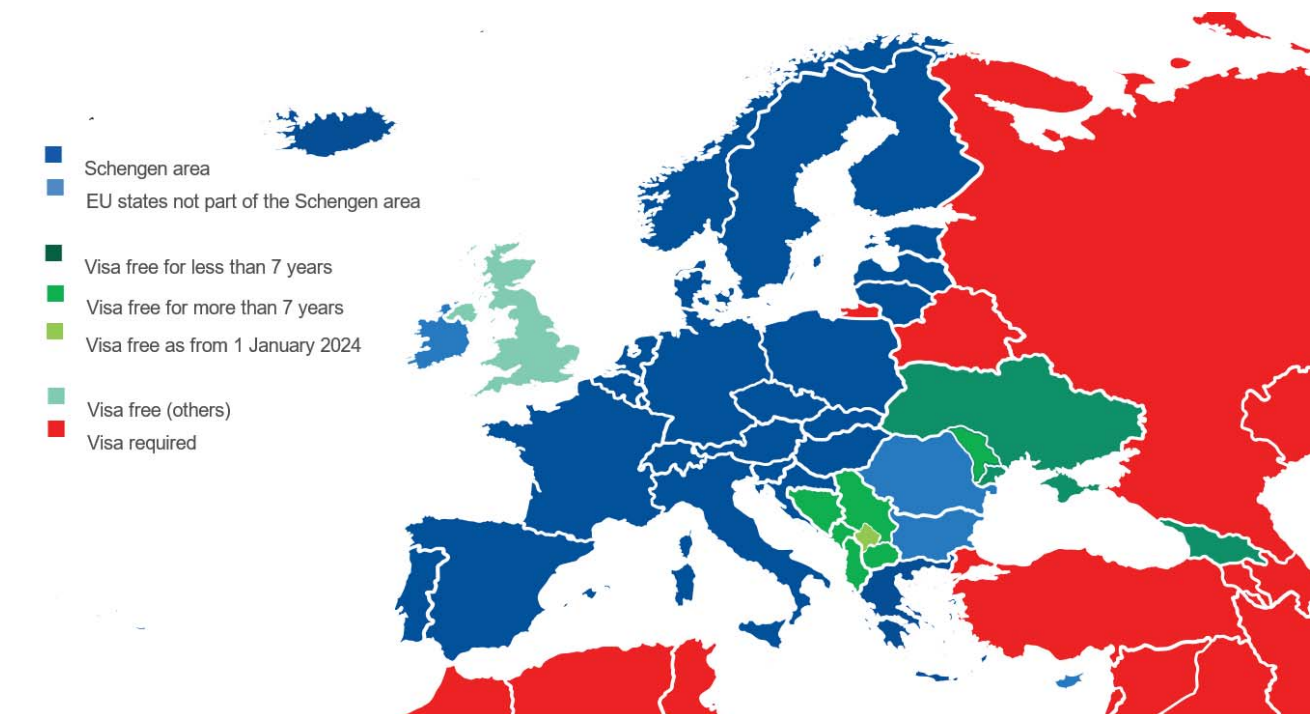
The Commission is monitoring all visa-free third countries operating investor citizenship schemes. At the moment, a number of visa-free third countries are under close scrutiny due to the potential risks raised by their investor citizenship schemes, or their plans to establish such schemes.

¹¹ For this report, the term 'Member States' refers to Member States applying Regulation (EU) 2018/1806 ('the Visa Regulation'), i.e. all current Member States (except Ireland) and Schengen Associated Countries.

¹² While the visa liberalisation benchmarks relating to migration are limited to migration policies of the third countries concerned, the section on migration trends reflects irregular migration to Member States, refusals of entry issued by Member States, and applications for international protection lodged in Member States by nationals of the countries covered in the report.

¹³ Report From the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Investor Citizenship and Residence Schemes in the European Union, COM (2019) 12 final, page 23.

I. COUNTRIES IN THE EU'S NEIGHBOURHOOD



1. COUNTRIES THAT HAVE BEEN VISA-FREE FOR LESS THAN 7 YEARS

GEORGIA

1. Visa policy alignment

Georgia has a visa-free regime with 24 countries that are on the EU list of visa-required countries¹⁴: Armenia, Azerbaijan, Bahrain, Belarus, Belize, Botswana, Dominican Republic, Ecuador, Iran, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lebanon, Oman, Qatar, Russia, Saudi Arabia, South Africa, Tajikistan, Thailand, Türkiye, Turkmenistan and Uzbekistan.

Georgia made no progress towards further visa policy alignment in 2022.

2. Document security, including biometrics

Georgia has issued biometric passports since 2010. Non-biometric passports will be fully phased out by 1 January 2025, when the last ones currently in circulation will expire. As part of cooperation with Interpol, Georgia exchanges information on lost and stolen passports.

3. Integrated border management, migration management, asylum

Georgia continued efforts to address the issue of unfounded asylum applications filed by its citizens in the Member States. Based on a new entry-exit law entered into force in January 2021, in 2022 the Georgian authorities have carried out 'exit-control checks' at the Georgian border crossing points. Georgia reports that during the period 2021/2022 this system allowed to prevent departures of a total of 4 677 citizens of Georgia that were considered to represent a risk of irregular migration to the EU.

The Georgian authorities made further efforts to address this issue through criminal prosecution of persons and groups involved in smuggling of migrants, including those involved in providing false

¹⁴ Annex I to Regulation (EU) 2018/1806.

information on prospects for submitting successful asylum requests in the EU. The number of people effectively charged remains however low (11 in 2022).

Georgia cooperates regularly with concerned EU Member States on issues related to visa-free travel, including the prevention of irregular stay of Georgian citizens. In 2022, this cooperation included the deployment of 16 Georgian police officers in some EU Member States, to assist local law enforcement authorities, with eight joint operations conducted.

Georgia has a regular cooperation with Frontex, based on a Working Arrangement on operational cooperation renewed in 2021. A number of Frontex officers are deployed to land and sea border crossing points as well as to Tbilisi and Kutaisi international airports. Georgian police officers have also been deployed to concerned EU Member States' airports. The main purpose of this cooperation is to prevent the abuse of visa-free travel by Georgian citizens, including by lodging unfounded asylum applications.

Georgia cooperated closely with Member States on readmission. The rate of positive decisions by the Georgian authorities on readmission requests averages 98% for the whole period 2017-2022. Georgia also cooperated very closely on returns, including on repatriation flights for return purposes. In 2022 Georgian escorts took part in Frontex training on collecting return operations¹⁵, in order to ensure the highest EU standards during the implementation of such operations. Several Member States as well as Frontex welcomed the good cooperation with Georgia with regard to the use of repatriation flights for return purposes.

4. Monitoring trends in irregular migration, applications for international protection, returns and readmission

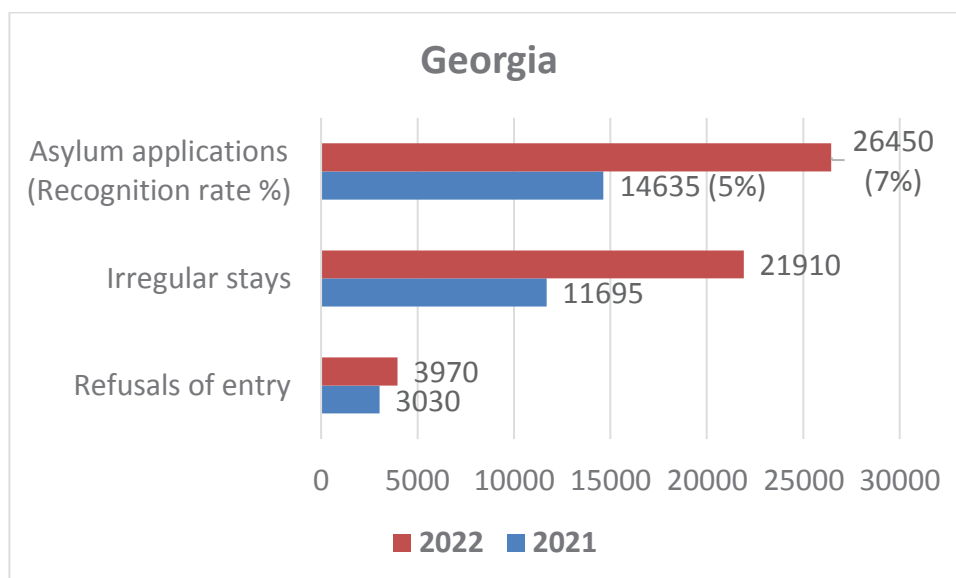
In 2022, the number of applications for international protection by nationals of Georgia in Member States increased by 81% compared to 2021, with 26 450 applications lodged in 2022 (14 635 in 2021). The recognition rate¹⁶ increased from 5% in 2021 to 7% in 2022.

In 2022, there were 25 irregular border crossings of Georgian nationals to Member States. In 2022, the number of Georgian nationals found to be irregularly staying in Member States rose by 87%, with 21 910 people in 2022 against 11 695 in 2021. The number of refusals of entry issued to Georgian nationals increased by 31%, from 3 030 in 2021 to 3 970 in 2022.

In 2022, the number of return decisions issued to nationals of Georgia rose by 50% (16 275 in 2022 compared with 10 820 in 2021) as did the number of people returned (7 760 in 2022 compared with 4 935 in 2021, a rise of 57%). The return rate slightly improved, from 46% in 2021 to 48% 2022.

¹⁵ In collecting return operations returnees are picked up from the departure airport by the authorities of their country of destination. The means of transport and escort officers are provided by that non-EU country.

¹⁶ For this report, the recognition rate is calculated as the share of positive decisions at first instance (including Geneva protection, subsidiary protection, and humanitarian status) in the total number of decisions at first instance. For a definition, see https://home-affairs.ec.europa.eu/pages/glossary/recognition-rate-procedures-international-protection_en



Source: Eurostat

5. Public order and security

Georgia continued efforts to fight against corruption. In 2022, the Parliament adopted legislation establishing the Anti-Corruption Bureau, an agency in charge of the development of anti-corruption policy and the monitoring of its implementation. Its competence includes the monitoring of assets' declarations of high-level officials and of financial activities of political parties, the protection of whistle-blowers, as well as the identification and prevention of conflicts of interest in public institutions.

The framework for policy coordination is in place, but the main anti-corruption policy coordination platform, the National Anti-Corruption Council, has not met since 2019. Pursuant to the establishment of the Anti-Corruption Bureau, some aspects of policy coordination were assigned to the Bureau. The mandates of the Bureau and the Council, especially in the policy development and monitoring domains, need to be clearly delineated. At the end of September 2023, Georgia sent a request for an opinion to the Venice Commission regarding its existing laws on the setting up of the Anti-Corruption Bureau and on the Special Investigation Service.

On the operational level, the fight against corruption is the responsibility of the Anti-Corruption Agency of the State Security Service of Georgia (SSSG). The task was also carried out by the Civil Service Bureau, which supports the implementation of the anti-corruption policy amongst civil servants in Georgia, with one of its main responsibilities being the management of the asset and interest declaration scheme for public officials. In the first nine months of 2022, a total of 115 people were prosecuted for corruption and 95 were convicted. The responsibility for asset declarations has now been handed over to Anti-corruption Bureau.

High-level corruption remains an area to be addressed and in particular the challenge of large-scale vested interests and their influence in both the political, judicial and economic spheres. In February 2023, Georgia withdrew from the OECD anti-corruption monitoring network for Eastern Europe and Central Asia (OECD/CAN).

Georgia is a participating state of the Group of States against Corruption (GRECO). It has implemented or dealt with eight of the 16 recommendations contained in the 4th Round Evaluation Report. In May 2023, Georgia implemented one outstanding GRECO recommendation by widening the scope of the

asset declaration regime to cover all prosecutors. A recommendation about limiting the immunity of judges to activities relating to their participation in judicial decision-making (“functional immunity”) remains to be implemented.

Georgia made an effort to improve the legal tools on the fight against money laundering and terrorism financing, by increasing the powers of the Financial Monitoring Service (FMS) and creating a Standing Interagency Commission. The commission is tasked with developing and submitting to the government the National AML/CFT Strategy and Action Plan for the period 2023-2025. The first working session of the commission was held on 20 September 2022. On the operational level, new guidelines were adopted in May 2022 on seizure of virtual currency, which is now frequently used by investigators and prosecutors in criminal cases concerning money laundering.

On the fight against terrorism, the new National Counter-terrorism Strategy of 2022-2026 and its corresponding Action Plan were adopted in January 2022. The strategy includes the adoption of a financial sanctions mechanism and takes into account the recommendations of the Financial Action Task Force (FATF) and those of Moneyval’s 2020 Report on Georgia¹⁷. The State Security Service of Georgia (SSSG) continued actively to cooperate with Europol, joining the Counter Terrorism Joint Liaison Team (CT JLT) and participating in analytical projects, including Terrorist Finance Tracking Programme (TFTP).

Under the National Strategy for Combating Organised Crime 2021-2024, Georgian law enforcement agencies are focusing their efforts on tackling cybercrime and drug trafficking towards the EU, the latter being a source of considerable profits for criminal groups. Georgia reported an increase of relevant personnel in 2022, an effort to increase the interagency cooperation and the launching of public awareness campaigns, especially on dangers linked to cybercrime. Georgia also made efforts to introduce the concepts of ‘Community Oriented Policing and Intelligence Led Policing’ in its law enforcement agencies, based amongst others on the results of the EU-funded project “Support the Fight against Organised Crime in Georgia”¹⁸.

Georgia maintains a network of police attachés in numerous EU Member states and a Liaison Office at Europol. Cooperation is particularly close with European Serious Organised Crime Centre (ESOCC) of Europol, dealing with criminal groups based in the countries covered by the Eastern Partnership. Georgia is also actively involved in European Multidisciplinary Platform Against Criminal Threats (EMPACT) activities. In 2022, Georgia participated in 8 Operational Action Plans out of 15 and a National EMPACT Coordinator (NEC) was nominated. A Working Arrangement with CEPOL, replacing the previous Cooperation Agreement, was signed on 22 June 2022.

In September 2022, Georgia signed a second technical cooperation working arrangement document with the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA). Several national data collection systems are available in Georgia, some compatible with EMCDDA protocols.

Georgia is a beneficiary of the ‘EMCDDA4GE’ project, which is focused on knowledge transfer and capacity building in the areas of drug monitoring, reporting, prevention and treatment.

On 28 September 2022, Georgia concluded a working arrangement with the European Public Prosecutor’s Office (EPPO). As part of its cooperation with Eurojust, in 2022 Georgia took part in two

¹⁷ <https://rm.coe.int/moneyval-2020-20-5th-round-mer-georgia/1680a03271>

¹⁸ <https://police.ge/en/ministry/structure-and-offices/international-relations-department/donor-coordination/proeqtebis-shesakheb/ongoing-projects/teqnikuri-daxmareba-organizaciuli-danashauli>

joint investigation teams with EU counterparts. Georgia has appointed a Liaison Prosecutor at Eurojust.

6. External relations and fundamental rights

In the Fifth Visa Suspension Mechanism Report, the Commission recommended that Georgia fully align the procedure for appointing Supreme Court judges with the Venice Commission's recommendations¹⁹, and adopt and implement legislation evaluating the integrity and performance of Supreme Court judges.

Georgia has not yet fully implemented the relevant Venice Commission recommendations. An effective right of appeal for candidates in the appointment procedure of the Supreme Court judges remains to be ensured by clarifying the binding nature of the Supreme Court decision for the High Council of Justice. Georgia has not initiated the process of preparing legislation on additional integrity checks for Supreme Court judges with the participation of international experts with a casting vote.

In the Fifth Visa Suspension Mechanism Report, the Commission recommended also that Georgia ensures the independence of its data protection authority, the Personal Data Protection Service (PDPS). A new law on data protection was adopted in June 2023 and sent to the Venice Commission for opinion in September 2023. The law is aimed at aligning Georgia's legislation with the EU acquis and overall provides for improvements in comparison to the 2011 law. However, several issues are still to be addressed, notably regarding rules on international data transfers and certain exemptions/limitations to data protection rights.

7. Recommendations

Overall, Georgia continues to fulfil the visa liberalisation benchmarks and has taken action to address the Commission's previous recommendations. However, further efforts are needed. In particular, the following issues need to be further addressed:

- a) Align Georgia's visa policy with the EU's list of visa-required third countries, in particular with regard to countries presenting irregular migration or security risks to the EU.
- b) Step up action to address the issue of unfounded asylum applications and irregular stays in Member States.
- c) Participate in the actions of the EMPACT Operational Action Plan on Migrant Smuggling.
- d) Set up an Asset Recovery Office and Asset Management Office, and to step up asset recovery efforts from asset tracing, freezing, management, confiscation and disposal.
- e) Adopt a new Anti-corruption strategy and Action plan, ensuring adequate resources for their implementation and pay special attention to investigation, prosecution, and adjudication of high-level corruption cases.
- f) Ensure that legislation on the Anti-Corruption Bureau, the Special Investigation Service and the Personal Data Protection Service address the recommendations from the Venice Commission.

¹⁹ Recommendations provided in the opinion N949/2019 of the Venice Commission, adopted on 24 June 2019, then also on 30 September 2020 and 1 April 2021.

UKRAINE

On 24 February 2022, Russia started its full-scale war of aggression against Ukraine. This was met with an unprecedented and unified response by the European Union and the international community. A key component of that response was the unanimous decision by Member States on a proposal of the Commission to activate the Temporary Protection Directive (TPD)²⁰, which granted temporary protection to Ukrainian nationals (and other categories of persons) displaced from Ukraine on or after 24 February 2022. The Council agreed on 28 September 2023, based on a Commission proposal, to extend the TPD from 4 March 2024 to 4 March 2025.

Since then, the visa-free regime between the EU and Ukraine has facilitated travel to and from Ukraine, supporting the implementation of temporary protection in the EU..

1. Visa policy alignment

Ukraine has a visa-free regime with 15 countries that are on the EU list of visa-required countries: Armenia, Azerbaijan, Bahrain, Belarus, Ecuador, Kazakhstan, Kuwait, Kyrgyzstan, Mongolia, Oman, Qatar, Saudi Arabia, Tajikistan, Türkiye and Uzbekistan.

There was no progress towards more alignment with the EU list of visa-required countries in 2022.

2. Document security, including biometrics

Ukraine has been issuing biometric passports since 2015. The last non-biometric passports were issued in 2016, and their complete phase-out is planned for 2026, when they will expire.

Operations of the State Migration Service (SMS), which is part of the Ministry of Interior, in charge of passports, were suspended on 24 February 2022, but resumed once the necessary equipment was moved to a safe territory. Currently, all information systems of the SMS are working on a regular basis, except in territories under illegal Russian occupation.

On 28 February 2022, an exceptional measure was adopted, allowing for extension of the validity of passports for up to five years and inserting children's photo cards to their parents' passports, to allow Ukrainian citizens to travel to the EU. On 18 October 2022, this temporary procedure was also extended to cases of need for emergency travels, e.g. urgent need for medical treatment, or death of a relative abroad.

Exchange of information on stolen and lost documents between relevant authorities of Ukraine and its transmission to the INTERPOL databases on stolen and lost documents was carried out without interruption, including after the beginning of Russia's war of aggression.

3. Integrated border management, migration management, asylum

Russia's full-scale invasion and war of aggression against Ukraine provoked the largest population movement in Europe since World War II. Millions of Ukrainians were forced to leave their places of residence and go abroad or to the western regions of Ukraine. The displacement situation of people affected by Russia's war of aggression against Ukraine is constantly changing, depending on the development of hostilities.

²⁰ Council Implementing Decision (EU) 2022/382 of 4 March 2022 establishing the existence of a mass influx of displaced persons from Ukraine within the meaning of Article 5 of Directive 2001/55/EC, and having the effect of introducing temporary protection, ST/6846/2022/INIT, OJ L 71, 4.3.2022, p. 1–6.

After 24 February 2022, the management of borders of Ukraine was impacted by Russia's aggression. Some border sectors were occupied by Russia, others became a war zone. In areas bordering Russia, Belarus and the Transnistrian segment of the border with Moldova all 111 crossing points were closed for security reasons. Significant quantities of specialised equipment were lost (captured or destroyed). While Ukrainian border guards, like other institutions in the home affairs sector, have been heavily engaged in the country's defence and civil protection efforts, border checkpoints remained effective, demonstrating remarkable resilience and operational capabilities.

The preparation of a new integrated border management Action Plan for 2023-2025 has begun and should address the restoration of border management on the de-occupied sections of the state border. Pending the adoption of the new Action Plan, the work continues on the outstanding actions of the 2020-2022 Action Plan.

In wartime conditions after 24 February 2022, Ukraine continued the cooperation on border management with EU partners, both Member States and EU agencies, especially Frontex. Amongst others, a joint analysis of threats to border security was carried out together with Slovakia, Poland, Hungary, Romania and Moldova and a joint Ukrainian-German analysis on border management was conducted with the Federal Police of Germany. However, Frontex personnel supporting Ukraine in airports and at border crossing points was withdrawn because of the Russian aggression.

The potential increase of firearms smuggling is a concern for the EU and Ukraine. In February 2023, the EU started implementing the 'EU list of action to counter firearms and other small arms and light weapons diversion in the context of Russia's aggression against Ukraine'.²¹ There is a specific focus on making full use of border security measures at the EU's external borders to detect smuggling of firearms and where Member States (especially customs and border guards/coast guards), Frontex, EMPACT, Europol and the European Union Border Assistance Mission to Moldova and Ukraine (EUBAM) are the main actors.

Ukraine continues to take action against irregular migration. In 2022, immigration officers detected 5 062 migrants in an irregular situation, 336 of whom had irregularly entered the territory, and 26 criminal groups involved in migrants' smuggling were dismantled.

Asylum applications continued to be examined in Ukraine in 2022, with 205 people applying for protection and 46 positive decisions. At the end of 2022 there were 2 523 recognized refugees recorded as living in Ukraine.

4. Monitoring trends in migration, temporary protection, applications for international protection, and readmission

As of February 2022, more than 16 million entries into the EU by persons fleeing the war have been recorded, out of which 14 million were Ukrainian nationals, while the border crossing of Ukrainian nationals from the EU to Ukraine amounted to 11.4 million.²² Entries were significantly higher during the first months of the Russian aggression, with a weekly average of 800 000 entries, reaching peaks of over 200 000 daily entries at the EU border with Ukraine. From April 2022 onwards, the trend

²¹ <https://data.consilium.europa.eu/doc/document/ST-6929-2023-INIT/en/pdf>

²² Figures on entries and exits indicate the number of cross-border movements, not single individuals.

stabilised to around 240 000 entries per week and the number of border crossings between the EU and Ukraine went back to pre-aggression and pre-pandemic levels²³.

Following the above-mentioned activation of the Temporary Protection Directive, 4 271 890 Ukrainian citizens were granted temporary protection in the EU and in the Associated Countries in 2022. Additionally, in 2022, 27 135 Ukrainians applied for international protection in Member States, (compared to 6 250 in 2021), with a recognition rate of 88% (compared to 17% in 2021). Member States did not report any issues in the implementation of the EU-Ukraine Readmission agreement.

5. Public order and security

Following the granting to Ukraine of the status of candidate to join the EU in June 2022, the Ukrainian government launched a reform of the overall Ukrainian law enforcement sector, which is in progress.

Although the wartime conditions complicated the task of law enforcement, efforts continued in the fight against drug trafficking. A new State Policy Drug Strategy for 2023-2030 was drafted. To prevent diversion/non-medical use of medicines containing narcotic or psychotropic substances, on 1 November 2022 an obligation to deliver these products only upon prescription was introduced.

Ukraine also continued international cooperation in this field within EUBAM and within the framework of EMPACT. Although the cooperation slowed down following the Russian aggression, it was not interrupted. Ukrainian law enforcement agencies intend to intensify cooperation with EU partners in this field, in particular to counteract the smuggling of illegal drugs from Afghanistan, Iran and Pakistan.

In the field of the fight against organised crime, the government approved a new Action Plan on 27 September 2022. The fight against organised crime continued, although it was made more difficult by wartime conditions. A particular effort was made against criminal gangs attempting to steal humanitarian and other aid arriving to Ukraine. Cooperation with Europol and Interpol continued. On 19 October 2022, the Memorandum of Understanding on Confidentiality and Information Assurance between Ukraine and Europol entered into force; it enabled the direct exchange of information between Ukraine, Europol, EU Member States and third countries.

Cooperation at operational level also continued with law enforcement agencies of EU Member States, especially via joint investigation teams (JIT) for the fight against the most dangerous transnational crimes, as well as for core international crimes committed in the context of the international armed conflict.

During the interim prosecutorial reform period in 2019-2021, a transparent selection procedure, including integrity, professionalism and leadership checks, was piloted for the management-level prosecutors. Yet, since the re-establishment of the Council of Prosecutors in autumn 2021, these positive practices were not continued. The procedure lacks transparency, meritocracy and credible integrity checks. The resources and capacities of the Council of Prosecutors to carry out its mandate in this area remain limited.

In August 2023, the Ukrainian Government adopted the strategy on asset recovery for 2023-2025, setting out strategic directions for the improvement of the legal and institutional framework, along

²³ For details on the situational picture see the Communication from the Commission to the European Parliament and the Council 'Temporary protection for those fleeing Russia's war of aggression against Ukraine: one year on, COM(2023) 140 final.

with inter-service and international cooperation. The action plan for the implementation of the strategy remains to be developed.

Ukraine continued its efforts to improve the strategic anti-corruption framework. On 20 June 2022, the Parliament adopted the Anti-Corruption Strategy for 2021-2025 (ACS), including 72 objectives to reach by 2025. In 2022, the lengthy selection procedure for the top positions in the Specialised Anti-Corruption Prosecutor's Office (SAPO) was finalised; in July 2022 the positions of head and deputy head of SAPO were filled. Also, a new director for the National Anti-Corruption Bureau of Ukraine (NABU) was selected and appointed in March 2023, in a transparent and merit-based process.

On the other hand, despite the recommendation issued in the two previous Visa Suspension Mechanism reports, there was still no progress with the establishment of autonomous wiretapping by the NABU. In July 2023, a working arrangement was signed on cooperation between the European Public Prosecutor's Office (EPPO) and the NABU. A new head of the National Agency for Finding, Tracing and Management of Assets Derived from Corruption and other Crimes (ARMA) was finally appointed after a re-launch of the competition in June 2023, though the whole asset management procedure remain in high need for a systemic reform.

The functioning of the various agencies responsible for fighting against corruption was affected by the wartime conditions, but their overall operational effectiveness continues to remain strong. In 2022, NABU initiated a total of 456 criminal proceedings (compared to 633 in 2021 and 792 in 2020) and, during the first half of 2023, it initiated 286 proceedings. Based on the results of the NABU investigation, and under the procedural guidance of SAPO, 54 indictments on corruption offenses against 132 persons were sent to court in 2022 (compared to 57 indictments against 127 persons in 2021 and 67 indictments against 106 persons in 2020). During the first half of 2023, 58 indictments against 147 persons were sent to court.

6. External relations and fundamental rights

Ukraine complies overall with international human rights instruments and standards, while Ukrainian citizens suffered severely from large-scale violations of fundamental rights by Russia, which Ukrainian authorities and civil society have sought to remedy. Martial law was introduced at the start of the Russian full-scale invasion restricting rights and freedoms, though it has remained largely proportional to actual needs and has been applied with caution, maintaining a good level of freedom of expression despite restrictions to the media landscape. Furthermore, a strong decrease has been registered of cases of discrimination against minorities, including persons belonging to the LGBTIQ+ community, antisemitic acts or national minorities.

Regarding the rights of people belonging to national minorities, Ukraine currently has not fully implemented the recommendations of the Council of Europe's Venice Commission Opinion of June 2023 on the law on national minorities (communities), which was adopted in December 2022. Other important reforms are being implemented, for instance regarding the new media law, the Istanbul convention and the 2030 State Strategy on ensuring equal rights between women and men, while challenges remain in the field of prison-reform and the situation of children in institutions.

7. Recommendations

Overall, Ukraine continues to fulfil the visa liberalisation benchmarks and has taken action to address some of the Commission's previous recommendations. However, further efforts are needed, where possible in the current context. In particular, the following issues need to be further addressed:

- a) Align Ukraine's visa policy with the EU's list of visa-required third countries, in particular with regard to countries presenting irregular migration or security risks to the EU.
- b) Continue ongoing efforts in the fight against organised crime, with a special focus on countering the smuggling of firearms and drugs, despite the war related challenges.
- c) Continue ongoing efforts in fighting corruption, including by adopting an action plan for the implementation of the 2023-2025 asset recovery strategy and by amending ARMA legislation on managing seized assets.

2. COUNTRIES THAT HAVE BEEN VISA-FREE FOR MORE THAN 7 YEARS

ALBANIA

1. Visa policy alignment

Albania has a visa-free regime with 13 countries that are on the EU list of visa-required countries, of which eight enjoy permanent visa exemption (Armenia, Azerbaijan, Belarus, China, Guyana, Kazakhstan, Kuwait, Türkiye) and five have a seasonal visa waiver to enter Albania for touristic reasons between April and December (Bahrain, Oman, Qatar, Saudi Arabia and Thailand). In addition, third-country nationals who have a 10-year residence permit in the United Arab Emirates, valid at least one year at the moment of entry, can also enter Albania visa-free.

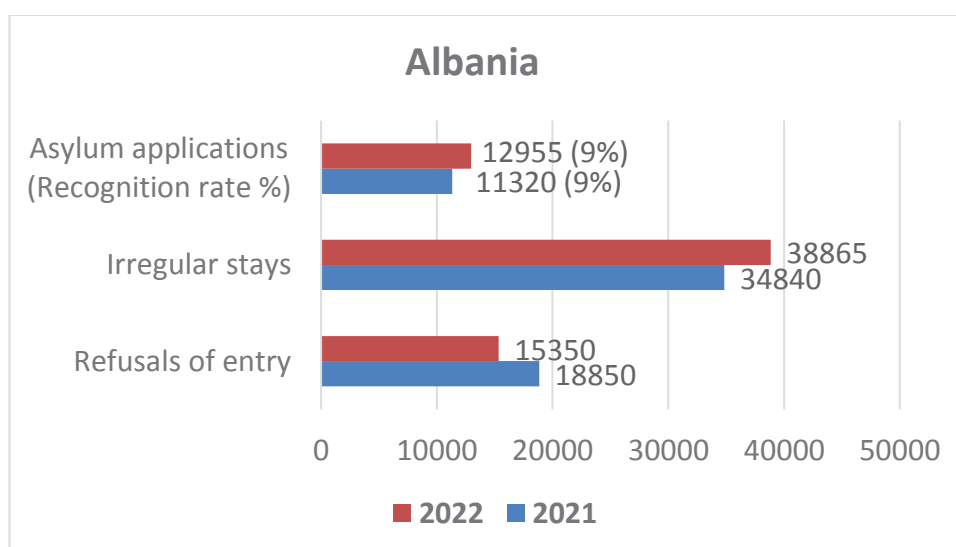
Albania made some progress towards visa policy alignment. In 2023, the seasonal visa exemption was not extended to Russia, India, and Egypt, unlike in 2022. Albania should continue to progressively align its visa policy to the EU's in particular with regard to countries presenting migration or security risks.

2. Monitoring trends in irregular migration, applications for international protection, returns and readmission

The number of applications for international protection lodged in Member States by Albanian nationals increased by 14% between 2021 and 2022, with 12 955 applications lodged in 2022. The recognition rate of 9% in 2022 remained unchanged from 2021.

In 2022, Member States reported 746 irregular border crossings by Albanian nationals, 36% less than in 2021 (1 160), while the number of Albanian nationals found to be irregularly staying in Member States increased by 11.5% compared with 2021 (from 34 840 in 2021 to 38 865 in 2022). The number of refusals of entry for Albanian nationals in Member States dropped by 18.5% in 2022 (from 18 850 in 2021 to 15 350 in 2022).

The number of return decisions issued in 2022 (24 180) rose by 8% compared to 2021 (22 445). In 2022, 9 745 returns of Albanian nationals were reported, compared with 8 610 in 2021 (an increase of 13%). The return rate slightly increased from 38% in 2021 to 40% in 2022 marking a positive change of the trend from the past years.



Source: Eurostat

3. Cooperation on migration, border management and readmission

Albania has positively engaged with the EU on the implementation of the EU Action Plan on the Western Balkans. Albania's migrant reception capacities have increased and its contingency plan in case of a spike of arrivals was updated but remains to be fully budgeted and adopted. Albania should also adopt a new Strategy on Migration, as a follow up to the 2019-2022 Strategy. Dedicated facilities for unaccompanied minors among migrants and asylum seekers should be developed. Adequate access to the asylum procedure, the effectiveness of voluntary returns and readmission cooperation with the main countries of origin are areas in which further work is needed.

Albania continued to cooperate with Member States on migration and border management. Examples of cooperation on migration and border management included: expert visits, exchanges of information and best practices, technical equipment, and training courses. The "Awareness Raising and Information for Safety and Empowerment for All – Albania" (Arise All) project continued to be implemented in 2022 by IOM, with the support of the European Union's Asylum, Migration and Integration Fund, Belgium and the Netherlands²⁴. This prevention campaign aimed to raise awareness among Albanian citizens on the risks of irregular migration to Europe and to provide information on existing economic and educational opportunities in Albania and legal migration channels to Europe. The project started in early 2021 and ended in December 2022. Other examples of cooperation included study visits for Albanian border police (and advisory and training missions).

Overall, Member States reported good cooperation on readmission. Albania also continued to cooperate with the European Border and Coast Guard Agency (Frontex), in particular by implementing the Joint Operation "Albania Land" and "Albania Sea" under the EU-Albania Status Agreement. A new Status Agreement was signed on 15 September 2023. Albania also cooperated with the Agency when organising and supporting return operations for Albanian citizens irregularly staying in France and other concerned Member States. The Albanian Ministry of Interior and Frontex signed a Memorandum of Understanding on a complaint mechanism regarding the protection of fundamental rights in June 2023. A liaison officer from Frontex continues to be present in Albania. Overall, Albania has developed a very extensive and positive cooperation with Frontex on border management, which will further expand once the new Status Agreement signed in September 2023 will be implemented.

As regards cooperation with the EU Asylum Agency (EUAA), the Roadmap for Cooperation for the period 2021-2022 was extended until the end of 2023 and has allowed the EUAA to provide support to the Albanian authorities in strengthening their asylum and reception systems.

4. Actions taken on unfounded asylum applications

In order to address the issue of unfounded asylum applications lodged by Albanian nationals in the EU, in 2022, Albania adopted an action plan 'on the prevention of the asylum-seeking phenomenon of Albanian citizens in Schengen/EU countries' and strengthened the controls on Albanian citizens who cross the border with the EU. Albania also continued to strengthen its cooperation and exchange of information with Member States, especially with those most affected by this phenomenon. Notably, Albania continued to implement its two action plans, addressing the issue of unaccompanied Albanian minors in Italy and the issue of Albanian asylum seekers in France, respectively.

The Albanian government also continued to raise awareness about the rights and obligations linked to

²⁴ <https://albania.iom.int/sites/g/files/tmzbd11401/files/inline-files/arise-all-project-brief.pdf>

visa-free travel to the EU, in cooperation with Frontex, Europol, Member States as well as international organisations such as IOM, UNHCR and the OSCE. Leaflets with relevant information on the requirements for visa-free travel and the penalties for any violations of these obligations are distributed at all border crossing points.

5. Citizenship by investment

In the fifth report under the visa suspension mechanism, it was reported that, in 2022, the Government of Albania adopted a decision which introduces a legal basis for the Ministry of Interior to launch a Public Private Partnership procedure for the implementation of an investor citizenship scheme. In 2023, Albania announced its decision to suspend the initiative related to the establishment of an investor citizenship scheme.

6. Cooperation on security

In 2022, Albania took part in an increasing number of international police operations and was part of 16 ongoing joint investigation teams. Albania deployed a second liaison officer to Europol in February 2023. In 2022, the Albanian State Police increased by 16.9% the number of Secure Information Exchange Network Application (SIENA) messages shared with international partners.

Albania is the most active third country participating in the European Multidisciplinary Platform Against Criminal Threats (EMPACT).

Thanks to the good progress made in the implementation of the Implementing Arrangement on Counter terrorism under the Joint Action Plan on counter terrorism for the Western Balkans, on 9 December 2022 Albania signed with the Commission a revision of the arrangement including new actions and more ambitious targets.

7. Recommendations

Albania has taken action to address most of the Commission's previous recommendations. However, further progress is needed, and the following issues need to be addressed:

- a) Further align Albania's visa policy with the EU's list of visa-required countries, in particular with regard to countries presenting irregular migration or security risks to the EU.
- b) Continue cooperating with the Member States most affected by unfounded asylum applications by Albanian nationals and implementing tailored information campaigns on the visa-free regime.
- c) Refrain from establishing an investor citizenship scheme.

BOSNIA AND HERZEGOVINA

1. Visa policy alignment

Bosnia and Herzegovina has a visa-free regime with 8 countries that are on the EU list of visa-required countries: Azerbaijan, China, Kuwait, Oman, Qatar, Russia and Saudi Arabia (seasonal) and Türkiye.

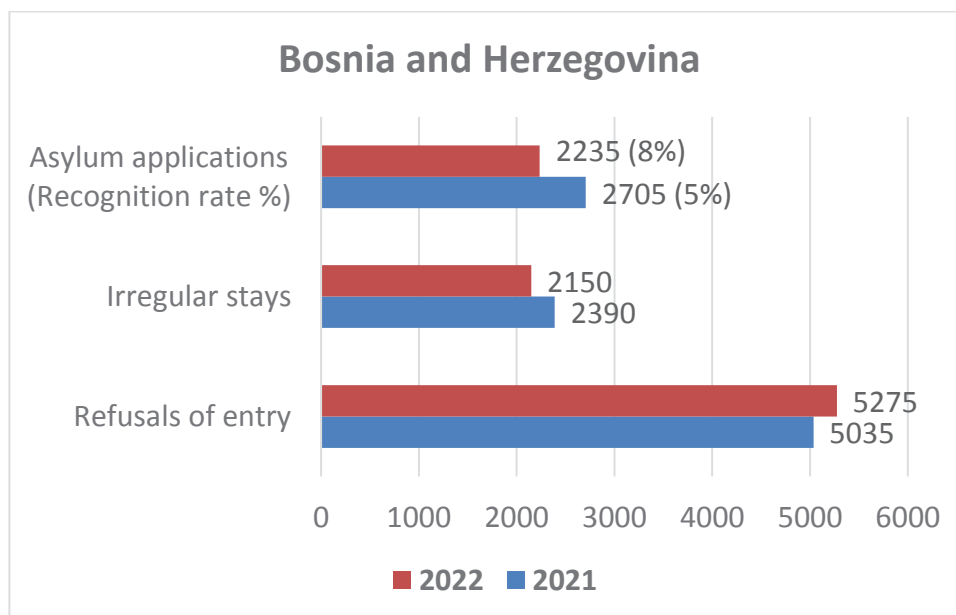
Bosnia and Herzegovina took no step in 2022 on further visa policy alignment. However, in 2023 it introduced visa-free travel for nationals of Saudi Arabia for the summer tourist season and ended the visa-free regime for Bahrain as from September 2023.

2. Monitoring trends in irregular migration, applications for international protection, returns and readmission

In 2022, 2 235 applications for international protection were submitted by nationals of Bosnia and Herzegovina in Member States, 17% less than in 2021 (2 705). The recognition rate increased from 5% in 2021 to 8% in 2022.

In 2022, Member States reported 23 irregular border crossings by nationals of Bosnia and Herzegovina at the EU's external borders, compared with 17 in 2021. In 2022, the number of nationals of Bosnia and Herzegovina found to be irregularly staying in Member States rose by 19%, with 4 900 irregular stays in 2022 compared with 4 105 in 2021. The number of refusals of entry slightly increased in 2022 (by 5%), from 5 035 cases in 2021 to 5 275 in 2022.

The number of return decisions issued to nationals of Bosnia and Herzegovina (2 745 in 2022 against 2 900 in 2021) dropped by 5%, while the number of people returned (1260 in 2022 against 900 in 2021) rose by 40%. The return rate increased from 31% in 2021 to 46% in 2022.



Source: Eurostat

3. Cooperation on migration, border management and readmission

Bosnia and Herzegovina has positively engaged with the EU on the implementation of the EU Action Plan on the Western Balkans.

Bosnia and Herzegovina adopted the Action Plan on Migration and Asylum (2021- 2025) completing the full approval of its strategic framework. Efforts have been made to expand reception capacities but further progress remains to be achieved in the identification and reception of unaccompanied minors and vulnerable persons. Access to asylum remains limited with the lodging of applications allowed only in the capital Sarajevo. Progress is needed also in the processing of asylum cases.

Bosnia and Herzegovina is implementing the strategy for integrated border management and the accompanying action plan for the period 2019-2023. A new law on border control, drafted in 2022, was rejected in Parliament in early 2023; the Council of Ministers should swiftly endorse a new draft for parliamentary procedure.

Bosnia and Herzegovina has not yet started the negotiations for the status agreement with the EU that would allow the European Border and Coast Guard Agency (Frontex) to deploy its standing corps at the country's border, to carry out operational activities together with the Border Police.

Bosnia and Herzegovina continued good cooperation on readmission on the basis of an agreement with the EU, which is implemented in an efficient manner as far as most Member States are concerned. However, two Member States signalled some problems concerning respectively refusals of readmission and the timely issuing of return travel documents.

The EU raised concerns related to the strongly increased migratory pressure of third-country nationals coming through the Western Balkans route in 2022 and requested Bosnia and Herzegovina to exercise the highest level of cooperation. In particular, the EU asked to ensure that if the asylum applications lodged by these nationals are rejected, Bosnia and Herzegovina will readmit them in application of the third-country nationals' clause of the EU-Bosnia and Herzegovina readmission agreement.

Bosnia and Herzegovina also continued bilateral cooperation with Member States. Under the EU funded project "Individual measure to strengthen the response capacity to manage migration flows in Bosnia and Herzegovina" implemented by IOM, one activity is dedicated to support the Ministry of Security with capacity building to effectively carry out returns. In the framework of the return management mechanism managed by IOM, the Ministry will also receive technical support from Member States to carry out the full spectrum of returns.

Cooperation between the European Union Asylum Agency (EUAA) and Bosnia and Herzegovina started in 2014. A first Roadmap was endorsed in November 2020. A second generation Roadmap is in preparation to cover the period 2023-2025.

4. Cooperation on security

Europol is further strengthening its operational cooperation with Bosnia and Herzegovina. A single national contact point with Europol was established in June 2023, connecting all law enforcement authorities in the country to the Europol Secure Information Exchange Network Application (SIENA) system. A liaison officer of Bosnia and Herzegovina to Europol's headquarters was deployed in the Hague. Bosnia and Herzegovina's coordinator of the Europol contact point is also the EMPACT coordinator.

Bosnia and Herzegovina has a bilateral arrangement on counter terrorism with the Commission signed in 2019²⁵, to implement the joint action plan on counter terrorism for the Western Balkans²⁶. Implementation has seen some delays, but good progress was registered in the last progress report in 2022. Bosnia and Herzegovina adopted in 2022 a new strategy on counter terrorism and prevention and countering of violent extremism. The entities need to adopt the respective action plans. Bosnia and Herzegovina needs to adopt new legislation on anti-money laundering and counter-terrorism financing, to avoid again being grey-listed following the upcoming evaluation by Moneyval.

Europol is a key stakeholder in EMPACT and operational results demonstrate the good cooperation with the Agency.

5. Recommendations

Bosnia and Herzegovina has taken some action to address the Commission's previous recommendations. However, further progress is needed, and the following issues need to be addressed:

- a) Take urgent steps to align Bosnia and Herzegovina's visa policy with the EU's list of visa-required countries, in particular with regard to countries presenting irregular migration or security risks to the EU;
- b) Swiftly negotiate, sign and ratify the Frontex status agreement with the EU;
- c) Resolve the issues in readmission cooperation signalled by Member States.

²⁵ https://home-affairs.ec.europa.eu/news/commission-and-authorities-bosnia-and-herzegovina-endorse-arrangement-counterterrorism-cooperation-2019-11-19_en

²⁶ https://home-affairs.ec.europa.eu/system/files/2018-10/20181005_joint-action-plan-counter-terrorism-western-balkans.pdf

REPUBLIC OF MOLDOVA

1. Visa alignment

Moldova has a visa-free regime with 12 countries that are on the EU list of visa-required countries: Armenia, Azerbaijan, Belarus, Cuba, Ecuador, Kazakhstan, Kyrgyzstan, Qatar, Russia, Tajikistan, Türkiye and Uzbekistan.

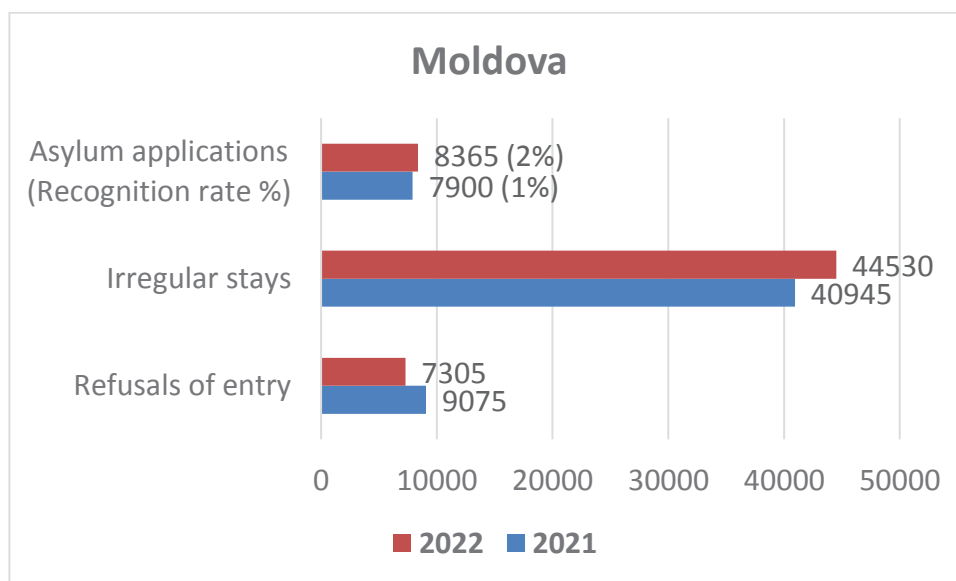
There was no progress towards more alignment with EU visa policy in 2022.

2. Monitoring trends in irregular migration, applications for international protection, returns and readmission

The number of applications for international protection by Moldovan nationals in Member States increased by 6% between 2021 and 2022, with 7 900 applications lodged in 2021 against 8 365 applications in 2022. The recognition rate was 2 % in 2022, compared to 1% in 2021.

In 2022, attempts by Moldovan nationals to cross the EU's external borders irregularly remained low (29), (21 in 2021). The number of Moldovan nationals found to be irregularly staying rose from 40 945 in 2021 to 44 530 in 2022 (an increase of 9%). In 2022, the number of Moldovan nationals being refused entry in Member States was 7 305, which is 19.5% less than in 2021 (9 075).

In 2022, both the number of return orders issued to Moldovan nationals and the number of returns increased respectively by 4% (8 250 in 2022 compared with 7 940 in 2021) and by 18.5% (2 845 in 2022 compared to 2 400 in 2021) which contributed to the higher return rate of 34% in 2022 compared to 30% in 2021.



Source: Eurostat

3. Cooperation on migration, border management and readmission

Moldova continued to foster international cooperation with EU agencies and Member States in the field of border management. Its active role is being reflected within the EU Support Hub for Internal Security and Border Management initiative which strengthened Moldova's cooperation within EMPACT as well as with Frontex, Europol, CEPOL, the EU Border Assistance Mission to the Republic of Moldova and Ukraine (EUBAM), and Member States.

Moldova also adopted in 2022 its home affairs strategy (2022-2030) and six sectoral development strategies, out of which two are dedicated to migration and border management: one on management of migration flows, asylum and integration of foreigners, and one on integrated border management.

Moldova has signed a Status agreement for operational activities carried out by the European Border and Coast Guard Agency (Frontex) in Moldova on 17 March 2022. The agreement enables Frontex to extend fully fledged and comprehensive support to Moldova and provides the deployed standing corps officers with the necessary protection, immunities and security coverage. It is the first Status Agreement and the first joint operation with executive powers in the countries covered by the Eastern Partnership. Operational cooperation between Frontex and Moldova began on 19 March 2022, with the launching of Joint Operation Moldova, targeting the use of fraudulent documents at border crossing points.

To support extended cooperation with Moldova, since July 2022, a Frontex Liaison Officer (FLO) with a regional mandate covering the Eastern Partnership countries has been temporarily deployed to Chisinau, until the situation in the initially foreseen place of deployment – Kyiv – stabilises. Acting from Chisinau, the FLO is proactively engaging with institutions in the Eastern Partnership region and maintaining regular contacts with the Immigration Liaison Officers (ILO) network in Moldova.

Moldova continued to cooperate with Member States on migration and border management. Examples of cooperation included training courses, equipment, operational cooperation, and expert visits.

Frontex and Member States also report good cooperation on readmission.

In response to Russia's war of aggression against Ukraine, the EU stepped up its cooperation with Moldova in the field of security, giving special attention to border management. The EU mobilised its full toolbox to provide additional equipment and training, in close cooperation with Member States.

4. Cooperation on security

Spill-over effects from Russia's war of aggression against Ukraine posed additional threats to Moldova's security. Moldovan border forces face increased risks of transnational crime, including trafficking in human beings, drugs and weapons. Moldovan law enforcement authorities face intensified hybrid threats, including risks of disruptions to electricity supply and heating, cybersecurity attacks, increasing attempts by Russian citizens to enter Moldova using fraudulent documents.

In July 2022, the EU Support Hub for Internal Security and Border Management for Moldova was launched by Commissioner Johansson and Moldova's Minister of Interior. As an operational platform, the EU Support Hub supports cooperation on internal security and border management between the EU, its Agencies, the Member States and the Moldovan authorities. It operates along the following priority areas: firearms trafficking, migrant smuggling, trafficking in human beings, preventing and countering terrorism and violent extremism, cybercrime, drugs trafficking and chemical, biological, radiological and nuclear (CBRN) materials trafficking.

Also, thanks to the cooperation developed in the context of the EU Support Hub, cooperation between Europol, CEPOL and Frontex in Moldova stepped up significantly. Europol has deployed one Europol Officer and two Guest Officers to Moldova to support in early detection of criminal activities linked to Russia's war of aggression against Ukraine, including the fight against criminal networks dealing with migrant smuggling, trafficking in human beings and other criminal activities.

Cooperation between Europol and Moldova is based on an Operational Agreement which entered into force in July 2015. The Moldovan Liaison Officer has been posted at Europol Headquarters since 2015.

Moldova is steadily involved in the European Multidisciplinary Platform Against Criminal Threats (EMPACT). In 2022, Moldova participated in 15 Operational Actions in five different OAPs and nominated a National Empact Coordinator. On 22 May 2023, under the Common Security and Defence Policy, the EU Council launched the EU Partnership Mission in the Republic of Moldova (EUPM Moldova) to enhance the resilience of the security sector in the country in the areas of crisis management and hybrid threats.

In March 2023, the European Council approved a support package for Moldova, addressing five key priorities including security. As a follow up, 4 million EUR are currently being reallocated for urgent security needs under the EU funded programme “Supporting Protection, Transit, Voluntary and Informed Return and Reintegration of Eastern Partnership Citizens and Third Country Nationals affected by the conflict in Ukraine”. The funds will support the Moldovan border authorities and the Ministry of Internal Affairs.

5. Recommendations

Moldova has taken action to address the Commission’s previous recommendations. However, further progress is needed, and the following issues need to be addressed:

- a) Further align Moldova’s visa policy with the EU’s list of visa-required countries, in particular with regard to countries presenting irregular migration or security risks to the EU;
- b) Continue ongoing efforts in the fight against organised crime, in particular transnational criminal activities that emerged in the context of the Russian aggression against Ukraine.

MONTENEGRO

1. Visa policy alignment

Montenegro has a visa-free regime with 12 countries that are on the EU list of visa-required countries, of which seven enjoy permanent visa exemption (Azerbaijan, Belarus, China, Kuwait, Qatar, Russia, Türkiye) and five have a seasonal visa waiver to enter Montenegro for touristic reasons between April and October (Armenia, Egypt, Kazakhstan, Saudi Arabia, Uzbekistan).

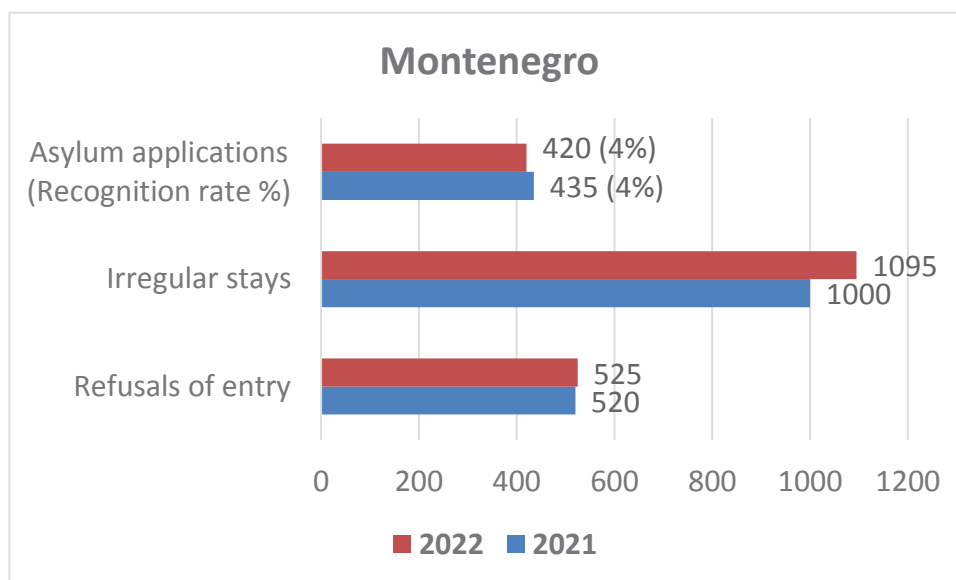
In 2023, Montenegro made progress towards visa policy alignment: the visa exemption was revoked for nationals of Cuba, Ecuador, as well as for third-country nationals with a residence permit in the United Arab Emirates.

2. Monitoring trends in irregular migration, applications for international protection, returns and readmission

The number of applications for international protection lodged in Member States by Montenegrin nationals decreased by 3% between 2021 and 2022, with 420 applications lodged in 2022 compared with 435 in 2021. The recognition rate of 4% in 2022 remained stable compared to the previous year.

Member States reported only one irregular border crossing in 2022 by a Montenegrin national. The number of Montenegrin nationals found to be irregularly staying in 2022 increased by 9.5% (from 1000 in 2021 to 1 095 in 2022). In 2022, the number of refusals of entry for nationals of Montenegro in Member States remained stable with 525 refusals in 2022 compared to 520 in 2021.

The number of return decisions issued to the country's nationals decreased by 12% (435 in 2022 against 495 in 2021), while the number of people returned slightly increased by 2% (265 in 2021 against 270 in 2022). The return rate respectively increased from 54% in 2021 to 62% in 2022.



Source: Eurostat

3. Cooperation on migration, border management and readmission

Montenegro has positively engaged with the EU on the implementation of the EU Action Plan on the Western Balkans.

To address the increase in irregular migration, a new unit for the Suppression of Human Smuggling and Cross-Border Crime was created in the border police increasing irregular border crossings controls.

The capacity of the asylum system was strengthened and a substantial State budget allocation was earmarked to expand reception capacity. Montenegro's Directorate for Asylum made efforts to reduce the backlog of asylum applications.

Montenegro also continued to cooperate with Member States on migration and border management, who provided training and capacity building, equipment, and information exchanges. Technical assistance from EUAA, FRONTEX, IOM and the UNHCR was also delivered within an EU-funded regional project. Overall, Member States also reported good cooperation on readmission.

Montenegro and the European Union signed a new Status Agreement on operational activities carried out by the European Border and Coast Guard Agency (Frontex) in Montenegro on 16 May 2023.²⁷ The new agreement will allow for Frontex deployments anywhere on the territory of Montenegro, upon request by the country's authorities. The two joint operations being conducted on the basis of the current status agreement continue to be implemented: at a border crossing point (BCP) with Croatia; and in a joint maritime operation aimed at strengthening blue borders' surveillance in the Adriatic. Overall, Montenegro has a very positive cooperation with Frontex on border management, which will intensify with the implementation of the new Status Agreement.

The EUAA signed a Joint Roadmap with the Montenegrin authorities in December 2021. With the support of the EUAA, a new unit dealing with country of origin information was created, training modules were developed, and Standard Operating Procedures (SOPs) were drafted to streamline the asylum procedures.

4. Cooperation on security

In September 2014, Montenegro and Europol signed an Agreement on Operational and Strategic Cooperation. Over the years, the quality of the information exchanged has continuously improved and cooperation with Europol – notably through and thanks to EMPACT, Europol analyses projects and other initiatives – has further strengthened. Four units of the police, including the Financial Intelligence Unit and the unit in charge of the fight against organised crime have direct access to Europol SIENA secure communication channel (SIENA), allowing a fast, secure and efficient information exchange with Europol and EU Member States.

Montenegro has one liaison officer posted at Europol Headquarters and actively cooperates with Europol's European Migrant Smuggling Centre (EMSC).

Montenegro signed in 2019 a bilateral arrangement with the Commission on counter terrorism to implement the Joint Action Plan on Counter Terrorism for the Western Balkans. Montenegro has made good progress in the implementation of the arrangement.

5. Investor citizenship schemes

The investor citizenship scheme was terminated on 31 December 2022. This is a welcome development and a concrete follow-up to the recommendations of the Fifth Report under the Visa Suspension Mechanism.

²⁷ <https://data.consilium.europa.eu/doc/document/ST-8354-2023-INIT/en/pdf>

Although the investor citizenship scheme is terminated, Montenegro continues to process applications submitted until 2022. Following the Commission recommendation of 28 March 2022 on immediate steps in the context of the Russian invasion of Ukraine in relation to investor citizenship schemes and investor residence schemes²⁸, Montenegro introduced additional screening procedures in the application process, to check whether applicants are on the sanctions list or recognised as entities whose funds come from illegal sources. The Ministry of Interior has also requested additional checks by the National Security Agency for applications received from Russian and Belarussian nationals. Ex-post verifications are also ongoing to determine whether citizenship was granted to individuals under international restrictive measures, in which cases Montenegrin citizenship would be revoked.

The Commission will continue to monitor any developments in this regard until all pending applications have been processed.

6. Recommendations

Montenegro has taken action to address the Commission's previous recommendations. However, further progress is needed, and the following issues need to be addressed:

- a) Take urgent steps to align Montenegro's visa policy with the EU's list of visa-required countries, in particular with regard to countries presenting irregular migration or security risks to the EU;
- b) Ensure that pending applications under the recently terminated investor citizenship scheme are screened and processed in accordance with the highest possible security standards.

²⁸ https://ec.europa.eu/home-affairs/recommendation-limit-access-individuals-connected-russian-belarusian-government-citizenship_en

NORTH MACEDONIA

1. Visa policy alignment

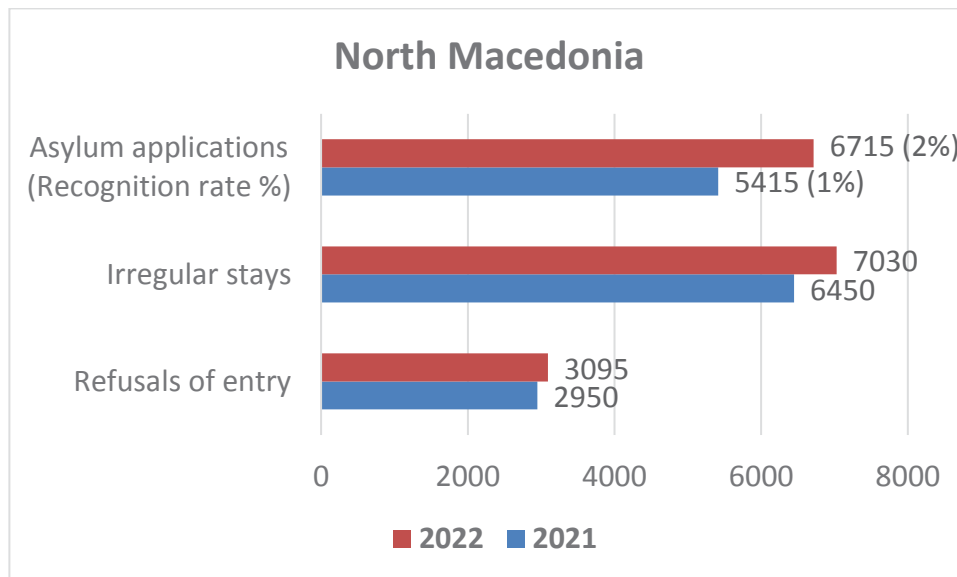
North Macedonia has made substantial progress towards aligning its visa policy with the visa policy of the EU. To date, there is only one country which is visa free for North Macedonia, but not for the EU (Türkiye). In January 2023, North Macedonia reintroduced a visa requirement for nationals of Botswana and Cuba. Additionally, the decision to temporarily allow nationals of Azerbaijan to enter North Macedonia without a visa expired in March 2023 and was not extended.

2. Monitoring trends in irregular migration, applications for international protection, returns and readmission

In 2022, the number of applications for international protection in Member States by nationals of North Macedonia increased by 24%, with 6 715 applications lodged in 2022 compared with 5 415 in 2021. The recognition rate is 2% (compared to 1% in 2021).

In 2022, 9 irregular border crossings by nationals of North Macedonia were reported at EU level, against 12 in 2021. In 2022, the number of nationals of North Macedonia found to be irregularly staying increased by 9% compared with the previous year, with 7 030 irregular stays in 2022 against 6 450 in 2021. The number of refusals of entry slightly increased by 5%, from 2 950 refusals in 2021 to 3 095 in 2022.

Last year marked an increasing trend in the number of: (i) return decisions issued to nationals of North Macedonia (2 910 in 2022 against 2 320 in 2021, a 25% increase); and (ii) persons returned (1 590 in 2022 against 985 in 2021, a 61% increase). Member States report good cooperation on return and readmission and the return rate increased in 2022 with 55% of returns compared to 42% in 2021.



Source: Eurostat

3. Cooperation on migration, border management and readmission

North Macedonia has positively engaged with the EU on the implementation of the EU Action Plan on the Western Balkans.

North Macedonia plays an active role in the management of mixed migration flows on one of the main transit routes for irregular migration. However, the number of migrants smuggled remains high and combating smuggling networks must be improved as a priority.

North Macedonia is working on strengthening its asylum system with regards to persons with special needs and unaccompanied minors. However, progress is still needed in systematic registration of migrants. The contingency plan to manage large migratory flows still needs to be finalised and adopted.

North Macedonia continued to cooperate with Member States on migration and border management. Examples of cooperation included: expert visits, exchanges of information and best practices, technical equipment, and training courses.

Readmission agreements continue to be implemented and overall, Member States reported good cooperation on readmission, with the exception of one Member State that reported the need for improvements.

North Macedonia has signed a Status agreement for operational activities carried out by the European Border and Coast Guard Agency (Frontex) in North Macedonia in October 2022²⁹. Following the entry into force of the Status agreement on 1 April 2023, a Joint Operation was launched on 19 April 2023 with the deployment of 110 officers to provide support with border control and the management of irregular migration and cross-border crime along the entire border section with Greece. Overall, North Macedonia has developed a very extensive and positive cooperation with Frontex on border management, which has been further strengthened in April 2023 following the entry into force of the status agreement.

As regards cooperation with the EUAA, the Roadmap for Cooperation for the period October 2020 – September 2022 remained an important tool to strengthen the asylum system, notably as regards persons with special needs and unaccompanied minors, strengthening training on asylum and reception, increasing the quality of asylum decisions and strengthening the reception system for vulnerable migrants and unaccompanied minors. The EUAA and North Macedonia are in the process of developing a third generation Roadmap, while the second generation one was extended to ensure that there will be no gaps.

4. Cooperation on security

Europol signed a Strategic Agreement with North Macedonia in January 2007 while an Operational Agreement was signed in September 2011. The level of cooperation and exchange of information with Europol is good and increased during 2022. A liaison officer from North Macedonia has been deployed at Europol since 2015. Law enforcement authorities of North Macedonia are providing information on weapons seized and suspects arrested, and they are providing feedback when requested in operational activities. North Macedonia is also participating in EMPACT.

Thanks to the good progress made in the implementation of the Implementing Arrangement on Counter Terrorism under the Joint Action Plan on Counter Terrorism for the Western Balkans, on 9 December 2022 North Macedonia signed with the Commission a revision of the arrangement including new actions and more ambitious targets.

5. Investor citizenship schemes

The Law on Citizenship of North Macedonia allows for the acquisition of citizenship without any previous residence requirements for persons who represent a ‘special economic interest’ for the country. Between 2005 and 2022, 121 people acquired citizenship for special economic interest

²⁹ <https://data.consilium.europa.eu/doc/document/ST-12896-2022-INIT/en/pdf>

(against 40 negative decisions)³⁰. The Commission reiterates that the implementation of this law should not lead to a systematic granting of citizenship in return for investment, as it may be used to bypass the EU short-stay visa procedure and the in-depth assessment of individual migratory and security risks it entails, and can therefore have an impact on the visa-free regime.

6. Recommendations

North Macedonia has taken action to address most of the Commission's previous recommendations. However, further progress is needed, and the following issues need to be addressed:

- a) Continue the good progress on visa policy alignment.
- b) Refrain from enabling systematic acquisition of citizenship for special economic interest.

³⁰ Screening Report on North Macedonia, July 2023, https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-07/MK%20Cluster_1%20Draft%20screening%20report_external%20version.pdf

SERBIA

1. Visa policy alignment

At the beginning of 2022, Serbia had a visa-free regime with 22 countries that are on the EU list of visa-required countries. The lack of alignment with the EU's visa policy was amongst the factors that led to increased irregular migration to the EU on the Western Balkans route. It concerned in particular nationals of Burundi, Cuba, India, Tunisia and Türkiye, who were able to enter Serbia without visas and then irregularly cross the external borders of the Member States. The issue prompted immediate and extensive contacts between the Commission and the Serbian authorities.

As a result of this cooperation and coordinated efforts, Serbia reinstated visa requirements for Burundi (21 October 2022, implemented immediately), Tunisia (21 October 2022, implemented on 22 November 2022), Guinea Bissau (1 December 2022, implemented on 6 December 2022), India (9 December 2022, implemented on 1 January 2023), Bolivia and Cuba (27 December 2022, implemented respectively on 10 February 2023 and 13 April 2023).

Currently, Serbia maintains a visa-free regime with 16 countries that are on the EU list of visa-required countries: Armenia, Azerbaijan, Bahrain, Belarus, China, Indonesia, Jamaica, Kyrgyzstan, Kuwait, Kazakhstan, Mongolia, Oman, Qatar, Russia, Suriname, and Türkiye.

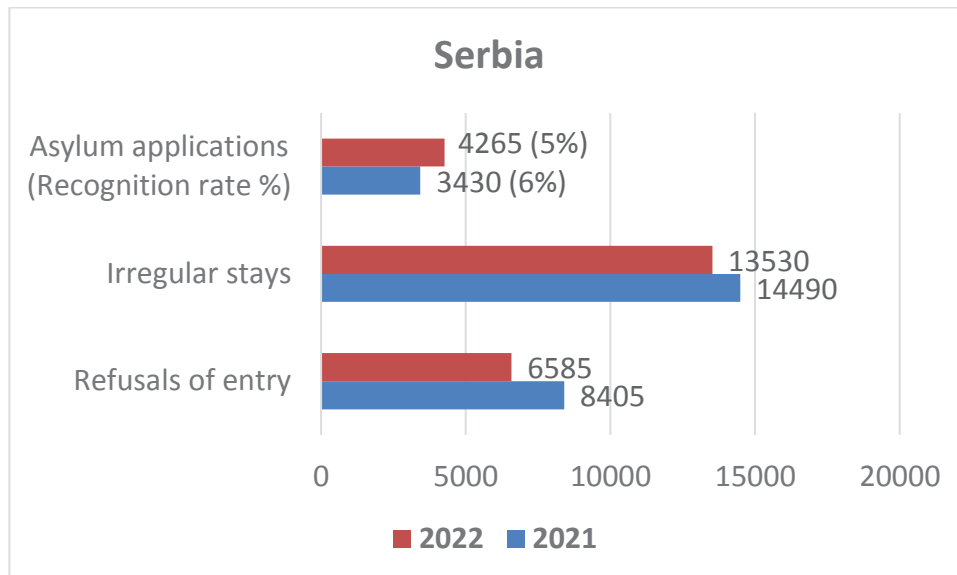
The Commission expects further visa alignment in line with the commitment taken by the Serbian authorities and looks forward to further detail from Serbia on the announced 'visa harmonisation plan' and its effective implementation.

2. Monitoring trends in irregular migration, applications for international protection, returns and readmission

In 2022, 4 265 applications for international protection were submitted by Serbian nationals in Member States, an increase of 24% compared with 2021 (3 430) which maintains the trend from the previous years. The recognition rate decreased slightly from 6% in 2021 to 5% in 2022.

There were 32 detected irregular crossings of the external borders of the Member States by Serbian nationals (37 in 2021). The number of Serbian nationals found to be staying irregularly in Member States continued a downward trend with 13 530 people in 2022 compared with 14 490 in 2021 (a decrease of 7%). In 2022, the number of Serbian nationals refused entry to the EU decreased by 22% (8 405 in 2021 against 6 585 in 2022).

The number of return decisions issued to Serbian nationals (5 705 in 2022 against 6 045 in 2021) marked a decrease of 6%, while the number of people returned increased by 5% (3 190 in 2022 against 3 035 in 2021) and the return rate increased from 50% in 2021 to 56% in 2022.



Source: Eurostat

3. Cooperation on migration, border management and readmission

Serbia has positively engaged with the EU on the implementation of the EU Action Plan on the Western Balkans and contributed to the management of the mixed migration flow towards the EU, since the spike of irregular border crossings of the external borders of Member States of 2022.

In August 2022, Serbia adopted a new integrated border management strategy for the period 2022-2027 and an action plan for 2022-2024. Enhancing border surveillance and increasing efforts to detect and prevent smuggling of refugees and migrants should remain a priority.

Efforts towards the identification and registration of migrants and applicants for international protection including in reception centres should be stepped-up. Strengthening the asylum system and the capacity to return migrants with no legal right to stay remain important areas for further work, in which the Commission support has been increased.

In 2022, Serbia took a number of measures to tighten the requirements for obtaining Serbian visas and entering Serbia. Those modified conditions were published and given a wide circulation on government websites, and entered into the operational platform of the International Air Transport Association, which is used by airlines when checking in passengers for flights to Serbia. Representatives of Serbian diplomatic and consular missions held talks with offices of the largest airlines in the countries of their accreditation, identified as being used by travellers who abuse the visa-free regime. Serbian authorities also held talks with the representatives of all major airlines in Belgrade as well as with tourist organisations working with the countries of origin of people potentially abusing the visa-free regime of Serbia.

Serbia continued to cooperate with Member States on migration and border management. Examples of cooperation included funding, technical assistance, joint border patrols and training courses. EU technical assistance supports the strategy for integrated border management 2022-2027, particularly on efficient registration of irregular migrants, their processing, but also on coordination among institutions within the migration management system and return procedures to either the country of origin or the country of previous entry. EU funding also supports the functioning of the reception and asylum centres managed by the Commissariat for Refugees and Migration, including healthcare services, social assistance and education for children and vulnerable groups. With the support of the

EU and Member States, the International Organisation for Migration (IOM) is implementing the assisted voluntary return and reintegration (AVRR) programme building the capacity of Serbia's return system and facilitating access to assisted voluntary return.

Overall, Frontex and Member States also report good cooperation on readmission.

Nevertheless, challenges have been identified in the readmission of the irregularly staying third-country nationals that reached the EU via the Western Balkan route. In this context, the Commission requested Serbia to exercise the highest level of cooperation to ensure that, where the asylum applications lodged by these nationals are rejected, Serbia will readmit them in application of the third-country nationals' clause of the EU-Serbia readmission agreement.

Serbia has concluded a Status agreement for operational activities carried out by the European Border and³¹ Coast Guard Agency (Frontex) in Serbia, which entered into force on 1 May 2021, providing for the deployment of European Border and Coast Guard Standing Corps teams with executive power on the territory of Serbia. The first operation under the Status Agreement started on 16 June 2021 at the Serbian-Bulgarian border. In December 2022, this joint operation was expanded to border crossing points along Serbia's border with Hungary. Negotiations of a new Status Agreement have started in May 2023 and are ongoing.

Serbia has a Joint Roadmap with the EU Asylum Agency in place supporting the further development of a national asylum and reception system in line with EU standards. Serbia is part of the EUAA Network of Reception Authorities.

4. Cooperation on security

Serbia continued its good cooperation with Europol and increased its use of the secure channel SIENA. The number of messages exchanged increased by 15% between 2021 and 2022. Eurojust and Serbia have continued their good cooperation in criminal matters, notably through the Serbian Liaison Prosecutor (seconded since March 2020) at Eurojust headquarters.

Serbia actively participates in EMPACT. In 2022, Serbia participated in 67 Operational Actions and was a co-action leader of one Operational Action (in the Operational Action Plan on cannabis, cocaine and heroin). Serbia continued to participate in EMPACT Joint Action Days.

Serbia signed in 2019 a bilateral arrangement on counter terrorism with the Commission to implement the Joint Action Plan on Counter Terrorism for the Western Balkans. Serbia submitted regular reports, but further progress is needed to consider the implementation of the arrangement as satisfactory, in particular Serbia has not yet adopted a new strategic framework on counter terrorism and preventing and countering violent extremism following the expiration of the previous strategies in 2021.

Serbia has not finalised an analysis of the roles and practices of security services and of the National Security Council in carrying out criminal investigations relating to serious and organised crime, although preparatory work has started. There is well-established cooperation with CEPOL, Eurojust, Europol and Interpol, notably on weapons trafficking, drugs trafficking, and the fight against high-profile organised crime groups. Serbia needs to further increase the technical, financial and human resources capacity of the Prosecutor's Office for Organised Crime to perform its duties in an independent manner (including premises to accommodate new staff). Serbia should adapt its approach based on cases to a strategy against criminal organisations, and from focusing on cases of low or

³¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A22020A0625%2801%29>

medium importance to high-profile cases aiming at dismantling big and international organisations and seizing assets.

5. Fast-track acquisition of citizenship

In the first months of 2023, the Serbian government proposed some amendments to the Law on citizenship providing for the possibility of a fast-track acquisition of Serbian citizenship for third-country nationals who have resided only for a short period of time in Serbia, hold a higher education diploma obtained in Serbia or recognised by Serbia, and are self-employed or employed by a Serbian company.

While the EU respects the sovereign right of Serbia to decide on its citizenship and naturalisation policies, the Commission has expressed its concerns to the competent Serbian authorities as regards the possible security risks for the EU linked to the fast-track acquisition of visa-free travel rights for nationals of countries that would be otherwise visa required for the EU. Further to the outreach of the Commission on this matter, the Government of Serbia decided to withdraw the proposal.

6. Recommendations

Serbia has taken action to address the Commission's previous recommendations. However, further progress is needed, and the following issues need to be addressed:

- a) Further align Serbia's visa policy with the EU's list of visa-required countries, in particular with regard to countries presenting irregular migration or security risks to the EU;
- b) Swiftly finalise negotiations on the new Frontex Status Agreement with the EU;
- c) Fully implement the third-country national's clause of the EU-Serbia readmission agreement.

II. OTHER VISA-FREE COUNTRIES

VISA-FREE COUNTRIES OPERATING INVESTOR CITIZENSHIP SCHEMES

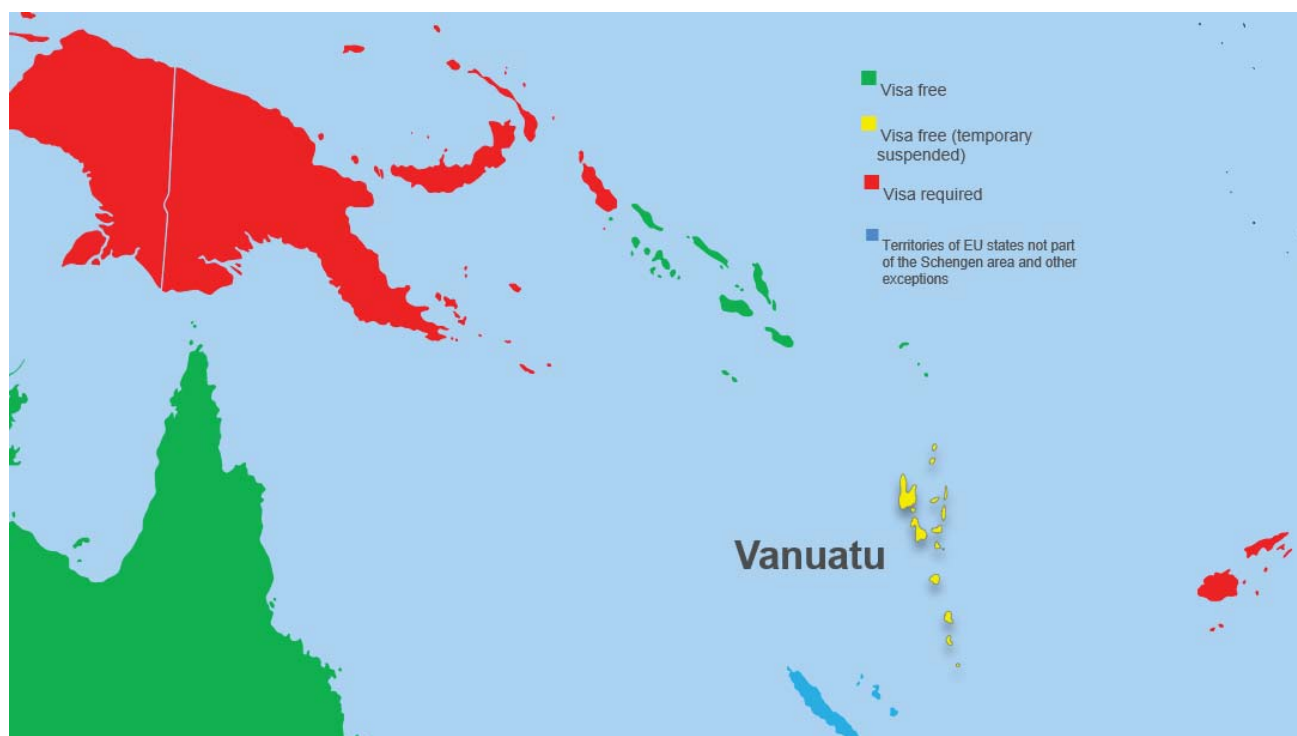
While the EU respects the right of sovereign countries to decide on their own naturalisation procedures, investor citizenship schemes run by visa-free third countries, which are inconsistent with the principles and conditions underlying the visa exemption, could present security risks for the EU and its Member States.

The EU is especially concerned about investor citizenship schemes that are commercially promoted as providing visa-free access to the EU. The purpose of visa waiver agreements is to facilitate people-to-people contacts between the EU and a third country, not to enable nationals of other visa-required third countries to circumvent the EU short-stay visa procedure through the acquisition of citizenship. Visa-free access to the EU should not be used as a commercial commodity to be sold and bought.

This issue has also been raised by the European Parliament in its resolution of 9 March 2022 with proposals to the Commission on citizenship and residence by investment schemes³². Among other requests, the resolution called on the Commission to exert as much pressure as possible to ensure that third countries that have investor citizenship schemes in place and that benefit from visa-free travel under Annex II to Regulation (EU) 2018/1806 abolish those schemes, and to submit a proposal to amend Article 8 of Regulation (EU) 2018/1806 to include the operation of investor citizenship schemes as a ground for suspension of visa exemptions.

³² European Parliament resolution of 9 March 2022 with proposals to the Commission on citizenship and residence by investment schemes (2021/2026(INL)).

VANUATU



Since 2015, Vanuatu has operated investor citizenship schemes whereby it has granted citizenship to nationals of other countries with no previous connection to Vanuatu, issuing positive decisions on the vast majority of applications. By March 2021, Vanuatu had issued over 10 500 passports under such schemes, with an extremely low rejection rate.

Between 2017 and 2021, the Commission expressed serious concerns and warned the government of Vanuatu of the possibility of the visa requirement being reintroduced. The explanations provided by Vanuatu were not sufficient to mitigate those concerns. On that basis, the Commission adopted on 12 January 2022 a proposal for a Council decision to suspend the visa waiver agreement with Vanuatu³³. This was for the EU the first proposal ever to suspend a visa waiver agreement with a third country. The Council adopted on 3 March 2022 the decision to partially suspend the visa waiver agreement with Vanuatu³⁴. Given that the circumstances which gave rise to the partial suspension were not remedied, on 12 October 2022 the Commission proposed a Council Decision on the full suspension of the agreement from 4 February 2023.³⁵ The Decision was adopted by the Council on 8 November 2022.³⁶ Consequently, on 1 December 2022, the Commission adopted a delegated Regulation in accordance with Article 8(6)(b) of Regulation (EU) 2018/1806, specifying that the exemption from

³³ Proposal for a Council Decision on the partial suspension of the application of the Agreement between the European Union and the Republic of Vanuatu on the short-stay visa waiver (COM/2022/6 final).

³⁴ Council Decision (EU) 2022/366 of 3 March 2022 on the partial suspension of the application of the Agreement between the European Union and the Republic of Vanuatu on the short-stay visa waiver.

³⁵ Proposal for a Council Decision on the suspension in whole of the application of the Agreement between the European Union and the Republic of Vanuatu on the short-stay visa waiver. COM(2022) 531 final.

³⁶ Council Decision (EU) 2022/2198 of 8 November 2022 on the suspension in whole of the application of the Agreement between the European Union and the Republic of Vanuatu on the short-stay visa waiver.

the visa requirement for all nationals of Vanuatu is suspended from 4 February 2023 to 3 August 2024³⁷.

Since the entry into force of the partial suspension, the Commission has been engaging with the competent authorities of Vanuatu in an enhanced dialogue³⁸, in order to remedy the circumstances which led to the suspension of the visa exemption and allow the EU to lift the suspension.

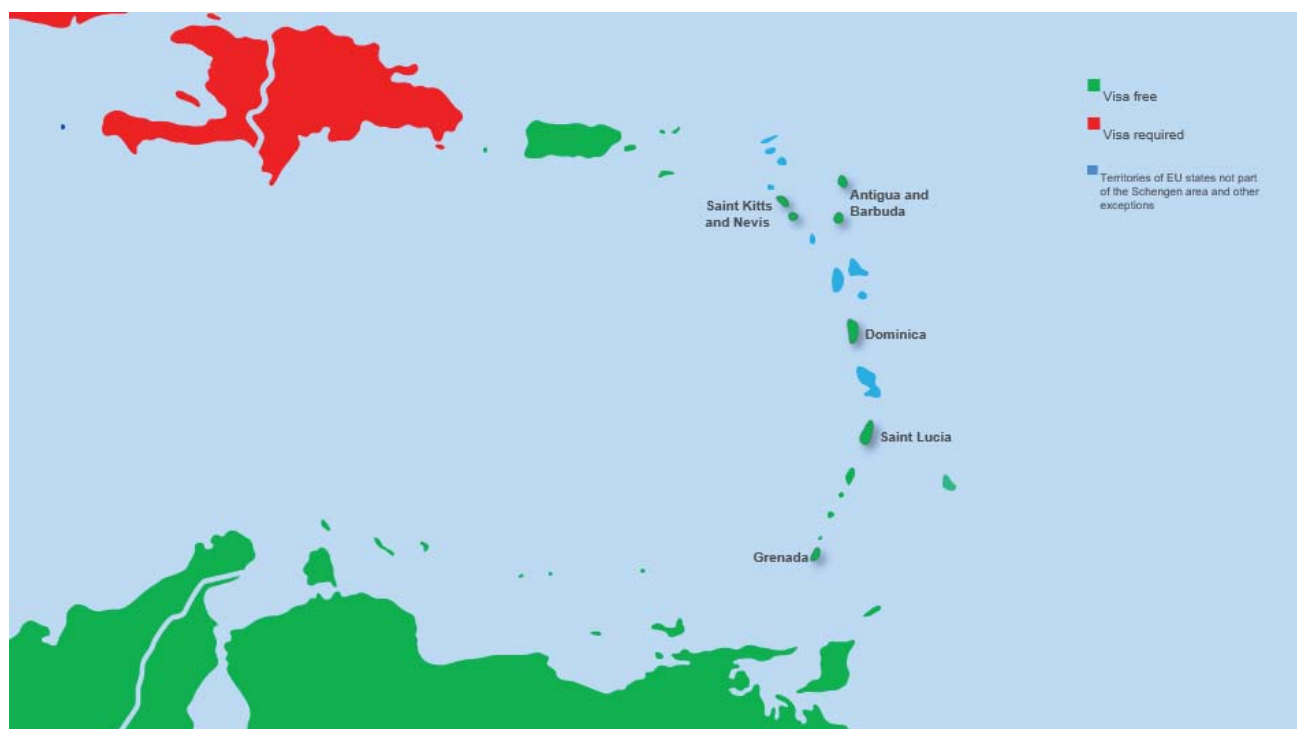
In March 2023, the government of Vanuatu issued an amendment to its Citizenship Act, with the aim of strengthening the security of its investor citizenship scheme. The assessment by the Commission of these legislative amendments is ongoing. It has been agreed that at the next meeting under the enhanced dialogue, Vanuatu will explain in detail the legislative changes in the investor schemes that the government adopted in March.

The exchanges of information with the authorities of Vanuatu will continue until the Commission considers it has obtained sufficient information to complete the assessment required to determine whether the circumstances which led to the suspension are remedied or still exist. Depending on the outcome of such assessment, the Commission will propose to lift the suspension or to transfer Vanuatu to the list of the visa-required countries, as set out in Article 8(7) of Regulation (EU) 2018/1806.

³⁷ Commission Delegated Regulation (EU) 2023/222 of 1 December 2022 on the temporary suspension of the visa exemption for all nationals of Vanuatu.

³⁸ Article 8(6)(a) of Regulation (EU) 2018/1806.

EASTERN CARIBBEAN STATES



Since 2020, the Commission has been engaging with the five Eastern Caribbean states operating investor citizenship schemes (Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, and Saint Lucia) to obtain relevant information and data on those schemes, which are classified as potentially posing a high-risk to the integrity of the Common Reporting Standard by OECD, raising suspicion of possible tax evasion and money laundering activities³⁹.

Based on the information received from the competent authorities, the Commission has concluded that all the investor schemes under assessment have a high number of successful applicants, with a total of at least 88 000 passports issued to date. For certain countries, this number is above 30 000 (34 500 passports issued by Dominica; 36 742 by Saint Kitts and Nevis). At the same time, the rejection rate is extremely low (between 3 and 6 %), which, together with the short processing times (as little as two months in some cases), raises questions as regards the thoroughness of the security screening.

The successful applicants include nationals that would otherwise require a visa to enter the EU. The main applicants' nationalities, according to the information received, include China and Russia, as well as Syria, Iran, Iraq, Yemen, Nigeria and Libya, among others. In this regard, the Commission welcomed the decision of March 2022 taken by all five Caribbean countries to suspend the examination of applications from Russian and Belarusian nationals as a reaction to the Russian aggression against Ukraine.

The Caribbean citizenship by investment schemes are currently some of the least expensive in the world for individual investors and families. In certain cases, the cost per individual is as low as USD 100 000. The other schemes under assessment are only marginally higher priced.

Information exchange with applicants' country of origin or main past residence, based on the information received, takes place to some extent in 4 of the 5 countries assessed. However, this does

³⁹ <https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/residence-citizenship-by-investment/>

not appear to happen in a systematic manner. All five countries cooperate with the CARICOM Implementation Agency for Crime and Security (IMPACS)'s Joint Regional Communications Centre (JRCC) who assists with obtaining confidential information on each member of the application. However, none of the countries assessed require residence or even physical presence in the country before citizenship can be granted, or even during the application process.

In some cases, the countries make use of private agents throughout the application and screening process, including for in-person checks and the verification of the documents submitted by applicants. The externalisation of the verification process to private companies is an additional factor that raises doubts as regards the access to law enforcement and judicial authorities' information in the country of origin or main past residence.

Finally, to various extents, all five countries allow successful applicants the possibility to change identity after having obtained citizenship by investment. In Antigua and Barbuda and Dominica, it is allowed as of five years after obtaining citizenship; in Grenada after one year; in Saint Kitts and Saint Nevis, it is allowed upon obtaining citizenship. In some cases, multiple name changes are also allowed (according to the available information, only Saint Kitts and Nevis limits it to one change).

Overall, the short processing times, low fees, high number of applications and low rejection rates, as well as certain aspects of the security screening procedures are elements which suggest that the operation of such schemes could pose certain risks for the security of EU Member States. The fact that successful applicants are then allowed to change their identity once the new nationality is obtained raises further potential security risks.

While bilateral consultations are ongoing, the Commission will continue to work in close cooperation with those third countries to find long-term solutions once it has completed its assessment. In this context, the Commission will convene the Joint Committees of experts established by the bilateral visa waiver agreements, whose aim is to monitor the implementation of the agreements and settle disputes arising from their application.

CONCLUSION

The Commission considers that all the eight EU neighbouring countries assessed under this report have taken action to address a number of the recommendations made in the Fifth Report under the Visa Suspension Mechanism. For Georgia and Ukraine, whose nationals obtained the visa exemption less than 7 years ago and for which reporting on the fulfilment of the visa liberalisation benchmarks is still necessary, the Commission considers that the visa liberalisation requirements continue to be fulfilled. However, all eight countries need to take further action to address the Commission's recommendations.

Member States report overall good cooperation with all eight countries on both migration and security. Several of these countries need to continue addressing unfounded asylum applications, including by strengthening participation in EMPACT and continuing to organise targeted information campaigns. All countries should continue making progress on visa policy alignment, to prevent the risk that third-country nationals enter without visas in their territories and then continue travelling irregularly towards the EU. Further efforts are also needed in the fight against organised crime and corruption.

Visa liberalisation has been a key part of the EU's cooperation on migration, security, and justice with the countries of the Western Balkans and the Eastern Partnership. It facilitates mobility and people-to-people contacts and can also trigger key policy reforms in these countries. Close monitoring of this process will continue, including through meetings between senior officials, the regular Justice, Liberty and Security subcommittee meetings, and discussions between the EU and the countries covered in the report. The monitoring of issues related to the visa liberalisation benchmarks will also continue to be addressed in the Commission's annual enlargement reports.

The Commission will also continue to monitor all visa-free countries operating investor citizenship schemes and will intensify the dialogue with those countries in view of finding long-term solutions aimed at preventing any possible circumventions of the EU short-stay visa procedure and the in-depth assessment of individual migratory and security risks it entails.

Finally, the Commission will continue implementing the new comprehensive monitoring approach announced in its Communication of 30 May 2023, covering all visa-free third countries. Based on the outcome of that monitoring process, the Commission will continue to report on visa-free third countries in relation to migratory and security challenges, beyond its reporting obligations.