Erasmus+ in 2016: another record year

The 2016 Erasmus+ report confirms the key role played by the programme in building a more resilient Europe united around common European values.

With a 7.5% increase in the Erasmus+ budget compared to the previous year, the EU invested a record €2.27 billion to support 725,000 Europeans with mobility grants to study, train, teach, work or volunteer abroad. This brings the total to more than €2 million since 2014. In 2016, 21,000 projects received funding involving 79,000 education, training and youth organisations – 15% more projects than in 2015.

Commissioner for Education, Culture, Youth and Sport, Tibor **Navracsics**, said: "*Erasmus+ has now reached the halfway point of its seven-year journey. I am proud to see how the programme has acted as a driver for unity in Europe, contributing tostrengthening the resilienceof individuals and our society. Erasmus+ mobility develops skills and competences and reinforcesa European identity that complements and enriches national and regional identities. This is why we encouraged EU leaders meeting in Gothenburg on 17 November to work towards a European Education Area and tomake mobility a reality for all by 2025, doubling the number of Erasmus+ participants and reaching out to people coming from disadvantaged backgrounds.*"

The report demonstrates that Erasmus+ is well on track to meet **its target of supporting 3.7% of young people in the EU between 2014 and 2020**. It also shows that the programme has the potential to contribute to making mobility while learninga norm – a goal set out by the Commission in its Communication on "Strengthening European Identity through education and culture" discussed by the EU leaders at their Working Lunch in Gothenburgon 17 November.

In the 2015/2016 academic year, Erasmus+ enabled higher education institutions to send and receive 330,000 students and staff, including 26,000 to and from partner countries. France, Germany and Spain were the top three countries in terms of sending students and staff, while Spain, Germany, and the United Kingdom were the three most popular destinations.

The report published today also shows how Erasmus+ contributed to respond to **wider social challenges** in 2016. This includes actions to promote **social inclusion** and ensure that young people acquire **social, civic and intercultural competences** and learn to **think critically**. This includes for example:

- In 2016, €200 million from the Erasmus+ programme supported 1,200 cooperation projects focused on promoting tolerance, non-discrimination and social inclusion.
- The youth sector, with projects targeting refugees, asylum seekers and migrants, was particularly active in this field.
- A specific call for proposals (€13 million) was launched for the development of policies and strategies to prevent violent radicalisation and foster the inclusion of disadvantaged learners, including people

from migrant backgrounds. The call financed 35 projects involving 245 organisations.

Erasmus 30th anniversary: A successful campaign

The publication of the report coincides with the **closing of the campaign celebrating the 30th anniversary of the Erasmus programme** and the presentation of the **Erasmus+ Generation Declaration on the future of Erasmus+**. Throughout 2017, more than 750,000 people took part in over 1,900 events in 44 countries to celebrate and discuss the future of Erasmus+. 65,000 articles on the programme were published and shared over two million times on social media, reaching over 90 million people. The new Erasmus+ Mobile App launched in June 2017 has already been downloaded more than 22,000 times.

In Gothenburg, President **Juncker** invited the EU leaders to double the number of young people in the EU participating in Erasmus+ by 2025, which will require a budget of €29.4 billion for the period 2021-2027. During their meeting, the EU leaders agreed to step up mobility and exchanges, including through a substantially strengthened, inclusive and extended Erasmus+ programme for all categories of learners.

The Commission also invited **the Erasmus+ Generation** to engage in the debate and created the Erasmus+ generation online meeting point. Their discussion resulted in 30 recommendations on how to make Erasmus+ a bigger programme with a bigger impact on the future of Europe. The Declaration drawn up by the Erasmus+ Generation will be officially presented and debated today during the closing event of the anniversary campaign.

Background

Erasmus+ and its predecessors are among the most successful programmes of the European Union. For three decades they have been offering opportunities to gain new experiences to young people in particular, and a chance to broaden their horizons by going abroad. What started as a modest mobility scheme for higher education students back in 1987 – with only 3,200 students in its first year – has developed into a flagship programme benefiting around 300,000 higher education students per year.

The current Erasmus+ programme, running from 2014 to 2020, has a budget of €14.7 billion and will provide opportunities for 3.7% of young people in the EU to study, train, gain work experience and volunteer abroad (i.e. around 3.3 million young people over the period). The geographical scope of the programme has expanded from 11 countries in 1987 to 33 currently (all 28 EU Member States as well as Turkey, the former Yugoslav Republic of Macedonia, Norway, Iceland and Liechtenstein). The programme is also open to partner countries across the world.

More information

Memo

[Erasmus+ Annual Report 2016]

[Erasmus + factsheet]

[Country-specific factsheets]

[Factsheet on the 30th anniversary of Erasmus]

[Factsheets on the European education area]

Yves Mersch: Digital transformation of the retail payments ecosystem

Introductory speech by Mr Yves Mersch, Member of the Executive Board of the ECB, at the Joint ECB and Banca d'Italia conference, Rome, 30 November 2017

Efficient and safe retail payments systems are a precondition for the functioning of any modern economy. They allow for everyday transactions to take place, thus providing the foundation for commerce and trade.

Central banks through cash and banks have traditionally offered these services. And they were successful in creating a secure and trusted payment ecosystem for consumers.

However over time the banking **ecosystem has developed inefficiencies.** It has lost some ability to innovate and adapt to the changing needs of the end-user.

In Europe technological disruptions, competition from non-banks and regulatory pressure has forced banks to re-examine how they provide retail payment services.

The ability to provide real-time services will be essential if banks want to retain and gain customers. The **strategic importance of instant payments** cannot be overstated.

The move towards a real-time world with the provision of real-time services cannot happen without pan-European instant payments. They will provide a **new framework for innovative and efficient retail payments** in Europe.

My talk today will focus on instant payments but I will also briefly discuss the alleged innovation brought by private virtual currency schemes without an identifiable issuer.

The foundations of instant payments and ensuring stakeholder involvement

The Single Euro Payments Area (SEPA) was the origin of today's digital landscape for retail payments in Europe. It is a key ingredient of Europe's single currency and was necessary to bring the full benefits of the euro closer to all citizens. This integration of electronic retail payments in Europe was full of challenges and was only completed 12 years after the introduction of euro notes and coins. One of the most prominent issues that faced SEPA was the lack of full stakeholder involvement.

Initially, SEPA was considered an "IT" project to be implemented by banks. It was not seen in the overall context of a project that could transform payments in Europe. The project did not engage enough with Europe's consumers and businesses.

Support from all stakeholders is thus crucial to the success of any such undertaking. To facilitate such support, the ECB established the **Euro Retail Payments Board** (ERPB). The ERPB brings together both sides of the market, the supply and the demand side, the banks and the end users in order to further the development of an integrated, innovative and competitive market for euro retail payments in the EU. This co-operation has led to new synergies. It gave a voice to those who felt excluded from the process of innovation in retail payments.

Recently we have gone further to enhance European cooperation and have established, in conjunction with the European Commission, the **European Forum for Innovation in Payments** (EFIP). This body brings together the national payments committees with the ERPB to foster integration and innovation for retail payments in Europe.

The ERPB was instrumental in bringing the vision of real-time payments to Europe with the inception of instant payments. The European Payments Council, acting on guidance from the ERPB, created the SEPA credit transfer instant scheme. I am pleased that this scheme was successfully launched last week and let me congratulate the following eight countries who signed up as of today to the service. The tech savvy nations are: Austria, Estonia, Germany, Latvia, Lithuania, the Netherlands, Italy, and Spain. Now, European end-users whose banks have already joined and implemented the scheme can send and receive instant payments across Europe in less than 10 seconds.

A positive end-user experience will ultimately determine the success of instant payments. The ERPB is supporting the work of the industry and other stakeholders to facilitate the initiation of an instant payment using the recipient's mobile telephone number as a proxy for their IBAN, no matter where they are located in the EU. The ERPB expects that a pan-European mobile proxy lookup service will be ready by the end of 2018 at the latest and I urge all stakeholders to ensure that this deadline is met.

However, to facilitate the full roll-out of instant payments we have to enable reachability of all banks in Europe. To enable full reachability the

Eurosystem has decided to launch an **instant payments settlement system** in central bank money, the Target Instant Payment Settlement (TIPS) Service. TIPS is scheduled to go live in November 2018.

Appropriate regulatory framework

SEPA and instant payments did not happen in isolation. An appropriate legislative framework that supports digitisation, innovation and competition is also needed. In Europe we realise this importance. The revised Payment Service Directive (PSD2) will provide the necessary legislative framework to allow for innovation. It will enhance payment account access for regulated and authorised third party providers. It will facilitate the participation of new actors in the payments market. These actors will provide new innovative services, reduce costs and give consumers more choice.

However this can only happen if standardised access to the payment account is provided. I would therefore call upon stakeholders such as banks, standard setting organisations and, third party providers to work together to ensure a **single standard is developed for payment account access**.

The competition introduced by the revised Payment Service Directive can also provide an opportunity for incumbent banks but only if they **act urgently to implement instant payments**. It is crucial that banks invest to upgrade their legacy batch systems to enable real-time processing and offer end-user solutions for instant payments. These solutions can provide them with a strong tool to face the upcoming competition.

The recent experience with contactless payments shows that banks, in cooperation with other stakeholders, are well capable to roll out payment innovations that can quickly take off and improve end-users' payment experience.

Virtual currencies

It is my view that future innovations in retail payments will be based on instants payments in combination with account access provided by the PSD2. I would like stress this point especially in view of the ongoing public debate around the **alleged innovation brought by private virtual currency schemes or tokens**.

While we have seen a substantial increase, albeit from low levels, in the value of some of the virtual currencies lately, we should not forget that their usage as a settlement asset is marginal and the **overall user acceptance as a means of payment is negligible**.

In fact, retail payment traffic in Europe alone is orders of magnitude higher than the global transaction volume of virtual currencies. In view of the speculative market environment for virtual currencies and for other types of virtual financial assets, one should bear in mind that these are by definition virtual: they do not constitute a claim on an issuer and **do not formally qualify as currency**.

Their purchasing power fluctuates wildly and depends solely on the market activity of speculators. It remains to be seen whether these virtual currencies can be considered as a payment alternative for consumers – except in extreme case like in failed states- and to what extent they can compete with the solutions market players will be able to develop in the **safer and more efficient European retail payments market**.

The ECB continues to monitor these developments, not only from a market infrastructure perspective, but also as regards monetary policy, financial stability, and prudential supervision. And while we continue to fully meet the increasing demand for safe and efficient banknotes we shall also experiment with cash on different digital technologies. Other adventurous applications of a more disruptive nature are simply not robust enough from a legal, operational, governance point of view to name but a few shortcomings which make these assets unfit for recognition from the point of view of our mandate of efficient payments systems.

Conclusion

To conclude, the benefits of digital transformation and innovation for citizens can only be achieved by means of full stakeholder cooperation and an appropriate regulatory framework that fosters innovation.

Banks need to implement instant payments as soon as possible and provide an alternate narrative to the ongoing public debate on the alleged innovation brought by virtual currency schemes.

Instant payments in conjunction with the building blocks provided by the PSD2 can offer new business opportunities for banks and third party providers and provide citizens with a real-time safe payment experience.

Thank you for your attention

ECB, ESMA and FSMA seek participants for Euro Risk-Free Rates Working Group

The European Central Bank (ECB) has launched a call for expressions of interest to participate in the Working Group on Euro Risk-Free Rates for the euro area. The call is also issued on behalf of the European Securities and Markets Authority (ESMA), the Belgian Financial Services and Markets Authority (FSMA), and the European Commission.

The new working group’s terms of reference were also published today and its work will be guided by them.

Applications are encouraged from financial sector representatives and non-banking institutions or associations. Candidates for the working group are asked to express their interest by 12 January 2018, using this application form.

Working Group

The working group, which will be chaired by a private sector representative and with a Secretariat provided by the ECB, will regularly consult market participants and end-users, as well as gather feedback from other public authorities. To ensure transparency at all stages of the identification and adoption of a new risk-free rate, the working group will regularly report on its meetings on the ECB website.

The ECB expects the working group to be operational and its composition to be announced by the beginning of 2018.

As announced in a joint press release by the four institutions on 21 September 2017, the new working group will be tasked with the identification and adoption of risk-free overnight rates to serve as a basis for an alternative to the current benchmarks used in a variety of financial instruments and contracts in the euro area.

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Joint press release of the United Nations, the African Union and the European Union

The United Nations Secretary General, Antonio Guterres, the Chairperson of the African Union Commission, Moussa Faki Mahamat, the President of the European Commission, Jean-Claude **Juncker,** and the High Representative/Vice President Federica **Mogherini** met this morning in the margins of the African Union/European Union Summit to discuss concrete steps to address jointly the dramatic situation of migrants and refugees victims of criminal networks, in particular inside Libya.

They agreed to put in place a joint EU-AU-UN Task Force to save and protect lives of migrants and refugees along the routes and in particular inside Libya, accelerating the assisted voluntary returns to countries of origin, and the resettlement of those in need of international protection. This action will build on, expand and accelerate the ongoing work done by countries of origin, and the IOM, with EU funding, which allowed so far the voluntary return to their countries of origin of 13 000 migrants since January.

The work of the Task Force will be closely coordinated with the Libyan authorities and be part of the overall joint work that the African Union and the European Union, and the United Nations, will intensify to dismantle traffickers and criminal networks, and to offer opportunities of development and stability to countries of origin and transit, tackling root causes of migration.

The United Nations, the African Union and the European Union agreed to upgrade in a systematic manner their trilateral cooperation and to meet on a regular basis at the highest political level, notably in the margins of the UN General Assembly.

Press contacts:

For the African Union Commission:

For the UN:

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