Euro: exchange rate and convertibility of the CFA and the Comorian franc

1998/2151(COS) - 12/01/1999 - Text adopted by Parliament, single reading

The report drafted by Fernand HERMAN (B, EPP) approving proposals to peg the value of the West African CFA Franc to the Euro via the French franc was approved without debate. The report expresses the hope that France will continue to guarantee the smooth functioning of these arrangements. As this endeavour is a trial of the effect on a regional economy of linking it to a single currency of world importance, the report also calls for the on-going monitoring of the CFA countries' progress by means of economic and social indicators. The report further requests information campaigns to explain both to the citizens of the CFA countries and to the citizens of Europe the significance of this linkage. The report finally makes one modification to the Commission's recommendation, allowing France to negotiate changes to the agreement, so long as this does not affect the stability of the Euro or the ECB's commitments.