



European  
Commission

Humanitarian Aid  
and Civil Protection

## ECHOES Flash #1

March, 16th 2015

### QUESTION:

**As a consequence of the depreciation of the Euro against the dollar, our organisation is facing serious difficulties in maintaining our commitments towards beneficiaries and employed staff. What are the possible remedial actions?**

### ANSWER:

It is important to recall that according to the General Conditions, currency exchange losses are not eligible and cannot be claimed to ECHO. This said, the evolution of the exchange rate may have a material impact on the number of beneficiaries that the partner had the intention to target or on the activities to be carried out

In order to avoid too many surprises during implementation, especially in those countries using the dollar as reference currency, the following is advisable:

- When preparing new proposals, check that the exchange rate used for the transfer between HQ and the field is realistic. In particular, double check that the proposed budget in Euros, once changed into dollars, will still allow carrying out the activities foreseen in the proposal.
- If there is a big discrepancy between the initial exchange rate used to calculate the budget in Euros and the actual one, contact ECHO immediately to verify if it is possible/acceptable to either reduce the results/activities or ask for additional funding. Please note that a budget increase is only possible if ECHO still has on the decision enough money to grant equal treatment among partners.