

DEFINITIONS: PLEDGE, COMMITMENT & CONTRIBUTION

FTS often received queries about the difference between a pledge, a commitment and a contribution. The status of a particular funding item is critical to understanding how much funding is actually available to organisations on the ground. FTS recognises three statuses: pledge, commitment, and contribution. Nearly all official contributions are preceded by a commitment; sometimes the commitment is preceded by a pledge. The critical factor is that in most cases, organisations cannot spend funds and implement a project on the basis of a pledge; only a legally binding funding commitment from a donor (or the actual contribution) allows an organisation to spend.

FTS users should be aware that some organisations use the word “pledge” to refer to a commitment and all donors and organisations have slightly different definitions based on their own internal rules and regulations.

FTS pre-set tables group together commitments and contributions as "FUNDING" towards an appeal (i.e. to calculate the % covered). Pledges are shown in a separate column, as indications.

The following are the definitions that FTS uses when processing information.

Pledge

A pledge is a non-binding announcement of an intended contribution or allocation by the donor. It can be specific as to an appealing organisation/recipient and project, or specify only the crisis (e.g. a pledge for the Darfur crisis or for the Sudan Consolidated Appeal).

Commitment

A commitment is the creation of a contractual obligation regarding funding between the donor and appealing organisation/recipient. It almost always takes the form of a signed contract. This is the crucial stage of humanitarian funding: organisations cannot spend money and implement before a funding commitment is made; once it is made, they can begin spending against it, using cash reserves.

Contribution

A contribution is the payment or transfer of funds or in-kind goods from the donor to the appealing/recipient organisation, resulting from a commitment.

Please contact us for additional information: fts@un.org