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SUSTAINABLE FINANCING FOR EDUCATION WITH GPE



Students walk to school on in the Ash Shamayatayn district, Taiz, Yemen.
AP Images for GPE/Anas Hassan Ahmed Ahmed Al Haj

Traditional aid models are under strain. Their narrow focus on how much financing is required for education in low- and lower-middle income countries needs profound change. Sustainable financing focuses on how education investment is organized with different funding sources, sequenced and sustained within national financial systems so that education reforms can be put into practice and maintained. The Global Partnership for Education (GPE) combines the strength of a multistakeholder partnership with the resources of a global education fund to advance sustainable financing that is anchored in domestic resources and complemented by concessional, philanthropic and private capital. Building on its existing model to align financing behind national priorities, GPE supports 92 partner countries to make education a core public investment that supports system transformation to improve learning for all children.

THE CHALLENGE

- Financing benchmarks to achieve sustainable development goals for education are out of sync with today's need to **meet learning recovery needs at scale and build resilience** to economic shocks, demographic changes, rising debt burdens and climate instability.
- Despite clear evidence that education drives economic growth and commitments to achieve sustainable development goal targets, the education sector remains chronically under-funded through **fragmented support** that does not align with country systems.
- Overseas development assistance for education is projected to **fall by US$3.2 billion in 2026** based on confirmed and expected donor budget cuts—a 24% drop compared to 2023. If this becomes a reality, **6 million more children are at risk** of being out of school by the end of 2026—the equivalent of emptying every primary school in Germany and Italy—increasing the number of girls and boys who do not get to learn and multiply possibility for their future to an estimated 272 million globally.
- Failing to provide children with access to quality education costs the global economy **$3.3 trillion each year in lost productivity**.

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For all sources visit: www.globalpartnership.org/data.

WHAT IS SUSTAINABLE FINANCING FOR EDUCATION?

In a world of multiple crises, education is a shared investment and responsibility. Financing is a tool to drive reform, strengthen institutions and improve learning outcomes, and is durable when it runs through government systems. Sustainable financing reframes education from being an underfunded sector to being a long-term, central public investment that supports economic growth, social stability and resilience. At a system level, the focus is on how education is financed overall, linked to national budget priorities and a government's capacity to generate revenue from taxes. At a program level, the focus is on what governments can realistically maintain once temporary external financial support for schools, teachers and reforms ends.

To make education financing sustainable, investments need to be organized in a way that allows for external financing to support education reforms, manage transition costs and attract additional investment that is aligned with national systems and government leadership. Investments also need to ensure that education resources reach the learners and communities most in need. Innovative financing can support this shift as it can be tailored to match the specific financial and economic reality of a partner country to mobilize additional capital as needed for education systems as well as to strengthen the efficiency and equity of education spending, combining different sources of financing and funding mechanisms.



Pre-primary teacher Dhan Kumari Dhakal and her students play and learn about animals in Padmodaya Secondary School, Ramshah Path, Kathmandu, Nepal.

GPE/Federico Scoppa

Education investment generates long-term economic and social returns which makes sustaining financing over time a sound public investment. Achieving this requires an approach to financing based on 3 principles:

Domestic finance as the anchor: Domestic public finance is the foundation of education funding, with external resources used strategically to unlock, blend and stretch what countries can mobilize themselves.

System alignment: Every dollar aligns with national priorities and strengthens education systems.

National leadership: Governments lead investment strategies that combine diverse financing sources, driving reforms and enabling sustainable transformation.

GPE APPROACH

Through the partnership and as a fund, GPE strengthens sustainable education financing at country level by:

- **Moving education beyond the sector silo** by bringing together ministries of education and finance, development partners and financial institutions to embed education in macroeconomic planning, public investment strategies, national dialogue, budget decisions and development planning.
- **Strengthening domestic resource mobilization through civil society** in how domestic financial resources are raised and spent. Through **Education Out Loud**, GPE supports civil society organizations to participate in policy and budget discussions—including on taxation and how to raise, manage and use domestic resources effectively—as a way to increase transparency and accountability around how countries invest in education.
- **Providing incentives to increase the volume, equity and efficiency of education spending** through GPE's results-based financing model, policy dialogue and support to stronger public financial management.

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Grade 5 students watch the school's TV at Saint Ignatius Primary School, Lethem, Region 9, Guyana.
GPE/Kelley Lynch

- **Disbursing grants for the greatest impact**. In countries with high levels of debt and limited revenues, GPE grants help to maintain essential financing for education systems. In other contexts, partner countries use grants to support policy reforms and system strengthening while bringing in additional financing for education, namely through the GPE Multiplier.

- **Using innovative financing tailored to country contexts** to unlock additional funding from development banks, philanthropies and the private sector that complements existing GPE grants and aligns with national education systems, reinforcing spending efficiency and equity.

- **Expanding philanthropy and private sector partnerships** through the **Foundation for GPE** that allows for more flexible financing including risk-sharing arrangements that complement public and development financing.

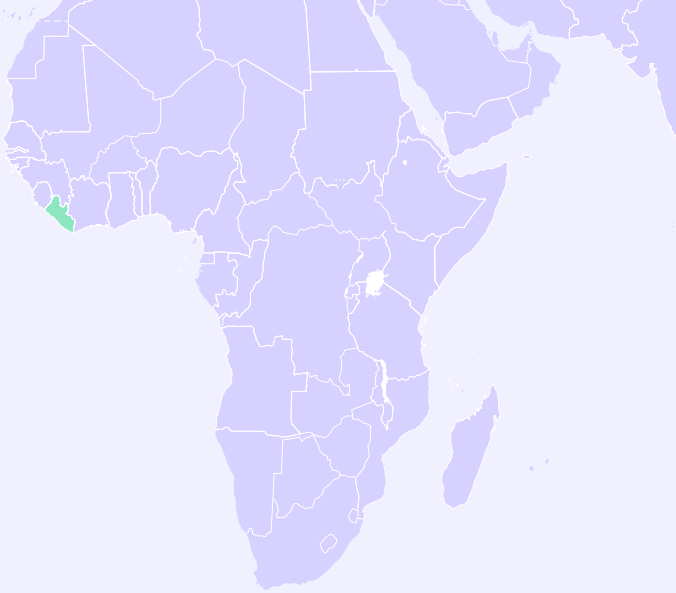
- **Supporting evidence-based financial decisions**. Through the **GPE Knowledge and Innovation Exchange (KIX)**, partners share research, evaluation tools and country experience to help governments identify effective financing approaches and mechanisms to mobilize resources, invest in impactful interventions and support more efficient education spending.

Based on an initial assessment, GPE works with partner countries to develop investment plans that identify which education reforms are a priority and feasible, how they should be sequenced and how they can be financed sustainably at scale within national fiscal and budget frameworks. These plans set up sustainable financing approaches that clarify how different partners contribute over time—combining funding from domestic resources, development partners and other sources—as well as how the economic, fiscal and social returns of investing in education will take place. This helps to coordinate and align action across governments, development partners, philanthropies and the private sector, strengthening national education systems while avoiding fragmented and parallel financing arrangements.

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LIBERIA: SUSTAINABLE EDUCATION FINANCING IN PRACTICE



A partner country since 2007, Liberia illustrates how sustainable financing can help education systems build more resilient funding sources over time. In 2025, following recent volatility in external funding, the government of Liberia took immediate steps to protect key education services, including school meals, while recognizing the need for a sustainable investment plan to keep children in school and improve learning outcomes.

Working with GPE and partners, Liberia is developing an education sector investment strategy that aligns reform priorities with the country's fiscal realities. Close collaboration between the Ministry of Education and the Ministry of Finance and Development Planning is helping to integrate education priorities into national budget processes and longer-term fiscal planning.

The investment strategy brings together different sources of funding to support the sector over time, building on the respective strengths of each: public financing remains the foundation for sustaining the education system; development partners provide grants, loans and technical assistance that support system strengthening and policy implementation; philanthropies and private sector partners support early reforms and innovation. With this strategy, Liberia can test new approaches and move faster in scaling them up across the country so that every child can master numeracy and literacy skills. The investment strategy will also help to identify where innovative financing can complement traditional sources of education funding, including dedicated taxation, and opportunities for cofinancing from private investors—allowing reforms to move forward while the economic and fiscal benefits of education investment emerge over time.

Through this approach, Liberia is defining how to achieve a more sustainable financing model for education—one that gradually reduces reliance on fragmented, external support while strengthening nationally led investment in education.



Students take notes in class at Billy Town Public School in Billy Town, Liberia.
World Bank/Dominic Chavez