COUNTRY COMMITMENTS TO EDUCATION DOMESTIC FINANCING

Education Financing Campaign

"Education Multiplies Possibilities: Investing in our future"

Country Partner Identification

Country name:	Bhutan
Ministry/Institution:	Ministry of Education and Skills Development
Date:	02/11/2026

1.Volume commitment

1.1. Please select your areas of commitment by checking relevant boxes below (select all that apply):

☒ Increase or maintain education expenditure level as a share of national budget (excluding. debt services)

☐ Increase or maintain education expenditure as a share of GDP

☐ Other (please specify)

1.2. Description of education budget perimeter

Please list all line ministries responsible *for elements included in the calculation of education expenditures. Ideally this description should identify where in the national budget relevant elements are recorded*:

1. Ministry of Education and Skills Development (MoESD) – Primary, secondary, tertiary, vocational and skills training.
2. Ministry of Health – School health programs and sanitation in schools.
3. Office of Cabinet Affairs and Strategic Coordination (OCASC)– Cross-sectoral education-related projects aligned with national development goals.
4. Local Governments (Dzongkhags and Gewogs) – Decentralized education funding for basic schooling and community learning centers.

1.3. Historical and projected expenditure

2025	2026	2027	2028	2029	2030
Percentage (as a share of national budget): **22.9%**	Percentage (as a share of national budget): **26.8%**	Percentage (as a share of national budget): **26.8%**	Percentage (as a share of national budget): **26.8%**	Percentage (as a share of national budget): **26.8%**	Percentage (as a share of national budget): **26.8%**
Percentage (as a share of GDP) : **8.1%**	Percentage (as a share of GDP) : **9%**	Percentage (as a share of GDP): **7.6%**	Percentage (as a share of GDP) : **6.6%**	Percentage (as a share of GDP): **6%**	Percentage (as a share of GDP): **6.8%**
Percentage (Other):	Percentage (Other):	Percentage (Other):	Percentage (Other):	Percentage (Other):	Percentage (Other):
Monetary value - *Currency*: BTN *-Amount*: 27,993.45	Monetary value - *Currency*: BTN *-Amount*: 34,952.41	Monetary value - *Currency*: BTN *-Amount*: 32,799.67	Monetary value - *Currency*: BTN *-Amount*: 31,610.34	Monetary value - *Currency*: BTN *-Amount*: 31,989.59	Monetary value - *Currency*: BTN *-Amount*: 40,241.72

*Do you have plans to increase **education expenditure per child**:* ☒ *Yes* ☐ *No*

If Yes, please provide

Currency:

-Baseline:

- Year: 2024

- Amount per child: 1934.95

- Target:

-Year: 2026

- Amount per child: 3557

-Indicate the policy framework or any other official documents where information on the baseline and targets can be found:

The per child financing model is currently under review by the Ministry of Finance. After completion of review and endorsement by the MoF, we will share with relevant stakeholders.

1.4. Basis for commitment to increase funding for education

Please list, and briefly describe, any planned or ongoing actions aimed at increasing resources for education *— for example:*

☒ *Raising additional revenues (e.g., through tax reforms or better tax collection), specify:*

- Implementation of the Goods and Services Tax (GST), effective from January 2026, which is projected to broaden the tax base and increase government revenue, a portion of which will be allocated to the education sector as per the fiscal framework in the 13th Five-Year Plan.

☒ *Developing strategies for long-term, sustainable education financing (e.g., earmarked taxes, public-private partnerships, etc.), specify*

- Operationalizing the 10X Strategy, a national initiative focused on achieving exponential, high-impact growth through strategic sectors. Under this strategy, specific partnerships and innovative financing mechanisms, including Public-Private Partnerships (PPPs) in education technology and skills development, are being developed.

☒ *Improving budget execution, specify*
☐*Other, specify*

Note: Please ensure that listed actions are supported by the National Development Plan, Education Sector Plan (ESP), Partnership Compact or other officially approved policies.

2.Efficiency commitment

Please list, and briefly describe any planned or ongoing actions to improve efficiency of education finance and expected results *— for example:*

☒ *Improving public financial management systems for better governance, accountability and delivery. - Specify*
☒ *Streamlining teacher management and remuneration mechanisms. - Specify*
☒ *Reduce fragmented financing and implementation mechanisms. - Specify*
☒ *Enhancing education and financial data tracking systems and availability. - Specify*
☒ *Adopting innovative budgeting approaches oriented towards education outcomes (e.g. results-based budgeting). - Specify*
☒ *Enhancing service delivery to improve learning, retention, and completion. - Specify*
☐*Other, specify.*

- Implementation of per-child costing for operational budget – Developing and institutionalizing a Standard Per-Child Costing Model for non-salary operational expenditures (teaching materials, utilities, maintenance). This model, to be integrated into annual budget cycles from 2026, will ensure transparent, needs-based, and equitable resource allocation across schools.
- Establishment of the National Teaching Service (NTS), a centralized body for teacher recruitment, deployment, career progression, and performance management. This initiative aims to optimize teacher allocation, reduce regional imbalances, and integrate a unified performance-linked pay scale to enhance motivation and retention.

Note: Please ensure that listed actions are supported by the National Development Plan, Education Sector Plan (ESP), Partnership Compact or other officially approved policies.

3.Equity commitment

Please list, and briefly describe any planned or ongoing actions to promote equitable resource allocation *— for example:*

☒ *Strengthening redistributive policies and mechanisms (including needs-based funding formulas for schools or teachers' allocation).*

☐ *Tracking of equitable resource distribution*

☒ *Adopting pro-poor budgeting mechanisms, gender-based or disability-based budgeting approaches.*

☒ *Directing resources to reduce gaps in school access*

☐*Other, specify*

- Mandating Gender-Responsive and Disability-Inclusive Budgeting across all education programs, as per the 13th Five-Year Plan and the National Policy for Persons with Disabilities.

Note: Please ensure that listed actions are supported by the National Development Plan, Education Sector Plan (ESP), Partnership Compact or other officially approved policies.

4.Endorsement of the commitments

Please indicate all the institutions that endorsed the commitment as relevant

☐Head of State Office ☒ Prime Minister Office ☒ Ministry of Finance ☒ Ministry of Education ☐Other Ministries or agencies (please specify)