COUNTRY COMMITMENTS TO EDUCATION DOMESTIC FINANCING

Education Financing Campaign

"Education Multiplies Possibilities: Investing in our future"

Country Partner Identification

Country name:	**Democratic Socialist Republic of Sri Lanka**
Ministry/Institution:	**Ministry of Education, Higher Education and Vocational Education**
Date:	23rd January, 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*:

Ministry of Education, Higher Education and Vocational Education.

Ministry of Health (Nursing Education)

1.3. Historical and projected expenditure

2025	2026	2027	2028	2029	2030
Percentage (as a share of national budget) : **15.2%** Percentage (as a share of GDP) : **2.2%** Percentage (Other): Monetary value - *Currency*: ***LKR*** *-Amount*: ***Rs. 642.5 Bn (USD 2.14 Bn)***	Percentage (as a share of national budget) : **16.5%** Percentage (as a share of GDP) : **2.43%** Percentage (Other): Monetary value -*Currency*: ***LKR*** *-Amount*: ***Rs. 729 Bn (USD 2.43Bn)***	Percentage (as a share of national budget) : **17.8%** Percentage (as a share of GDP) : **2.75%** Percentage (Other): Monetary value - *Currency*: ***LKR*** *-Amount*: ***Rs. 834 Bn (USD 2.8Bn)***	Percentage (as a share of national budget) : **19.0%** Percentage (as a share of GDP) : **3.2%** Percentage (Other): Monetary value -*Currency*: ***LKR*** *-Amount*:***Rs. 1029 Bn (USD 3.43Bn)***	Percentage (as a share of national budget) : **20%** Percentage (as a share of GDP) : **3.75%** Percentage (Other): Monetary value -*Currency*: ***LKR*** *-Amount*: ***Rs. 1272 Bn (USD 4.24Bn)***	Percentage (as a share of national budget) : **21.1%** Percentage (as a share of GDP) : **4.2%** Percentage (Other): Monetary value - *Currency*: ***LKR*** *-Amount*: ***Rs. 1512Bn (USD 5.04Bn)***

Do you have plans to increase ***education expenditure per child*****:** ☐***Yes*** ☐*No*
If Yes, please provide At Present Estimated Number of Students at Government Schools, Government Universities, Vocation Training institutes and Nursing college is Approx 4.5 Million. Accordingly
Currency:

-Baseline: ***Rs. 704 Bn*** ***- Target: Rs. 1512 Bn***
- Year: ***2026*** ***-Year: 2030***
- Amount per child: ***Rs. 0.16Mn*** ***- Amount per child: Rs. 0.34 Mn***

-Indicate the policy framework or any other official documents where information on the baseline and targets can be found: Student Number from Census data 2025

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*

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

☐*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.

The Government is undertaking a range of measures to strengthen and sustain education financing. These include a significant increase in the national education budget, improved budget prioritization towards foundational learning, teacher development, and skills oriented higher education, and enhanced efficiency in public expenditure through programme based budgeting and digital financial management systems. Medium to long term strategies include exploring earmarked revenue mechanisms linked to growth sectors, expanding public-private partnerships for infrastructure, technology, and skills development, leveraging concessional financing and development partner support for capital investments, and encouraging private sector participation in vocational and higher education through cost sharing and co-financing models. Efforts are also underway to improve targeting, reduce inefficiencies, and align education spending with labour market and national development priorities to ensure fiscal sustainability and better outcomes

New Education Sector Development Plan is being developed for the year 2026-2030 in aligning with national and international trends in Education Sector

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.*

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

To improve the efficiency and effectiveness of education financing, several reforms are being implemented and planned. These include strengthening public financial management systems through the introduction of programme based budgeting, enhanced financial reporting, and digital expenditure tracking to improve transparency, accountability, and service delivery. Education sector planning and budgeting are being better aligned through the use of evidence-based resource allocation, school and institution level data systems, and performance indicators. Measures are also underway to rationalize recurrent expenditures particularly, staffing and operational costs, while prioritizing spending on learning outcomes, skills development, and disadvantaged groups. Procurement reforms and centralized purchasing are being adopted to reduce costs and delays, and monitoring and evaluation mechanisms are being strengthened to track results and value for money. Collectively, these actions are expected to reduce inefficiencies, improve budget execution rates, ensure more equitable use of resources, and increase the impact of public education spending on access, quality, and relevance

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*

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

Actions to promote equitable resource allocation in education include strengthening data systems to track the distribution of financial, human, and material resources across regions, school types, and socio-economic groups. Disaggregated indicators, such as location, poverty levels, gender, disability, and school size are increasingly used to inform needs based budgeting and targeted interventions. Funding formulas and special grants are being applied to prioritise under-resourced schools, rural and estate sectors, and vulnerable learner groups, while enhanced monitoring and reporting mechanisms support transparency and corrective action. These measures are expected to reduce regional and social disparities, improve fairness in resource use, and ensure that public education spending reaches learners most in need

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) Ministry of Health