

FROM RESOURCE ALLOCATION TO EQUAL LEARNING OPPORTUNITIES: USING FINANCING INSTRUMENTS AS DRIVERS FOR EDUCATION POLICIES

The Financing of Education in Georgia: overview

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Context (1/2) : main challenges of the education system

- **Centralized system:** Georgia operates a centralized financing model, with the Ministry defining funding frameworks and allocating budgets to schools through formula-based mechanisms. Schools have managerial autonomy within allocated budgets, but strategic financial priorities remain centrally determined.
- **Equity gaps** between urban and rural schools, including differences in infrastructure, access to enrichment activities, and teacher availability.
- **Teacher workforce challenges**, including aging staff and difficulties attracting qualified teachers to remote areas.
- **Access to specialized support** - Schools rely on multidisciplinary professionals such as psychologists, speech and language therapists, and occupational therapists to support inclusive learning. As the number of students with Special Educational Needs (SEN) enrolled in schools has increased significantly in recent years, ensuring equal access to these specialists across both urban and regional schools remains an important priority.
- **Demographic pressures**, including declining student numbers in some regions and small schools with high per-student costs.

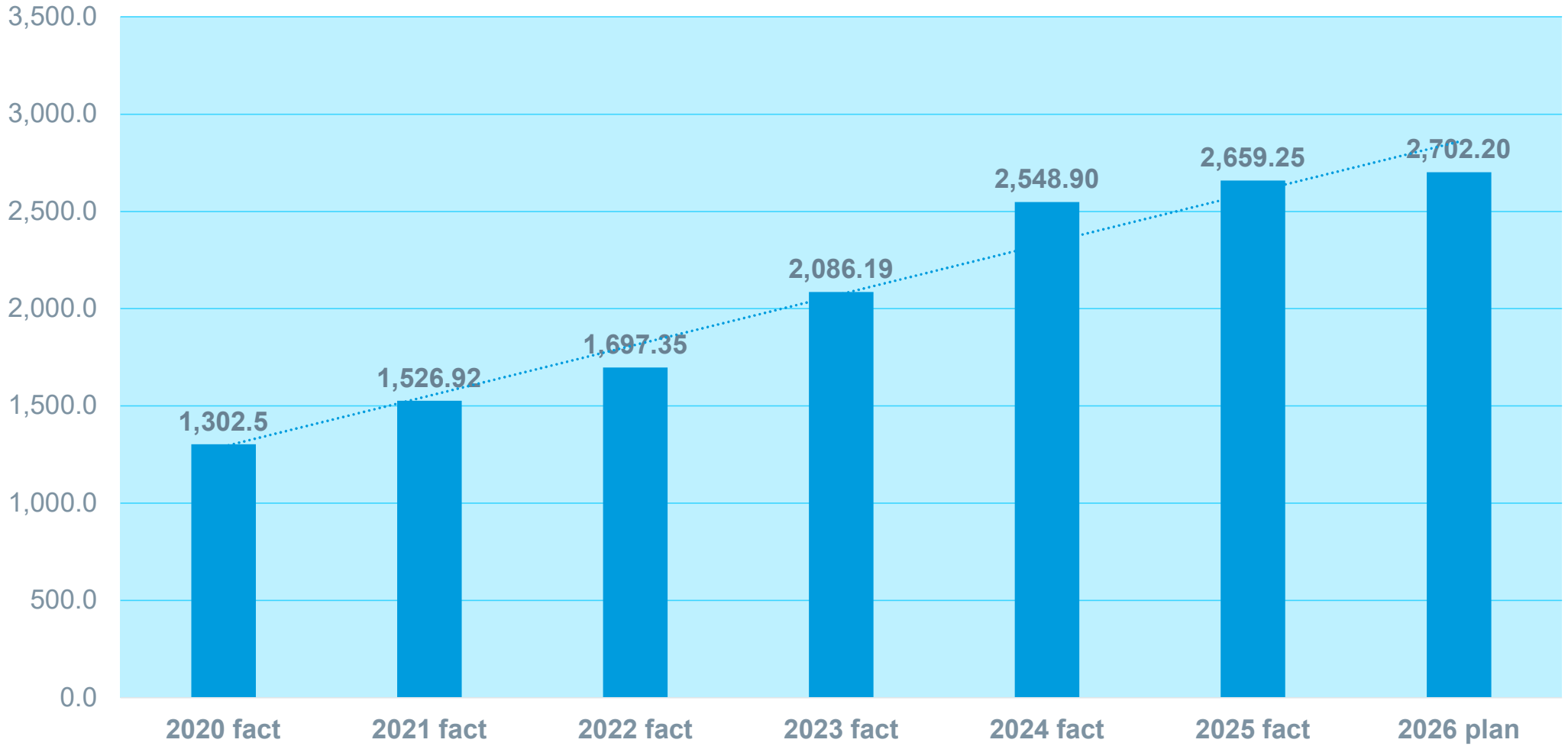
Context (2/2) : key policy reforms and their financial impact

- **Third-generation National Curriculum**-creation of new national curricula and corresponding educational resources that meet modern requirements and high standards, promotion of inclusive education, ensuring a safe learning environment, and other related goals.
- **The shift from centralized infrastructure management to local self-government authority**- decisions made closer to the point of need are more responsive, efficient, and accountable.
- **School infrastructure**- since 2023 a nationwide school rehabilitation program has been underway under a new concept, prioritizing rural and mountain-region schools. Between 2023 and 2026, the construction of 5 schools was completed, 101 schools underwent full rehabilitation, and 442 schools were partially rehabilitated.
- **Public school teachers' salaries increased**-As part of the reform, starting July 1, 2024, public school teachers' salaries rose by an average of 500 GEL, and importantly, remuneration is now determined by hourly workload.
- **To address teacher workforce challenges**- in 2019–2020, a major initiative was launched: teachers nearing retirement were offered two years' salary in exchange for early retirement. Around 8,000 educators took up the offer, which had a positive impact by freeing up positions for younger professionals.

Resource mobilization & Basic data

- **Education sector funding increase of approximately 136.9%** from 2020 to 2026. During the same period, funding for general education increased by about **200%**.
- Main **source of education financing is the state budget**. Approximately 97% of the total funding comes from the state budget, while donor funding represents a relatively small share around 3%.
- Funds allocated to the Ministry of Education, Science, and Youth of Georgia accounted for 10.1% of the total state budget in 2025.
- Funding allocated to MoESY has also increased with **approximately 107.5%** from 2020 to 2026. This trend reflects the government's increasing prioritization of the education sector.
- The most of these money is allocated specifically to general education.
- Public schools are permitted to rent out their facilities for additional income.

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Resource allocation to the different levels

- The most of the money is allocated specifically to **general education**. The state budget finances school operations, teacher salaries, learning materials, and infrastructure.
- The funding of general education institutions is primarily carried out through a **per-student financial norm** and its corresponding **standard voucher**.
- The **amount of the voucher** depends on: the grade level, the number of students in the school — the fewer students, the higher the per-student voucher — and the school's location, with an increased coefficient applied to schools in high-mountain villages.
- **Increased voucher** to both **non-Georgian-language public schools and schools with non-Georgian-language sectors**.
- Additional annual funding based on the number of **students with special educational needs (SEN) and disabilities**.
- **Base funding** beyond the standard voucher, which depends on both student number and location.
- Teachers in mountain schools receive an extra **“mountain supplement”** to increase their motivation.
- **Current debate** centers on the transformation of the funding model from a standardized voucher system to one that emphasizes equity and personalization- a **"need-based" financing system**, where allocations are determined by multidisciplinary assessments rather than student number.

Governance of the financing chain: decentralisation issues and good financial governance principles

- * *How does the institutional setting (incl. decentralisation or centralisation) has an impact on the financing system of the sector ?*
- * *Which good practice or difficulties do you face to ensure good governance principles, e.g. of transparency, accountability, efficiency ?*

Institutional Setting

Georgia operates a **centralized financing model**, with the Ministry defining funding frameworks and allocating budgets to schools through formula-based mechanisms. Schools have managerial autonomy within allocated budgets, but strategic financial priorities remain centrally determined.

Significant decentralization measures were implemented in 2025:

- As of September 2025, responsibility for public school rehabilitation works, routine maintenance (including fuel supply and other operational expenses) was transferred to the Ministry of Infrastructure.
- The “Public School Student Transportation” program — covering transportation of students living more than 2 km from school and students with disabilities (both urban and rural areas) — was delegated to local self-governing bodies.

Lessons learnt and experience/good practice sharing

- **Public school teachers' salaries increased-** As part of the reform, starting July 1, 2024, public school teachers' **salaries rose** by an average of 500 GEL, and importantly, remuneration is now determined by hourly workload. After the reform, with hourly pay and status supplements replaced by functional bonuses, the situation for newly starting teachers improved significantly — a move aimed at attracting and retaining younger staff.
- In 2019–2020, a major initiative was launched: teachers nearing retirement were offered two years' salary in exchange for **early retirement**. Around 8,000 educators took up the offer, which had a positive impact by freeing up positions for younger professionals.
- In **2023–2025, a total of 2,078 public schools in Georgia transitioned to treasury services**, which enabled the Ministry to conduct **online monitoring of school expenditures**.
- For providing greater support for **students with special educational needs (SEN)**:
 - Individualized Need-Based Vouchers**: Identified as the most effective instrument, individual assessment of each student's specific needs through multidisciplinary evaluations.

Thank you for your attention!