

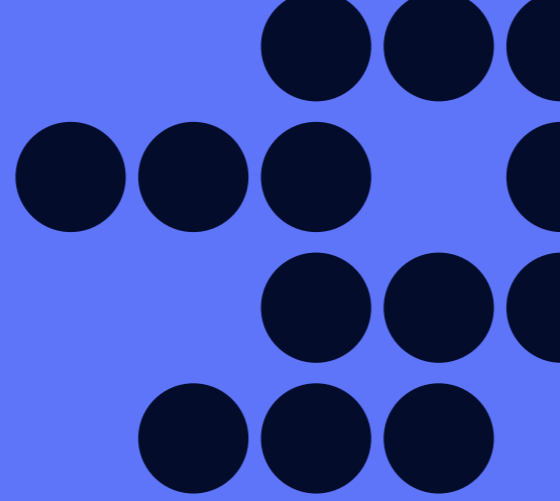
# From Learning To Earning To Thriving

Unlocking affordable, innovative  
and sustainable financing to deliver  
improved education and skills  
outcomes across LMICs at scale

**ANNUAL REPORT 2025**



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# What IFF... we choose to invest in hope, opportunity and human potential?

“IFFEd shows that even in an era of constrained budgets, we can still choose to invest in hope, opportunity and human potential. Education remains the best defence against poverty, instability and division. With IFFEd, the international community now has a practical tool to act on that belief.”



**Gordon Brown**  
IFFEd's Honorary President



# IFFEd Is Moving From Concept To Delivery

## Foreword

Education is the single most powerful investment a country can make in its future, in growth, stability and shared prosperity. Research shows education accounts for 50% of global economic growth, 70% of income gains among the world's poorest communities, and 40% of extreme poverty reduction since 1980. Yet today, at precisely the moment when education systems face their greatest pressures and futures are at stake, the world is investing less in human capital development.

Across lower-middle-income countries (LMICs), learning losses remain deep, skills gaps are widening, and demographic pressures are intensifying. At the same time, traditional aid budgets have drastically reduced, and public finances everywhere are under increasing strain. Without a new approach, millions of young people risk being left behind, with consequences that will be felt far beyond national borders.

IFFEd recognises a simple truth. The challenge facing education is not a lack of ideas or ambition, but a lack of affordable, predictable finance at scale. Countries are ready to invest in their people. What they need is a way to unlock long-term funding on terms that do not crowd out other priorities or increase vulnerability.

By using modest donor contributions in cash grants and guarantees to mobilise far larger volumes of affordable finance through multilateral development banks (MDBs), IFFEd offers exactly that solution. It enables countries to act now, investing in teachers, skills, climate-resilient schools and future-ready systems, while maintaining fiscal responsibility.

2025 marks an important turning point. IFFEd has moved from concept to delivery, securing strong credit ratings, deepening partnerships with leading MDBs, and approving its first investment cases for education and skills programmes. The education sector has often been held back by its cumbersome and lengthy decision-making processes. We cannot afford for this delay to continue to be the case, as childhood passes quickly. The speed of decision making that IFFEd has proven, alongside an ability to influence countries to take innovative and impactful approaches, speaks to a change happening in education. This approach highlights IFFEd's unwavering commitment and ability to deliver impact not only at scale, but also at pace.

IFFEd shows that even in an era of constrained budgets, we can still choose to invest in hope, opportunity and human potential. Education remains the best defence against poverty, instability and division. With IFFEd, the international community now has a practical tool to act on that belief.



**Rt Hon Gordon Brown CH**

UN Special Envoy for Global Education and Honorary President, IFFEd

Gordon Brown is Honorary President of the International Finance Facility for Education (IFFEd) and the United Nations Special Envoy for Global Education. He served as UK Prime Minister (2007-2010) and Chancellor of the Exchequer (1997-2007), shaping global policy on development, health and education. The driving force behind IFFEd's creation, he advocates for innovative financing to expand access to education in LMICs. He also chairs the Global Strategic Infrastructure Initiative at the World Economic Forum and serves on multiple global boards. He holds a PhD in History from the University of Edinburgh and is the author of several books, including *Seven Ways to Change the World* and *Beyond the Crash*.



# Proving Innovation Is Not Only Possible, It's Essential

## Foreword

From its inception, IFFEd was designed as a lighthouse for innovation, efficiency and impact. In 2025, that design has been tested and validated.

Over the past year, IFFEd has made the transition from an innovative idea to a trusted international financing institution. The reaffirmation of strong Aaa and AA+ credit ratings, alongside deepening engagement with major MDBs, reflects confidence in both our structure and our risk management.

For donors, this matters. Every contribution to IFFEd must deliver maximum impact, safeguarded by rigorous governance and transparency. The model ensures that public resources are used efficiently, predictably and responsibly, multiplying their effect while maintaining strong protections for taxpayers.

IFFEd's progress in 2025 is also institutional. The organisation has added renowned and forward-thinking experts in education and finance to its board, expanded its partnerships, and built the operational foundations required to support countries at scale. These are not abstract achievements. They are the building blocks that make delivery possible.

The approval of IFFEd's first education and skills investment cases, developed with partner governments and development banks, demonstrates both demand and relevance. Countries are seeking financing solutions that allow them to invest in human capital without jeopardising fiscal sustainability, and IFFEd is responding.

As Chair, I am proud of the confidence shown by donors, partners and institutions during this formative phase. The Board remains focused on maintaining the highest standards as IFFEd enters its next chapter, funding projects to deliver better learning outcomes from these investments.

At a time when global challenges demand smarter, more collaborative solutions, IFFEd is proving that innovation in development finance is not only possible. It is essential.



**Rt Hon Sir Julian Smith  
KCB CBE**

Chair, IFFEd

Sir Julian is Chair of the International Finance Facility for Education (IFFEd). He served as UK Secretary of State for Northern Ireland (2019–2020), Government Chief Whip, and Parliamentary Secretary to the Treasury, and remains a UK Member of Parliament.

A strong advocate for global education and aid effectiveness, he supports IFFEd's mission to mobilise innovative finance for education in LMICs. Prior to entering politics he worked in business and international affairs. He was appointed Commander of the Order of the British Empire (CBE) in 2021 and Knight Commander Order of Bath in 2024 for political and public service.

# Turning Concepts Into Real Investments

## Foreword

2025 has been a year of decisive progress for IFFEd, where it has continued to push itself to meet the needs of an emerging new world order.

In a year where the world saw unprecedented cuts to aid, IFFEd has provided a ray of hope with its financial multiplier – \$1 contribution multiplied to \$7 of affordable financing – enabling donor countries to do more with less cash, ultimately showcasing a financing approach that could be adopted by other sectors including climate and health.

IFFEd also began the development of a philanthropy-powered guarantee instrument in partnership with Jacobs Foundation. The instrument will enable the massive (\$2.3 trillion) balance sheets of philanthropic foundations to be utilised to help mitigate the drop in ODA funding and open a new source of development funding at scale. With AI holding everyone's gaze and nervousness around jobs (education to employability), IFFEd also launched its education multiplier initiative to unlock the learning and earnings multipliers to complement its 7x financial multiplier.

Education transforms individual lives. It opens pathways to decent work, resilience and opportunity. At national level, it is the foundation of productivity, innovation and long-term growth. Countries that invest consistently in human capital are better equipped to reduce poverty, manage shocks and build inclusive economies.

Few examples illustrate this more clearly than the Republic of Korea. Once a low-income country emerging from conflict, Korea made sustained investments in education and skills, even during periods of economic difficulty. By treating human capital development as a strategic national priority, Korea laid the foundations for its transition to a high-income economy, powered by a skilled, adaptable workforce. In doing so, the Republic of Korea has

gone from being a receiver of aid to a provider, including becoming the first Asian country to join IFFEd. IFFEd is committed to creating more success stories like the Republic of Korea's for the 21st century in Asia and Africa.

2025 was a year of momentum building to put IFFEd on a path to achieve these audacious goals. Progress has included developing projects working closely with national ministries of education; approving funding for projects; progressing partnership discussions with the World Bank; receiving the Swiss Host State Act's full privileges – one of a handful of institutions to do so; and advocating for human capital development in global policy forums and driving discussions on innovative and efficient approaches to delivering better learning outcomes.

The IFFEd pipeline entering 2026 is strong and diverse, spanning education, skills and climate-linked investments across multiple regions. Behind every project is a government committed to reform and a shared belief that investing in people is the surest route to sustainable development.

Just as importantly, IFFEd is doing this in a way that is financially responsible. By combining donor-backed guarantees and targeted grants with MDB lending, we are unlocking long-term, affordable finance that allows countries to act now without compromising fiscal sustainability.

As we look ahead, our focus is clear. Turning approved concepts into real investments that expand opportunity, strengthen skills and improve life chances for millions of young people. IFFEd exists to make education finance work better, so that human potential can be fully realised. In 2026 and beyond, that impact will increasingly be seen in classrooms, communities and economies around the world.



**Karthik Krishnan**

Chief Executive Officer, IFFEd

Karthik Krishnan is CEO of the International Finance Facility for Education (IFFEd), leading efforts to unlock affordable, sustainable finance for education in LMICs. He previously served as global CEO of Britannica Group, Venture Chair at Redesign Health, and held senior leadership roles at RELX, with a focus on digital transformation and global access to knowledge.

Beyond the private sector, Karthik has driven initiatives with UNICEF, community organisations, and city leaders – from youth skills development and revitalisation efforts in Harlem to programmes supporting NYC public housing residents through jobs-plus models for parents and college pathways for youth.

Karthik holds an MBA from NYU Stern and a Bachelors in Engineering. Since 2010, he has taught at NYU Stern School of Business. He is also part of the World Economic Forum's expert network, bringing cross-sector expertise and a deep commitment to equitable, future-ready education.

# What IFF... we could effectively tackle a 21st century crisis?

“ A major overhaul of the global system is needed to mobilise resources for sustainable development, as financing gaps continue to widen and are projected to reach trillions annually.”

OECD



# A Generation Without A Path To Prosperity

While the world's attention is understandably focused on climate, health and defence, we are witnessing a dangerous trend: human capital development is taking a back seat across developed and developing nations.

The reality is that if we don't find a way to keep billions of young people on a path from learning to earning to thriving, they won't just miss out on a career – they risk becoming a 60-year economic burden on their nations. That is simply untenable.

As donor resources are substantially reduced in the face of shifting political and policy prioritisation, IFFEd has relentlessly focused on financial innovation and education impact as a global necessity to advance human capital development.



Photo: Anh Lê/Pexels



# Education As Economic Infrastructure

Human capital development is key to supporting the progress of countries from lower-middle-income to upper-middle-income and ultimately to becoming high-income countries. The IFFEd instrument is designed as the bridge which will support populations to move from learning to earning to thriving.

Education is one of the most powerful drivers of long-term development. The research shows that education accounts for 50% of global economic growth, 70% of income gains among the world's poorest communities, and 40% of extreme poverty reduction since 1980. Countries that invest consistently in human capital build more productive workforces, stronger institutions and more resilient economies; this has been evidenced in the development pathways of countries like the Republic of Korea and Singapore. Sustained education investment is associated with higher growth, better employment outcomes and greater social stability.



Photo: Ian Taylor/Pexels

Despite global consensus on the importance of improving learning outcomes, three fundamental challenges persist:

## LACK OF ACCESS

POVERTY, GEOGRAPHY AND CONFLICT CONTINUE TO KEEP MILLIONS OF CHILDREN OUT OF SCHOOL ENTIRELY.

## LACK OF LEARNING

MILLIONS OF CHILDREN ATTEND SCHOOL BUT LEAVE WITHOUT FOUNDATIONAL SKILLS.

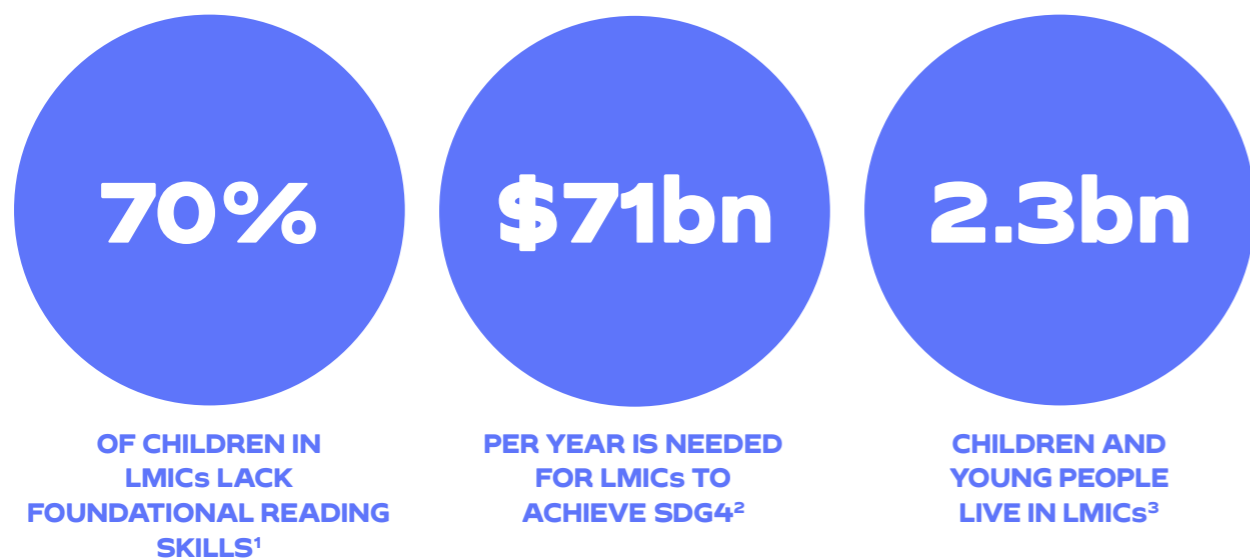
## LACK OF JOBS

YOUNG PEOPLE ENTER THE WORKFORCE WITHOUT THE SKILLS EMPLOYERS NEED.

IFFEd works across the lifecycle of education from early childhood education, through foundational learning to technical and vocational education and training (TVET); it focuses its financing on gender and inclusive programming and hard to reach groups and areas; and it advocates for the modernisation of education systems in preparation for the needs of a 21st century workforce.

# The Scale Of The Challenge

- **A growing global crisis:** Education systems are under intense pressure and there is an increasing learning poverty crisis – in LMICs, 70% cannot read a sentence, up from 57% pre-pandemic; skills gaps are widening and demographic growth is exponentially increasing.
- **A more unstable global context:** Education is now operating in a more volatile world. Geopolitical tension, conflict, climate shocks and economic uncertainty are increasing fragility across regions.
- **Investment dramatically reduced:** Improving education requires long-term predictable investment. Yet, ODA budgets have been drastically reduced. Overall, ODA fell 23.1% in 2025 – that is the largest single-year contraction on record and the second consecutive year of decline. In addition, domestic budgets face competing priorities such as health, security and climate.
- **Limits of existing financing tools:** The traditional ODA model is no longer viable; the gap between the required investment and the available financing is widening. Without additional concessional support, borrowing costs can limit investment even where returns are high. Grant-based instruments alone cannot meet the scale of demand.
- **Increased centrality of MDBs:** With bilateral aid falling and private lenders stepping back from financing, it is crucial that MDBs can step up and fulfil their central roles in the international financing architecture. MDBs have the capacity and capability to support and deliver education and skills investment at scale but still education must compete with other sectors for affordable finance. It's critical that through MDBs, ODA can deliver greater impact for less.



<sup>1</sup> <https://www.worldbank.org/en/news/press-release/2022/06/23/70-of-10-year-olds-now-in-learning-poverty-unable-to-read-and-understand-a-simple-text> <sup>2</sup> <https://www.unesco.org/sdg4education2030/en/education-financing> <sup>3</sup> <https://population.un.org/wpp/>

# 2025 Snapshot: A Year Of Progress At IFFEd

- ✓ The Republic of Korea joined as first Asian sovereign donor
- ✓ Developed \$2 billion Asian Development Bank (ADB) project pipeline across 10 Asian countries
- ✓ First IFFEd projects approved in the Philippines and India
- ✓ New World Bank Partnership advanced
- ✓ Aaa / AA+ credit ratings reaffirmed by Moody's and S&P
- ✓ Development of philanthropic guarantee instrument got underway
- ✓ UBS Optimus Foundation joined as philanthropic partner
- ✓ IFFEd granted full privileges and immunities in Switzerland through the Swiss Host Act

# What IFF... innovation could deliver a true financial and education multiplier?



“Closing the education financing gap is urgent. It requires mobilising more and better resources, ensuring equitable and efficient spending, and adopting innovative approaches to expand fiscal space.”

UNESCO

# Innovative Financing For Long-Term Growth

It is time for a global education reset. The multilateral education sector is too often reliant on traditional aid models, fragmented in delivery, and lacking both steadfast outcomes focus and a coordinated cross-sector approach.

## WHAT

IFFEd brings together sovereign, philanthropic and private capital, multiplying it by up to 7x for state or national government education and skills projects. A true financial multiplier not a match fund.

## HOW

IFFEd uses a combination of donor-backed guarantees, paid-in cash and targeted grants to create affordable long-term finance through MDBs for education and skills.

## WHY

IFFEd's model increases the affordable finance available by reducing borrowing costs for national governments (LMICs) and incentivising countries to prioritise investment in education.

## COST-EFFECTIVE

Through deliberate design, IFFEd's overheads are funded by guarantee fees and the interest income IFFEd generates on investments, ensuring that 100% of donor contributions are invested in frontline projects.

## UNIQUE

Although there is a \$71 billion funding gap in education in LMICs, through the IFFEd instrument only 10% of that needs to be raised in cash to close it – turning a seemingly impossible challenge into a stretch goal that is within reach.



Over the past year, IFFEd has moved rapidly to delivery. We welcome the World Bank joining the Asian Development Bank as a partner in 2026, and the first projects being approved in the Philippines, India and Uzbekistan. We are also seeing expansion into Africa, and the development of the new first-of-its-kind philanthropic guarantee window. We are proud to support this ambitious initiative, as innovative finance instruments like this get more finance into education in developing countries, as part of our modern approach to development.”



**The Rt Hon. Baroness Chapman of Darlington**  
UK Minister for Development

## The Broader Use Case

- **Adaptive and additive**  
IFFEd's design is spurring conversations about how it can be adapted for the development of additional instruments, and further integrated in the broader multilateral and development architecture.
- **Complementing the global system**  
IFFEd supports country-led reform, leveraging the experience of existing multilateral and development partners to strengthen the overall education financing ecosystem, rather than duplicating it.
- **Replicable across sectors**  
Increasingly IFFEd is discussed as a model that could be replicated to increase affordable and available financing in other sectors such as climate and health.

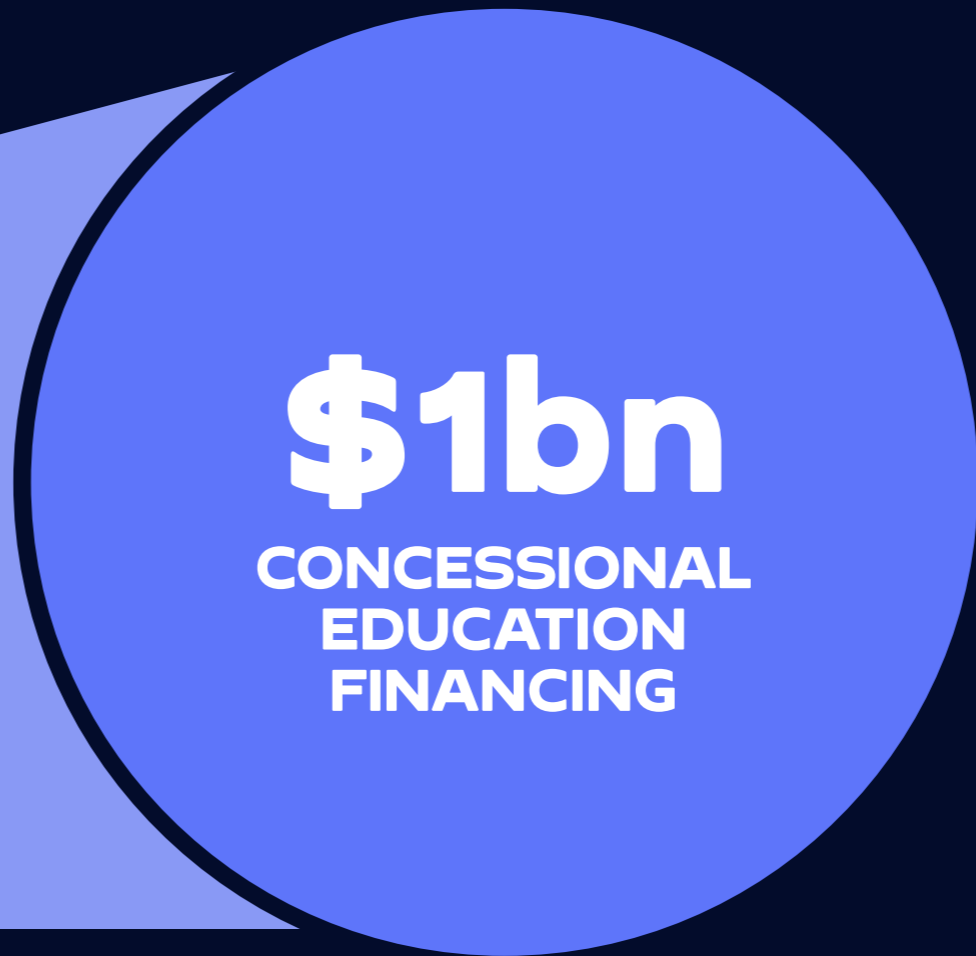
# Demystifying Official Development Assistance (ODA)

## MULTIPLIER FUNDING (IFFEd Model)

### Guarantees



### Grants



There is an important distinction between financing models that match existing contributions in co-financing and those that increase the total pool of resources. Many education financing approaches rely on matching funds, which align donor and partner contributions but do not significantly increase overall financing. By contrast, the IFFEd model acts as a true multiplier, using limited ODA resources to leverage substantially greater investment, from MDBs, through guarantees and financial structuring. This ability to leverage scarce donor resources is especially vital in a context of constrained and declining ODA budgets, enabling countries to access financing at a scale that would otherwise be out of reach.

**27X**  
LEVERAGE OF PAID-IN

**7X**  
LEVERAGE OF TOTAL CASH (PAID-IN + GRANT)

## MATCH FUNDING (Typical Model)



**1X**  
LEVERAGE OF TOTAL CASH (MATCH FUNDING)



# The Dual Multiplier Effect

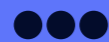
IFFEd has a dual focus on financial innovation and education impact. It is structured to ensure that all leveraged financing is used to multiply education impact and support countries to develop the skills needed to prosper.



## Financial Multiplier

LMICs face an estimated \$71 billion annual financing gap for education which can only be tackled by making much greater use of public and private partnerships and utilising capital more effectively.

IFFEd structures financing using cash, grants and guarantees delivering a 7x multiplier. Its model is flexible, enabling donors to contribute in whatever way is most effective for them, through:



**Paid-in Capital: cash to underwrite guarantees**



**Guarantees: promises to repay in worst-case scenarios**



**Grants: making loans cheaper, incentivising investment in education**

## Education Multiplier

It's not enough just to increase the availability of affordable financing; the financing needs to be structured around measurable and improved education outcomes to tackle the learning and jobs crisis. IFFEd ensures that every dollar goes toward projects that deliver:



**Project design adapted to each national context**



**Proven, evidence-based programme interventions and policy support**



**Implementation by governments and local systems at scale**



**Intermediate impact metrics to track progress long before results**



**Influencing policies that will amplify the impact of the education and skills projects**

# IFFEd Model



- 1** IFFEd receives cash contributions (paid-in and grant) and guarantee contributions.
- 2** IFFEd blends \$0.15 paid-in (15%) with \$0.85 guarantees (85%) to create a \$1 portfolio guarantee to an MDB, allowing it to issue \$4 of additional education loans. IFFEd adds a \$0.4 grant to lower the cost of these loans.
- 3** IFFEd turns \$0.55 of donor cash contribution into \$4 of affordable additional education loans for LMICs, providing a 7x multiplier on donor cash resources.

**What IFF...  
conversation,  
collaboration  
and  
coordination  
hold the  
answer?**



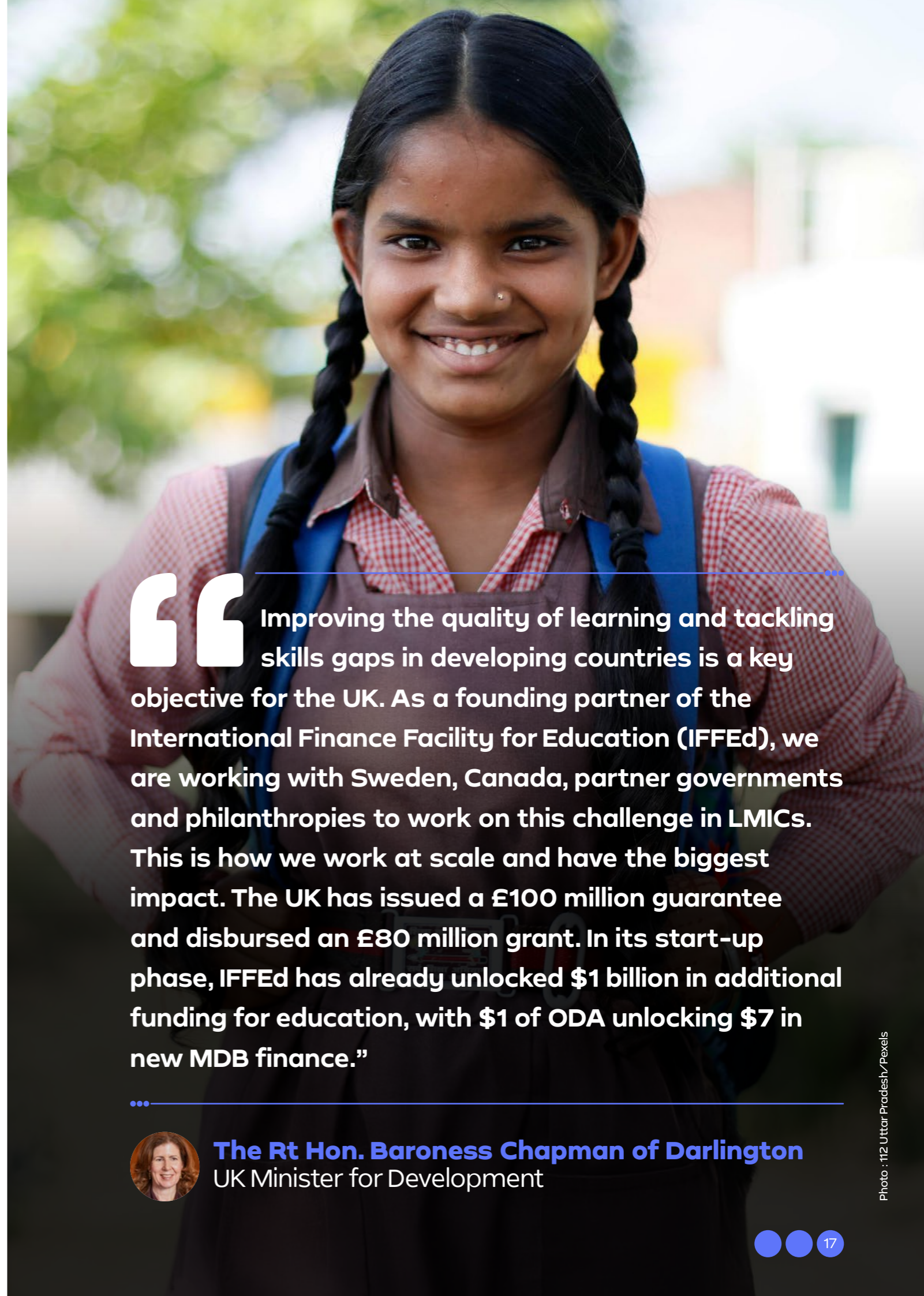
# A Growing Coalition

In 2025, IFFEd's coalition expanded on every front, reinforcing the founding cohort of the Atlassian Foundation, Canada, the Jacobs Foundation, Sweden and the United Kingdom. Over the last year, the Republic of Korea joined IFFEd as its first sovereign donor from Asia, while the UBS Optimus Foundation joined as a new philanthropic partner. The World Bank is in the final stages of negotiations and expected to join ADB as IFFEd's second MDB partner, expanding IFFEd's global footprint from 10 to over 30 eligible countries.



## Incoming MDB Partner: World Bank

The World Bank has committed to joining IFFEd to unlock additional affordable financing, expanding IFFEd's reach globally. The partnership will enable IFFEd to provide funding through the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), allowing IFFEd to support countries that are at the lower end of the LMIC bracket. It will support deeper engagement in Africa and in fragile and conflict-affected contexts, where the learning crisis is most acute.



“Improving the quality of learning and tackling skills gaps in developing countries is a key objective for the UK. As a founding partner of the International Finance Facility for Education (IFFEd), we are working with Sweden, Canada, partner governments and philanthropies to work on this challenge in LMICs. This is how we work at scale and have the biggest impact. The UK has issued a £100 million guarantee and disbursed an £80 million grant. In its start-up phase, IFFEd has already unlocked \$1 billion in additional funding for education, with \$1 of ODA unlocking \$7 in new MDB finance.”



**The Rt Hon. Baroness Chapman of Darlington**  
UK Minister for Development



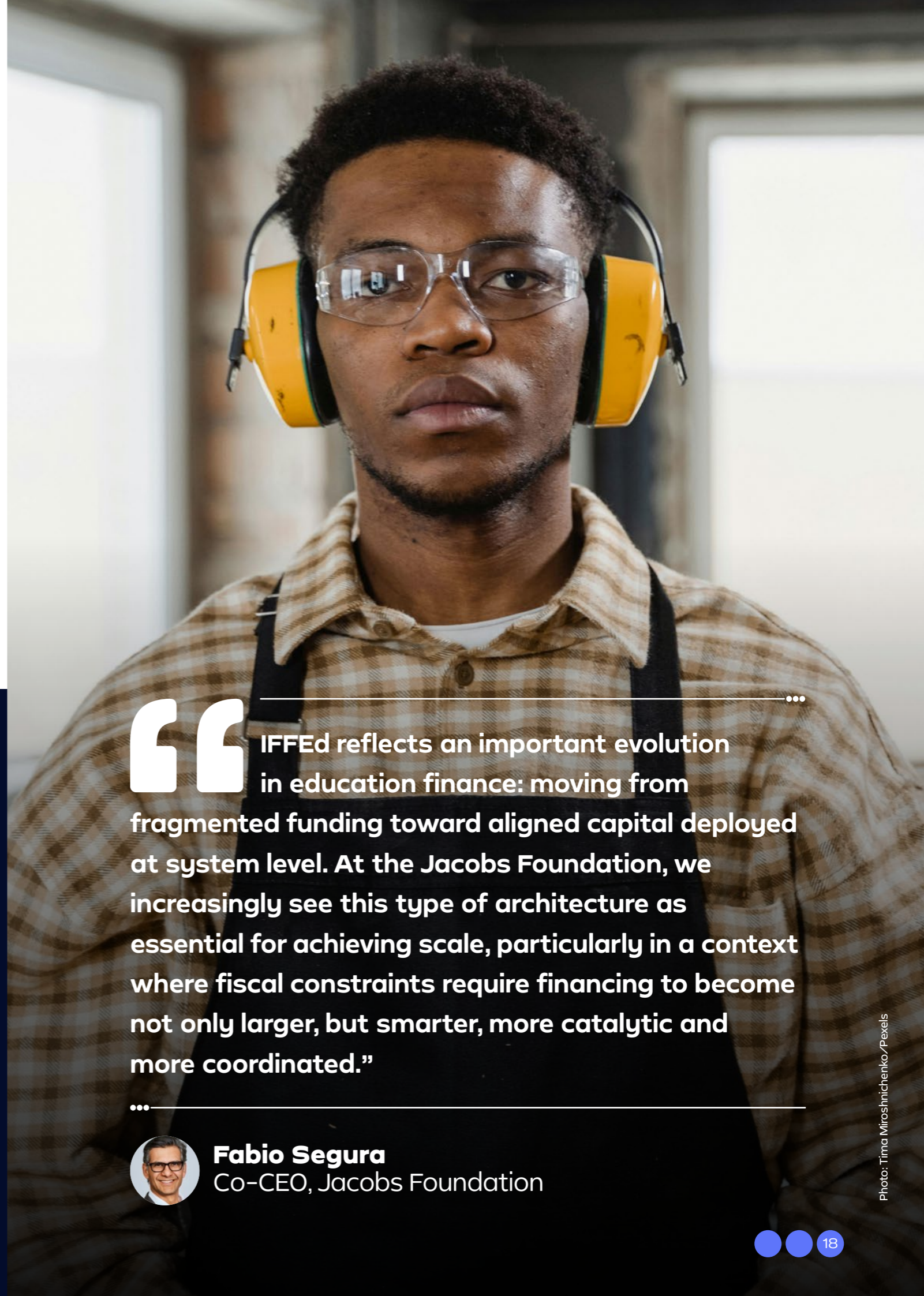
## **New Sovereign Partner: The Republic of Korea**

Once a low-income country emerging from conflict, the Republic of Korea prioritised education and skills over decades, even during periods of fiscal constraint. This long-term commitment – from the 1960s to the 1990s – enabled the country to build a highly-skilled workforce, underpinning its transition into a globally competitive, innovation-driven economy. The Republic of Korea underscores the catalytic role that strategic education financing and system-wide reform can play in accelerating growth, reducing poverty and strengthening long-term economic resilience. The Republic of Korea has now joined IFFEd, as its first Asian sovereign partner, supporting other countries to follow the path it has taken.

## **Evolving From Funder To Strategic Partner: Jacobs Foundation**

The Jacobs Foundation's role in IFFEd has evolved from funder to strategic partner. Its strategy now positions evidence-based education investment as a central "big bet" for achieving system-level change, with IFFEd highlighted as a key instrument for delivering it. This shift reflects a growing recognition that in today's constrained funding environment IFFEd is one of the mechanisms that deliver scale and education impact together.

The Jacobs Foundation Board has also supported the co-development of a first-of-its-kind philanthropy-powered guarantee. Success in developing this instrument will not only enable the Foundation to use more of its balance sheet to support education but also become a lighthouse example of how foundations can play a bigger role in bringing hope and prosperity, even in the face of shrinking ODA.



**“IFFEd reflects an important evolution in education finance: moving from fragmented funding toward aligned capital deployed at system level. At the Jacobs Foundation, we increasingly see this type of architecture as essential for achieving scale, particularly in a context where fiscal constraints require financing to become not only larger, but smarter, more catalytic and more coordinated.”**



**Fabio Segura**  
Co-CEO, Jacobs Foundation



## **New Philanthropic Partner: UBS Optimus Foundation**

The UBS Optimus Foundation advances education through results-driven philanthropy and blended finance structures that mobilise private capital alongside public and donor funding. Its decision to join IFFEd reflects its focus on improving access to quality education and scaling evidence-based interventions, its prioritisation of measurable impact and systemic change, and its interest in innovative financing solutions and the evolving conversation about the role of philanthropy in bridging funding gaps as ODA declines.

Photo: Emran Ahmed/Pexels



At the UBS Optimus Foundation, education is one of our longest-standing focus areas, reflecting our conviction that investing in learning is one of the most powerful drivers of lasting social and economic progress. Our approach centres on collaborative philanthropy and the catalytic use of capital for measurable long-term change. IFFEd exemplifies this by creating a new mechanism that allows asset holders to provide guarantees in a mission-aligned way, unlocking capital to finance education in LMICs.”



**Tom Hall**  
CEO, UBS Optimus Foundation Network



Canada supports IFFEd as it moves from vision to delivery, mobilising new financing to help sustain progress in education and skills development at a time when traditional aid is under pressure. Investing in education is essential for long-term economic growth, resilience and inclusive development.”



**Patricia Peña**  
Assistant Deputy Minister, Global Affairs Canada

Photo: Al Hoque/Pexels

# Sovereign-Sovereign Partnerships

Through IFFEd, sovereign donors are maximising their available financing through partnerships; financing flexibility sits at the heart of the model that responds to political priorities. Sovereign donors can contribute across any of the three elements of IFFEd – paid-in capital (cash), contingent capital (guarantees) and grants to education projects – to reduce the cost of financing.

## Example of Sovereign-Sovereign Partnerships (in USD million)





# Shaping Global Conversations

As ODA budgets have drastically declined, IFFEd has increasingly participated in global policy forums and dialogues that focus on how to innovate, sustain and scale affordable education financing and deliver improved education and skills outcomes.

Greater participation has enabled IFFEd to both reach and influence leaders and policy makers; share the instrument and its impact; engage education ministries to understand their national priorities in order to influence programme design; and introduce the concept of the philanthropic guarantee.



## World Bank Spring Meetings

Deepened relationships with the World Bank, ultimately, progressing the anticipated formal partnership with IFFEd.



## G7

Participated in the high-level steering group policy discussions and contributed to the “Operationalizing Sustainable Financing Pathways for Education” white paper.



## Education World Forum (EFW)

Engaged national education and finance ministers, and global donors and philanthropists on sustainable financing and outcomes-based programming.



## Asian Development Bank (ADB) Skills Forum

Engaged in greater depth on the project pipeline with ADB; and prepared to launch two projects in Asia in the Philippines and India.



# Increased Institutional Strength

Building IFFEd's institutional strength and operationalising effectively has been essential to building partner trust and expanding reach.



## Internationally Recognised

IFFEd has now been recognised as an international institution headquartered in Geneva under Switzerland's Host State Act. It is one of a handful of institutions given the highest level of recognition, and its headquarters places it at the centre of global development and at the heart of development innovation.

**“ Robust capital adequacy with low leverage and strong asset performance.”**

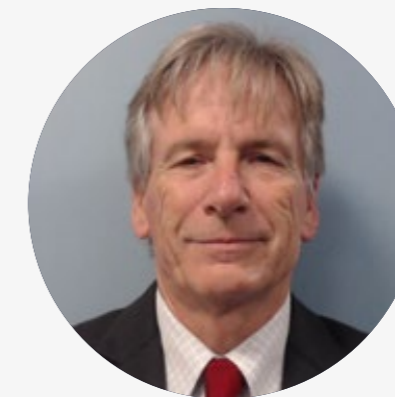
**MOODY'S**

**“ IFFEd's financial risk profile of extremely strong captures robust capital and liquidity metrics.”**

**S&P GLOBAL**

## Aaa / AA+ Credit Rating

Moody's and S&P have reaffirmed IFFEd's top credit ratings, underscoring, once again, IFFEd's standing as a trusted partner for donors and MDBs. The ratings reflect IFFEd's sound financial structure, prudent risk management and strong capital backing from its participating contributors.



## Robust Governance

The addition of new board members with global strategic, education and financial expertise has strengthened IFFEd governance capacity. IFFEd has welcomed the appointment and active engagement of independent experts, including Lakshmi Shyam-Sunder, the World Bank's former Vice President and Chief Risk Officer; Jörg Frieden, Board Chair of the Swiss Investment Fund for Emerging Markets; and Karen Mundy, Professor of Educational Leadership and Policy, University of Toronto.

# What IFF... countries could affordably invest in education and skills?





# Working With LMICs

LMICs have limited domestic financing and a wide range of competing, and often short-term priorities. Globally LMICs face a structural challenge in accessing financing education: unable to afford non-concessional financing, but no longer eligible for grants.

## How Does IFFEd Help?

IFFEd approaches the financing challenges faced by LMICs in four specific ways:

1

### Affordability

Grants are paired with MDB financing to make loan terms more affordable and enable investment in areas or populations which may otherwise remain underserved.

2

### Additionality

IFFEd financing is on top of additional MDB financing and country allocations.

3

### Accessibility

IFFEd financing is streamlined to follow existing MDB approvals; there isn't additional paperwork.

4

### Flexibility

IFFEd is not tied to a specific education or skills agenda; it can tailor projects to country-specific priorities; it can fund related cross-sector programmes that have an impact on education outcomes; and funding can be paired with other mechanisms or initiatives. It can also use funds to support capacity and development, particularly at the lower end of LMICs.



Photo: Keira Burton/Pexels

## What Are The Requirements?

All LMICs with access to non-concessional funding from partner MDBs are eligible for IFFEd's concessional financing if they meet four key criteria:

- **Have a credible education sector plan**
- **Are able to sustainably take on more financing**
- **Commit to mobilising more domestic financing**
- **Integrate results-based performance financing**



# Moving From Design To Delivery

The approval of the first IFFEd-supported education and skills projects has seen the mechanism move from concept to implementation. Countries are actively choosing the affordable financing that IFFEd offers, enabling them to invest in human capital without jeopardising fiscal sustainability.

At the core of the IFFEd model is innovation; the challenges facing education are well documented – IFFEd is supporting new approaches to tackling them. In choosing the programmes for financial support, IFFEd is focused on results and evidence-based programmes, a coordinated cross-sector approach and the integration of a strong gender and inclusion lens in programme design. IFFEd helps sharpen the focus on girls/other left-behind groups, and more broadly helps orient MDBs towards a more climate-sensitive, gender-responsive, inclusive and poverty-focused approach.

“**ADB’s partnership with IFFEd is a game-changer for education financing in Asia and the Pacific, allowing us to multiply the impact of donor contributions and unlock additional resources for concessional education funding. By blending grants and guarantees, this model is enabling countries to scale up investments in climate-responsive, inclusive and future-ready education systems. With the first wave of projects already identified and strong support from partners, we are committed to expanding this platform and advancing our shared vision for a more prosperous, inclusive and sustainable region.**”



**Fatima Yasmin** Vice-President (Sectors and Themes), Asian Development Bank





# The Philippines

**Overview:** The Philippines has held the #1 spot on the World Risk Index for 21 consecutive years; a situation driven by the country's 7,000+ islands, dense coastal populations on typhoon corridors and multiple climate hazards. Advancing Climate-Smart, Quality, Inclusive and Resilient Education (ACQUIRE) is designed to modernise and strengthen secondary education improving the quality of and access to science, technology, engineering and mathematics (STEM) learning, digital readiness, and climate resilience in schools.

**IFFEd Impact:** IFFEd will target the inclusive and experimental parts of ACQUIRE that would not otherwise be financed through the ADB loan, such as the virtual resource centres, AI pilots, digital access for remote schools and the small-grants programme. By combining IFFEd's financing with ADB's investment, the Philippines can test new ideas, gather evidence and then expand what works to the national level.



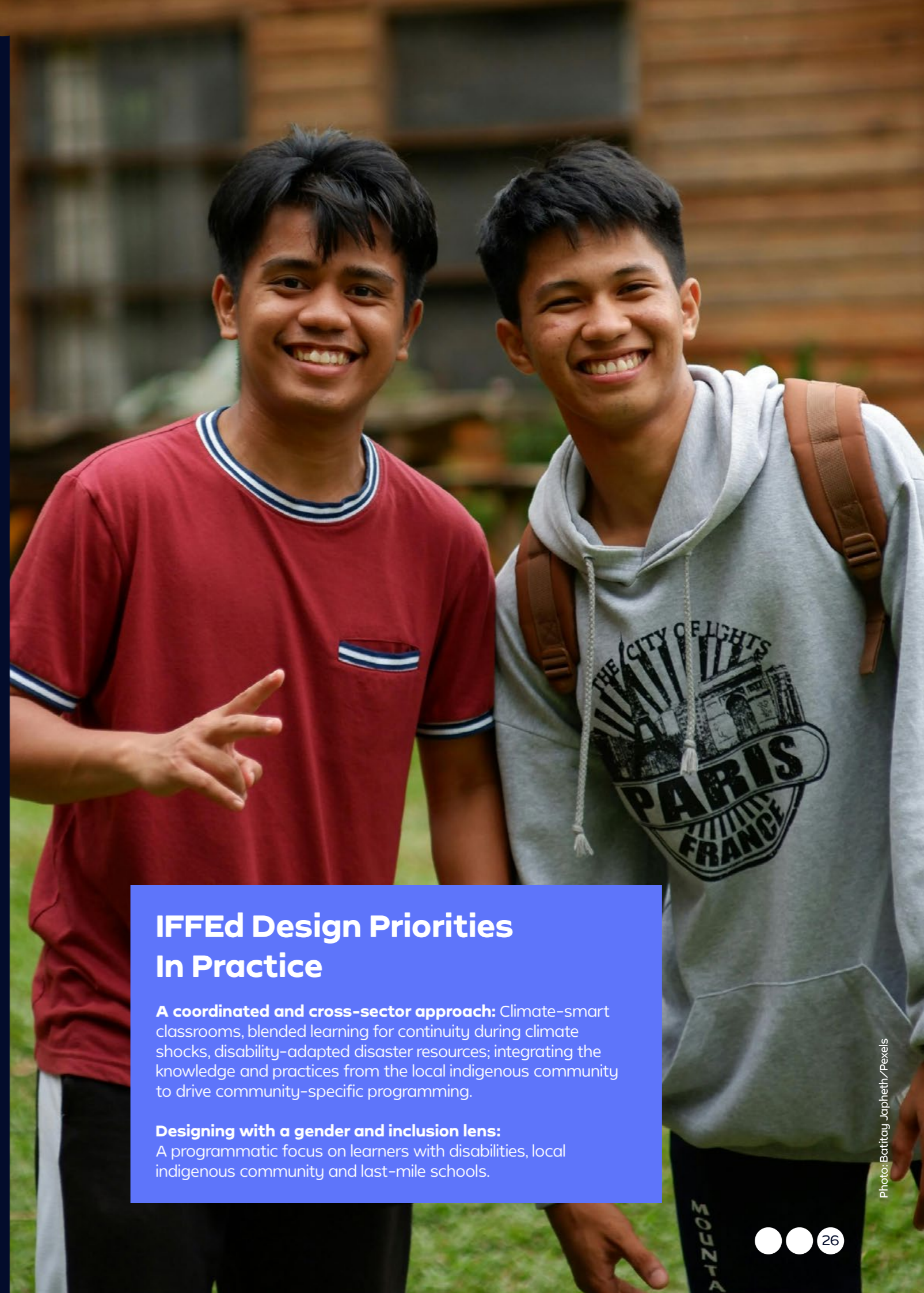
**PROGRAMME**  
Advancing Climate-Smart, Quality, Inclusive and Resilient Education (ACQUIRE)



**FINANCING**  
\$600m via Asian Development Bank (ADB)



**IMPACT**  
The programme is anticipated to reach around 3 million students and 120,000 teachers



## IFFEd Design Priorities In Practice

**A coordinated and cross-sector approach:** Climate-smart classrooms, blended learning for continuity during climate shocks, disability-adapted disaster resources; integrating the knowledge and practices from the local indigenous community to drive community-specific programming.

**Designing with a gender and inclusion lens:** A programmatic focus on learners with disabilities, local indigenous community and last-mile schools.



# India

**Overview:** Karnataka is one of India's fastest-growing states, yet fewer than half of 15-year-olds have completed secondary education, and nearly a quarter of young people are not in education, employment or training. Strengthening Karnataka Public Schools (SKPS) will strengthen foundational learning, promote digital literacy and environmental awareness, and involve parents and communities in school-improvement planning, modernising and improving learning across the state, so that all children can benefit from the state's position as a hub for technology, innovation and sustainability.

**IFFEd Impact:** IFFEd will enable SKPS to innovate using data collection at scale and build local partnerships to test new ideas, measure results and scale what works, thereby accelerating reforms.



**PROGRAMME**  
Strengthening  
Karnataka Public  
Schools (SKPS)



**FINANCING**  
\$203 million with  
Asian Development  
Bank (ADB)



**IMPACT**  
The programme is  
anticipated to reach  
around 1 million  
students, 25,000  
teachers and 7,700  
education officers



## IFFEd Design Priorities In Practice

**A coordinated and cross-sector approach:**  
Inclusion of nutrition within the programme design.

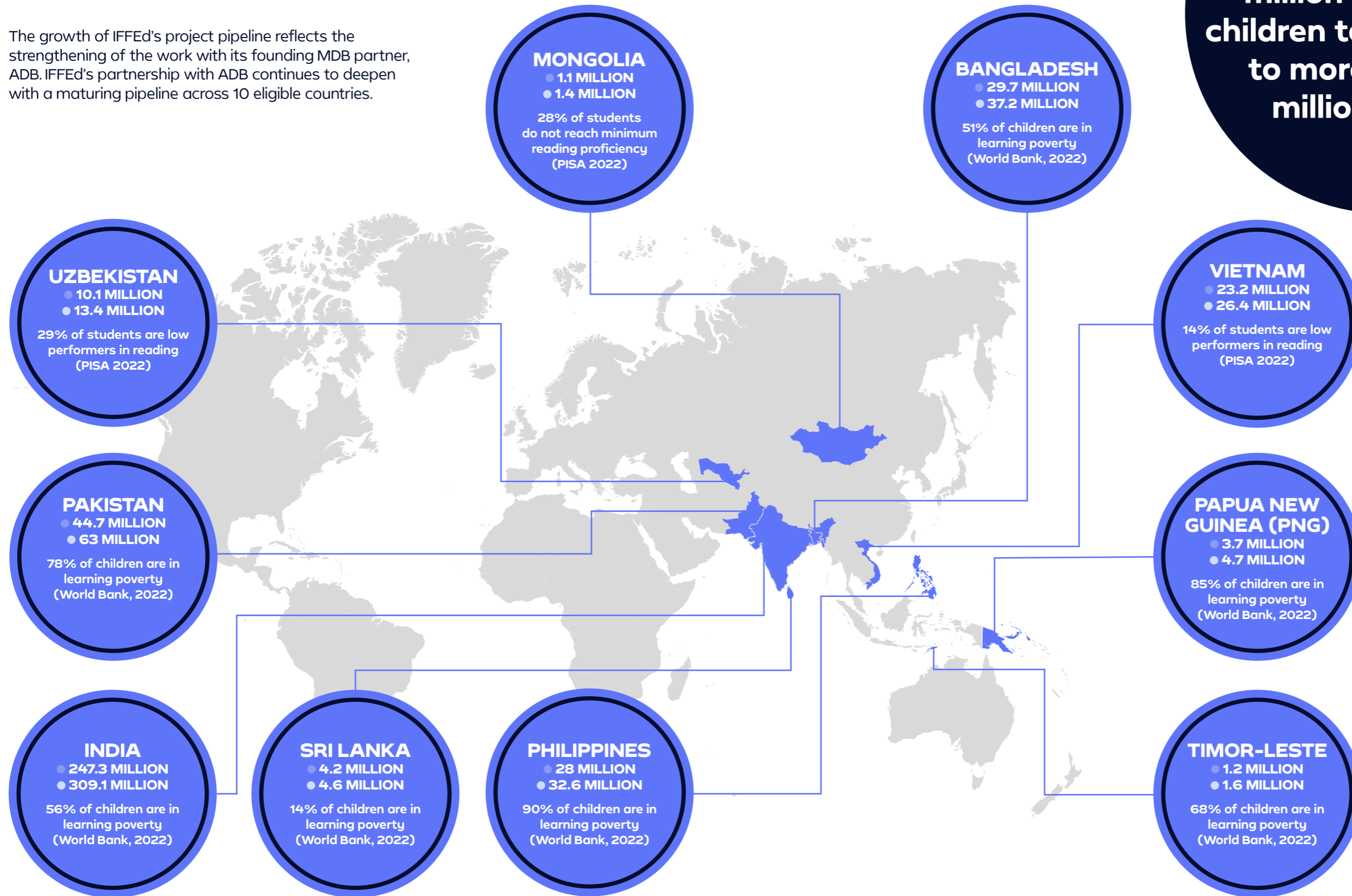
**Designing with a gender and inclusion lens:**  
Intentional gender-responsive lesson design, incorporation of non-traditional STEM pathways for girls, and programmatic integration for rural communities, disabled and low-income groups.



# IFFEd-Eligible Countries Through ADB Partnership

The growth of IFFEd's project pipeline reflects the strengthening of the work with its founding MDB partner, ADB. IFFEd's partnership with ADB continues to deepen with a maturing pipeline across 10 eligible countries.

**These 10 countries represent over 400 million school-age children today, growing to more than 500 million in 2050**



### KEY

- School-age population 2023 (5-17 years)
- School-age population anticipated in 2050 (5-17 years)

UNESCO Institute for Statistics (UIS) Data Explorer (2023); UN DESA World Population Prospects (2022); World Bank Learning Poverty Database (2019, updated 2022); OECD PISA 2022 Results (Volume I).

Learning poverty defined as the share of children unable to read and understand a simple text by age 10.

# What IFF... other ways to use balance sheets for social impact could be found?



# Developing New Instruments

As donor resources continue to shrink, philanthropy could become the core financing engine of international development, utilising the IFFEd mechanism to provide guarantees. Philanthropy provides billions of dollars of grant funding for education which, while essential, is insufficient to address systemic challenges at scale. At the same time, \$2.3 trillion of philanthropic capital – larger than the GDP of many countries – sits on institutional balance sheets and remains underutilised for catalytic financing.

IFFEd's public-private partnership model aims to catalyse philanthropic and public capital to increase the funding that MDBs can provide for education.

## The Philanthropic Guarantee

The ongoing development, and subsequent release, of the philanthropic guarantee will enable foundations to utilise the capital on their institutional balance sheets for catalytic financing, issuing guarantees alongside paid-in capital or grants to unlock sovereign government funding. Its unique approach allows philanthropic actors to use their balance sheets to generate social impact while preserving capital, enhancing their ability to deliver on their philanthropic purpose.

**“The Jacobs Foundation of the Future uses a variety of tools to achieve impact.**

**It is this diversity of approaches that will enable philanthropy to respond to new challenges. The Foundation aims to lead the way in this regard – including through our collaboration with IFFEd.”**



**Simon Sommer**  
Co-CEO, Jacobs Foundation



Photo: Ahmed Bates/Pexels

## The Swiss Window (Mobilising)

The Swiss Window is the pilot philanthropy guarantee using partners within the Swiss development eco-system. Switzerland is a prime location for this approach with strong roots in development innovation, and a co-location of multiple development actors.

The Swiss Window has a Swiss-based Foundation that uses its balance sheet to unlock funding from government, and in partnership amplifies the education financing available to an international development bank. This unique approach allows philanthropic actors to use their balance sheets to generate social impact while preserving capital, enhancing their ability to deliver on their philanthropic purpose.

This innovative approach demonstrates a model that could expand the role of philanthropy within the global development system.

## The Swiss Window Plus (Mobilising + Coordinating)

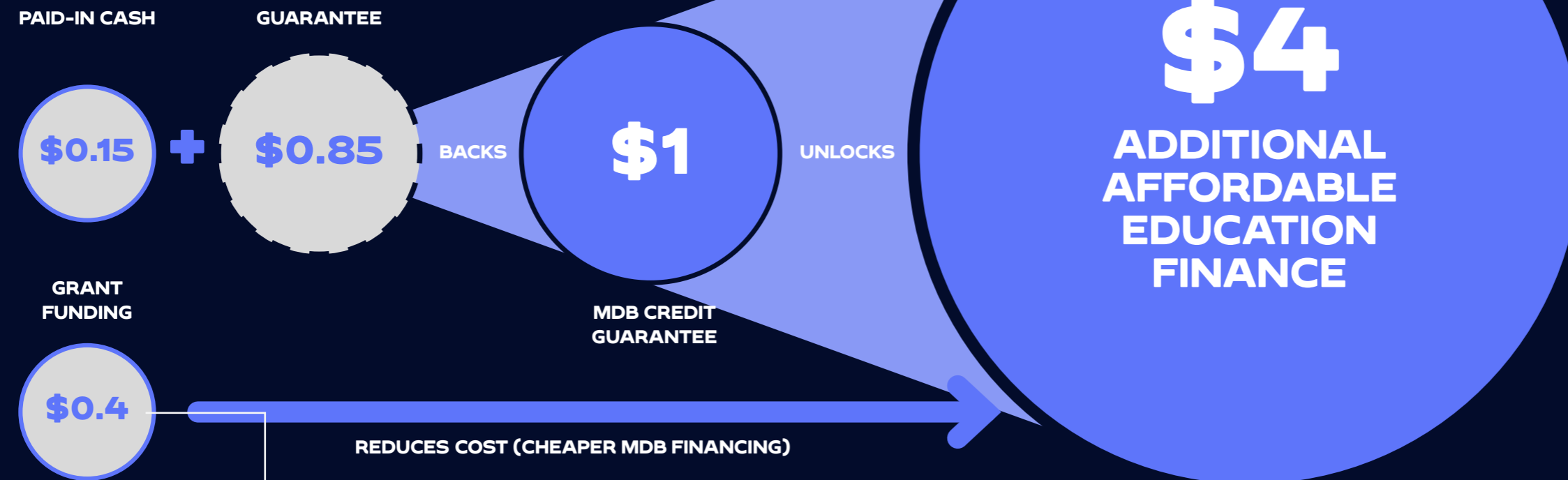
The Swiss Window Plus takes the Swiss Window approach and adds an additional partner: a global education body that provides matching funds.

In this approach the partnership is strengthened by incorporating the programmatic and systems expertise of a global development body; integrating sector architecture and policy coordination.

Adding a global education body into the public-private partnership has two key benefits: it accesses a financial multiplier effect in co-financing that further increases the affordable financing international development banks can provide and embeds the partnership within strategic programmatic pipelines and national policy frameworks.

# The Swiss Window+ (In USD Million)

## FINANCIAL ENGINE (Leverage For Scale)

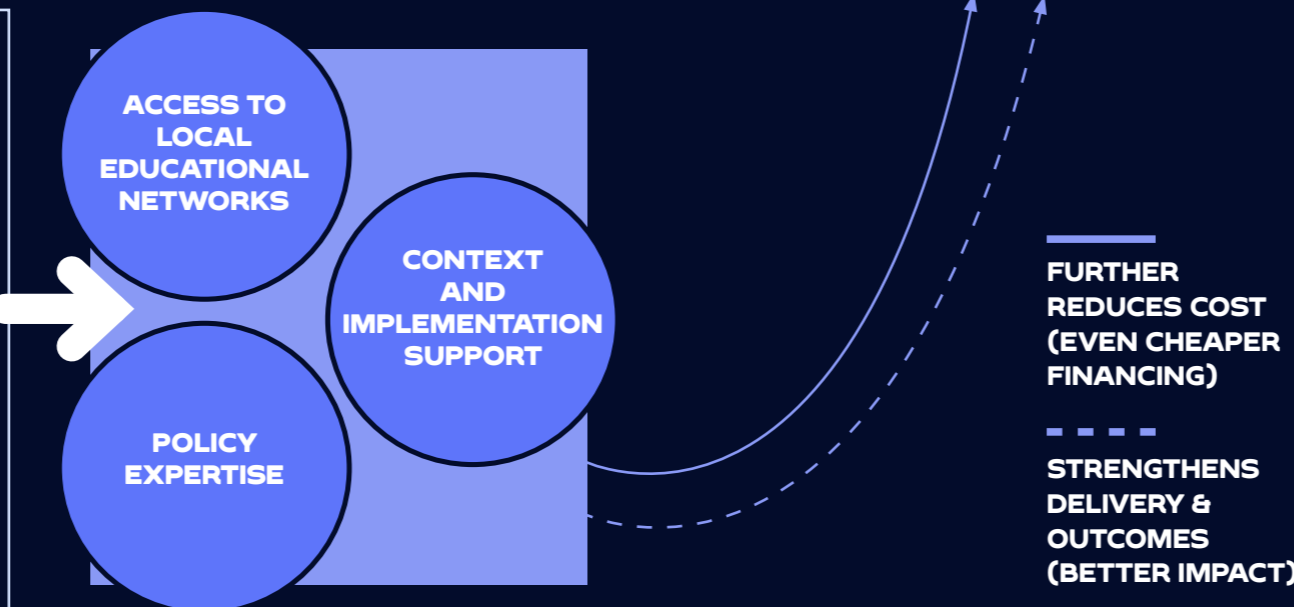
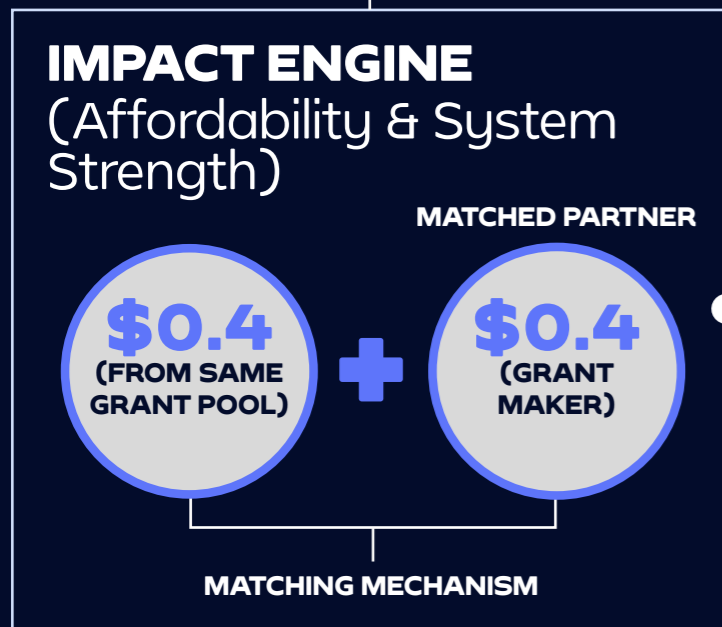


Foundation Contributions  
(Paid-In Cash + Guarantee)  
**CREATE A STRONG GUARANTEE**

MDB Uses Guarantee To  
Unlock Financing  
**DRIVES SCALE**

Guarantee Unlocks  
Sovereign Grant To Reduce  
Cost Of Finance  
**MAKES IT MORE AFFORDABLE**

Matched Partner Adds  
Additional Grant +  
Expertise And Networks  
**DELIVERS BETTER OUTCOMES AND FURTHER LOWERS COST**



# What IFF... the future was bright?



# Looking Ahead To 2026

Over the forthcoming year IFFEd will continue to grow its donor base, build its pipeline and expand its partnerships with LMICs continuing the journey from concept to project delivery.

## Key Anticipated Milestones For IFFEd Include:

- Implementation of IFFEd's first projects, including in India and Philippines, following the release of IFFEd's first MDB guarantees and grant disbursements
- Onboarding of the World Bank as an MDB partner alongside development of a shared project pipeline
- Development and approval of IFFEd's first projects in Africa and Middle East
- Growing the coalition of new sovereign and philanthropic partners
- Development of project pipeline specifically supporting fragile states and areas affected by conflict
- Continuing to advocate for, and then raise the profile of, guarantee instruments through high-level policy forums including the G7
- Continued development of additional concessionality options
- Formal launch of the philanthropy guarantee instrument

## Governance

2025 marked a pivotal year for IFFEd's leadership and governance. Under the guidance of our Founding CEO, Karthik Krishnan, the organisation has been firmly embedded within international policy discussions, while advancing the development of robust policies and operational practices.

IFFEd has now been formally recognised as an international institution headquartered in Geneva under Switzerland's Host State Act – one of only a select group of organisations to receive this highest level of recognition. This milestone positions IFFEd at the centre of global development efforts and at the forefront of innovation in education financing.

Governance capacity has been significantly strengthened through the appointment and active engagement of independent experts, enhancing both oversight and strategic direction. Looking ahead, the Board will be further expanded to include additional voting members, including representatives from LMICs, ensuring broader and more inclusive representation.



Rt Hon Gordon Brown CH  
Honorary President



Rt Hon Julian Smith KCB CBE  
Board Chair



Karthik Krishnan  
CEO

### Observer:



Asian Development Bank (ADB)

### Non-voting members:



Jörg Frieden  
Independent Financial Expert,  
Board Chair, Swiss Investment Fund  
for Emerging Markets (SIFEM)



Lakshmi Shyam-Sunder  
Independent Financial Expert, Former  
Vice President and Chief Risk Officer,  
World Bank



Karen Mundy  
Independent Education Expert,  
Professor of Educational Leadership  
and Policy, University of Toronto

### Voting members:



Patricia Peña  
Assistant Deputy Minister, Global  
Affairs Canada (GAC)



Beth Arthy  
Director of Education, Gender and  
Equalities & Gender Envoy, UK  
Government (FCDO)



Fabio Segura  
Co-CEO, Jacobs Foundation



## Core Team

IFFEd's team is lean by design but globally connected. The establishment of its Geneva office marks an important step in IFFEd's growth. Recruitment is underway, and IFFEd looks forward to welcoming a Head of Education and a Head of Resource Mobilisation in 2026, further reinforcing its ability to deliver its dual multiplier impact.

We have been able to deliver on our strategic priorities by leaning on the strong leadership and expertise of the following:



Nina Stochniol  
Head of Operations



Nick Vaughan  
Head of Finance



Dan Lavender  
Legal Advisor to IFFEd  
Board Chair and CEO



Thomas Duvall  
Senior Legal Advisor



Patricia Bliss-Guest  
Senior Governance  
Advisor



Daniela Ukuni  
Project Coordinator



Nathalie Caminade  
Finance and Operations  
Controller



Clément Bouillot  
Innovative Finance  
Analyst



Mary Burns  
Senior Analyst



Photo: Agung Pandit Wiguna/Pexels

## Our External Advisory Teams

We are also grateful for the ongoing support from the following firms, who have played a critical role in IFFEd's journey.

Swiss Legal Counsel



Accountancy And  
Compliance



Credit Rating Advisory And  
Risk Management



External Statutory  
Auditors



Investment Management



# What IFF... you can help?

IFFEd is not just a finance facility – it's a movement to catalyse education and skills development. It's a movement built on data, innovation and urgency. A movement that says: every child, everywhere, deserves the chance not just to learn – but to earn and thrive as they grow.

"Education is the shortest bridge between the haves and have-nots and the fastest path to social mobility," says CEO Karthik Krishnan. "But we can't keep using 20th-century tools to solve 21st-century challenges. It's time to think bigger, act faster and build systems that match the scale of the opportunity – and the risk."

We are actively looking to scale our network of knowledge partners in 2026 and beyond. We welcome partnerships with organisations focused on researching and building evidence in education and skills, and also those who can challenge us on driving innovation in project delivery.



# Turning Millions Into Billions:

Unlocking critical  
investments into  
education and skills  
through innovative  
sustainable  
financing.

IFFEd is recognised as an innovative game-changer and was launched at the UNGA at the 2022 Transforming Education summit and operationalised in 2024. It is a global development institution based in Geneva focused on delivering affordable financing and education impact. IFFEd brings together sovereign, philanthropic and private capital, leveraging it up to 7x for education programme financing through the multilateral development banks.

The International Commission on Financing Global Education Opportunity (the Education Commission) estimated that by 2030, more than half of the world's children and young people – some 800 million youth – will not have the basic skills needed for the modern workforce.

## Contact Us:

[Media@lff-education.org](mailto:Media@lff-education.org)  
[www.lff-education.org](http://www.lff-education.org)

**IFFEd**  
International Finance Facility  
for Education