

Enabling Social Innovation in Cyprus

Country Snapshot

Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." ¹

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Cyprus's social innovation ecosystem.

- ✓ Direct focus on social innovation Ⓞ Connected but indirect focus on social innovation ✗ No focus on social innovation

INSTITUTIONAL FRAMEWORK



Official Definition of Social Innovation Ⓞ

Cyprus has no official legal definition of social innovation. However, policy documents refer to the concept through the broader lens of social economy and social entrepreneurship. ²



Government Body for Social Innovation ✓

The Authority of Co-operative Societies is responsible for monitoring the compliance with the cooperative societies and social enterprises legislations by all registered cooperative societies and social enterprises, respectively. In addition, the Authority is responsible for the promotion and awareness in regards to the adoption of the national specification for Corporate Social Responsibility by all enterprises in Cyprus ^{3 12}.



Government Strategy for Social Innovation ✓

There is no standalone strategy. However, the 2018 National Action Plan for Social Enterprises outlines priorities for ecosystem development ².



Policies, Laws & Regulations ✓ Ⓞ

- The following legislations are for legal entities of social economy:
- Law of 2020 (207(I)/2020) defines social enterprises, including reinvestment thresholds and purpose-based classification ^{3 4}.
- Social Enterprises Regulations of 2023 ¹²
- Cooperative Societies Law of 1985 (22/1985) ^{12 13}
- Cooperative Societies Rules of 1987 ¹²
- The Associations and Foundations and Other Related Matters Law of 2017 (104(I)/2017) ¹³



Official Statistics Ⓞ

The government does not yet collect dedicated social innovation data. A 2021 study reported ~1,500 social economy entities, employing over 4,000 people and generating €180M in turnover ³

Planned Government Programs

- A €10,000 subsidy scheme is planned for each registered social enterprise, for a total amount of 300,000 annually and for a period of three years ⁵.
- A €30,000 subsidy scheme is planned for registered social enterprises of certain business sectors, which are established and operated by persons with disabilities.
- A tax relief for natural persons who invest in social enterprises, up to 50% of their taxable amount in the year of the investment and up to €150.000 for a total period of 5 years (the drafted bill is under legal technical review by the Legal Service of the Republic)
- Public procurements exclusively for social enterprises of certain business sectors, which are established and/or operated by persons with disabilities
- Training and mentoring programs for people with disabilities, who establish and/or operate a social enterprise.
- Social enterprises are eligible for broader SME financing, including CYPEF loans and innovation grants ⁶.
- Cyprus participates in EU-funded capacity-building efforts like the FUSE project ⁷.
- Additional relevant programs include tax exemptions for public-interest entities ³.

ECOSYSTEM

Stakeholders

- Cyprus Network for Social Entrepreneurship and the Circular Economy Network provide platforms for collaboration.
- Key intermediaries include, the [Centre for Social Innovation](#) (CSI), SYNTHESIS (Hub Nicosia), CyprusInno and RESET - Research and Education in Social Empowerment and Transformation ⁸.



Support Initiatives

- Youth Innovation Factory (UNDP) and Youth Board of Cyprus - [Youth Cities](#) empower young changemakers.
- EU-funded training, incubators and awareness campaigns support early-stage ventures ^{7 8}.

Collaboration

- Cross-sector projects such as Youth Cities involve government and civil society.
- Cyprus collaborates closely with European /international Institutions, networks and organizations, such as the European Commission, the UN, the Organisation for Economic Co-operation and Development (OECD) and the European network for social enterprises (Euclid).
- Awards recognising social impact include CSR Cyprus and national innovation prizes ⁹.

FINANCE

Financing Schemes

- Planned public subsidy schemes.
- Other financing includes EU grants, Public Procurement, SME loans, limited private or philanthropic capital.
- There are currently no domestic impact funds or bonds ⁶.

Financing Inclusivity



- Public subsidy schemes for registered social enterprises, which are established and operated by persons with disabilities are granted by the Deputy Ministry of Social Affairs (Department of Inclusion of Persons with Disabilities).
- Public subsidy schemes for women, youth and rural innovators are periodically granted by various relevant Ministries, such as the Ministry of Agriculture and Rural Development, as well as the Ministry of Energy, Commerce and Industry ¹⁴ ¹⁵.

SOCIETY

Public Awareness



Awareness is generally low but improving due to new laws, campaigns and social innovation outreach initiatives ⁷.

Research



Research is led by NGOs, Research Centers and project-based consortia. Universities are gradually integrating social innovation topics ⁸.

Education & Human Capital



Up to recently there were no dedicated degree programs, where in 2026, a new MBA program on **Innovation and Entrepreneurship** is introduced to a private University. Additionally, non-formal education and university electives introduce key concepts.

Entrepreneurship



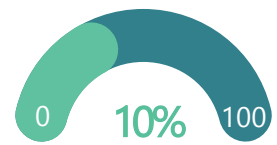
27th / 82 countries

Enabling conditions for business

EIU Business Environment Ranking 2024

51st / 133 countries

Social entrepreneurship remains a niche



Around 10% of adults are involved in early-stage entrepreneurship

Social & Environmental Consciousness



Solidarity



Political Participation score: 6.67/10.

32% population

Cyprus ranked 52nd globally in the 2023 World Giving Index.

43rd / 180 countries

Sustainability

EPI rank: 43rd in 2024, with moderate climate action performance according to available international indices ⁹

¹¹