

Enabling Social Innovation in Pakistan

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 Pakistan'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 🔗



Pakistan has no official legal or working government definition of social innovation. The concept is gaining usage among civil society and development actors, but has not been formally institutionalised in policy documents. ²

Government Body for Social Innovation ✓



Rather than a dedicated agency, relevant functions are distributed across ministries. The Centre for Social Entrepreneurship (CSE) operates under the Planning Commission with a mandate to support students and entrepreneurs in developing SDG-focused solutions. The Ministry of Information Technology and Telecommunications oversees the Ignite National Technology Fund which administers National Incubation Centres (NICs). ^{3 4}

Government Strategy for Social Innovation ✓



There is no standalone national social innovation strategy. Social innovation themes are addressed indirectly in the **Ehsaas Poverty Alleviation Programme (2019)**, which incorporates innovation challenges and prize funding as mechanisms for social solutions, and in Pakistan's **SDG implementation framework (2015–present)**, which calls for innovative financing and locally-driven solutions. ^{5 6}

Policies, Laws & Regulations ✓ 🔗



- No SI-specific legislation exists. The government has debated social enterprise support during federal budget sessions (2018–19), but no dedicated act has been passed. ²
- Key broader enablers include: the **Microfinance Institutions Ordinance (2001)**, which provides a regulatory framework for MFIs serving low-income populations; the **Digital Pakistan Policy (2018)**, which introduced IT tax holidays and sector incentives fostering civic-tech and edtech social ventures; and **CSR guidelines** under the Companies Act encouraging voluntary corporate giving. ⁷

Official Statistics



The government does not collect official statistics specifically on social innovation or social enterprise. No national registry of social enterprises exists. ²



Government Programs

- National Incubation Centres (NICs, 2016–present): Eight centres funded by Ignite/Ministry of IT across Islamabad, Lahore, Karachi, Peshawar, Quetta, Hyderabad, Faisalabad, and Rawalpindi; have incubated 1,300+ startups, generated 126,000+ jobs, and empowered 2,300+ women.³
- UNODC/Denmark National Incubation Centre for Social Entrepreneurship at University of Narowal (2025): Focuses explicitly on social cohesion, youth, and community-driven innovation in vulnerable areas.⁸
- UNDP Social Innovation Platform (SIP, 2019–present): A systems-based approach supporting community-driven local development; piloted in 500+ villages in Pakistan alongside Indonesia and Thailand.⁹

ECOSYSTEM



Stakeholders

- Government-linked bodies: Centre for Social Entrepreneurship (Planning Commission); Ignite/NICs (Ministry of IT); Pakistan Poverty Alleviation Fund (PPAF).⁴
- Key non-governmental organisations: **Invest2Innovate (i2i)** — one of Pakistan’s first impact-focused accelerators; **SEED Ventures** — social impact ecosystem developer and investor; **Social Innovation Lab (SIL)** — practitioner research and ecosystem analysis body; **Akhuwat** — the world’s largest Islamic interest-free microfinance network (890+ branches); **SEPLAA Foundation** — social enterprise incubation and youth leadership.^{10 11}
- Bilateral/multilateral support organisations active in SI include UNDP Pakistan, the British Council (DICE programme), and Acumen Fellows Pakistan.¹²



Support Initiatives

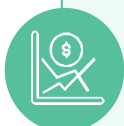
Key non-financial support types include: incubation/acceleration (NICs, i2i, SEED Ventures, Plan9, The Nest i/o); mentorship and fellows programmes (Acumen Fellows — 20 social leaders annually); and capacity-building workshops via NGO networks and universities. Support remains concentrated in Karachi, Lahore, and Islamabad, with limited reach in rural areas.¹³



Collaboration

- The British Council’s DICE programme partnered i2i with Impact Hub King’s Cross (UK) to deliver the RISE programme, supporting Pakistani social enterprises to scale.¹⁰
- UNODC, Denmark, and the University of Narowal collaboration (2025) represents a government-civil society-multilateral partnership directly targeting social innovation for conflict prevention.⁸
- Key events include the **Social Impact Award Pakistan** (youth-focused SI competition) and various NIC demo days and startup pitch events across major cities. No nationally prominent dedicated SI awards beyond startup/impact competitions have been identified.

FINANCE



Financing Schemes

- No consolidated figure for total annual SI-specific financing is publicly available. The largest formal SI-adjacent funding flows through UNDP and multilateral programmes, government NIC grants (up to PKR 10 million per startup)¹⁴, and philanthropic giving estimated at over PKR 240 billion (~USD 2 billion) annually in total charitable giving.¹⁵
- Key financing instruments include: **Islamic microfinance/Zakat/Waqf** (Akhuwat has disbursed PKR 1.3+ billion in interest-free loans to marginalised groups)¹¹; **public grants via NICs; multilateral development aid** (UNDP, UNODC, British Council); **philanthropic/faith-based giving**; and growing **digital philanthropy** (online donations tripled from PKR 44M to PKR 148M in 2024). No social impact bonds have been issued to date.¹⁵
- Financing disproportionately targets women, the ultra-poor, and rural communities through Islamic microfinance. Marginalised groups including persons with disabilities and transgender communities also receive dedicated Akhuwat programmes. Administrative complexity remains a barrier for grassroots and rural organisations accessing formal grants.¹¹



Public Awareness of Social Innovation

Social innovation is not a widely used term in Pakistani public discourse; conversations are more commonly framed around social enterprise, philanthropy, or development. However, awareness is growing via startup media, university events, and international programmes. Key themes include poverty alleviation, education, financial inclusion, women's empowerment, and climate resilience. ¹⁶



Research

- Academic research on social innovation remains nascent; most work focuses on social entrepreneurship and Islamic microfinance. Prominent contributors include IBA Karachi (Centre for Entrepreneurial Development), LUMS, and Aga Khan University. The **Dinkum Journal of Social Innovations**, a Pakistan-linked open-access journal, has published since 2022. ¹⁷
- Key practitioner research includes the Social Innovation Lab's **Beyond the Buzz** ecosystem report (2018) and the British Council's **State of Social Enterprise in Pakistan** report. ^{18 19}



Education & Human Capital

- No degree programmes specifically dedicated to social innovation exist. Related content is integrated into MBA and social policy programmes at IBA, LUMS, Aga Khan University, and NUST. Informal training is provided through NGO incubators, Acumen Fellows, and NIC programmes. ¹⁶
- No publicly available data on the proportion of graduates with credentials in social innovation has been identified.



Entrepreneurship

124^t
h / **167** countries



Business Environment

Pakistan's overall EIU Democracy Index score was 2.84/10 in 2024 (ranked 124th/167 countries, classified as authoritarian regime); the EIU BER does not separately publish a Pakistan business environment score in publicly available summaries. ²⁰

EIU Democracy Index 2024

91st
/ **133** countries



Innovation Performance

Pakistan ranks 91st/133 countries on the 2024 Global Innovation Index (score: 22.01), and is a consistent innovation overperformer relative to its income level for the third consecutive year, excelling in mobile app creation (14th), ICT services exports (22nd), and software spending (24th). ²¹

Global Innovation Index 2024



Prevalence of social entrepreneurship

Pakistan is not a current GEM country member, so no GEM Adult Population Survey data is available for Pakistan. Research indicates social entrepreneurship understanding is limited and conceptually diverse, but the sector is growing. ¹⁶

Social & Environmental Consciousness



Solidarity

Pakistan's World Values Survey results reflect strong solidarity at family and community levels, driven by Islamic values of mutual support (Mawakhat), though engagement with broader civic causes is more variable. No specific WVS score is reported here to avoid inaccuracy. ²²

World Values Survey



Political participation

Pakistan scored 2.84/10 overall on the EIU Democracy Index 2024 (ranked 124th), classified as an authoritarian regime, reflecting significant constraints on political participation. ²⁰

EIU Democracy Index 2024



Volunteering

Pakistan ranked 17th globally on the 2025 CAFWorld Giving Report (101 countries), recognised for high generosity levels including charitable giving exceeding 1% of GDP annually, driven by religious motivations. ¹⁵

2025 CAFWorld Giving



Sustainability

Pakistan ranks among the lowest globally on the 2024 Environmental Performance Index (177th/180 countries), facing severe challenges in air quality, emissions, and ecosystem vitality.

The country is, however, recognised for ambitious nature-based adaptation efforts (10 Billion Tree Tsunami). ²³

Environmental Performance Index (EPI) 2024

