

# Enabling Social Innovation in Saudi Arabia

## Country Snapshot

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

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Saudi Arabia'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 🔗

Saudi Arabia has **no official legal definition** of social innovation.

- Instead, the concept is addressed indirectly through **Vision 2030**, with emphasis on social entrepreneurship, volunteering, and private-sector participation in social development <sup>15</sup>.

### Government Body for Social Innovation ✓

Rather than a single dedicated unit, responsibility is distributed across several institutions:

- **National Center for the Development of the Non-Profit Sector (NCNP)** (2019): Regulates and develops the non-profit sector, promotes social investment, and oversees impact-oriented initiatives <sup>2</sup>.
- **Social Development Bank (SDB)**: Provides concessional finance and capacity-building for SMEs, non-profits, and micro-entrepreneurs with social objectives <sup>3</sup>.

### Government Strategy for Social Innovation ✓

There is **no standalone national social innovation strategy**.

- Social innovation priorities are embedded within **Saudi Vision 2030** and the **National Transformation Program**, particularly through goals on volunteering, non-profit growth, and social investment <sup>15</sup>.

### Policies, Laws & Regulations ✓ 🔗

Several recent reforms indirectly enable social innovation:

- **New Companies Law (2022)**: Introduced the *non-profit company* legal form, allowing revenue-generating social-purpose entities <sup>4</sup>.
- **Social Impact Investment Rules (2025)**: NCNP framework certifying organisations pursuing measurable social impact alongside financial sustainability <sup>5</sup>.
- **Fundraising Law (2023)**: Streamlines and regulates charitable fundraising, improving resource mobilisation for social initiatives <sup>6</sup>.
- **Zakat and tax exemptions** for non-profits and enhanced frameworks for *awqaf* (endowments) further support social initiatives <sup>2</sup>.

## Official Statistics

Saudi Arabia does not publish statistics specifically on social innovation.

- As of 2024, **4,656 registered non-profit organisations** were recorded, with the sector contributing approximately **0.99% of GDP** <sup>2</sup>.
- **Volunteer participation exceeded 1 million people in 2023**, reaching Vision 2030 targets ahead of schedule <sup>2</sup>.

## Government Programs

There are no programs exclusively labelled as social innovation, but several initiatives indirectly support it:

- **Social Development Bank financing:** Over SAR 8 billion annually in loans and microfinance for SMEs, family businesses, and social initiatives <sup>3</sup>.
- **NCNP Social Investment Fund (2023):** SAR 500 million fund supporting sustainable, revenue-generating projects led by non-profits <sup>2</sup>.
- **Vision 2030 programs** promoting volunteering, digital donations, and civic participation foster an enabling environment for social innovation <sup>15</sup>.

# ECOSYSTEM

## Stakeholders

Saudi Arabia's social innovation ecosystem is emerging and fragmented, with key actors including:

- **King Khalid Foundation:** Major national foundation supporting non-profit capacity-building and social innovation recognition <sup>7</sup>.
- **MiSK Foundation:** Youth-focused foundation running incubators and leadership programs for social initiatives <sup>8</sup>.
- **Tasamy for Social Impact:** National non-profit supporting social entrepreneurs through incubation and acceleration <sup>2</sup>.
- **International actors** such as Ashoka and Acumen engage selectively with Saudi social entrepreneurs <sup>2</sup>.

## Support Initiatives

Non-government support remains limited but growing:

- **Incubators and accelerators:** Tasamy programs; MiSK youth non-profit incubators <sup>8 2</sup>.
- **Training and mentorship:** Integration of social impact modules into entrepreneurship programs (e.g. Empretec) <sup>3</sup>.
- **Digital platforms:** Government-backed volunteering and donation platforms expand reach and participation <sup>15</sup>.

## Collaboration

Cross-sector collaboration is **selective but increasing**:

- Public-private partnerships have enabled scaling of specific social enterprises (e.g. women's employment platforms) through government adoption <sup>10</sup>.
- International collaborations (e.g. MiSK-Gates Foundation partnership) provide funding and expertise for impact initiatives <sup>8</sup>.

## Events & Awards

Awareness is reinforced through high-profile initiatives:

- **Beyond Profit International Non-Profit Forum** (Riyadh): Global platform for non-profit and social innovation dialogue <sup>11</sup>.
- **MiSK Global Forum:** Annual event highlighting youth-led social entrepreneurship <sup>8</sup>.
- **King Khalid Award:** National award recognising innovative social and development initiatives <sup>7</sup>.

# FINANCE

## Financing Schemes

Dedicated social innovation finance is nascent but expanding:

- **Public funding:** SDB lending and NCNP's Social Investment Fund provide concessional finance and co-investment <sup>2,3</sup>.
- **Philanthropy and endowments:** Awqaf and digital charity platforms mobilise substantial resources for social projects <sup>2</sup>.
- **Emerging impact investment:** Limited but growing interest from family offices and international impact investors <sup>2</sup>.

## Financing Inclusivity

Financing mechanisms increasingly target underrepresented groups:

- Priority given to **women, youth, and low-income entrepreneurs** through SDB programs and non-profit grants <sup>3</sup>.
- Geographic disparities persist, with most support concentrated in major urban centres <sup>2</sup>.

# SOCIETY

## Public Awareness of Social Innovation

Public understanding of social innovation remains **limited but improving**.

- Media and government narratives increasingly highlight volunteering, youth initiatives, and social entrepreneurship under Vision 2030 <sup>15</sup>.

## Research

Academic and practitioner research is **early-stage**:

- Limited university-based research on social entrepreneurship and social innovation.
- Landscape studies and policy reports produced by foundations and international organisations provide most available evidence <sup>7,12</sup>.

## Education & Human Capital

There are **no dedicated degree programs** in social innovation.

- Elements are integrated into business, leadership, and entrepreneurship curricula, particularly through foundation-led programs <sup>8</sup>.
- Government training has reached over **30,000 non-profit sector workers** by 2024 <sup>2</sup>.

## Entrepreneurship

Saudi Arabia provides a **strong general entrepreneurship environment**:



**EIU Business Environment Ranking**



**Innovation Capacity**

indicating moderate innovation capacity

Global Innovation Index 2023



**Social entrepreneurship prevalence**

Ranked **2nd globally** on the GEM National Entrepreneurship Context Index (2022) <sup>12</sup>

Social entrepreneurship remains a small subset of overall entrepreneurial activity.

## Social & Environmental Consciousness



### Solidarity



### Political participation

Civic engagement is expanding cautiously within the country's regulatory context.



### Volunteering

has increased significantly, exceeding national targets <sup>2</sup>



### Sustainability

Environmental awareness is rising under the Saudi Green Initiative, though international performance rankings remain low <sup>14</sup>.

