

Enabling Social Innovation in Nicaragua



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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 Libya’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

No national legal or policy definition labeled explicitly as “social innovation” was identified in the core official legal/institutional sources prioritized here; enabling policy language is more often framed around cooperatives, entrepreneurship, and sectoral development. ^{2 3}



Government Body for Social Innovation

A dedicated “social innovation” agency is not evident, but adjacent bodies exist: INFOCOOP (cooperative authority): positioned as the authority of application for cooperative policy, including regulation, supervision/control, promotion, and a registry function. ^{13 3}
Ministry for the Promotion of Entrepreneurship (created via reforms discussed publicly by the legislature) to address sector entrepreneurship and design/coordinate policies for “emprendimientos.” ²



Government Strategy for Social Innovation

Unspecified: no public, standalone “social innovation strategy” was identified. The IMF’s macro policy recommendations emphasize public investment, human capital, targeted social spending, and improved governance/rule-of-law—conditions that would indirectly enable scaling of social solutions. ⁴



Policies, Laws & Regulations

Key framework elements shaping enabling conditions:
Cooperative framework: cooperative law establishes governance architecture and the cooperative authority (INFOCOOP). ¹³
Foreign Agents regime: Law 1040 defines the scope and purpose of regulating persons/entities using foreign financing and establishes foreign-agent registration logic. ⁵
NGO regulation/control: ICNL reports that Law 1115 and its regulation introduce advance notification and reporting expectations for receiving foreign donations and other controls relevant to foreign-funded initiatives. ^{6 14}



Official statistics

No official “social innovation statistics” series was found; however, the 2026 budget/program document for INFOCOOP reports cooperative sector scale (active cooperatives and members), functioning as a proxy for organized social-economy capacity. ^{12 15}



Government Programs to promote Social Innovation ✓

Not branded as “social innovation,” but innovation-ecosystem programs exist: A national university incubation program explicitly supports ventures with social/environmental/economic impact pathways (incubation and mentoring model).¹⁶ Disaster risk finance and insurance instruments are described by the World Bank as enabling rapid liquidity after shocks (indirectly protecting service continuity).¹⁷

ECOSYSTEM



Stakeholders ✓

Ecosystem pillars visible in primary sources:
Cooperative sector + regulator (formalized collective action channel).^{13 3}
Higher education incubators (venture pipeline via hackathons/contests → incubation).¹⁶
MDB-linked digital inclusion supporting service delivery and inclusion (broadband/last-mile).¹⁸



Support initiatives ✓

IDB documentation emphasizes digital inclusion and broader development programs (enabling but indirect).¹⁸
University programs provide structured pathways for hi-potential, socially oriented ventures.¹⁶



Collaboration ✓

Collaboration is likeliest where framed as technical/programmatic (digital inclusion, disaster risk, service delivery); civic space restrictions can increase transaction costs for independent multi-stakeholder coalitions and foreign-funded CSO work.^{6 7}

FINANCE



Estimated annual funding for Social Innovation ✓

Unspecified: no consolidated national estimate of social-innovation finance was identified in IMF surveillance, government budget material reviewed here, or MDB summaries.⁴



Key Types of Financing ✓

Remittances and macro buffers play a central role in household resilience and microenterprise space (IMF notes high remittances growth as a driver of recent performance).⁴
Donor/MDB finance is visible in infrastructure and risk management (World Bank risk pooling; IDB digital inclusion).^{17 18}
Sanctions compliance increases financing friction for cross-border partners and counterparties (EU and U.S. measures).^{10 11}



Inclusiveness / access

Financing inclusiveness is most structurally supported where channels reach rural/community organizations (cooperatives; last-mile digital connectivity), but beneficiary-disaggregated public data was not identified in the reviewed documents.¹⁸



Public Awareness of social innovation

Publicly visible narratives emphasize cooperatives, entrepreneurship, and applied innovation; university programming explicitly frames innovation around social/environmental/economic impact. ^{2 16}



Research on Social Innovation

Unspecified: no national SI observatory or SI research series was identified; innovation capability is best observed through indicator frameworks (GII) and program pipelines (incubators). ^{8 16}



Education & Human Capital

UNAN-Managua’s incubation program describes mentorship, validation, and linkages to financing/acceleration pathways for innovative projects (including those with social/environmental impacts). ¹⁶



Entrepreneurship



EIU Business Environment Ranking



Innovation Capacity

GII: Nicaragua ranks 130 in 2025, indicating weak innovation performance overall. ⁸

Global Innovation Index 2025



Social entrepreneurship prevalence

Unspecified; a Nicaragua-specific social entrepreneurship prevalence statistic was not retrievable from open economy profile pages in this workflow. ¹⁹



Social & Environmental Consciousness



Solidarity

Climate performance is weaker: under the EPI 2024 Climate Change objective, Nicaragua ranks 115th, with a score of 37.6. ²²

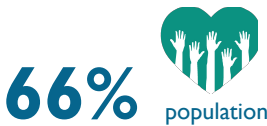
This gap suggests relatively stronger performance in some environmental areas than in climate mitigation-related indicators.

Climate exposure remains highly relevant for social innovation, especially for rural livelihoods, disaster resilience, water security, and community-based adaptation.



Political participation

Democracy/participation context: Democracy Index 2024 rates Nicaragua “authoritarian” (2.09/10) and reports political participation at 2.78/10, which can correlate with weaker civic feedback loops important to social innovation ecosystems. ²



Volunteering

CAFWorld Giving Index 2024 reports for Nicaragua: helped a stranger 66%, donated money 25%, volunteered 28% (rank 76). ²⁰

CAFWorld Giving Index 2024



Sustainability

Environmental performance is moderate: Nicaragua ranks 75th globally in the EPI 2024, with a score of 47.4. ²¹