

Enabling Social Innovation in Guatemala

Country Snapshot

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

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

Guatemala has **no official legal definition** of social innovation. Policy and development actors commonly use the term in relation to **community development, social entrepreneurship, and Indigenous inclusion**, but no unified working definition exists.

Government Body for Social Innovation ✓

There is **no dedicated governmental authority** for social innovation. Relevant institutions include:

- **MINECO** – oversees enterprise development and innovation; supports MSMEs and entrepreneurship programs.
- **SEGEPLAN** – coordinates the national development plan (K'atun 2032), emphasising sustainable and inclusive innovation.
- **SENACYT** – promotes science, technology and innovation; some programs have social applications.

Government Strategy for Social Innovation ✓

Guatemala has **no national strategy** dedicated to social innovation. Relevant strategies include:

- **K'atun 2032 National Development Plan (2014)** – centres on inclusion, territorial development and innovation-led growth.
- **National Innovation Policies** under SENACYT – oriented toward science and productive-sector innovation, with partial social components.

Policies, Laws & Regulations ✓ 🔗

There are **no social-innovation-specific laws**. Broader frameworks indirectly enabling social innovation include:

- **Law on Strengthening Entrepreneurship (2018)** – supports entrepreneurial ecosystems and start-ups, applicable to social enterprises.
- **NGO Law (Decree 4-2020, amending 2016 framework)** – regulates nonprofit organisations delivering many social innovations.
- **Indigenous development frameworks** (ILO Convention 169) – shape community-led innovation models.
- **Investment and development-zone incentives** – stimulate enterprise in rural and underserved regions.



Official Statistics

Guatemala publishes **no dedicated social innovation statistics**. Relevant data include:

- NGO and cooperative statistics from national registries.
- Entrepreneurship and MSME statistics from MINECO and GEM.



Government Programs

Programs indirectly supporting social innovation include:

- **MSME and entrepreneurship programs** via MINECO—training, incubation, and financing.
- **Innovation and research funds** via SENACYT supporting scientific and applied innovation.
- **Social inclusion programs** targeting Indigenous and rural communities with innovative delivery models (various ministries).

ECOSYSTEM



Stakeholders

Non-governmental bodies (national/regional)

- **Alterna (2010)** – leading regional incubator for social and environmental enterprises (“impact entrepreneurs”).
- **Socialab Guatemala** – accelerator supporting youth and community-based innovations.
- **TEC Campus Guatemala** – technology innovation hub linking entrepreneurship and social problem solving.



Sectoral Networks

- **CONFECOOP** – national cooperative federation promoting economic inclusion.
- **FEDECOVERA** – Indigenous cooperative federation implementing community-driven innovation in the Verapaces region.
- **CONGCOOP** – civil society platform for rural development and rights-based innovation.



Non-Financial Support Organisations

- **Incubators/accelerators:** Alterna, Socialab, Multiverse.
- **Universities:** Universidad del Valle, Rafael Landívar, Universidad del Istmo host entrepreneurship centres.
- **Foundations:** Fundación Avina and Fundación Esquipulas support social change initiatives.



Support Initiatives

Typical initiatives include incubation, acceleration, social innovation labs, and community-led programs:

- **Alterna’s “Cultivating Impact”** model for social enterprises.
- **Socialab innovation challenges** in health, education and environment.
- **University-based innovation labs** co-creating solutions with vulnerable communities.



Collaboration

Partnerships exist but remain fragmented:

- **Municipality–NGO–cooperative collaborations** on rural development and climate adaptation.
- **University–government** cooperation on STEM and innovation initiatives.
- **Donor-supported partnerships** (USAID, IDB Lab, EU) supporting inclusive entrepreneurship.

Events & Awards

Events

- **Encuentro Centroamericano de Emprendimiento Social** – regional convening of social innovators.
- **TEC Campus innovation fairs** – public events showcasing technological and social innovation.

Awards:

- **Alterna Impact Awards** for early-stage mission-driven entrepreneurs.
- **Socialab challenge awards** for local problem-solving initiatives.

FINANCE

Financing Schemes

There is **no national estimate** for annual social-innovation financing. Funding comes from public programs, philanthropy and international development partners.

Main Financing Types

- **Public funds:** MSME grants and innovation resources via MINECO and SENACYT.
- **Impact investment:** Regional investors such as **Pomona Impact** working with Guatemalan ventures.
- **Philanthropy:** Avina, Tinker Foundation, and local philanthropies fund social-impact initiatives.
- **Development finance:** USAID, IDB Lab, EU support entrepreneurship, inclusion and civic innovation.
- **Microfinance:** Institutions like **Génesis Empresarial** serve low-income entrepreneurs nationwide.

Financing Inclusivity

Funding frequently targets:

- **Women entrepreneurs** (multiple donor programs).
- **Indigenous communities**, especially through cooperative-based projects.
- **Rural entrepreneurs and youth** (microfinance, MSME programs).

Access remains uneven for early-stage and remote-community innovators.

SOCIETY

Public Awareness of Social Innovation

Media references to social innovation are increasing but remain limited. Common themes include:

- Social entrepreneurship and start-ups.
- Indigenous-led innovation and community development.
- Climate resilience and youth innovation.

Research

Academic research is **emerging**:

- Universities research entrepreneurship, social development and sustainability with implicit social-innovation elements.
- Development partners support applied research on youth, climate and inclusion.

There is **no dedicated national research centre** for social innovation.

Education & Human Capital



There are **no formal degree programs** in social innovation. Relevant components appear in:

- Entrepreneurship and development programs at major universities.
- Informal education through incubators (Alterna, Socialab).
- Leadership and community innovation programs via foundations (Avina, Esquipulas).

No data are available on the share of graduates with social-innovation-related credentials.

Entrepreneurship



Business Environment

Guatemala is ranked in the **lower global tier** due to institutional constraints.

EIU Business Environment Ranking



Innovation Capacity

Guatemala ranks **lowest tier** globally for innovation performance.

Global Innovation Index 2024



Social entrepreneurship prevalence

GEM: High early-stage entrepreneurial activity driven mainly by necessity; social entrepreneurship is present but small and under-resourced.

Social & Environmental Consciousness



Solidarity

High community/family solidarity; low generalised trust.



Political participation

Low scores reflecting limited civic engagement.



Volunteering

Guatemala ranks **low**, with low formal volunteer rates but strong informal mutual aid.

CAF World Giving Index



Sustainability

Guatemala ranks **mid-low**, with challenges in pollution and climate resilience.

Environmental Performance Index (2024)