

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." ¹

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 ¹⁵.

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 ².
- **Social Development Bank (SDB)**: Provides concessional finance and capacity-building for SMEs, non-profits, and micro-entrepreneurs with social objectives ³.

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 ¹⁵.

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 ⁴.
- **Social Impact Investment Rules (2025)**: NCNP framework certifying organisations pursuing measurable social impact alongside financial sustainability ⁵.
- **Fundraising Law (2023)**: Streamlines and regulates charitable fundraising, improving resource mobilisation for social initiatives ⁶.
- **Zakat and tax exemptions** for non-profits and enhanced frameworks for *awqaf* (endowments) further support social initiatives ².

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** ².
- **Volunteer participation exceeded 1 million people in 2023**, reaching Vision 2030 targets ahead of schedule ².

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 ³.
- **NCNP Social Investment Fund (2023):** SAR 500 million fund supporting sustainable, revenue-generating projects led by non-profits ².
- **Vision 2030 programs** promoting volunteering, digital donations, and civic participation foster an enabling environment for social innovation ¹⁵.

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 ⁷.
- **MiSK Foundation:** Youth-focused foundation running incubators and leadership programs for social initiatives ⁸.
- **Tasamy for Social Impact:** National non-profit supporting social entrepreneurs through incubation and acceleration ².
- **International actors** such as Ashoka and Acumen engage selectively with Saudi social entrepreneurs ².

Support Initiatives



Non-government support remains limited but growing:

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

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 ¹⁰.
- International collaborations (e.g. MiSK–Gates Foundation partnership) provide funding and expertise for impact initiatives ⁸.

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 ¹¹.
- **MiSK Global Forum:** Annual event highlighting youth-led social entrepreneurship ⁸.
- **King Khalid Award:** National award recognising innovative social and development initiatives ⁷.

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 ^{2 3}.
- **Philanthropy and endowments:** Awqaf and digital charity platforms mobilise substantial resources for social projects ².
- **Emerging impact investment:** Limited but growing interest from family offices and international impact investors ².

Financing Inclusivity



Financing mechanisms increasingly target underrepresented groups:

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

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 ¹⁵.

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 ^{7 12}.

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 ⁸.
- Government training has reached over **30,000 non-profit sector workers** by 2024 ².

Entrepreneurship

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



2nd
/ 51



countries

EIU Business Environment Ranking

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

48th
/ 133

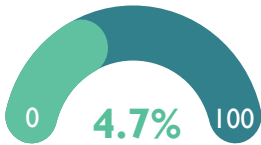


countries

Innovation Capacity

indicating moderate innovation capacity

Global Innovation Index 2023



Social entrepreneurship prevalence

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.

-.-%



population

Volunteering

has increased significantly, exceeding national targets ²

42.5^t
h



/ 180 countries

Sustainability

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