

Enabling Social Innovation in Palestine



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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 Palestine’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



- While Palestine has no official legal or working definition of social innovation. Practitioner and academic sources describe it as community-driven problem-solving approaches addressing social challenges in more effective or inclusive ways. ^{2,3}
- BuildPalestine, a leading civil society organisation, uses the working definition of social innovation (الابتكار الاجتماعي) as solving community challenges in a more effective or less costly way. ²

Government Body for Social Innovation



- Rather than a dedicated body, social policy is coordinated across the Ministry of Social Development (responsible for social protection, community development, and welfare) and the Ministry of National Economy. (private sector development) and the Palestine Monetary Authority (financial sector oversight). No public evidence was identified of a government body with an explicit social innovation mandate. ^{9,16}
- The Palestine Investment Promotion Agency (PIPA) supports broader private investment but without an explicit social innovation focus. ¹¹

Government Strategy for Social Innovation



- Palestine does not have a standalone national strategy for social innovation.
- The Palestinian Authority's (PA) strategic development agenda focuses on renewable energy, health localisation, digital infrastructure, and social protection for vulnerable groups, and private sector recovery and diversification, ⁹ without referencing social innovation explicitly. The fifth Strategic Economic Development Initiative, private sector recovery and diversification program, only mention with focus on SMEs in productive economic activities.

Policies, Laws & Regulations



- While no SI-specific legal framework exists, key enabling regulations include:
- Law No. I (2000) on Charitable Associations and Civil Society Organizations, providing the primary legal basis for civil society activity ⁴
 - Investment Promotion Law (1998, amended), offering incentives for SMEs and exporters, agriculture, and tourism; supports private sector growth ¹
 - Company and non-profit legal frameworks enabling hybrid and non-profit organisational forms ³
- These frameworks support ecosystem activity but do not formally recognise social enterprises or social innovation.



Official Statistics

- There are no official government statistics on social innovation or social enterprises.
- Available data relates to adjacent sectors:
 - Civil society sector estimated at ~2,800 organisations in the West Bank and over 900 in Gaza (indicative) ⁸
 - Financial sector data includes microfinance and SME lending systems ⁵



Government Programs

While no programmes explicitly target social innovation, several initiatives indirectly enable it:

- Development and infrastructure programmes under national priorities
- Internationally supported initiatives such as blended finance and SME support schemes
- Multilateral partnerships supporting livelihoods and entrepreneurship ^{6 2}

ECOSYSTEM



Stakeholders

Key civil society and private ecosystem actors:

- BuildPalestine (est. 2016): Global community and accelerator for Palestinian social enterprises; supports social entrepreneurs through fellowships, crowdfunding, mentorship, and market connections across historic Palestine. ²
- Ibtikar: NGO for Social Innovation (est. 2019): Designs education and entrepreneurship programmes to promote social innovation and youth entrepreneurship. ¹⁰
- Gaza Sky Geeks (est. 2011): leading startup accelerator and digital skills hub. ¹¹
- Palestinian NGO Network (PNGO): umbrella body for civil society organisations. ⁴
- Palestine Investment Fund (est. 2003): impact-oriented sovereign investment actor. ¹²



Support Initiatives

Key non-governmental initiatives include:

- BuildPalestine Fellowship (grants, mentorship, global exposure) ²
- Accelerator and incubation programmes (e.g. Gaza Sky Geeks) ¹¹
- University-linked innovation hubs (e.g. An-Najah Innovation Park) ¹³
- UNDP Accelerator Lab supporting experimentation and innovation ⁹

Most initiatives focus broadly on entrepreneurship and innovation, with some explicit social impact orientation.



Collaboration

Collaboration is primarily driven by international and cross-sector partnerships:

- Multilateral organisations (UNDP, IsDB, EBRD) partnering with local actors
- Investment partnerships such as EBRD support Ibtikar Fund II, a separate Palestinian venture capital fund.
- University–industry collaboration supporting research commercialisation. ¹³
- Coordination is active but largely externally facilitated rather than government-led.



Events & Awards

- Gaza Startup Weekend (by Gaza Sky Geeks): Annual event for early-stage entrepreneurs to develop and pitch ideas to mentors and investors. ¹¹
- BuildPalestine Fellowship showcases and community convenings: Spotlight social enterprises and changemakers globally. ⁶

FINANCE

Financing Schemes



- No official estimate of total SI-specific financing is available. The ecosystem is predominantly donor-driven, creating significant sustainability challenges for civil society organisations.
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- Key financing channels include:
 - Official Development Assistance (ODA) and donor funding ³
 - Islamic Development Bank's Economic Empowerment Fund for Palestinian People (target ~USD 500M) ²
 - Venture capital (e.g. Ibtikar Fund II, supported by EBRD) ¹⁴
 - Public and quasi-public investment via Palestine Investment Fund ¹²
 - Microfinance sector with specialised lending institutions ⁵

Funding is diverse but largely indirect rather than explicitly labelled for social innovation.

Financing Inclusivity



Financing mechanisms often prioritise underserved groups:

- Women and youth entrepreneurs
- Micro and small enterprises
- Vulnerable and low-income communities

However, access remains constrained by structural, political, and financial system limitations. ³

SOCIETY

Public Awareness of Social Innovation



- While the term “social innovation” is not widely used, related concepts such as social entrepreneurship and community-based problem solving are increasingly visible in public discourse. ²
- Cultural norms of solidarity and collective action provide a strong informal foundation.

Research



- The most prominent academic study is Morrar & Baba (2022), "*Social innovation in extreme institutional contexts: the case of Palestine*" (*Management Decision, Emerald*), which theorises three institutional barriers to SI under occupation: institutional trap, effectiveness trap, and sustainability trap. ³
- Al-Najah National University (Nablu) and Birzeit University have produced research on entrepreneurship, innovation, and social economy in Palestine. The Palestinian Center for Policy and Survey Research (PCPSR) regularly generates data on social attitudes and public opinion. ³
- BuildPalestine conducts practitioner research and produces landscape reports on Palestinian social enterprise needs and ecosystem gaps. ⁶

Education & Human Capital



While no dedicated SI degree programmes were identified:

- Social entrepreneurship topics are integrated into university curricula
- Innovation hubs and accelerators provide informal training
- Skills development programmes (e.g. Gaza Sky Geeks) support digital and entrepreneurial capabilities. ^{11 13}

Entrepreneurship

Entrepreneurship activity is shaped by structural constraints:



Business Environment

Growing startup ecosystem supported by accelerators and venture funding.¹⁴



Innovation Capacity

Recent global index coverage is limited due to data constraints



Social entrepreneurship prevalence

Global Entrepreneurship Monitor (2009) reports early-stage entrepreneurship rate of ~9%, below the MENA-7 average of ~14.7%.¹⁵

Social & Environmental Consciousness

Formal international indicators are limited, but available evidence suggests:



Solidarity

Strong community solidarity and informal support systems



Political participation

Palestine is not assessed in the EIU Democracy Index as a country. Civic and political engagement is constrained by occupation, division between the West Bank and Gaza, and a documented decline in institutional trust.



Volunteering

Active civic engagement despite institutional constraints



Sustainability

Environmental challenges influenced by resource and governance limitations