

Enabling Social Innovation in Yemen

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 Yemen’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 🔗

Yemen does not currently have a formal legal or policy definition of social innovation. Innovation related to social impact is generally framed through development, humanitarian assistance, and community-driven service delivery programs rather than a dedicated policy framework. ^{2 3}

Government Body for Social Innovation ✓

Yemen does not have a dedicated government body responsible for social innovation. Instead, responsibilities related to social development, entrepreneurship, and community development are distributed across institutions such as the Ministry of Social Affairs and Labour and development agencies operating in partnership with national programs. ³

Government Strategy for Social Innovation ✓

No standalone national strategy for social innovation exists. Government and development priorities instead focus on economic stabilization, poverty reduction, and basic service delivery in cooperation with international partners and national development institutions. ^{3 4}

Policies, Laws & Regulations ✓ 🔗

While Yemen does not have policies specifically targeting social innovation, several frameworks support community development and small enterprise activity, which indirectly enable social innovation:

- Law No. 1 of 2001 on Associations and Foundations, which regulates civil society organisations and provides the legal framework for NGOs and community organisations. ⁵
- National microfinance and small enterprise development policies that support access to finance for entrepreneurs and community-based enterprises. ⁶

Official Statistics 🔗

The government does not currently collect official statistics specifically on social innovation or the social economy. Available data instead focuses on microenterprise development, poverty alleviation programs, and NGO activities. ⁴



Government Programs

Several national development programs indirectly support social innovation through community-driven development and entrepreneurship initiatives:

- The **Social Fund for Development (SFD)** supports community-driven development projects, employment programs, and social enterprise initiatives across Yemen. ¹
- The **Small and Micro Enterprise Promotion Service (SMEPS)** provides business development services, financing support, and market linkages for small and micro enterprises. ⁸
- Development programs implemented in partnership with international organisations support education, livelihoods, and community infrastructure through locally implemented initiatives. ⁴

ECOSYSTEM



Stakeholders

Yemen's social innovation ecosystem is largely driven by civil society organisations, development programs, and community networks.

Prominent actors include:

- **Social Fund for Development (SFD)** – a major Yemeni development institution supporting community development, livelihoods, and entrepreneurship programs. ¹
- **Small and Micro Enterprise Promotion Service (SMEPS)** – a national organisation supporting small enterprises and entrepreneurship development. ⁸
- **Yemen Red Crescent Society** – a nationwide humanitarian and community development organisation delivering health, disaster response, and social services. ²
- Yemeni NGOs and community-based organisations working in areas such as education, livelihoods, health services, and local development.



Support Initiatives

Support initiatives are largely delivered through development programs and NGO initiatives rather than dedicated social innovation incubators.

Common forms of support include:

- entrepreneurship and business development training
- microfinance and small enterprise support programs
- community-driven development initiatives implemented by national organisations such as SFD and SMEPS. ^{1 8}



Collaboration

Collaboration in Yemen's social innovation ecosystem often occurs through partnerships between national organisations, NGOs, and development partners.

Programs implemented by Yemeni organisations frequently operate through partnerships with international agencies and development institutions that provide technical and financial support. ⁴



Events & Awards

There are currently no widely established national events or awards dedicated specifically to social innovation. Entrepreneurship competitions and development forums occasionally highlight socially oriented enterprises and youth initiatives.

FINANCE

Financing Schemes



Financing for social innovation primarily comes from development finance, donor funding, and microfinance institutions.

Key funding mechanisms include:

- donor-funded development programs supporting community development and entrepreneurship initiatives
- microfinance institutions providing loans to small enterprises and entrepreneurs
- grants and capacity-building programs administered through national organisations such as SFD and SMEPS. [4](#) [7](#) [8](#)

Financing Inclusivity



Financing initiatives frequently prioritise vulnerable populations including youth, women entrepreneurs, rural communities, and internally displaced persons, though access to finance remains limited due to economic instability and financial system fragmentation. [6](#)

SOCIETY

Public Awareness of Social Innovation



The concept of social innovation is not widely used in public discourse in Yemen. However, community-based problem-solving and social entrepreneurship initiatives are increasingly visible within development and youth entrepreneurship programs.

Research



Research on social innovation in Yemen is limited. Most available studies focus on entrepreneurship development, microfinance, and community-driven development programs implemented by national institutions and international partners. [4](#) [6](#)

Education & Human Capital



While no dedicated academic programs on social innovation exist, entrepreneurship and business training programs are delivered through universities, NGOs, and development initiatives focused on youth employment and enterprise development.

Entrepreneurship



Business Environment

Business environment: Yemen does not currently receive a Global Entrepreneurship Monitor NECI score. Closest available proxy indicators focus on fragile-state entrepreneurship environments.



Innovation Capacity

Yemen is not ranked in the 2025 Global Innovation Index due to data limitations.



Social entrepreneurship prevalence

No national estimate exists; however, development programs report growing youth-led entrepreneurship and microenterprise activity in sectors such as agriculture, services, and digital commerce.



Social & Environmental Consciousness



Solidarity

Community-based mutual assistance and charitable giving remain important social norms in Yemeni society. [10](#)



Political participation

Yemen does not currently receive a standard democracy index score due to governance fragmentation.



Volunteering

Informal community support and charitable giving are widely reported, though formal volunteer statistics are limited.



Sustainability

Yemen is not currently ranked in the Environmental Performance Index due to limited data availability.