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Harnessing AI to transform the non-profit social entities in Saudi Arabia and the wider GCC

Table of contents

Introduction

As part of the socio-economic transformations underway across the Gulf Cooperation Council (GCC), governments are investing heavily in social welfare, jobs, healthcare and education to meet rising public expectations.

Social non-profit organisations (NPOs) play a vital role in delivering many of these services, and AI offers a powerful way to expand their impact without necessarily increasing costs. By analysing data and uncovering patterns, AI enables better informed decisions, more accurate forecasting and programmes that respond to real community needs. Automated insights also help direct resources where they are needed most – improving both efficiency and equity in service delivery.

At PwC, we believe the greatest value from AI comes when it is integrated at the operating model level, where strategy, data, governance and organisational practices converge to create sustainable, scalable impact. Broader adoption of AI in the GCC's social sector also requires a resilient, collaborative ecosystem – one that enables solutions to scale, amplifies impact across communities and ensures NPOs and governments remain closely aligned in delivering long-term, measurable outcomes.

Saudi Arabia's growing non-profit sector

Saudi Arabia's non-profit sector has witnessed strong growth in the first half of 2024 with nearly 5,000 organisations strong with 105,000 volunteers – and is playing an increasingly vital role in national development.[1]

Strong collaboration, regulatory compliance and transparent oversight have been crucial to maximise the sector's social and economic impact in line with Vision 2030 goals. Building on these foundations, there is an opportunity to further expand the sector's role in addressing social challenges, improving service delivery, and supporting employment and broader societal development.[2]

For social NPOs in the Kingdom, AI presents a significant opportunity to enhance impact and operational effectiveness, enabling the design and delivery of more effective, evidence-based programmes aligned with evolving societal needs.[3] By providing data-driven insights, AI ensures that programmes align with intended outcomes, improving funding efficiency and the effectiveness of interventions.

By embracing AI, social NPOs in the Kingdom can position themselves at the forefront of innovation, building data-driven, inclusive, and future-ready social programmes.

> "AI's real power lies not in the technology itself, but in how it is embedded into operating models to reshape how social NPOs and government organisations make decisions, allocate resources and measure success. That's where we focus – turning ambition into capability."

Ayman Abdel Malak,
Partner – Labour Market and Social Development, PwC Middle East

AI for transparency and accountability

Social NPOs need to upgrade their operating models to integrate AI in order to strengthen transparency, accountability, and oversight across funding flows and financial governance.

As expectations for transparency and accountability increase, traditional financial reporting and audit approaches are proving insufficient to track the effectiveness of social spending. This creates a gap between financial compliance and the ability to demonstrate timely, auditable, and traceable use of funds across complex, multi-actor social programmes. Globally, studies indicate that up to 25% of funds in the non-profit sector are untracked or misallocated due to inadequate monitoring systems.[4]

AI-driven insights can transform this landscape, strengthening funding transparency and accountability across Saudi Arabia's social NPOs. AI systems can track financial transactions in real-time,[5] detect anomalies that might indicate errors or fraud and analyse financial patterns,[6] ensuring resources are allocated efficiently[7] and aligned with social impact goals.[8]

Social NPOs can, therefore, use AI models to accelerate budgeting decisions and direct funds more efficiently to the agencies and beneficiaries that rely on them.[9] By integrating AI-powered financial monitoring tools, NPOs can create robust reporting structures and ensure compliance with regulations.[10] As a result, AI builds confidence among stakeholders and demonstrates the responsible and effective use of funds.[11]

Global examples

Finland, Singapore and Estonia implement AI to improve governance in public administration. AI ensures ethical governance through precision and transparency of financial management processes through predictive analytics (forecast budgets and optimises resources), fraud detection (identify irregular transactions and compliance breaches), and automated reporting (auditable, transparent financial reports). Therefore, this builds trust in and with the government as efficiency is improved and corruption risks are reduced.[12]

In addition to tracking how funds are used, AI can support governments in selecting the right NPOs to partner with for social service delivery. By analysing past performance, financial records, and community impact data, AI can help assess an NPO's track record and operational integrity, ensuring public funds are directed to the most capable and trustworthy partners.

In this context, AI primarily functions as a financial governance and assurance tool, enabling real-time tracking, anomaly detection, and transparent reporting of how funds are used. [13]

> "This goes beyond dashboards. By integrating AI within the core governance processes of social entities – like partner selection, budget reviews and performance evaluations – organisations can align resource decisions to impact in real time."

Sabine Damborska
Senior Manager – Labour Market and Social Development, PwC Middle East

AI for inclusivity and accessibility

Ensuring equitable access to essential services is a core objective for both governments and NPOs in Saudi Arabia, particularly in addressing potential disparities in healthcare, education and social welfare. This means extending support to marginalised communities that are often underserved due to geographic barriers and inefficient outreach methods.[14]

Global example

The UNHCR's Project Jetson used AI-driven predictive analytics to anticipate migration trends and identify at-risk populations. By integrating climate and socio-economic data, the initiative optimised the allocation of resources to vulnerable communities in advance.[15]

AI can help bridge service gaps by integrating geographic and socio-economic data to prioritise intervention areas and streamline support services.[16] NPOs can leverage predictive analytics and machine learning to forecast specific needs of underserved communities, enabling personalising outreach and more efficient resource allocation.[17]

AI models gain sufficient information to enable inclusivity and accessibility through several methods, including:

1. **Integrating multi-source demographic and location data:**

Combining population, geographic, and socio-economic datasets to build a more granular understanding of who is underserved and where access barriers persist.

2. **Pattern detection across service utilisation data:**

Analysing how different groups engage with services to identify exclusion points, drop-offs, and disparities in access.

3. **Segmentation of community needs and access constraints:**

Differentiating communities based on factors such as mobility, language, digital access, and service dependency to inform tailored support approaches.

4. **Analysis of feedback and interaction data**

Using beneficiary feedback, service interactions, and engagement data to identify recurring access challenges and refine delivery models.

Moreover, with real-time mapping, AI can help social NPOs in Saudi Arabia identify and forecast service needs in real-time, allowing for timely and relevant interventions. AI-enabled feedback loops allow continuous improvement of programmes by analysing beneficiary responses.[18] Tools such as virtual assistants and chatbots can further improve accessibility by offering multilingual support, reducing administrative burdens and expanding service reach.[19]

AI for equitable service delivery and bias mitigation

Bias in decision-making, whether conscious or unconscious, is often a challenge in social service distribution.[20] In Saudi Arabia, ensuring equitable access to programmes requires a nuanced understanding of social dynamics and local context.

Training AI tools on diverse data sources to identify and correct imbalances will ensure that resources are distributed based on need, not on any inherent bias in the system.[21] This continuous learning ensures that AI can help mitigate potential disparities, supporting more inclusive and data-driven service delivery approaches.[22]

AI tools can also evaluate service outcomes across different demographic groups and highlight where biases may be skewing results.[23] By using fairness-enhanced algorithms, these tools can provide an unbiased view of who is benefiting from social services, ensuring equitable access for all.

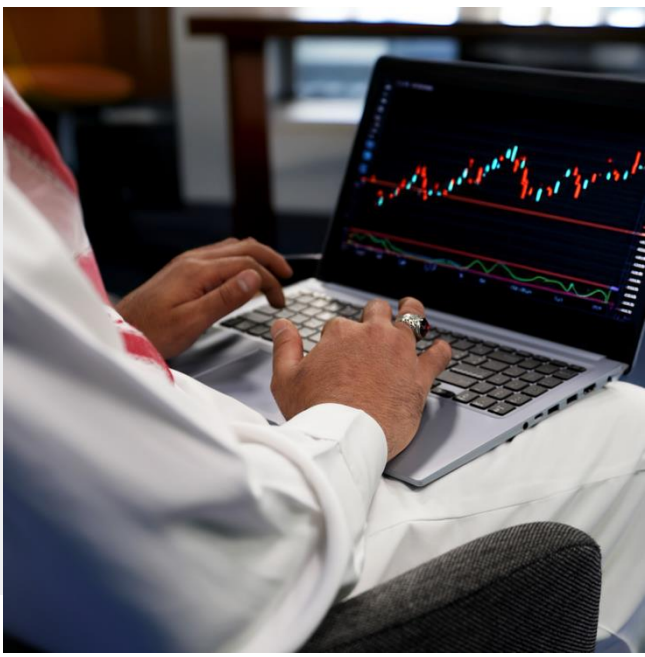
In practice, this enables AI to recommend more equitable access to services such as mental health support, housing assistance and employment training. This approach directly supports Vision 2030's commitment to advancing social equity and strengthening social cohesion in the Kingdom.

Global example

The New York City Mayor's Office of Data Analytics (MODA) used AI-driven analytics to tackle housing discrimination, especially against voucher holders. By analysing complaints and housing data, MODA identified landlords likely to discriminate based on income source. This enabled targeted enforcement, ensuring fairer access to housing. While algorithmic details are undisclosed, the case demonstrates how AI can uncover systemic bias and promote equity in public services.[24]

> "AI has immense potential to reduce bias, but it must be designed with care. Bias is often hidden in training data, and if left unchecked, AI risks reinforcing the very inequities it seeks to solve. Achieving fairness requires not just diverse datasets, but ongoing monitoring, human oversight, and a commitment to continuous model improvement."

Hadi Kobeissi
Partner – Technology & Digital Consulting, PwC Middle East



AI for resource allocation and decision-making

A report by the World Bank highlights that many NPOs particularly in developing countries, face significant challenges in deciding how to allocate limited resources across programmes, populations, and interventions to maximise impact.[25] Limited financial resources and inefficient systems contribute to the inability of NPOs to achieve their full potential.[26]

While transparency-focused AI systems ensure funds are used as intended, decision-oriented AI systems help determine where resources should be directed to achieve the greatest social impact.

AI offers powerful capabilities in predictive modelling, enabling dynamic, impact-led fund allocation and evidence-based programme design.[27] By automating data analysis and impact assessments, social NPOs can redirect funds to high-performing initiatives or scale promising pilots faster.

AI systems can monitor live programme indicators, such as attendance, satisfaction, and outcome rates, and trigger real-time resource adjustments.

AI also reduces the need for manual data analysis, enabling staff to focus on high-impact tasks such as strategic planning and community engagement. Globally, AI technologies are helping nonprofits streamline operations, automate administrative tasks, and improve donor engagement – freeing up valuable time and resources that can be redirected toward mission-critical initiatives.[28]

Social NPOs in Saudi Arabia can emulate such practices using AI tools integrated with national social registries and outcome reporting platforms.

Global example:

The First Place for Youth initiative in the United States offers another example of AI's role in smart resource allocation. The organisation uses an AI-powered recommendation engine to match at-risk youth with the most effective interventions based on programme administration and case assessment data. This tailored approach has improved programme retention rates by 29%. By identifying which services are most likely to produce positive outcomes, the tool ensures limited resources are directed where they have the greatest impact, maximising efficiency and boosting the long-term success of youth development programmes.[29]

AI's potential for social good

In Saudi Arabia and across the GCC, social NPOs continue to expand their role in advancing education, economic empowerment, environmental stewardship and community wellbeing, reflecting a strong commitment to long-term societal development. As these entities grow in scale and ambition, AI offers a practical pathway to enhancing their impact.

Globally, AI is already demonstrating its value in strengthening transparency, improving service accessibility, reducing bias in decision-making, optimising the allocation of limited resources, and supporting more effective and impact-driven programmes. While early adoption by social entities has centred on areas such as welfare distribution, healthcare access, and mental health support, the potential of AI extends far beyond operational efficiency.

When embedded within an organisation's operating model - supported by strong data foundations, ethical safeguards and clear governance - AI equips NPOs with the ability to understand social needs more precisely, evaluate impact more consistently, and respond to evolving social challenges with greater agility.

Unlocking this potential, however, requires continued investment in skills, responsible data practices and cross-sector collaboration. Strengthening capability within NPOs, combined with supportive policies and coordinated partnerships, will be essential to scaling AI applications in ways that build trust and deliver measurable impact.

With these elements in place, AI can help social NPOs move from reactive service delivery to proactive, insight-driven models that amplify their contribution to national and regional development.

As Saudi Arabia accelerates the modernisation of its social ecosystem, the moment is right to harness AI not as a distant aspiration but as a practical and immediate tool for social good.

By aligning innovation with purpose, NPOs can shape more inclusive, transparent and effective programmes - ultimately delivering sustainable and meaningful change for the communities they serve.

How can we help governments and non-profits?

Support can be provided to governments and non-profit organisations to embed AI solutions into operating models. With deep expertise in AI integration and sector-specific knowledge, we tailor strategies to maximise impact and efficiency.

Our services include:

- **AI strategy development:** Helping organisations define AI use cases and align them with social sector goals
- **Technology implementation:** Assisting with AI-powered financial tracking, predictive analytics and automation tools
- **Capacity building:** Training NGO staff and government teams to effectively use AI-driven decision-making tools
- **Data governance and ethics:** Ensuring AI applications align with transparency and bias-mitigation best practices
- **Impact measurement:** Designing AI-driven frameworks to track programme success and optimise resource allocation

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