pwc

Governing innovation at scale: Transitioning from capability building to system-wide impact in Saudi Arabia

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Executive summary

Public-sector innovation is now a core capability for delivering resilience, sustaining public value and responding to complexity. As defined by the OECD, innovation is a new or significantly improved product or process that is implemented in practice, creating value through the application of knowledge. Governments today are operating under growing pressure – from fiscal constraints and rapid technological change to rising citizen expectations, requiring faster, more adaptive models of delivery.[1]

Around the world, innovation is no longer limited to ideation or experimentation – it is increasingly visible, measured and benchmarked, placing greater emphasis on how it is applied across the system. For public-sector leaders, the question is no longer whether to innovate, but how to ensure innovation delivers sustained, system-wide impact. Without clear differentiation, efforts become fragmented and fail to deliver system-wide outcomes. This is where many governments face a critical inflection point. Early innovation stages focus on building capability and institutional momentum. More mature systems differentiate how innovation is applied across institutions with different mandates and responsibilities. Without this clarity, innovation efforts risk becoming fragmented, duplicative and focused on activity rather than outcomes.

Saudi Arabia has reached this stage of maturity. Under Vision 2030, innovation has become a core pillar of the Kingdom's national transformation, supported by sustained investment in institutions, digital infrastructure and innovation ecosystems.

Its steady rise in the Global Innovation Index reflects these strengthened capabilities and institutional foundations. Absher[2] and Tawakkalna[3] are transforming service delivery at scale by embedding innovation directly within entity mandates and digital infrastructure. Initiatives led by the Saudi Data and AI Authority (SDAIA) including regulatory sandboxes, demonstrate how innovation can be coordinated across institutions to deliver impact at scale.

However, as innovation becomes a shared priority across government, roles and responsibilities are not always clearly defined. This can lead to duplication of efforts and a focus on visibility over impact, with entities working in parallel rather than as part of a coordinated system.

This paper examines how innovation delivers impact at scale when it is deliberately differentiated and aligned with institutional mandates and roles, rather than applied uniformly across government. Drawing on international experience and the Saudi context, it presents a PwC Middle East perspective on governing innovation at scale through a structured Innovation Management System, supported by differentiated implementation levels that enable greater clarity, coordination and effectiveness across entities.

The next phase of public-sector innovation in Saudi Arabia is not only about increasing innovation activity, but about applying it more deliberately. This means aligning innovation efforts with each government entity's mandate, focusing on outcomes rather than activity, and strengthening coordination across the system. When applied in this way, innovation becomes a powerful tool to deliver better services, build more efficient institutions and strengthen long term national competitiveness.

02

How leading governments manage innovation

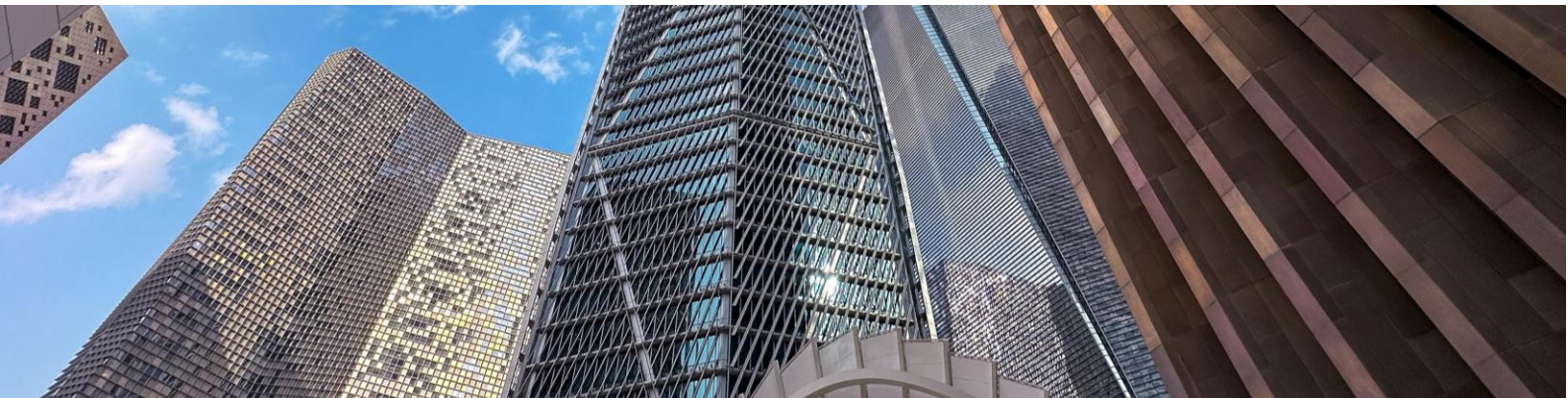
Evidence from the Global Innovation Index (GII) 2025 suggests that as innovation systems mature, sustained performance gains depend less on expanding capability and more on how innovation is governed, differentiated and directed toward outcomes.[4] Across leading innovation economies, such as Switzerland, Singapore and China, early innovation phases focused on building capability through investments in institutions, human capital, infrastructure and research capacity. Over time, performance improvements depended less on expanding these inputs and more on converting them into coordinated, system-level outputs.

GII 2025 data shows that top-ranked economies deliver impact by aligning responsibility with execution, not by applying a uniform approach to innovation. They share several common characteristics, as exemplified by the three countries mentioned above:

Strong innovation inputs paired with consistently high innovation outputs

Clear governance mechanisms that align innovation effort with national priorities

Institutional stability combined with policy coherence



Across these economies, innovation roles and operations are deliberately differentiated, reflecting where authority sits and how outcomes are delivered. Innovation here is not treated as a standalone activity, but a managed capability integrated into operating models, leadership priorities and delivery structures.

The three mature innovation systems below converge on a common structural principle: innovation is managed as a system-level capability rather than a collection of isolated initiatives. Roles are differentiated across government actors and innovation activity is aligned with mandate, authority and delivery responsibility.

Switzerland: Role clarity anchored in system stability

Switzerland is widely recognised as the top-ranked economy in the GII 2025.5 It is also one of the world's most advanced innovation economies, built on sustained investment in research, strong institutions and deep collaboration between government, academia and industry. Over time, the system has developed mechanisms that ensure innovation effort translates into tangible outcomes rather than becoming fragmented.

A defining feature of Switzerland's public-sector approach is the clear allocation of innovation responsibility within government. Federal authorities set enabling frameworks, funding mechanisms and long-term direction, while cantonal governments oversee implementation within defined domains. Universities and industry act as key partners in delivering innovation outcomes within this structure.

Clarity of roles sustains long-term innovation performance.

Singapore: Innovation embedded into operating models

Singapore ranks 5th among the 139 economies featured in the GII 2025. Its innovation system is deliberately designed to minimise the gap between ambition and execution. Innovation is treated as a core instrument of national strategy and public-sector delivery models, supported by strong central coordination and shared platforms.

Common digital, data and regulatory foundations reduce duplication, while outcome-oriented governance ensures innovation initiatives move beyond pilots. Delivery agencies are accountable not only for experimentation, but for scaling what works and stopping what does not. 6

Embedding innovation into delivery models closes the execution gap.

China: Scale enabled by strategic differentiation

China ranked 10th among the 139 economies featured in the GII 2025. Its innovation trajectory reflects a strong emphasis on direction, prioritisation and delivery. Large investments in research, infrastructure and technology are paired with explicit mechanisms to test, scale and redeploy innovation efforts in line with national priorities.

Central authorities set strategic direction, regional governments act as experimentation and scaling engines and enterprises drive commercialisation. By linking authority to execution capability, innovation effort is continuously directed toward impact. [7]

Scale is achieved by aligning authority with execution.

03 Scaling innovation in the Kingdom

Public-sector performance is shaped by how deliberately innovation efforts are directed across different mandates and roles, an imperative that becomes more critical as innovation scales across the system.

This is particularly relevant in Saudi Arabia. Under Vision 2030, the Kingdom is no longer experimenting with innovation; it has become a core instrument of national transformation, shaping how government delivers services, supports economic diversification and builds long-term competitiveness. Over the past decade, this ambition has been reinforced through sustained investment in institutions, infrastructure and innovation ecosystems.

The impact of this shift is visible in global benchmarks. Saudi Arabia's steady rise in the Global Innovation Index from 66th in 2021 to 46th in 2025 signals more than momentum. It indicates stronger foundational capabilities, including governance, digital infrastructure and the mechanisms required to deploy innovation at scale. [8]

At the same time, these results surface a critical operating-model challenge for the public sector. While Saudi Arabia has built strong innovation inputs across government, yet the translation of these capabilities into consistent, high-value outputs remains uneven. In operating-model terms, innovation is widely expected, but not yet sufficiently differentiated by mandate, role and delivery responsibility, leading to variability in how it is applied and the impact it delivers.

In this environment, innovation can begin to feel activity driven. Entities showcase initiatives, compare progress, and often seek recognition alongside peers. This demonstrates strong engagement, but it also highlights the need to move beyond expectations toward a more differentiated application of innovation across entities with fundamentally different roles. Without this differentiation, public sector innovation efforts may struggle to translate into the coordinated, scalable outcomes needed to strengthen Saudi Arabia's position in the Global Innovation Index, as entities pursue overlapping pilots, duplicate experimentation and launch initiatives without the authority required to scale them. Over time, this can weaken system coherence even when innovation capability across government continues to expand.

For Saudi Arabia, the next phase is not about building more innovation capability, but about directing it more precisely. As innovation becomes more established across the public sector, the focus shifts to how it is applied across different types of entities and how these efforts collectively deliver on national priorities. At the scale of Vision 2030, aligning innovation with mandate and role will be critical to strengthening outcomes, improving efficiency and reinforcing delivery at a system level.

04 Aligning innovation through shared foundations

As innovation becomes measured, reported and compared, two dynamics become more pronounced. Expectations for innovation expand across the public sector, while differences in mandate, capability and responsibility persist. In this environment, shared foundations become essential for creating coherence, reducing ambiguity and enabling confidence across government entities operating within a diverse system.

These dynamics are evident in global benchmarks. The Global Innovation Index shows that in fast-maturing innovation ecosystems, improvements in innovation inputs often outpace outputs.[9] This pattern reflects a common phase of development. Governments succeed in building capability and infrastructure, while the challenge of directing innovation toward consistent, high-value outcomes intensifies.

Globally, this need for coherence is reflected in international standards such as ISO 56001,[10] which recognises that effective innovation management requires:

Leadership commitment

Strategic alignment

Clear governance

Capability development

Performance measurement

These innovation-related standards define what a strong innovation management system looks like without prescribing a single way to innovate.

Saudi Arabia has taken a deliberate, context-specific approach to establishing shared innovation foundations across government. The Qiyas Digital Maturity Index (Qiyas) is a national indicator that measures government entities' commitment to the core standards of digital transformation. It enables entities to assess their current maturity and track progress in their digital transformation journey in line with best practices, contributing to the achievement of
Vision 2030 objectives. With its strong focus on digital innovation, Qiyas plays a central role in institutionalising innovation across government. Through its dedicated innovation component, which government entities are expected to comply with, it establishes a shared expectation for how innovation is embedded in practice – linking it to leadership accountability, performance assessment and broader transformation efforts.[11]

As a result, Qiyas has helped institutionalise innovation as part of organisational performance, shifting it from isolated initiatives to a system-wide expectation. The 2025 results reinforce this shift: 26 government entities advanced to the 'Innovation' maturity stage and the overall digital transformation index rose to 88.30%, up from 87.14% in the previous cycle. The results indicate improved digital readiness, stronger service quality and the institutionalisation of innovation practices across government entities.

Today, most entities demonstrate structured innovation activity, formalised processes and governance mechanisms aligned with the shared digital foundations established through Qiyas.

05 Applying innovation differently across the whole of government

Although progress has been made in embedding innovation across government, many entities are still transitioning from building capability to applying it consistently and effectively.

Capability is no longer the primary differentiator – impact now increasingly depends on how innovation effort is applied – where it is focused, who it is designed to serve and how it aligns with mandate and delivery role.

This distinction matters because government entities differ fundamentally in how they operate and deliver value. Regulators, service delivery organisations, policy authorities and enabling bodies each have distinct mandates, serve different beneficiaries and exercise different forms of authority. As a result, they face different innovation challenges and should not be expected to innovate in the same way.

Shared standards establish a strong baseline across government, but their value is maximised when they are accompanied by clarity on how innovation should be applied across different entity roles.

Without this clarity, entities may demonstrate innovation activity that is technically aligned with standards but weakly connected to their mandate or delivery responsibilities.

The value of shared frameworks such as Qiyas and digital maturity models developed by the Kingdom's Digital Government Authority lies in how they are applied and interpreted. Meaningful assessment of innovation requires understanding how each entity’s approach aligns with its mandate, authority and delivery role, rather than applying uniform expectations across fundamentally different entities.

A role-based perspective provides a practical means of applying shared standards consistently at the system level, while allowing innovation to be differentiated in line with how each entity contributes to public-sector outcomes.

This perspective can be operationalised through distinct patterns of innovation application that help entities determine where to focus effort, how much experimentation is appropriate and which outcomes innovation is expected to deliver. The implementation levels described below illustrate how these capabilities are applied differently depending on an entity’s role, rather than introducing additional capabilities.

06 Aligning innovation through shared foundations

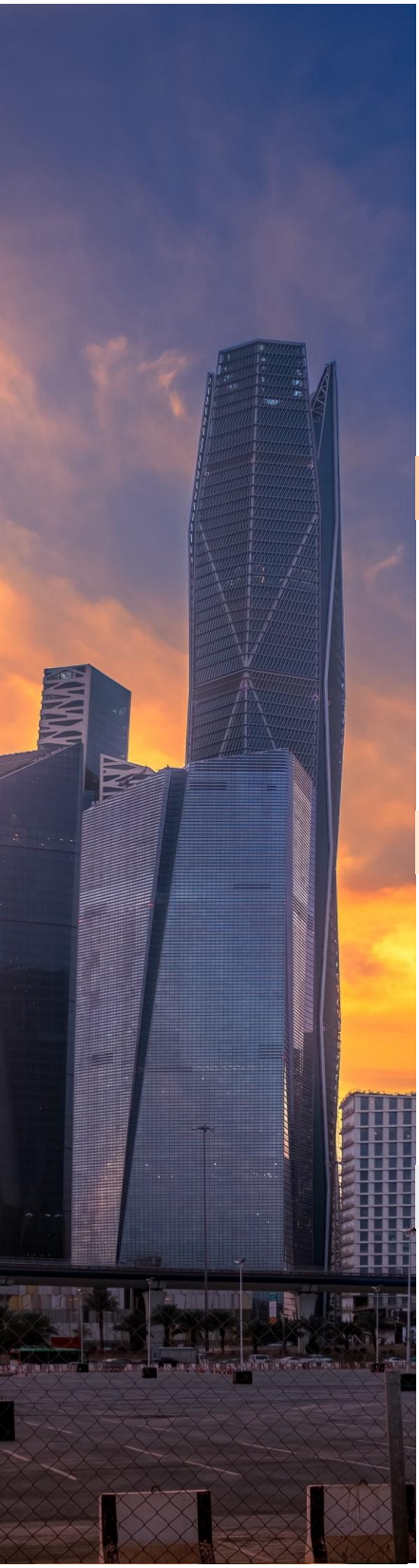
Innovation in government operates as an interconnected system, shaped by strategy, governance, ways of working, enabling capabilities and the outcomes each entity is expected to deliver. This system is consistent across governments and anchored in shared national frameworks and performance standards, with Qiyas providing the national reference point in Saudi Arabia.

This national performance measurement framework provides a common reference point for assessing and guiding innovation performance. What differs across entities is how these capabilities are applied in practice, reflecting variations in mandate, beneficiaries and roles within the broader public sector.

Innovation implementation levels offer a practical way to describe these differences. They show how the same core capabilities can be applied in different ways across entities, without implying progression, hierarchy or maturity.

The levels are designed to:

- **Clarify how innovation should be applied in different contexts**
- **Support consistent interpretation of innovation-related standards**
- **Set clear expectations for focus, governance and outcomes**
- **Enable differentiation while maintaining coherence across government**



These levels are applied at the entity level, not at the country level and they don’t represent a maturity model. An entity does not progress from one level to another and no level is inherently better than another.

Each represents a deliberate and appropriate application of innovation aligned with a specific role. Entities may draw on more than one level depending on their responsibilities and context. The value of the levels lies in clarifying where innovation effort should be concentrated, rather than prescribing any single fixed operating model.

Level A - Focused innovation

Innovation improves services and outcomes within the entity's defined mandate and existing governance structure.

Level B - Integrated innovation

Innovation redesigns coordination, governance or delivery across multiple functions within the same entity.

Level C - Ecosystem innovation

Innovation shapes sector direction, enables coordination and drives outcomes across affiliated entities within its sector.

Level A – Focused innovation

Innovation is applied in a targeted and deliberate way to improve services, processes and outcomes within a clearly defined mandate. Effort is concentrated on areas where the entity has direct responsibility and accountability for delivering its core functions and achieving mandated outcomes.

Scope of application:

- Processes and services within the entity's direct control

Primary intent:

- Address well-defined problems within the entity's scope
- Improve operational performance and service reliability
- Deliver practical improvements that can be implemented and sustained

This level aligns with entities whose primary role is to deliver and continuously improve outcomes within their direct remit.

Level B – Integrated innovation

Innovation is used to coordinate activities across multiple functions, programmes or organisational units within the same entity. It focuses on challenges that cross internal boundaries and require coordinated delivery across teams, while aligning with wider ecosystem priorities.

Scope of application:

- Processes, services and operating models across the entity
- Selected strategies or transformation initiatives

Primary intent:

- Design approaches that span multiple functions or programmes
- Align innovation with transformation or policy objectives
- Enable coordination across teams delivering related outcomes

This level aligns with entities that deliver outcomes by integrating innovation across multiple parts of the organisation.

Level C – Ecosystem innovation

Innovation is embedded across the entity to drive strategic decision-making and execution. It operates within an integrated model that connects ecosystem-wide direction setting with entity-level delivery, enabling alignment of priorities, feedback loops and coordinated system-wide impact.

Scope of application:

- Processes, services, operating models and strategies across entities
- Ecosystem-level initiatives spanning sectors or government entities

Primary intent:

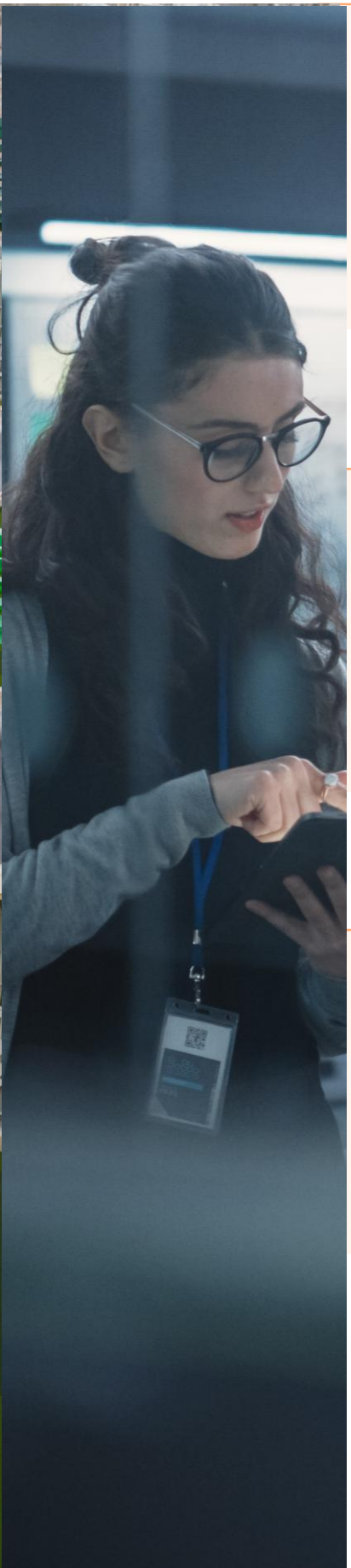
- Address challenges that span organisational or sectoral boundaries
- Build shared platforms, capabilities or standards
- Enable system-level outcomes through partnerships and orchestration

This level aligns with entities mandated to shape priorities and drive outcomes across multiple government entities such as central entities orchestrating sector-wide transformation (e.g. coordinating outcomes across the healthcare system or enabling cross-government digital platforms and standards).

Collectively, levels A, B and C show how a common set of innovation capabilities can be applied differently depending on role and context. The distinction between levels is not about ambition or performance, but about focus and scope. Entities may operate primarily at one level, while selectively applying capabilities from other levels where appropriate. Clear definition of the primary level helps ensure that innovation investment is efficient, purposeful, proportionate and aligned with each entity's mandate.

Insights from Singapore

Here are three case studies are drawn from Singapore, illustrating how innovation is applied differently across entities based on their mandate, authority and role.



Case study: Level A

Inland Revenue Authority of Singapore (IRAS):
IRAS embeds innovation directly within its tax administration mandate, focusing on digital services, such as myTax Portal, automation and AI-enabled compliance. Its portfolio consists of operational improvements including portal upgrades and automated processing (a mandate-tied portfolio). Problem discovery relies on service analytics and compliance data, while governance is embedded within existing management structures and pilot phases before rollout. Results are measured through processing efficiency, compliance accuracy and user satisfaction. [12]

Case study: Level B

Housing and Development Board (HDB), Singapore:
Singapore: HDB embeds innovation across planning, construction, digital services and estate management under its Smart HDB agenda. Its portfolio spans smart estates, digital transactions and construction productivity within a cross-functional innovation portfolio. Innovation relies on demographic forecasting and estate analytics to identify opportunities, with formal programme governance across divisions and pilot deployments before scaling. Outcomes are realised through integrated end-to-end housing services. [13] [14] [15]

Case study: Level C

Monetary Authority of Singapore (MAS):
MAS embeds innovation into its mandate to develop Singapore as a financial centre, shaping sector-wide transformation. Its portfolio includes regulatory sandboxes, digital banking licences, Project Ubin and AI governance frameworks. It conducts continuous foresight on digital finance trends and operates ecosystem-scale sandboxes, enabling banks and startups to experiment. Outcomes depend on adoption by financial institutions and market participants.[16] [17] [18]

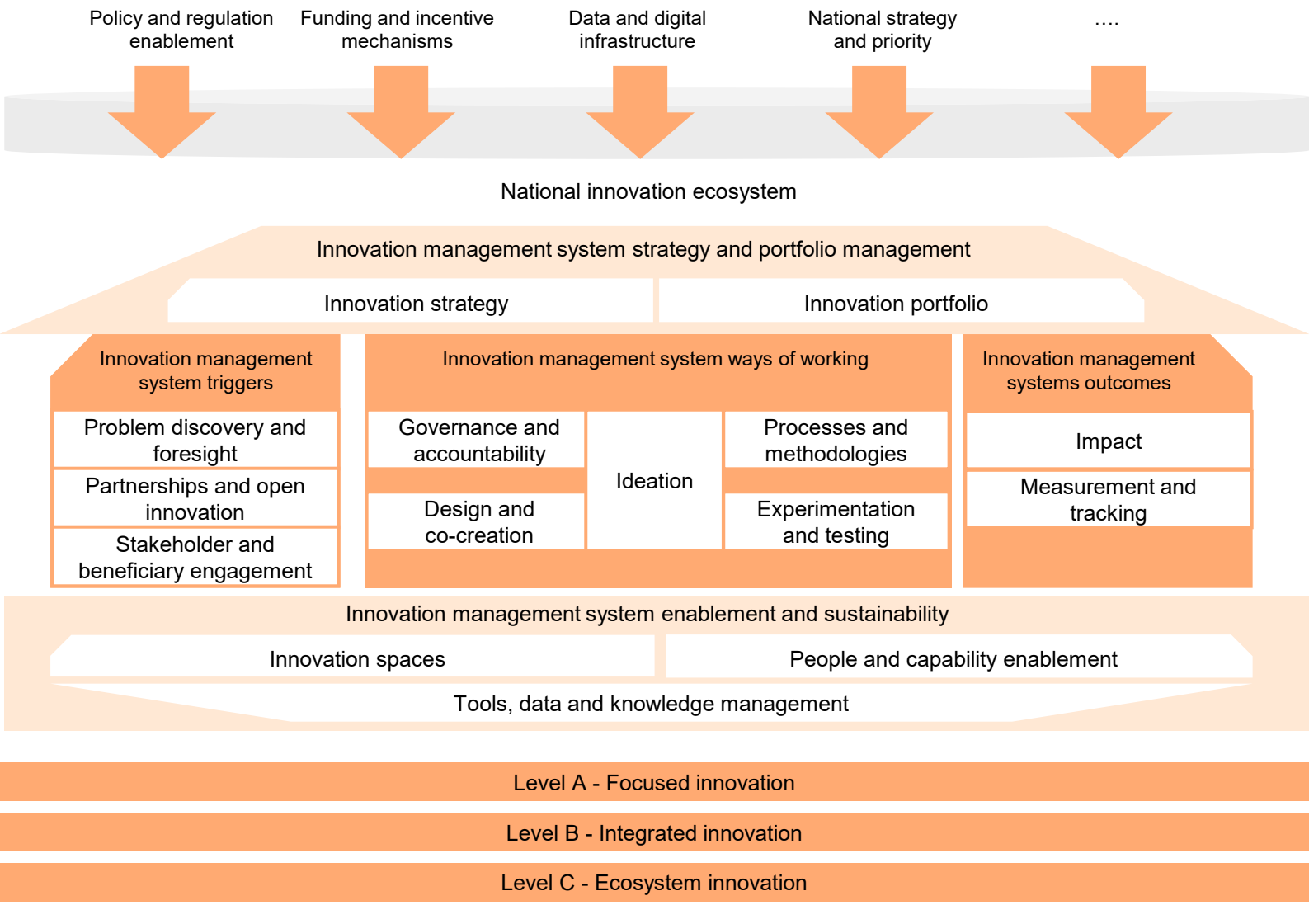
07

Innovation management system

The Innovation Management System (IMS) provides a structured operating model for how innovation is governed, executed and sustained across government entities. Rather than acting as separate elements, these components work together to show how innovation moves from priority setting to delivery and sustained impact.

The model integrates five core components: innovation strategy and portfolio management, innovation triggers, ways of working, outcomes and enablement and sustainability. Each of these represent a distinct but interdependent part of the innovation lifecycle. Strategy and portfolio management define direction and priorities; triggers identify where innovation is needed; ways of working determine how innovation is executed; outcomes capture the value delivered; and enablement and sustainability ensure that innovation can be continuously supported and scaled.

Together, these components form a closed-loop system, where insights from outcomes inform future priorities, and enabling capabilities support continuous improvement over time. This ensures that innovation is managed as an ongoing, system-level capability rather than a series of isolated initiatives.



Level A - Focused innovation

Level B - Integrated innovation

Level C - Ecosystem innovation

The diagram above illustrates a common innovation management system. The innovation implementation levels described in this section explain how this system is applied in different contexts, not how mature or advanced an entity may be. All levels operate within the same shared innovation standards, such as Qiyas. What varies is where innovation effort is concentrated and the outcomes it is designed to achieve.

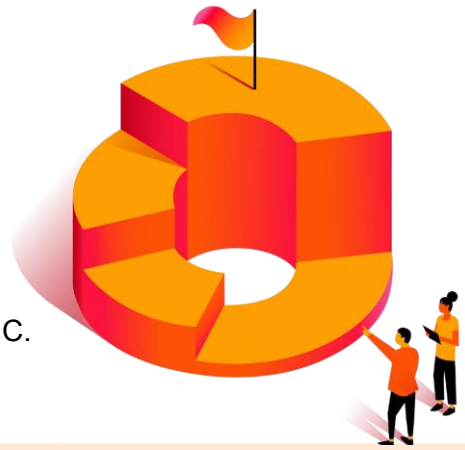
The sections below illustrate how each component of the Innovation Management System is applied across Levels A, B and C.

7.1 Innovation strategy and portfolio management

Strategy and portfolio management determine where innovation is directed and how effort is prioritised across an entity. They shape how resources are allocated, which opportunities are pursued and how initiatives are balanced between immediate needs and longer-term objectives. The table below highlights how these differ across Levels A, B and C, reflecting how entities prioritise and manage innovation in line with their role.

Innovation capability	**Level A:** **Focused innovation**	**Level B:** **Integrated innovation (Builds on level A, with innovation embedded acros s multiple connected priorities)**	**Level C:** **Ecosystem innovation (Builds on levels A and B, with innovation embedded across the broader ecosystem)**
Innovation strategy	• Innovation priorities clearly linked to the entity's mandate and strategic themes • Innovation priorities embedded within operational, digital or strategic plans • The key focus is on service improvement and operational outcomes	• Entity-wide innovation agenda aligned with entity strategy • Innovation linked to entity transformation agenda • Clear articulation of innovation value and outcomes	• Ecosystem innovation strategy defined • Explicit role in enabling or shaping the ecosystem transformation agenda
Innovation portfolio	• Priority themes tied to mandate • Clear innovation pipeline from problem identification to initiative development	• Entity-wide innovation portfolio across multiple functions • Clear categories (service, process, digital, policy, etc.) • Portfolio governance and quarterly prioritisation	• Multi-horizon portfolio (near-term and future bets) • Cross-entity/sector portfolio alignment • Portfolio integrating ecosyste m initiatives

7.2 Innovation management system triggers



Triggers determine how and where innovation opportunities are identified and sourced, shaping how innovation efforts begin. They provide a clear basis for deciding what should be addressed and why. The table below shows how this is applied across Levels A, B and C.

Innovation capability	Level A: Focused innovation	Level B: Integrated innovation (Builds on level A, with innovation embedded across multiple connected priorities)	Level C: Ecosystem innovation (Builds on levels A and B, with innovation embedded across the broader ecosystem)
Problem discovery and foresight	• Structured capture of operational pain points • Service feedback loops and complaints analytics • Annual refresh of top problems	• Proactive discovery cycles per programme/service • Data-led opportunity identification	• Continuous foresight function (trends, signals) • System mapping of challenges/opportunities • National/sector intelligence partnerships
Partnerships and open innovation	• Limited, purpose-specific partners (vendors/experts • MoUs as established where needed for specific partnerships	• Ongoing partnerships (academia, industry, other entities) • Joint pilots and co-delivery arrangements	• Ecosystem orchestration across sector-leading entity, innovation anchor entities, service providers, startups and global networks • Open innovation programmes and challenge platforms
Stakeholder and beneficiary engagement	• Engagement focused on direct users and internal stakeholders	• Structured engagement with multiple stakeholder groups	• Continuous engagement across ecosystems • Platforms for collaboration with public, private and civil sectors

7.3 Innovation management system ways of working

Ways of working shape how innovation is translated into delivery, influencing how initiatives are governed, developed and scaled in practice. They reflect how structured, coordinated or flexible innovation needs to be depending on the context. The table below shows how this is applied across Levels A, B and C.

Innovation capability	Level A: Focused innovation	Level B: Integrated innovation (Builds on level A, with innovation embedded across multiple connected priorities)	Level C: Ecosystem innovation (Builds on levels A and B, with innovation embedded across the broader ecosystem)
Governance and accountability	• Clear ownership for innovation initiatives • Defined approval and oversight mechanisms • Governance embedded within existing management structures	• Formal governance bodies and executive sponsorship • Clear prioritisation and funding mechanisms • Structured reporting and escalation	• Adaptive governance models • Ability to govern cross-entity and external initiatives • Clear accountability across organisational boundaries
Ideation	• Structured idea generation linked to identified problems and priority themes • Staff-led ideation workshops and idea submission mechanisms • Ideas focused on incremental improvements to services and processes	• Regular, facilitated ideation cycles aligned to strategic and transformation priorities • Cross-functional ideation involving multiple units and disciplines • Use of data, insights and user needs to stimulate and refine ideas	• Continuous and strategic ideation informed by foresight, trends and system challenges • Open and ecosystem-based ideation (partners, beneficiaries, startups, academia) • Portfolio-driven ideation generating both near-term solutions and disruptive opportunities
Processes and methodologies	• Documented innovation process • Clear stages from problem identification to delivery • Emphasis on feasibility, risk and execution	• Multiple methodologies applied based on context • Agile and iterative delivery embedded in programmes • Formal learning and improvement mechanisms	• Advanced and adaptive methodologies • Continuous experimentation, learning and scaling • Institutionalised feedback loops
Design and co-creation	• Co-design with direct beneficiaries and stakeholders • Standard templates and workshops • Accessibility and usability considered	• Formal co-creation with multiple beneficiaries and stakeholders • Service blueprinting and journey redesign • Design standards embedded across teams	• Large-scale co-creation programmes • Cross-sector design coalitions • Institutionalised public participation mechanisms
Experimentation and testing	• Low-risk pilots within operations • Prototyping before procurement or build • Test criteria covering time, cost, satisfaction and compliance	• Structured experimentation pathways (pilot governance) • Multiple test environments (digital/sandboxed) • Evaluation frameworks (benefit, feasibility, risks)	• Testbeds/sandboxes at ecosystem scale • Partnerships for trials (academia/private sector) • Ability to run parallel experiments and compare outcomes

7.4 Innovation management system outcomes

Outcomes reflect the value created through innovation, shaping how impact is understood, measured and tracked over time. They indicate whether innovation is delivering tangible improvements while contributing to broader economic, social and system-level outcomes. The table below shows how this is applied across Levels A, B and C.

Innovation capability	Level A: Focused innovation	Level B: Integrated innovation (Builds on level A, with innovation embedded across multiple connected priorities)	Level C: Ecosystem innovation (Builds on levels A and B, with innovation embedded across the broader ecosystem)
Impact	• Tangible improvements delivered within the entity's direct scope of control • Results primarily realised through improved service quality, efficiency, cost or compliance	• Results achieved through coordinated innovation across functions, programmes or services • Tangible outcomes realised at scale (e.g. end-to-end service improvements, reduced duplication, improved cross-unit performance)	• Results extend beyond a single entity, delivering system-wide or cross-entity outcomes • Innovation leads to sustained changes in how outcomes are delivered across government (e.g. new delivery models, shared platforms, enabling frameworks)
Measurement and impact tracking	• Clear success criteria per initiative • Measurement focused on service efficiency, quality and user satisfaction • Post-implementation reviews conducted	• Innovation KPIs linked to entity performance indicators • Portfolio-level tracking and reporting • Regular leadership review	• Multi-dimensional and long-term impact measurement • System-level outcome indicators • Insights used to inform strategy and policy

7.5 Innovation management system enablement and sustainability

Enablement and sustainability determine the conditions required to support and sustain innovation over time, including the capabilities, tools and environments needed. They ensure that innovation efforts can be maintained and built upon beyond individual initiatives. The table below shows how this is applied across Levels A, B and C.

Innovation capability	Level A: Focused innovation	Level B: Integrated innovation (Builds on level A, with innovation embedded across multiple connected priorities)	Level C: Ecosystem innovation (Builds on levels A and B, with innovation embedded across the broader ecosystem)
Innovation spaces	• Multi-use shared collaboration space • Virtual workspaces for ideation and documentation	• Dedicated innovation labs and co-creation spaces • Virtual platforms for cross-functional collaboration	• Flagship innovation hub(s) • Open innovation space for partners/startups • Advanced facilities (lab, simulation environments, UX testing)
People and capability enablement	• Innovation training for relevant staff • Designated innovation focal points • Clear incentives for participation	• Dedicated innovation roles and teams • Advanced capability-building programmes • Leadership equipped to manage change	• Multidisciplinary and flexible talent models • Integration of external expertise where required • Continuous development of advanced capabilities
Tools, data and knowledge man agement	• Core digital tools for idea tracking and documentation • Clear records of initiatives and outcomes • Use of existing data for decision support	• Integrated innovation and project platforms • Data-driven prioritisation and evaluation • Knowledge sharing across units	• Advanced digital platforms and analytics • Shared data environments and sandboxes • Cross-entity knowledge systems

08 Positioning innovation for impact across government

With the innovation implementation levels defined, the focus shifts to how they should be applied in practice. The question is no longer whether innovation capability exists across government, but how each entity determines the most appropriate way to apply innovation, given its mandate, authority and delivery responsibilities.

The innovation implementation levels offer a structured approach that recognises government entities operate under different mandates, exercise different forms of authority and contribute to outcomes at different levels of the public system.

Entities therefore need a set of deliberate design considerations to determine which innovation implementation level is most appropriate. This includes where innovation effort should be concentrated, the degree of experimentation that is justified and how innovation contributes to both entity-level performance and system-wide outcomes.

The following design principles help government entities determine the appropriate level at which to apply the Innovation Management System.

Anchor innovation to the entity's mandate and purpose

The scope and level at which innovation is applied should reflect the entity's mandate, authority and accountability. Entities with direct delivery responsibility are best positioned to focus innovation within their mandate (Level A/B), while entities with cross-government or system-level authority can responsibly apply innovation beyond organisational boundaries (Level C).

Expected contribution defines the scope of innovation outcomes

The level of innovation adopted should align with the contribution innovation is expected to make. Where innovation is intended to improve local performance or service quality, a focused application is appropriate (Level A). Where innovation is expected to enable coordination across functions or programmes, a more integrated application is required (Level B). Where innovation is intended to drive system-wide outcomes, a broader, ecosystem-level application is required (Level C).

Beneficiary diversification shapes innovation focus

The number, diversity and complexity of beneficiaries influence the appropriate level of innovation. Innovation serving a single or well-defined beneficiary group can be applied in a focused manner (Level A), while innovation affecting multiple user groups or internal stakeholders requires a more integrated approach (Level B). Innovation spanning multiple entities or sectors requires a system-oriented approach (Level C).

Entities' positioning within the ecosystem shapes the level of innovation

The appropriate level at which innovation is applied should reflect the entity's position within its ecosystem and the breadth of influence it holds. Entities with primarily operational responsibilities typically apply innovation within their core delivery scope (Level A), or across internal functions (Level B), while entities with broader cross-government or sector-wide reach may apply innovation beyond organisational boundaries (Level C).

Applying the Innovation Management System in line with these principles ensures that innovation effort is directed, coherent and outcome-driven. Shared innovation-related standards such as Qiyas establish consistency across government, while the innovation levels determine how that consistency is translated into impact. Together, they enable innovation to strengthen delivery, reinforce system performance and support national priorities.

09 Navigating the next era of innovation

Navigating the next era of innovation requires a shift in how innovation is governed across government. Innovation must be treated as a system capability, with clear decisions about where experimentation is appropriate, where scaling is required and where stability and reliability are maintained. This requires clearer guidance on how different entities apply innovation in ways that reflect their mandates while maintaining coherence across government.

As innovation is applied more deliberately, outcomes become more visible. When innovation delivers tangible improvements in services, efficiency and delivery credibility, it naturally attracts sustained leadership attention and reinforces confidence in innovation as an instrument of national transformation.

Ultimately, the success of public-sector innovation in Saudi Arabia will be measured not by the number of initiatives, labs or pilots, but by the extent to which innovation delivers better outcomes for beneficiaries, stronger institutions and sustained national competitiveness. In the next phase of Vision 2030, innovation will deliver the greatest value when it is treated as a shared system capability, applied with purpose, discipline and clear governance.

The focus ahead is therefore not only on increasing innovation activity, but on applying innovation by design, ensuring effort is focused, differentiated and aligned with how each entity contributes to system-wide outcomes.

10

To translate this into practice, public-sector leaders should focus on the following actions.

Key actions for governing innovation at scale

01

Anchor innovation to mandate and authority

Ensure innovation priorities reflect what the entity is responsible for delivering or enabling. Innovation ambition should be aligned with the authority, accountability and decision rights needed to implement and scale outcomes.

02

Apply shared standards with informed judgement

Use frameworks such as Qiyas and other innovation-related standards as a common foundation, while interpreting expectations in line with the entity's mandate, role and operating context rather than applying them mechanically.

03

Focus innovation effort where it creates the most value

Be explicit about where innovation should concentrate, including where experimentation is appropriate, where scaling is expected and where stability and reliability must be protected.

04

Define success in terms of outcomes, not activity

Measure innovation by the improvements it delivers in services, efficiency, capability or system performance, rather than by the number of initiatives, pilots or programmes launched.

05

Design innovation with adoption and delivery in mind

Ensure initiatives can be implementable within existing decision rights and operational structures. Successful innovation should be capable of moving beyond pilots and becoming embedded in day-to-day delivery.

06

Align innovation across the wider system

Coordinate innovation efforts across entities by building on shared platforms, capabilities and standards. Approaches should reflect the scope and complexity of beneficiaries and complement, rather than duplicate, initiatives elsewhere in government.

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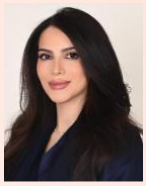

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