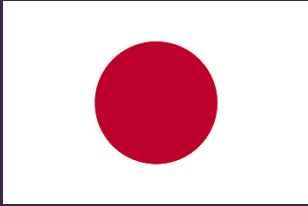

**High-level landscape
analysis of civil society
support ecosystems: Japan**



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High level landscape analysis of civil society support infrastructure in Japan

Executive Summary

The year 2025 represents a critical juncture for Civil Society Organizations (CSOs) in Japan. Emerging in the 1980s, Japanese CSOs initially took the form of grassroots organizations, known as NPOs, operating as unincorporated associations dedicated to community service. The devastating Great Hanshin-Awaji Earthquake of 1995, with its tragic loss of life and widespread destruction, proved a turning point. An unprecedented mobilization of 1.8 million volunteers to provide aid and support marked the "Dawn of Volunteerism" in Japan. This surge in civic engagement catalyzed the legal recognition of NPOs in 1998, ushering in an era of formalized CSO participation in Japanese society.

Subsequent disasters, including the 2011 Great East Japan Earthquake, coupled with evolving social needs, fueled a steady increase in the number of NPOs¹, reaching a peak of 51,867 in 2018. However, this number has since declined to 50,368 in 2024. This decline can be attributed to several factors, including Japan's demographic trends, characterized by a shrinking and aging population; the persistent wage gap between the CSO sector and the private and public sectors, hindering talent attraction and retention; and the relative decline in attention towards CSOs as corporations and government agencies increasingly incorporate social impact initiatives into their core mandates, often under the rubric of the Sustainable Development Goals (SDGs).

After 30 years from the "Dawn of Volunteerism", contemporary Japanese CSOs grapple with a multitude of challenges, including staff shortages and lack of diversity, funding constraints, and a perceived loss of identity amidst a diversifying social sector. While various actors offer support for Organizational Development (OD) to address these challenges, significant gaps persist in meeting CSO needs, particularly in areas such as board strengthening, AI adoption, and the cultivation of a robust OD ecosystem. The consultancy market for OD support remains underdeveloped, facing a severe shortage of qualified personnel. Consequently, many CSOs struggle to access adequate support due to the limited pool of experienced consultants. Developing local consultancy expertise, facilitated by international collaboration and knowledge exchange, is essential to bridge this gap and foster the growth and sustainability of CSOs in Japan.

➤ Summary of target audience and scoping/sampling strategy

While existing research extensively covers the overall structure and ecosystem of Japan's social sector, there is a distinct lack of focus on the role and environment of consultants within this sector. Therefore, our interviews will specifically target this gap, exploring the context in which consultants operate. The findings from these interviews, conducted with individuals possessing a broad perspective of the sector, particularly those actively involved in climate-related work and based in

¹ While "NPO" enjoys greater prominence in the Japanese context, it is often used interchangeably with the broader term "CSO." Although NPOs constitute a significant portion of the CSO landscape in Japan, the term "CSO" encompasses a wider range of organizational structures, including incorporated associations, foundations, and social welfare corporations, as well as unincorporated entities. This diversity presents challenges in accurately quantifying the total number of CSOs operating within Japan.

Tokyo but with national reach, will be compiled into a comprehensive report. This research employed a mixed methodology, utilizing both interviews and literature reviews to gather insights from CSOs, support organizations, and consultants themselves. The investigation encompasses CSO needs, their access to support, the broader support ecosystem, and a detailed examination of the consultant landscape.

➤ **“Setting the scene”: CSOs’ needs, development, and access to support**

Three decades after the "Dawn of Volunteerism" catalyzed the growth of Japan's CSO sector, substantial progress is evident. CSOs now possess greater public visibility, operate at an increased scale, employ larger workforces, and enjoy enhanced access to information compared to their 1995 counterparts. However, a growing inability to adapt to the rapidly evolving social environment has fuelled concerns of an impending "CSO sector crisis."

CSO needs

CSOs in Japan face several key challenges, including "staff shortages and Lack of Diversity," "funding shortages," and "Identity Crisis."

- 1) **Staff shortages and lack of diversity:** According to a survey of 2,840 NPOs by the Cabinet Office², 66.8% of NPO managers cited "securing and training personnel" as a top challenge. Furthermore, approximately 70% of NPOs are led by individuals aged 60 or older (approximately 90% are led by those aged 50 or older), and 70% of leaders are male, indicating challenges with aging and lack of diversity.

This is partly due to Japan's rapidly declining population and the world's highest aging rate, making it difficult even for many Japanese companies to secure human resources. Additionally, within the social sector, social businesses and impact startups led by young managers are emerging, offering attractive work environments with decent compensation, diversity and a sense of social contribution. In contrast, the CSO sector has become significantly less attractive, according to the president of an HR company specializing in the social sector. This is due to a workforce dominated by individuals over 60 and salary levels approximately 30% lower than those in the corporate world. Moreover, in Japanese society, CSOs are often associated with negative stereotypes such as "unprofessional volunteers," "self-sacrifice," "dependence on government subsidies," and "old-fashioned".

The lack of new talent entering the CSO sector hinders generational change, technological adoption, and global learning, leading to outdated practices. This creates a vicious cycle where the sector is perceived as old-fashioned, further hindering the inflow of human resources and funding. Furthermore, the lack of personnel exchange between sectors contributes to a poor understanding of CSOs in the society. A report by 86 Japanese NGOs identifies siloed operations as a major challenge hindering the sector's potential and societal trust³.

- 2) **Funding shortages:** Japanese CSOs face the following funding challenges, summarized below along with an overview of the overall funding environment.

² https://www.npo-homepage.go.jp/uploads/R5_houjin_point.pdf

³ <https://www.mofa.go.jp/mofaj/gaiko/oda/files/000422946.pdf>

a. Limited donation market: According to the "Giving White Paper" by the Japan Fundraising Association (JFRA)⁴, individual donations were 545.5 billion yen in 2009 and 540.1 billion yen in 2020. Corporate donations were 546.7 billion yen in 2009 and 672.9 billion yen in 2019. Excluding major disasters such as the 2011 Great East Japan Earthquake and the 2020 COVID-19 pandemic, growth in the Japanese donation market has been limited. As a result, 43% of NPOs, including those without paid staff, in a broad survey⁵, and 78.1% of NGOs engaged in international cooperation with paid staff, reported facing challenges related to funding amounts⁶.

b. Challenges for small organizations: A study on donations to 1,180 certified NPOs showed that 266 organizations (22.6%) accounted for 92.4% of the total donations in Japan⁷. In the field of international cooperation, 6 organizations (0.9%) out of 667 accounted for 58.9% of the donations, indicating a widening gap in donation income based on organizational size. The growth of many small organizations has effectively stalled, and no solutions have been found⁸.

c. Slow growth of established organizations: Comparing the Compound Annual Growth Rate (CAGR) of organizations from 2018 to 2021, nearly half (47.1%, 33 organizations) of those established after the 2000s showed an "expansion trend," while only about 1 in 4 (25.3%, 23 organizations) of those established before the 1990s showed the same trend. Among those with an expansion trend, 17 organizations (52%) established after the 2000s had an annual growth rate exceeding 25%, while only 2 organizations (9%) established before the 1990s achieved this. This indicates that many organizations established over 25 years ago are not experiencing growth. This can be attributed to the outdated management strategies employed by established organizations with stable revenue streams, struggling to adapt to a drastically changing operational environment.

d. Donation themes: While donations for natural disasters, children, animals, and medical care have traditionally been attractive, fundraising efforts of institutions such as universities and museums for education and cultural preservation have been increasing in recent years. However, organizations focused on human rights, criminal rehabilitation, and advocacy generally attract less funding. Despite Japan's significant gender gap⁹ and crucial role in addressing climate change, domestic foundations provide minimal support for these areas. This observation comes from the president of a climate-focused NGO, who also notes an increase in funding from overseas foundations for gender equality and climate change initiatives in Japan.

e. Trends other than donations: In recent years, a significant budget of approximately 65 million USD annually has been allocated to CSOs from dormant bank accounts¹⁰ for CSO activities within Japan. However, the sustainability of these activities after the 1- to 3-year funding period

⁴ While Japan has a system called "Furusato Nozei (Hometown Tax)" where individuals and corporations can make donations to local governments, these were excluded from the donation figures as they are often motivated by the desire to receive gifts in return.

⁵ https://www.npo-homepage.go.jp/uploads/R5_houjin_point.pdf

⁶ <https://www.mofa.go.jp/mofaj/gaiko/oda/files/100489430.pdf>

⁷ <https://fundrex.co.jp/lab/2750/>

⁸ <https://www.mofa.go.jp/mofaj/gaiko/oda/files/100489427.pdf>

⁹ Japan's Gender Gap Index (GGI), as reported by the World Economic Forum (WEF), currently ranks 118th out of 146 countries, as of June 2024.

¹⁰ Japan's dormant deposit program supports NPOs by allocating funds from unclaimed bank accounts.

remains a challenge. As the total amount of grants other than dormant bank accounts has not increased significantly, organizations heavily reliant on grants face unstable management. Organizations whose main source of income is business revenue also struggle to differentiate themselves from similar businesses and continue to experience declining revenue. In recent years, bequest donations reached 200 million USD in 2022¹¹, and this is expected to increase in the future due to Japan's demographic trends.

f. Challenges with funding quality: In Japan, both public and private funding is often characterized by restrictions on spending for personnel and administrative costs, difficulty in changing plans, and single-year budgeting. This is because traditional foundations and corporate foundations account for a large portion of philanthropic funding in Japan. Due to this rigid funding, many Japanese CSOs cannot engage in flexible activities or exploration to maximize their impact and are burdened with extensive application and reporting procedures. "In Japan, both the recipients and the providers of funds are overwhelmed by paperwork, leaving them unable to dedicate time to maximizing social impact. This contributes to the high turnover rate among young people in the sector." (NPO)

- 3) **Identity crisis:** As a result of the issues mentioned in "staff shortages and lack of diversity" and "funding," as well as the "diversification of the social sector and marginalization of CSOs" discussed below, Japanese CSOs are on a journey to re-examine their inherent value.

CSOs address critical social issues that cannot be solved by market principles alone. Their participatory nature contributes to alleviating the serious issue of "social isolation and loneliness" in Japan. This involves addressing more fundamental and complex issues than those that can be simply measured with the term "impact." Social participation of people in the community, especially the elderly, contributes to improving their well-being and forms the foundation for mutual support during disasters. CSOs are the foundation of democracy, serving the public good from a standpoint independent of political intentions. While recognizing these fundamental roles, CSOs are facing a significant decline in self-esteem due to the harsh management environment, low social reputation, and the impact boom. They are being forced to re-examine their *raison d'être* and remodel the entire CSO sector.

"Intermediary organizations, which have long been vital pillars for NPOs in Japan, are now facing a critical juncture. While theme-specific intermediary organizations such as focusing on disaster relief, child poverty, or climate change¹² are gaining prominence as collective action becomes increasingly important, generalist intermediary organizations are grappling with their future direction." (NPO) This shift comes as legal frameworks for NPOs have matured, and information access, networking, and capacity building can now be achieved directly through platforms like social media and companies, bypassing the traditional role of these organizations.

30 years after "The Dawn of Volunteerism," with little prospect for immediate improvement in the environment surrounding CSOs, they are beginning to feel the need to seriously consider their "endgame" – how to create the society they ultimately want to achieve.

¹¹ <https://www.izo.or.jp/news/news/20240906.html>

¹² The Japan Climate Alliance (JCA) is highly regarded for its impactful climate programs: the Climate Fellows Program (CFP) cultivates future leaders, the Climate Organizations Support Program (COSP) strengthens organizational capacity, and the Climate Specialists Program (CSP) fosters collaboration among stakeholders.

Current state of CSO development

Japanese CSOs can be broadly categorized into two distinct groups: emerging organizations characterized by young leadership, the strategic utilization of IT, and a focus on innovation and scalability; and those adhering to traditional operational approaches. The former group actively engages with global trends in funding and programmatic activities through participation in international training programs and grant competitions, effectively integrating these learnings into their organizational development strategies. Conversely, the latter group, while maintaining established practices, encounters increasing difficulty in navigating the evolving landscape of human and financial capital. Consequently, the effective remodelling of these traditional CSOs constitutes a significant challenge for the sector.

Access to support

The external operating environment for CSOs in Japan is undergoing a period of profound transformation, presenting significant challenges for the sector.

- 1) **Demographic shifts and labour shortage:** Projected to decline to one-third of its 2004 peak within the next century, Japan's population is aging at an unprecedented rate, leading to a severe labor shortage. This demographic shift has far-reaching consequences, including an increase in bankruptcies among profitable companies due to their inability to secure necessary human resources. The CSO sector is particularly vulnerable to this trend, as its lower salaries exacerbate difficulties in attracting and retaining talent.
- 2) **Economic stagnation:** Factors such as a shrinking domestic market, labor shortages, a traditional economic structure centered on heavy industry, and low labor productivity¹³ have contributed to declining nominal GDP and GDP per capita¹⁴ [2]. This economic downturn, coupled with declining public trust in the social security system due to the shrinking workforce supporting an increasingly elderly population, has fostered widespread anxiety about economic prospects and future livelihoods. Consequently, donations, volunteerism, and the willingness to work within the CSO sector have all declined.
- 3) **Diversification of the social impact landscape:** The rise of the Sustainable Development Goals (SDGs) has spurred a diversification of the social impact landscape. Corporations, government agencies, and educational institutions alike have embraced social problem-solving as a core component of their mandates¹⁵. This has eroded the once distinct role of CSOs in addressing social issues, relegating them to one player among many in a crowded field. Furthermore, the growing prominence of impact investing and social businesses, which prioritize both economic returns and social impact, has further marginalized CSOs.

These interconnected challenges create a complex and increasingly difficult operating environment for Japanese CSOs. In the field of international cooperation, these challenges are further

¹³ Japan's hourly labor productivity in 2023 was \$56.8, ranking 29th among OECD member countries.

¹⁴ While it held the 2nd position in 2000, it had fallen to 22nd place by 2024 among OECD countries.

¹⁵ Financial institutions have issued an "Impact-Driven Finance Declaration," aiming to shift their financial flows towards impact-oriented investments wherever possible. In parallel, the Keizai Doyukai, a prominent Japanese business organization composed of CSOs from major corporations, has launched a "Collaborative Capitalism Committee" that places social problem-solving on par with core business activities.

compounded by factors such as rising nationalism, aid fatigue, declining interest in overseas issues, and the global trend towards localization, contributing to a rapidly deteriorating operational context.

➤ The ecosystem of support

The ecosystem supporting CSOs in Japan exhibits a three-tiered structure, encompassing individual capacity building, organizational capacity building, and sector-wide capacity building. Within each tier, support provision is further categorized into three distinct domains: organizational management, funding, and program implementation. Despite the diverse range of actors contributing to this ecosystem, including CSO intermediary support organizations, government agencies, corporations, and foundations, and a noted increase in the number of such providers over the past 15 years, the adequacy of this support network remains a point of contention.

Existing support, accessibility and effectiveness

In Japan, a comprehensive support system for CSOs has been established. Central intermediary support organizations such as the Japan NPO Center and NPO Support Center provide overarching support, while prefectural-level organizations like the Hokkaido NPO Center and Osaka NPO Center work closely with local CSOs. Additionally, there are specialized support organizations such as the Japan Fundraising Association for fundraising and the Japan Legacy Giving Association for bequest giving, as well as theme-specific intermediaries like Musubie for food banks, JVOAD for disaster relief, and Japan Platform for international humanitarian aid.

Beyond these intermediary support organizations, the private sector also plays a significant role. Companies like Readyfor, which provides crowdfunding and fundraising support, and congrant, which promotes the digitalization of donations, have been established specifically to support CSOs. Companies such as PR Times offer free PR services to CSOs, and Panasonic provides grants to strengthen their foundations. The Japanese government also supports NPOs at the prefectural level.

Within the Japanese CSO support ecosystem, capacity building initiatives are implemented across three distinct levels:

- 1) **Individual capacity building:** Focusing on the development of individual competencies, this level encompasses a range of training programs offered by local governments, intermediary support organizations, and NPOs themselves. These programs vary in focus and complexity, from reflective training for organizational leaders and basic training for new staff to skill-building programs in areas such as general administration, human resources, public relations, and fundraising.
- 2) **Organizational capacity building:** This level prioritizes the strengthening of organizational infrastructure and operational effectiveness. Two primary mechanisms facilitate organizational capacity building: capacity-building grants and corporate partnerships. Capacity-building grants, pioneered by Panasonic in 2001, have gained prominence in recent years. These grants provide funding for tailored capacity-building initiatives, often developed in collaboration with advisors, enabling organizations to address their unique challenges. Initiatives may include revising mid-term plans, developing Standard Operating Procedures (SOPs), or pursuing digital transformation (DX). Grant amounts vary considerably, ranging from 2 million yen for one year to 20 million yen over three years. Additionally, some CSOs engage in pro bono partnerships with corporations to enhance their governance and human resource management practices.

3) **Sector-wide capacity building:** This level aims to strengthen the overall enabling environment for CSOs in Japan. Efforts are underway to collect and analyze data at the sector level, exemplified by the publication of the "Giving White Paper," which provides an overview of the current state of giving in Japan, and financial surveys of CSOs engaged in international cooperation.

- ***Does the supply meet the demands of CSOs' needs? If not, what are the gaps in this support?***

Despite the existing support infrastructure, critical needs gaps persist within the OD landscape for Japanese CSOs. This research highlights three particularly salient areas requiring attention:

- 1) **Strengthening boards of directors:** As Japanese society transitions from a growth-oriented paradigm to one defined by rapid change and ambiguity, the focus of CSO organizational development is required to adapt accordingly. Particularly in the wake of the COVID-19 pandemic, CSOs face increasing pressure to continuously re-evaluate their organizational purpose and direction, necessitating strong, adaptive leadership capable of navigating complexity and achieving missions in a volatile environment. However, boards of directors in Japanese CSOs tend to be weak. Despite the critical need for robust governance, approaches that prioritize board reform as a central pillar of OD remain underemphasized.
- 2) **AI integration and digital transformation:** To enhance operational efficiency, optimize resource allocation amidst staff shortages, and improve the quality of service delivery, the adoption of AI and digital transformation (DX) within the CSO sector is essential. However, there is a dearth of organizations specifically promoting and supporting such integration. Consequently, many CSOs continue to rely on inefficient, paper-based, manual processes.

3) **Improving information and funding flow for OD:** Informed OD planning requires a comprehensive understanding of the organization's operating environment. However, accessing information about customers (prime stakeholders and donors) and competitors (trends among other CSOs) remains a significant challenge for individual organizations. While expert and intermediary support organizations are well-positioned to conduct regular research and disseminate findings to address this information gap, such efforts remain inadequate. Furthermore, funding for Japanese CSOs is overwhelmingly program-specific, with limited resources available for strengthening organizational infrastructure. To facilitate effective OD, it is essential to improve the information environment and promote more flexible funding mechanisms, including the adoption of Trust-Based Philanthropy. ***Is the support available both accessible and of high quality?***

The assertion that available support is both accessible and high-quality is refuted by the following observations:

- 1) **Unstable funding environment for OD:** Intermediary support organizations and NPOs, possessing a keen understanding of sector needs, are crucial actors in delivering OD training and support. However, while CSOs often participate in these programs free of charge due to corporate sponsorship, the availability of such programs is contingent upon securing sponsors each year. This unpredictability prevents CSOs from strategically incorporating these training opportunities into their long-term human resource development plans. "We're unsure if the program will continue next year. This uncertainty prevents intermediary organizations from effective planning and creates instability for the participating NPOs." (NPO)

- 2) Furthermore, funding for sector-wide capacity building initiatives, such as research on donation trends in Japan, financial analysis of CSOs, and policy recommendations related to OD, remains limited, hindering the production of comprehensive and regularly updated data.
- 3) **Diminishing opportunities for social capital formation:** While online platforms have expanded access to OD information and trainings for CSO staff, they have inadvertently limited opportunities for meaningful interaction and relationship-building among peers. Previously, in-person training programs facilitated connections and fostered a sense of community, ongoing peer support and knowledge exchange. Online training falls short in cultivating social capital, hindering collaborative problem-solving and the sharing of tacit knowledge. Self-organized communities have emerged to close this gap such as a network of approximately 400 international cooperation NGO staff¹⁶.
- 4) **Severe shortage of experienced consultants and matching difficulties:** Despite the increase in capacity-building grants that include mentorship support, the pool of qualified consultants remains limited. This results in a concentration of demand, with some consultants receiving an overwhelming number of offers, while many organizations struggle to access appropriate expertise. “Even with OD funding secured, the lack of available OD consultants poses a significant challenge for organizations.” (NPO)

The market and development of local consultancy support

Several factors impede the development of a robust OD consultant pipeline in Japan:

- 1) **Labor market structure:** The dominance of membership-based employment contracts, which prioritize long-term organizational commitment, discourages the pursuit of independent consulting careers in Japan.
- 2) **Limited training access:** Most individual capacity-building programs are designed for employees, with limited opportunities for freelance consultants to participate¹⁷.
- 3) **Freelancing of OD services:** Historically, OD services were delivered in-house, facilitating knowledge transfer through on-the-job training and mentorship. The increasing reliance on external consultants with extensive experience has created structural barriers to knowledge transfer, limiting opportunities for junior consultants to gain experience. This results in a polarized market, favoring highly experienced, expensive consultants, while those with limited experience struggle and often return to traditional employment.
- 4) **Absence of a talent bank:** The lack of a centralized platform for identifying and connecting with OD consultants forces reliance on personal networks. This creates challenges for lesser-known consultants and limits organizational options, increasing the risk of mismatches.

The limited number of OD consultants restricts networking and collective advocacy. The lack of a robust ecosystem for experienced OD consultants constitutes a significant impediment to capacity building within the Japanese CSO sector.

¹⁶ <https://n-pivo.jp/index.html>

¹⁷ The fundraising training and certification program offered by JFRA is an example of a program designed for individuals, including freelancer consultants.

- ***How is organisational development and strengthening resourced and by whom?***

The funding landscape for organizational development (OD) in Japanese Civil Society Organizations (CSOs) is evolving, with a diverse range of actors contributing to the growing support for capacity building.

- 1) **Corporate and foundation:** Both Japanese and international corporations are providing funding for OD initiatives. Japanese companies tend to favor long-term programs exceeding 10 years, while international corporations often opt for shorter commitments of one to three years. Traditional Japanese foundations primarily focus on project-based funding, whereas newer and international foundations are increasingly supporting OD initiatives.
- 2) **Government and local government units (LGUs):** Basic operational training is provided by local governments, while more specialized trainings or their funds are offered by individual ministries, such as the Ministry of Foreign Affairs for international cooperation and the Ministry of the Environment for environmental issues.
- 3) **Intermediary organizations:** While not directly securing funding, these organizations obtain resources from corporations and participation fees from NPOs to deliver OD programs. Corporate-funded programs are often provided to NPOs free of charge, but these tend to be ad hoc and lack sustainability.
- 4) **Financial institutions:** Access to bank loans, previously challenging for CSOs, has become easier in recent years.
- 5) **CSO self-funding:** While previously uncommon, self-funding of OD initiatives is becoming increasingly prevalent among NPOs.

This evolving landscape presents both opportunities and challenges. While funding sources are diversifying, the sustainability and strategic alignment of these resources remain critical considerations for the long-term development of the CSO sector in Japan.

Conclusion

The landscape for Civil Society Organizations (CSOs) in Japan has undergone a significant transformation since the "Dawn of Volunteerism" three decades ago. While CSOs have grown in size and public recognition, they now face a complex set of challenges stemming from demographic shifts, economic stagnation, and a diversification of actors engaged in social problem-solving. These challenges have precipitated a crisis of human resources, funding, and identity within the sector.

Organizational development (OD) is essential for CSOs to overcome these challenges and maintain their vital societal role. However, existing support systems often fail to adequately address critical needs such as strengthening boards of directors, integrating AI and digital technologies, and cultivating a robust pipeline of OD consultants.

The shortage of experienced OD consultants is particularly acute, hindering the growth and effectiveness of many CSOs. Addressing this necessitates revitalizing the consultant market, investing in consultant development, and promoting knowledge and expertise sharing through international collaboration.

CSOs have long been instrumental in addressing a wide range of social issues in Japan. To adapt to societal changes and evolve their roles, prioritizing organizational development and capacity building is crucial. By actively collaborating with government, businesses, and other stakeholders to create a more robust support system, CSOs can strengthen their capacity to drive social change and forge a path towards a more equitable and sustainable future.

Recommendations:

[human resources] Japan faces a severe shortage of OD (Organizational Development) consultants, excluding those specializing in fundraising. This is primarily due to the absence of programs designed to train such consultants. Therefore, global OD consultant training programs should be developed to train trainers in English. These trainers can then localize the modules for their respective markets and languages, training future OD consultants locally. This modular approach, starting with a foundational curriculum and then adapting it to the local context, will ensure relevant and effective training. Such programs could also cultivate a global network of certified OD trainers, creating a system (Talent Bank) for listing certified trainers and facilitating access to training opportunities in various countries.

[financial resources] Globally, it's recognized that restricted funding hinders CSO growth, creating a "starvation cycle." Global Research on unrestricted funding and trust-based philanthropy is needed, along with establishing a global alliance. Capacity-building training for individual organizations is insufficient without flexible funding, preventing NGOs from proactively addressing their needs. Rigid project plans based on proposals submitted months prior stifle innovation. Young staff, even when trained by OD programs, often leave due to being overwhelmed with administrative tasks. In today's rapidly changing environment, agile approaches, like those used by social businesses and impact startups, are crucial for organizational and individual growth, leading to better outcomes and attracting talent. For NGOs worldwide, securing flexible funding is the most critical survival strategy.

Annexe 1: case study

1. **Japan Fundraising Association (JFRA)** was founded in February 2009 in Tokyo and is now a leading platform to incubate and develop ecosystems to advance philanthropy and social investment in Japan. Their core activities lie in capacity building of fundraisers in Japan whose networks exceed 1,500 professionals.

With the vision of realizing "a society where donations and social investment advance," JFRA is engaged in policy advocacy and educational activities to transform Japanese society into an impact-oriented one through fundraising for non-profit organizations, as well as research and business development, to promote social impact evaluation and social impact investment. JFRA is also engaged in policy advocacy and educational activities to transform Japanese society into an impact-driven society.



2. **The Japan Climate Alliance (JCA)**, established in April 2022, is a driving force in Japan's fight against the climate crisis. The JCA supports this mission by recruiting and training professionals from diverse backgrounds, equipping them with the skills to tackle climate challenges. It then connects these individuals with organizations dedicated to climate action, fostering a powerful network of changemakers.

Central to the JCA's approach is the creation of an alliance that "discovers," "supports," and "co-creates" with individuals and organizations who are passionate about challenging the status quo. This is achieved through three impactful programs:

- **Climate Fellows Program (CFP):** Cultivates future leaders through training and mentorship.
- **Climate Organizations Support Program (COSP):** Strengthens the capacity of organizations engaged in climate action.
- **Climate Specialists Program (CSP):** Fosters collaboration and knowledge sharing among stakeholders.

By connecting talented individuals with supportive organizations and fostering a collaborative environment, the JCA is building a strong foundation for climate action in Japan.

Annexe 2: The landscape of organizational development (OD) in Japan

The Landscape of Organizational Development (OD) in Japan

