AN EVALUATION OF CAPACITY BUILDING IN BUSINESS DEVELOPMENT SERVICES FACILITATING ORGANIZATIONS IN KENYA

BY

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DECLARATION

Declaration by the Candidate

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Declaration by the Supervisors

This research thesis has been submitted for examination with our approval as the university supervisors.

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ABSTRACT

Capacity building has gained prominence in the development world with increased focus on measurable results, effectiveness and sustainability but low capacity still persist in most organizations in Kenya. The purpose of this study was to evaluate the effectiveness of capacity building in business development services (BDS) facilitating organizations in Kenya. Conducted between May and July 2012 in 40% (61) BDS facilitating organizations using descriptive research design, a sample of 183 respondents was obtained using systematic and stratified random sampling techniques. The data was collected using self-administered semi-structured questionnaire and analyzed using descriptive & inferential statistics. The study shows that capacity building has been carried out in 79% of the BDS organizations in Kenya, 30% having on going but only 25% have deliberate, stand-alone capacity building projects. Most organizations use eclectic capacity building methodologies of moderate quality of implementation but training is the most widely used method- 55%. The results show average capacity or performance in BDS organizations but with leadership, financial self-sufficiency and sustainability still performing poorly. The study confirmed that capacity building though moderately effective, improves performance in BDS facilitating organizations with the level of improvement depending on methodological, organizational and environmental factors. There was some extent improvement on efficiency, effectiveness, relevance, ownership, participation, outreach and impact variables, due to capacity building. Using regression model the researcher found that capacity building accounted 51.9% of organisation performance in Kenya. More focus should be on use systemic approach, enhancing methodology, and leadership, financial management and sustainability. Future study should assess how deep capacity building affect organization financial performance and effects of specific environmental factors.

TABLE OF CONTENTS

LIST OF ABBREVIATIONS AND ACRONYMS

ACBF	African Capacity Building Foundation
ANCBI	Arizona Nonprofit Capacity Building Initiative
BDCG	Business Development Services Donor Coordination Group
BDS	Business Development Services
BDSPs	Business Development Service Providers
CB	Capacity Building
CBO	Community Based Organization
CDASED	Committee of Donor Agencies for Small Enterprise Development
HIV/AIDS	Human Immuno Virus/ Acquired Immunodeficiency Syndrome
HR	Human Resource
GTZ	German Technical Action
ILO	International Labor Organization
IMS	Information Management System
MESP	Micro Enterprise Support Program
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization

PCA	Principal Component Analysis
SDC	Swiss Agency for Development and Cooperation
SME	Small and Medium Size Enterprises
USAID	United States Agency for International Development
UNEP-DTIE	United Nations Environmental Programme- Division of Technology Industry & Economics
UNDP	United Nations Development Program
WB	World Bank
WB-OED	World Bank- Operation Evaluation Department

OPERATIONAL DEFINITION OF TERMS

Business Development Services Facilitating Organizations

BDS facilitating organizations are organizations that support development and strengthening of BDS market and BDS providers to provide services to SME effectively. The core functions include building capacity, product development, promoting best practices, external evaluation, quality assurance and advocacy. They include industry associations, development and government agencies

Business Development Services (BDS)

BDS are defined as services that improve performance of an enterprise, its access to markets and ability to compete which include an array of services such as training, consultancy, marketing, information, infrastructure, business and financial linkage, input supply and policy

Capacity

Capacity is defined as the organizational and technical abilities, relationships, values and conditions that enable countries, organizations, groups and individuals at any level of society to carry out functions and achieve their development objectives over time. Thus capacity entails the ability of an entity to perform its mandated functions or roles efficiently and effectively

Capacity Building (CB)

Capacity building is the process that improves the ability of a person, group, organization, community, institution or system to meet its objectives or to perform better. The capacity elements include inputs (resources), processes (functions), outputs and outcomes.

Factors

In the context of this study factor refers to elements, situations/conditions, circumstances, or things that cause, influence, contribute to or brings a particular result, situation or process.

Interventions

In the context of this study intervention refers to deliberate practices, strategies, methods, processes, instruments, tools, efforts and activities carried out within the context of capacity building and geared towards improving the capacity of the targeted organization or entity.

CHAPTER ONE

1.0 INTRODUCTION

1.1 Overview

This chapter describes the background, problem, purpose, significance, scope, limitations, assumptions as well as the theoretical and conceptual framework for the study.

1.2 Background of the Study

Early development efforts in Africa mainly focused on provision of funds, material and physical support, without considering issues of appropriateness, capacity to implement and sustainability. Increasing poverty and inequality, non-sustainability of projects and dwindling donor funding has led to review of development approaches and more focus on building capacity of local institutions for effective achievement of development goals (Brown, LaFond and Macintyre, 2001; Todaro, 2003; World Bank, 2005; UNEP, 2006: World Bank, 2008; Serrat, 2009). Reforms in many countries and globalization has increased the need for capacity building for nonstate organizations as they take over some public sector functions that were originally provided by governments (World Bank, 2004; Munio, 2005; STAR- Ghana, 2011).

Capacity has been identified as the missing link in Africa's development hence current emphasis on capacity building as a critical element in sustainable development (Urban Institute, 2001; Brown et al, 2001; Wing, 2004; WB, 2005; IFCGEM, 2005; Otoo et al, 2009). In 2005, the Paris Declaration on Aid Effectiveness called for capacity development to be an explicit objective of the national development and poverty reduction strategies of partner countries.

Capacity building is often equated with strengthening the capacity of an entity to function or deliver services effectively and sustainably and to achieve a certain goal. It involves enhancing organization ability to design, implement and sustain development programs and ultimately, organization goal (UNEP-DTIE, 2006; Howard, Grimshaw, Lipson, Taylor and Wilson, 2009).

Capacity building efforts respond to a particular problem; development need, agenda, theme or sector; for example poverty alleviation, improved livelihood, environmental conservation, public health management, democracy and governance, economic liberalization and globalization and sustainability. Such efforts are normally touted in terms of development concept or macroeconomic policy, which guides funding, strategies and efforts of governments and agencies. Development efforts at local, national or international levels are premised around this overarching goal and are reflected in capacity building strategies, approaches or interventions.

This was the case for business development services (BDS) concept that gained prominence in addressing market challenges facing SMEs due to world economic policies like liberalization. Donor organizations facilitated BDS in areas widely recognized for exhibiting market failures in the absence of government intervention during the process of economic, social and democratic transition (Goldmark et al, 1997: Henriques, 1998; World Bank, 2001; Ageze 2006).

BDS are generally defined as services provided to small enterprises to address operational and strategic issues to improve performance of the enterprise, its access to markets and ability to compete (Committee of Donor Agencies for Small Enterprise Development, 2001). Because of BDS facilitation, SMEs are able to increase their knowledge and skills, adopt new technology, improve product quality, access market and finance, increase innovation & competitiveness, enhance networks, relationships, risk management, and product and service development.

BDS framework usually have small enterprises- as the BDS clients; BDS providers- provide services directly to SMEs; BDS facilitators- support BDS providers; Donors- provide funding for BDS projects; and Governments- provide funding or public goods or services, as the principal actors. Interventions at BDS facilitator's level usually aims at enhancing efficiency, effectiveness and sustainability of BDS organizations, creating enabling environment for SME and addressing policy and market failures with a view to improving or adding new services, expanding SME target groups, and establishing new organizations, networks and markets.

The facilitating organization majorly undertakes capacity building interventions to enhance the capacity of target group based on their theory of change and premise or approach. Facilitating organizations can be a member based or service delivery organizations that provide specific services to SMEs and sometimes represent their interests. Such organizations include government and development agencies, consultancy and private training institutions.

The role of capacity building in BDS organizations is to improve their ability to effectively perform their functions or achieve objectives in providing services to BDS service providers (UNDP, 2007) through application of methodologies that improves its capabilities, competencies and operating environment, capacities and standards. It creates, unleash, strengthen, adapt and maintain capacity over time hence potential for effective resource utilization and performance (Walters 2007; LaFond and Brown, 2003).

There are different types of capacity development interventions but there has been little analysis or discussion of how capacity building 'service environment' is evolving, how it may be strategically supported or about quantity or quality of local capacity developers.

Several reports indicate that the ability of the BDS facilitating organizations to perform their functions is still wanting while there is no conclusive evaluation on the effectiveness & sustainability of previous capacity building efforts or approaches (WB-OED, 2005; Connolly, 2003; Kari et al. 2008; and UNDP, 2004). Many donors significant resources have been invested in BDS programs but few can demonstrate that these have led to desired outcomes. Despite continued funding, coordination, synergies, analysis and sharing of best practices is still very weak (IC, 2003; CDASED, 1998; Bear, Gibson and Hitchins, 2003). BDS facilitator's capacity building programs are varied depending on donor, size of organization, product and services offered, processes and level of technology used, sector, community and business environment in which they operate and strategic focus of service but their efficacy in Kenya is yet to be verified.

Over the years, BDS have expanded to a wide range of innovative interventions, methodologies, services, networks, technology, infrastructure and markets with emphasis on a more client-based; demand driven, market-responsive and sustainable approach, instead of traditional, generic and supply driven programs (Esim, 2001; Henriques, 1998; Nelson, 1997; CDASED, 2001; Antoine, 2004; Sievers, Haftendorn & Bessler, 2003). The critical role played by BDS facilitating organizations in spearheading calls for urgent need to regularly evaluate their capacity.

It is therefore important to assess the status of capacity building in BDS facilitating organizations before focusing on improving performance. In Kenya there about 152 NGOs, CBOs and private consulting firms using BDS as a development approach, mainly registered under MESP. BDS facilitating organizations capacity building is mainly carried out as a component of a community development program by multinational donor programs like USAID, SIDA, CIDA, BMGF, DFID and GIZ. However there are also projects that are purely designed to build the capacity of the targeted organization and have nothing to do with a broader development programs.

1.3 Problem Statement

In development, success is measured not only in terms of impact but also the extent to which capacity of an entity is built for effectiveness and sustainability (Serrat, 2009; WB-OED, 2005; Conolly et al., 2003; Otoo et al, 2009). Like other nonstate institutions, BDS facilitating organizations in Kenya are faced with various challenges related or attributed to low capacity yet research on capacity building in BDS sector is still deficient (UNECA, 2005; Caniels & Romijn, 2005; Beyene, 2002; European Union, 2000; Ngugi, 1999; Namusonge, 1999; Nyolo 2012). The low performance of business development services facilitating organizations in Kenya is due to poor or inadequate information regarding capacity building process. The study seeks to investigate why there has been persistent low capacity of BDS facilitating organizations in Kenya despite numerous capacity development efforts and donor support by looking at its effect.

Low capacity in this case is the inability of an organization to effectively function, achieve its objective and self-renew (cope with change) overtime. Such organizations exhibit poor organization, relationship, leadership, financial, human resource management, marketing, access to resources hence low productivity (UNDP, 1997; Walter, 2007). This leads to the death of an organization, unemployment hence low income, productivity and growth of a sector or a country.

Evidence of poor organization performance and project failures or discontinuation in NGOs abound even in cases where funding included building capacity of the implementing agency (Ogiogio, 2005; World Bank, 2004; CDASED, 2001). There has been efforts on harmonization of BDS approaches at micro-level, but very little is known about whether BDS facilitating organizations in Africa have the capacity to implement the BDS concept/ models being churn out every day let alone how their capacity may influence the outcome of the models. Studies

conducted in Kenya are sector specific and restricted to market assessment or effects of specific approaches not the capacity of BDS facilitating organizations indicating lack of research (ILO, 2008; Deloitte, 2003; Deloitte et al, 2004a; Phillips et al, 2003).

It is not clear what interventions constitute, are significant or appropriate for BDS organization capacity building, with no clear framework and best practices but numerous and confusing approaches, strategies and activities (SDC, 2000; OECD, 2004; Sievers & Vandenberg, 2007). Evaluation efforts are limited to articulation of programs that have been identified as promising (Deloitte et al, 2004b) yet several capacity building approaches are emerging every day that elevates the need to identify best practices. Recent efforts have focused on identifying the current state of practices and changing context and approaches to BDS, but most BDS research have been conducted at the enterprise level, not on assessing BDS facilitating organizations, institutions or market supporting functions (Bear et al, 2003; Miehlbradt et al, 2004).

Despite increased donor focus on capacity building, there is still little consensus on its role, approaches to measure its effectiveness and the elements and level of capacity necessary for adequate performance (Connolly and York, 2011); while others confirm that little has been realized through these efforts both in terms of their impact on individual organizations and the sector applied (UNESCO, 2009). Experience in the evaluation of capacity building is relatively recent hence methodological frameworks and instruments are still not readily available, limited or in the early stages of development (ANCBI, 2002; World Bank, 2005a; Linnel, 2003).

Identification of essential factors that influence capacity is critical before any performance measurement but most scholarly work or research are not clear on these factors and with little empirical evidence on which factors are critical to BDS organizations' performance. Writers

offer varied and generalized reasons to explain causes of failures of capacity building while others provide measures and indicators, but no specific explanation on key factors of success in capacity building of BDS facilitating agencies in Kenya. Nichter and Goldmark (2009) study on factors affecting enterprise development mainly focused on small firms in developing countries while Antonio (2004) study on BDS and the Kenya informal sector mainly provides overview of BDS market; comparing old and new approaches. Martin (2003) and Connolly et al (2003) studies came closer to this but mainly focused on competency, infrastructural and management support requirements for entrepreneurs and small business support practitioners.

The BDS forum in Kenya has mainly focused on methodological and coordination issues but not on examining the capacity of BDS facilitators. Majority of donor funded BDS activities are on training, monitoring and evaluation and infrastructural support but not scientific research (Antoine, 2004; Seely, 2010). The study looked at the capacity building issues in organizations facilitating BDS in the country focusing on previous and ongoing capacity building efforts, critical success factors and their effects on the organization performance. The study answers the critical question of what is the nature of capacity of BDS facilitating organizations in Kenya. Does capacity building really improves the capacity of BDS facilitating organizations in Kenya? The study identified significant capacity building issues relating to BDS organizations performance including the methodological, organizational and environmental factors.

1.4 Research Objectives

1.4.1 Main Objective

The main objective of this study is: to evaluate capacity building in business development service facilitating organizations in Kenya.

1.4.2 Specific Objectives

1) To assess the methodologies used in capacity building of BDS facilitating organizations in Kenya.
2) To assess the organization factors that affects the effectiveness of capacity building of BDS facilitating organizations in Kenya.
3) To assess the environmental factors that affects the effectiveness of capacity building of BDS facilitating organizations in Kenya.
4) To assess the effect of capacity building on the performance of BDS facilitating organizations in Kenya.

1.5 Research Questions

1) How are the methodologies used in capacity building of BDS facilitating organizations in Kenya?
2) What are the organization factors that affect the effectiveness of capacity building of BDS facilitating organizations in Kenya?
3) What are the environmental factors that affect the effectiveness of capacity building of BDS facilitating organizations in Kenya?

4) What is the effect of capacity building on the performance of BDS facilitating organizations in Kenya?

1.6 Significance of the Study

The study sought to identify practices, resources, experiences and outcomes of capacity-building undertaken in BDS facilitating organizations in Kenya. The research yielded important lessons and best practices; pitfalls; and emerging strategies, policies, programs and approaches for institutionalizing and strengthening capacity in BDS facilitating organizations that will be used not only by NGOs in Kenya but also in other parts of the world.

To scholars it contribute to the existing scholarly forums for discussing issues and processes, sharing experiences, ideas and best practices, as well as mobilize higher levels of consciousness in capacity building. The findings will help scholars to systematically review, critique, validate and add value to the current theories, strategies, approaches and tools and instrument used in capacity building to inform/ enlighten if not re-orient organizational or institutional development interventions.

The study provide practical content and analytical rigor to issues in capacity building highlighting methodologies and best practices in the Kenyan context not only for scholarly use but also for capacity building organizations to set benchmarks, implement performance improvement plans, design performance tracking systems, support transparent assessment of performance and accountability for outcomes and results in respect of the interventions. To donors, such benchmarks will help in evaluating capacity building projects, focusing on value for their money, hence help in making critical funding decisions.

1.7 Scope of the Study

The study covered both national and local BDS facilitating organizations in Kenya working in different sectors and subscribing to SMEP Trust. The study, carried out between April and July 2012 covered both the organizations where capacity building has been carried out or on-going and where no interventions have been carried out for comparative purposes to determine the effectiveness of capacity building. Sampling was carried out using systematic and stratified sampling methods obtaining 183 key respondents – 3 in each 61 organizations in a way that ensured greater representation of the entire country. In this case BDS facilitating organizations were considered the recipients of organizational capacity building while the respondents in this survey were the members of such organizations. The unit of analysis for this study was the BDS facilitating organizations while the data collection method was self-administered questionnaire.

1.8 Limitations and Assumptions

As McGrath (1994) stated, every study has inherent limitations. This study was limited to organizations facilitating business development services in SME in Kenya only. In this case the study did not look at other aspects or actors in BDS sector. Being across-sectional study, the research was not able to capture the performance trend over time and it was difficult to tell whether the performance has diminished or improved overtime.

The study held other factors and influence constant and assumed that the performance/ effectiveness of BDS facilitating organizations was mainly due to capacity building interventions. The findings therefore are generalized to all the BDS facilitating organizations operating in Kenya based on appropriate sampling methods and procedures.

1.9 Theoretical and Conceptual Frameworks

This section outlines theoretical and conceptual frameworks used to inform and design the study. It uses systems complexity theory to establish the framework, and independent and dependent variables for the study.

1.9.1 Theoretical Framework

Theory is a supposition or system of ideas explaining something, especially one based on general principles independent of the particular things to be explained (Oxford Dictionary, 1991; Hatch, 2006). The systems theory was used to inform, guide and form the conceptual framework for the study. The theory provided the basis for understanding capacity building issues in BDS facilitating NGOs that were interrogated, validated or disputed based on the study findings.

1.9.1.1 Systems and Complexity Theories

A system is an assemblage of interrelated parts that work together by way of some driving process, usually visualized or modelled as component blocks that have connections drawn between them (Pidwirny, 2006; Wellstein, 1980). Systems usually are a generalization of reality but have boundaries and structures defined by parts and processes; dynamic; tend to function the same way and have both inputs and outputs. Equally, parts of the system have some degree of functional and structural relationship between them. Within the boundary of system there are 3 properties which determines the state of a system; element (which form parts of the system), attributes (characteristics of elements that can be perceived and measured), and relationship (association between elements and attributes). System and complexity theory presents the BDS organizations as operating in complex system of different levels, components & relationships.

Whereas the environment and society forms part of a wider/ higher level system, organization where capacity building takes place forms the lower level system, influenced and influencing a number of factors to form a complex web. Organization elements like purpose and identity, structure, systems, processes and culture form components of the system interacting with each other or playing various roles, while effectiveness, efficiency, relevance, ownership, level of participation, impact, outreach and sustainability are the attributes. Capacity building methodology is a key determinant of the relationship between the various facets or variables of the system that changes equilibrium hence performance of elements.

The systems theory is used to explain the influence of methodological, organization and environmental factors on design and result of capacity building as well as indicators/ measures of performance. In this case system's inputs are the organizational and environmental factors, interventions used in capacity building including methods, strategies, tools, techniques and the outputs being effectiveness, efficiency, ownership, participation, outreach, impact and sustainability. System model illustrates that all the interconnected parts of a BDS organization operate in balance hence capacity building should consider the wider system (Alicia, 2005).

Effective organizations operate as systems with interconnected elements: strategy; inputs or resources; performance capacity or the ability, including actions or activities implemented to advance toward outcomes; outputs or results of system performance; impact of system performance; and feedback from clients, staff, partners, community and other key stakeholders about how well the organization is achieving its desired outputs and outcomes (APHSA, 2010). Changes are more likely to be stable if they spread to adjacent or subparts of the systems hence the design and application of the tools should draw from the same principles of system thinking (Lippitt, Watson and Westley, 1958; Judd, 2005).

1.9.2 Conceptual Framework

On the basis of the systems theory, the researcher developed the following conceptual framework to guide this study. The framework present a general conceptualization of the relationship between capacity building interventions, contextual factors and effects of such interventions in BDS facilitating organizations as a system with various facets and layers/ levels, internal and external, interrelating and influencing each other. System approach provides for alignment, coordination and integration of various interventions based on both internal and external factors to the organization, with varied effects and a cyclical relationship with backward and forward linkages hence attribution of capacity building.

The critical structure and components of this relationship include; organization *(where capacity intervention takes place- considered as the focal point and which forms the unit of analysis for this study)*, factors that influence performance *(both internal and external)* and the organization performance elements and attributes. These factors influencing the choice, design, course and effect of the intervention are at three levels- environmental/ institutional, organizational and methodological. The methodological factors (also known as methodology or capacity building interventions), pre-existing organization factors and environmental factors forms part of the independent (intervening) variables while the performance elements and variables measured at organization, clients and sector level forms the dependent variables of this relationship.

Methodology which is the actual intervention include capacity building inputs, processes, types, approaches, strategies, methods, techniques, activities and resources as well as a measure of its effectiveness. Organization factors refers to the pre-existing internal factors before and during the capacity building like purpose and identity, leadership support, strategies, culture, systems,

structures and processes, infrastructure, human and financial resource and level of stakeholder participation which represent pre-existing hardware. Environmental variables include national development goals or programs, existing legal and policy framework, human capital, infrastructure, national culture, level of organization in the sector, existing standards and best practices and other socio-economic variables. The three variables relate to input or process.

The performance elements represent the cumulative effect of the interactions of the three factors, considered as output, outcome or impact of the capacity building interventions. These performance variables are mainly at the organization level and includes performance elements like leadership, financial management, human resource management, operations, information, communication and technology, culture, change management and partnership hence the focus of assessment of capacity building. Other levels of performance measurement are client and sector performance. The above indicators can be summarized under six conventional performance attributes/ measurements known as relevance, effectiveness, efficiency, ownership, participation, impact and sustainability measured at organization, individual and sector level depending on the variable. That is specific variables under the above six attributes measures organization performance relating to its element like leadership and governance, operations, structures, finance, HR, technology and partnership. Impact and outreach is part of relevance.

The above generic attribute of performance are capacity parameters that cuts across input, process, output, outcome hierarchy whether considered at organization, individual, community or program levels giving a vertical and horizontal logical relationship. That is, one looks at these attributes or degrees of measure whether looking at the capacity of the entity itself, factors affecting capacity, appropriate intervention or the effect of the intervention.

The framework has a hierarchy where the upper level components i.e. society forms contextual factors for the lower level components i.e. the organization, which forms environmental factors for an individual capacity issues. The combination of all the three is what creates long term stability and strong foundations for organization change (BCHLA, 2007). The relationship is a complex interaction of the organization, its internal components and context in which it operates, functioning as a system, categorized as either independent or dependent variables for this study.

The study has integrated M&E framework of measurement (program evaluation) into the conventional organization framework to create indicators and levels of measurement for capacity building in BDS facilitating organizations. This is in line with the fact that majority of CB are always carried out within the context of projects. A simple framework of analysis of the relationship between the independent and dependent variables is presented in the figure 1.1.

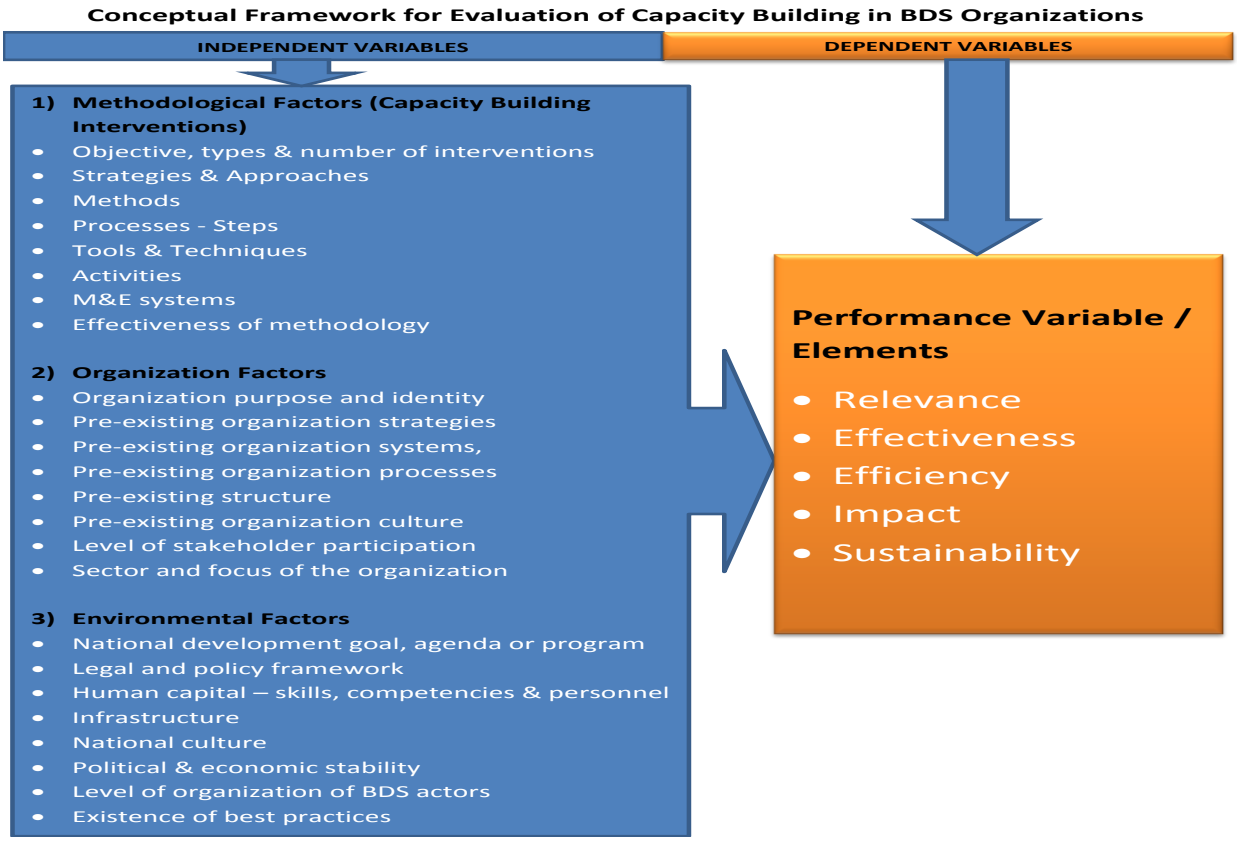

Figure 1.1: Conceptual Framework of the Study

1.9.2.1 Independent Variables

Independent variables are variables that can be manipulated by the researcher and/or causes an effect on the dependent variables (Cooper & Schindler, 2008). The key independent variables for this study are factors that influence performance of BDS organizations. They are conceptualized broadly as variables that create the need/ form the basis/ premise for capacity building in a given entity - value/ normative factors; and variables that influence or constrain approaches and resources employed hence the outcome of the interventions, as well as the methods that constitute the interventions - instrumental/ dynamics factors. They are further categorized as methodological, organizational and environmental factors.

1.9.2.1.3 Methodological Factors - Capacity Building Interventions

Methodological determinants refers to capacity building intervention itself; the objective of intervention, existing types of interventions, strategies, approaches, methods, process, tools, techniques and activities; existing human capacity to implement; level of innovation; and methods of benchmarking and measuring success. The effectiveness of the methodology used is also a key variable that effect performs.

Methodology used in capacity building is like the direct treatment that determines how the organization elements of BDS organizations perform. There are several types of interventions carried out at organization depending on capacity needs, types, part targeted and structures of organizations as well as number, region and communities they serve. Examples of interventions include training, technological support, management consultations, financing, performance management, action research, resource mobilization, product development, partnership building, or organization learning. This can be done through coaching, mentoring, exposure or linkages.

1.9.2.1.1 Environmental/ Institutional Factors

Environmental factors are external factors and are very critical in capacity building in as much as the intervention may not have much control on them. Some environment factors are actually intervening variables. These include social, cultural, economic, political and ecological context within which the organization exist including national politics and development agenda/goal; donor and government policy or strategic response to specific development agenda or sector in form of funding, projects and infrastructure; existing human capital, inputs, processes, activities, standards and best practices. This study is restricted to country and sectoral level factors.

1.9.2.1.2 Organizational Factors

These are the pre-existing conditions within the organization that constrain or support capacity building hence influence its effects. They include existing organization purpose, leadership, structures, systems, processes, culture, practices, staffing, resources, relationship, technology and infrastructure before and during capacity building intervention. For example management support, adequacy of funding and organization value system affects for capacity building.

It should be noted that at times it's difficult to distinguish and isolate which factors create the needs, influence the approach or outcome as they can do all. For instant the performance of NGOs on policy advocacy, awareness creation, training, service provision and structural support also changes their context and national outlook in the long run. This changes the context in which the capacity building is implemented and prepares the NGOs for unique response to subsequent interventions and unfolding scenarios with different results. The number and unity of NGOs, the level of influence on culture are issues that play to change environmental factors that inhibit or strengthen capacity building in a country.

1.9.2.2 Dependent Variables

Dependent variable refers to variables that are measured, predicted or otherwise monitored and is expected to be affected by the manipulation of the independent variable (Cooper et al, 2008).

The dependent variable for this study is the performance of the BDS facilitating organizations. Organization performance is based on conventional elements like purpose and identity, governance, operations & human resource management, finance, partnership, infrastructure and adaptation. Additional performance indicators relating to BDS clients and sector are included to assess the impact on the sector and sustainability of these changes. Thus, the level of service provision, client satisfaction, influence on government policies, partnerships among civil societies and achievement goal, also forms part of performance due effect of interaction between BDS organizations and environment. The extent of performance of the elements is measured in terms of effectiveness, efficiency, relevance, ownership, impact, sustainability and outreach.

The theoretical and conceptual framework illustrates the relationship between the contextual factors, capacity interventions and performance and established methodology for organization capacity assessment. It helps establish the scope, appropriate capacity elements, measures, methods, tools, techniques and resources for identification, measuring and critical analysis and attribution of performance to the identified capacity interventions.

The study framework uses input-process and output-outcome model to disaggregate independent and dependent variables respectively. Input represent the resource (human, financial, material and technological) required to produce capacity related outputs and outcomes; processes denote the functions that transform resources to capacity outputs and outcomes. Some aspects of input and process also form part of capacity building methodology or intervention.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Overview

The purpose of this section was to review the current knowledge and experiences on capacity building in BDS facilitating organizations. The literature review focused on four specific areas of study namely the contemporary capacity building methodology/ interventions; organization; and environmental factors that affect interventions; and measures and effects of capacity building. In the review the researcher presented previous studies conducted in the area of capacity building highlighting the key findings, context and theories that guided such studies as well as the gaps, which formed the basis of the design, methods, procedures, techniques and tools in this study.

The literature sources include published journals, books, topical documents by development agencies and unpublished work that gives both theoretical and practical perspective and the need for the study hence informed the theoretical and conceptual framework, methodology and interpretation of study findings.

2.2 Capacity Building Methodologies in Organizations – Current Methodologies

This section discusses the definition, interventions, practices, tools and techniques and resources used in capacity building from literature sources; identifying the historical and current perspectives and best practices that provided the logical premise for the study. It therefore presents the methodological factors that affects capacity building in BDS organizations relating to strategies, approaches, methods, processes, activities and M&E practices.

2.2.1 Definition of Capacity Building Concept

In order to measure capacity, it's important to have a clear definition of the concept, identify determinant and elements of capacity itself and specify framework that link capacity to improved performance. There are several definitions of capacity building depending of the context, organization, interventions or sector involved (Taylor and Clarke, 2008). In a broad sense capacity building comes from the word capacity which refers to the *organizational and technical abilities, relationships and values* that enable countries, organizations, groups or individuals to carry out functions and achieve their objectives efficiently and effectively over time.

Goodman et al. (1998) defines capacity as characteristics that affect ability to identify, mobilize and address social and public problems with key dimensions as leadership, participation, skills, resources, social and organizational networks, sense of belonging, power, values and critical reflection. Lipson et al (2006) distill five core capacities in terms of capability to act, generate results, relate, adapt and self-renew and achieve coherence. McKinsey & Company (2001) sees capacity in organizations along seven key elements of aspirations, strategies, organizational skills, human resources, systems and infrastructure, organizational structure and culture.

Likewise, definition of the term capacity building varies from very general statements to more specific description of one or two activities depending on whether it's focused to an individual, organization or community, each reflecting a particular orientation or bias. UNDP (1997) defines capacity building as the process of enhancing capabilities in individuals, groups, institutions, organizations and societies at local, national and international level to more effectively prepare for and respond to crisis or meet goals in a sustainable manner. According to UNDP (2006), 'Capacity Building (Development) entails sustainable creation, utilization and retention of the

abilities of individuals, institutions and societies to perform functions, solve problems, set and achieve objectives, in order to reduce poverty, enhance self-reliance and improve people's lives'. Serrat (2009) and Lipson et al (2006) defines capacity building as a process where by people, organizations or society unleashes, strengthen, create, adapt and maintain capacity over time.

In many literature sources organization capacity building is conceived as similar or associated with a number of concepts including organizational development; organizational effectiveness; organizational performance management; reflective practice; learning organizations and continuous quality improvement; sustainable development and management support (INTRAC, 1998a; INTRAC, 1998b; Brown 2001; BCHLA, 2007; ANCBI, 2002; McNamara, 2006; Schon, 1983; Senge, 1990; UNDP/GEF, 2003). Nevertheless there are certain inherent principles and characteristics in all the definitions of capacity building as a concept.

According to Brown et al (2001); Bolger, (2000); and UNESCO (2005) capacity building is both a process and an outcome whose characteristics and principles are that: it's multidimensional, dynamic and continuous process linked to performance; it develops in stages and required at four levels - system/ institutional, organization, personnel and community; it's planned and time-bound intervention geared towards improving performance or meeting certain objectives; it's an internal process, which may be enhanced or accelerated by an outside entity to improve individual, organization or institution's abilities; uses different and holistic approaches; involve all stakeholders depending on context & objectives; long term investment built on local capacity.

Interpretation of various literature sources indicates a loose definition to the concept of capacity building. This lack of tight definition, however according to Lipson et al (2006) gives rise to competing agendas and divergent interpretations of success.

2.2.2 Capacity Building Methodologies - Strategies, Approaches, Methods and Activities.

It should be noted that the way one define capacity building determines the interventions hence indicators used in the process. If it is defined broadly to consist of any intervention / process that enhance performance or solve a development problem, then even process improvement exercise qualifies as a capacity-building intervention (Ogiogio, 2005). In this study capacity building interventions refers to strategies, approaches, processes, tools and activities used by various development agencies as well as the focus, intensions and dimensions of such interventions.

These methodological variables relates to design, inputs, structures, approach, methods, process and how they influence outputs and outcomes. Input factors include availability and adequacy of financial, physical and human resources such as funds, personnel, space, policy orientation, program services, technology and raw materials at different capacity levels (Brown, et al, 2001). Process and method factors relates to capacity building design/ plan, method of delivery and set of activities or functions by which the resources are utilized to achieve expected results.

Most literatures are not clear and have overlaps on what constitute capacity building interventions; approaches, strategies, process, dimensions, components or activities. In this regard what constitute capacity building is based on original intension or whether it's deliberate. Equally the focus, functions, strategies and activities of capacity building are varied and sometimes confusing (Uneca, 2005; APHSA, 2010; Otoo et al, 2009). The distinction between strategy and activity are sometimes not clear and /or overlaps but cutting across all capacity building are strategies that include financial support, infrastructural and technical support, education and training, performance management, action research, organization and leadership development, partnership development and policy development and advocacy.

From the literature sources, capacity building approaches are varied and unique to particular field, sector or even organization. For example, APHSA (2010) uses Define, Assess, Plan, Implement and Monitor; Pyramid of influence and Markers of Effectiveness approaches. The pyramid of influence model identifies four major areas of organizational work and support functions that strategically add value to the larger organization: Operations, Key Processes, Structure and Culture, and Strategy. The following elements of markers are necessary to perform support functions effectively hence capacity building responsibilities: skill development, strategic alignment, product and services, engagement skills and monitoring effectiveness.

Brown et al, (2003) outlines capacity building approaches in two categories; input and process at individual, organization and community/ institutional levels. As a process, Ogiogio (2005) and Otoo et al (2009) defines capacity building as a process which starts with identification and assessment of a capacity building idea, design that idea into a project, implement its activities, monitor and deliver outputs, products or services to generate outcomes/results and impact as well as completes and evaluates the project. As UNDP puts it, the key process of capacity building include awareness raising; skills & knowledge audit; capacity building plan; developing and implementing strategies and work plans; and monitoring and evaluation. The underlying feature here is that it is deliberate, systematic and objective.

In terms of methods, the common capacity building methods include training, technical support, financing, information provision, consultation, study tours, ICT support, peer to peer learning, on the job trainings, coaching, mentoring, lobbying and linkages (Pawson, 2006; Intrac, 2011a).

Specific activities include developing technical expertise, staff training, developing communication networks for information exchange and experiential learning, performance

evaluation, professional networking and linkages, exchange visit and peer review and support, strategic planning, building appropriate institutional support structures, knowledge and resource development, organizational consultation, team development, mentoring, fundraising, strengthening policy analysis, advocacy, gender analysis, fiscal support, ICT support, legal support, quality assurance and skills and knowledge audit (Maclean et al., 2003; Ebbesen et al., 2004; Keiffer et al 2004; Intrac, 2011a; Intrac,2011b; CIIR, 2005: Uneca, 2005; APHSA, 2010).

2.2.3 Capacity Building Interventions (in Business Development Organizations)

Business Development Services - BDS - is a development approach that refers to services that improve the performance of the enterprise, its access to markets and ability to compete, and includes an array of business services, which are strategic and operational, and are designed to serve individual businesses, as opposed to the larger business community (CDASED, 2001). BDS programs can be categorized based on the types, sector, scope, level and strategic focus of services offered (Esim, 2001).

In terms of sectoral concentration, BDS can be sub-sectoral, sectoral and multi-sectoral. In terms of scope BDS can be minimalist with a single intervention or a package with different interventions. In terms of strategic approach BDS can be focused on income generation or enterprise development, employment creation, livelihoods improvement and natural resource management among others. The levels of service or interventions are enterprise/ micro level, intermediate/meso level and macro level. The focus of this study is at the meso level, where BDS programs involve building or strengthening capabilities of intermediary institutions - BDS Facilitating organization to be able to support BDS providers.

ANCBI, (2002); SEEP, (2005); and Baristic, (2004) in their analysis of interventions used by a number of development agencies argues that different organizations use different models in BDS capacity building including market access support, input supply, training, technical assistance, policy and advocacy, information provision/ support, infrastructure, technology, technology development and transfer, product and service development, partnership and collaboration, business linkages- outsourcing, franchise and business clusters, public awareness, incubation, funding and resource development and setting up accountability & standards of excellence.

However, it's not clear what interventions apply or are appropriate to what level of BDS capacity building. CDASED (1998) and UNDP (2004) are more specific on facilitation activities such as assessing demand, products and services development, training suppliers and SMEs, impact evaluation, promoting good practice, quality assurance, advocacy and improving information environment but not on the capacity building interventions in BDS facilitating organizations.

2.2.4 Methodological Factors in Capacity Building

Development agencies have focused on facilitation for a couple of years with the aim of strengthening the local BDS facilitators' capacity to implement projects that enhance BDS services for SMEs. Specific components of capacity building programs inevitably vary according to context, scope, scale and time including nature and duration of the project and pre-existing skill base of BDS the staff and partnership members (Baristic, 2004).

The appropriateness of the methodology or intervention depends on the type, goal and problem of the organization and the environment. Interventions that build upon existing capacity are more likely to have positive outcomes than those adopted in a traditional top down manner (Smith et al., 2001; Minkler et al., 2001; Goodman et al., 1998). According to Ogiogio (2005) a high utility

intervention (relevance and utilization-value) may be delivered inefficiently hence limit the extent the resource could close a capacity gap or rehabilitate capacity deficiency. According to Pawson (2006) capacity building methods need to recognize that expert knowledge, skills with the conceptual and sensory information that helps individuals make sense of things are applied in context and on a continuous basis, where each application also modifies the context for action.

Setting clear capacity building goals is important as it defines the scope, focus and monitoring and evaluation system. Because the conditions and needs often vary, approaches used should be objective; contextualized; planned; learning & assessment based; comprehensive, customized, integrated, competence-based, timely, flexible, participatory, sustainable; leverage existing networks, opportunities and resources; consider history & risk reduction; and can be evaluated (BCHLA, 2009; Serrat, 2009; BCHLA, 2007; Linnel, 2003; ANCBI, 2002). A one-size-fits-all model is likely to yield inappropriate or ineffectual results in many situations (Walter, 1997).

Ogiogio (2005); Uneca (2005); GEF (2003); and BCHLA (2006) enumerates methodological determinants of success in capacity building as needs assessment process that identify felt needs; quality of project design that is holistic, dynamic, sustainable and promote partnerships, and learning; stakeholder participation through needs assessment, feedback and material contribution; combine program, process and product based approaches; promote access to relevant information, knowledge and open communication; promote product development, diversification and leadership development; respond to scientific, technological and political changes; based on skills and experience, evidence and best practices; complimentary to ongoing initiatives; within available resources and with effective supervision. The study by Serrat (2009) shows that even though organizations may have no direct control over some risks, proper diagnosis and design can help identify and formulate mechanisms to mitigate such risks.

Capacity building strategies should go beyond beneficiary mobilization or motivation and actively engage beneficiaries in a more open planning process, where organization members determine their needs; facilitate their contributions and transfer ownership; strengthens the role of facilitators; and maintain close contacts with the community in order to be successful and sustainable (Walter, 1997; Smith et al., 2001; Brown et al., 2001; Dressendorfer, et al., 2005). Participation in this case can take many forms from provision of information, management committees, lobbying and materials to labour contributions.

Successful capacity building requires alignment with the internal functions, policy, strategies and budget; supervision of internal facilitators; on-line resources; knowledge management programs and processes; broader participation; network for sharing best practices; sustainability plan; top leadership support; ongoing support and continuous improvement efforts (APHSA, 2010). Another critical factor to capacity building is an effective monitoring and evaluation system - guiding principles and mechanisms; research and knowledge transfer; ongoing monitoring by and communication from key stakeholders; well-defined measures of success and M & E work plan (BCHLA, 2007; APHSA, 2010). With increasingly complex challenges and limited resources and feedback, M & E is essential to maximize impact of development (Serrat, 2009).

Asian Development Bank identified proper risk identification and mitigation strategies, phased approach, pre-condition for best practices, doing less but doing it well and developing simple knowledge management tools as critical methodological success factors (Serrat, 2009). In their study on competency requirements for practitioners, Nieman & Pretorius (2003) suggested that attention should be given to the nature of BDS provided and the type, focus and target of the intervention itself. According to Wing (2004) capacity building must focus on both the people and systems for it to succeed. For example, Activities that focus only on training or creating

shared experiences among members of a team (e.g., strategic planning, board development) lose their effectiveness when turnover yields a team with a critical mass of members who did not share that wonderful experience a few years ago.

Whatever capacity building might be, it cannot be the same in such diverse kind of organizations (Wing, 2004). Without concrete study, it's difficult to identify the best approaches. Even those who are convinced that capacity building enhances organizational success have good reason to ask which approaches, strategies or methods yield the greatest benefits, given the vast array of approaches and methods now in use (Light, Hubbard and Kibbe, 2004).

A number of issues can be deciphered from the literature. There is no clear information on appropriate interventions for BDS facilitating organizations. Literature only gives generalized methodologies/considerations & not which specific attributes significantly improve performance. Goldman et al (1998); Ebbesen et al., (2004); and APHSA (2010) looks at capacity building in terms of dimensions; at community level; and/or health and communication sectors but not in BDS facilitating organizations. World Bank, (2005b) study on capacity building focused at programs and national level and not sector specific. Esim (2001); and CDASED (1998) have dwelt on the levels and types of interventions in BDS facilitating organizations but no research findings is available on the appropriateness, success or in how many organizations in Kenya.

Equally, limited effort is devoted to deriving lessons along sectors; tool and instruments not fully utilized; quality assurance inadequate while efforts are not routinely tracked and evaluated. Scholars have mentioned varied interventions but none has been tested for relevance and effectiveness. The question that still stands out is what are the most appropriate capacity building interventions and best practices for BDS facilitating organizations.

2.3 Organizational Factors Affecting Capacity Building

This dimension focuses on the existing structures, processes, systems and inputs that enable specific organizations to function optimally, achieve its objectives and adapt to changing circumstances, (Brown et al, 2001). These variables, also consider essential capacity elements, include leadership and governance; existing management systems – financial, human resources, strategic, operations, information and communication systems; and technology.

Success of capacity building in an organization depends on the nature, focus and stage of development of the organization; performance goals set before the start of the capacity building; organization mission, leadership and structure; finances and financial management and quality assurance practices; supplies; infrastructure; existence of research and evaluation; level of coordination; effectiveness of resource and community mobilization; information, education and communication; human resource and management practices; and history and culture. Human resource factors include the number and competencies of people available or working for the organization and how they can be used to enhance performance; and staff motivation.

According to Khan et al. (2005); PSTC (2008); and RHRU (2003) some of the factors that make capacity building interventions to fail in an organization include lack of top level managerial support, administrative limitations that prevent institutionalization, staff turnover and inadequate technical and financial support and coordination of efforts. Keiffer (2004) noted that to be effective and sustainable, interventions must be targeted to the stage of community readiness and capacity to change. These factors apply to the entire organization or at individual level and influence the capacity building approach and design as well as implementation. The literature however, fails to indicate which organization factors most greatly affect capacity building results

2.4 Environmental and Institutional Factors Affecting Capacity Building

Capacity building interventions occur in a context composed of organizations, individuals, communities and government; performing various functions and influenced by several factors hence operates as a system all contributing to the capacity and performance of this entity. BDS consist of a range of services (Esim, 2001) carried out in organization as a system with internal components and interacting with the outside world with inherent factors that reinforce or negates the intensions hence the overall outcome of capacity building.

According to BCHLA (2007) measurement of capacity includes conceptualization of capacity as well as efforts to build capacity, which include considerations on context, approaches and guiding principles and mechanisms for monitoring, evaluation, research and knowledge transfer. To Serrat (2005) an organization's effectiveness can be measured in terms capabilities, (ability for/ to manage) endogenous change and adaptation and performance. A study by ADB on the effectiveness of its capacity development assistance classified these factors as positive &negative and into four categories as design and quality-at-entry factors within or outside donor's control; and implementation factors within or beyond donor's control. Those outside control (external) act as incentives (opportunities) or risks (constraints) for capacity development (Serrat, 2009).

Environmental factors determine the entity's activities; contribute to and influence service delivery and practices that positively or negative influence intervention outcomes (Bolger, 2000). Because of contextual factors, the maximum level of performance that can be attained in any one entity varies. These factors, categorized into social, economic, cultural, political and ecological factors, reflected at international, national, sectoral, institutional, community and individual - meso, macro and micro levels, forms the inputs for the organization factors and interventions.

Meso and Macro level factors include unique characteristics and requirements of each region; organization, operations and coordination structures; legal, regulatory, institutional and policy framework; development priorities; sector strategy and plan; funds availability, mobilization and allocation; financial and human resource management practices; multi-sectoral and inter-organizational collaborations; infrastructure including information and communication systems; history and culture - values and citizen participation; leadership, level of political and press freedom; and economic stability of a country (Brown et al, 2001; BCHLA, 2007; Bolger, 2000).

At individual levels the factors includes literacy levels, income, gender, issues of accessibility, perception of needs and risks and past experiences. Social learning or cognitive theory, proposes that behavior change is affected by environmental influences, personal factors and attributes of the behavior itself (Alicia, 2005). All people's attitude, values and frame of reference are influenced by environment.

As Esim (2001) puts it, BDS programs should be consistent with the overarching goals and the framework proposed by governments and international community, where these make sense, to enable projects to contribute to the attainment of the SME strategy, share good practice, influence government policy and benefit from international, national, regional and local funding, thus enhancing sustainability. Aside from gaining useful inputs this is essential in maximizing dissemination of project experience and influencing policy.

Capacity building also requires major stakeholders in a particular sector who raise issues, debate and create public awareness on the sector (Uneca, 2005). It would be interesting to assess how the MESP secretariat and BDS sector have evolved in terms of policy formulation & articulation and how these affect the effectiveness of capacity building.

According to Otoo et al (2009) commitment of leaders to the development goal, compatibility of the goal with social norms and values, accountability of public service providers and transparency of information to stakeholders about the development goal are critical factors in capacity building.

The importance of contextual factors are emphasized by World Bank (2005b) who reckoned the need to customize capacity building approaches due to variation of sectoral challenges. The influence of these factors is crucial to the performance of capacity building yet they are difficult to control.

From the literature review, no study has identified the most significant environmental factors or the extent to which specific factors affects capacity building hence performance of BDS facilitating organizations in Kenya. Nitcher and Golmark (2009) study identified individual, organizational and environmental factors that influence an organization's growth but the study was focused on small firms in developing countries not BDS facilitating organizations. Kari A. H et al (2008) study shows the critical role played by environmental factors in capacity building but mainly focus on the HIV & AIDS NGOs in Southern Africa in General. Esim (2001) and Brown et al, (2001) have highlighted these factors but gives no empirical information on which factors are the most critical and the magnitude of their influence in facilitating organizations.

The study will focus on factors relevant and open to influence by key stakeholders in the BDS sector including donors, governments, development agencies and individuals through explicit, implicit and dynamic approaches to capacity building. The study will try to identify which of these factors most significant influence capacity building.

2.5 Effects of Capacity Building Interventions in Organizations

The question of how to measure effectiveness of capacity building is difficult because different perspectives offer different and sometimes conflicting approaches like in the case of consulting versus evaluation perspectives (Wing, 2004). Evaluation perspective focus on methodology and causal attribution while consulting perspective, often influential in the design and operation of capacity building programs, focus on practical use of information to improve performance.

This section of the literature review highlights common approaches, indicators and levels of measurement applicable in evaluating the effectiveness of BDS capacity building as cited by various capacity building practitioners, researchers and documents. The performance considered as the dependent variable is presented in terms of measures of the effectiveness of methodology, organization performance attributes, and attribution of capacity building on the said indicators.

2.3.1 Approaches and Methods for Measuring Effectiveness of Capacity Building in Organizations

Since the term capacity building is so diverse, varying approaches, indicators and tools are used to measure the effectiveness of the intervention and organization capacity each with varying degree of success and challenges. Nonetheless, sound and positive evaluation is still critical in order to justify the continuation of capacity building support in nonprofits. As UNESCO (2009) puts it evaluation of capacity building should be more on what is worth measuring than about what can be measured simply by applying comprehensive measuring tools and indicators. Connolly & York (2011) posit that capacity building evaluation varies with organization depending on objective, resources and interventions but one can still use standardized measures that fit diverse opinions and experiences into predetermined responses categories.

Where it's not easy to assess direct effect, the real value of capacity building intervention in can be proxied by the foregoing factors or indicators represented empirically or through citation, case studies and attribution; or by combining program and organization assessment variables and tools. Due to long term experience and lessons learnt overtime, consensus on good practices in capacity building has emerged (Lipson et al, 2006).

A number of professionals have put a strong case for result based, participatory monitoring and evaluation and organization development framework not only for development projects but also for BDS activities (Kusek and Rist, 2004; UNDP Handbook, 2002; Oldsman and Hallberg, 2001; Otoo et al, 2009). These conventional frameworks and indicators provides credible variables and tools for assessing the effectiveness of capacity building in BDS facilitating organizations presented along effort (inputs & activity), effects (outputs) and impact (objective) logic. The attributes of the above logic includes relevance, efficiency, effectiveness, ownership, impact, and sustainability applied across irrespective of type, time and stage of project, intervention or entity.

Approaches used in assessing the capacity building efforts in organizations are varied depending on the context, sector, development goal, type, mission and objective of the organization, and the type of intervention used (Morgan, 1997). As Catholic Institute for International Relations (CIIR), (2005) posit the ingredients of organizational effectiveness are not easy to unravel: different authors advocate different recipes for success. The methods, tools and techniques used to assess the effects of capacity building are numerous from surveys, desk research / reviews, case studies; focused group discussions, self-assessment techniques, interviews and direct observation while the data collection instruments include interview and observation schedules and questionnaire depending on the organization element targeted or information required.

Examples of institutional and program assessment tools used in capacity assessment include Program Sustainability Index (PSI), Outcome Sustainable Index (OSI), Market Assessment Tools, PEST, Results Framework and Logframe while Organization Capacity Assessment Tool (OCAT) includes SWOT, Management and Organizational Sustainability Tool (MOST), Organizational Continuous Improvement Assessment (OCIA) Tool, Discussion-Oriented Organizational Self-Assessment (DOSA), Organization Performance Index (OPI) tool, each with different emphasis. DfID (2003) outline 5 different frameworks for organization assessment as open systems model, 7-S, SWOT, Organization element model and problem tree analysis.

As APHSA (2010) puts it, most tools are designed to help the organization gain a clear view of itself through systematic review of the organizational system and its functioning to achieve its goals. The tasks include assessing current state, desired state, critical gaps, root causes of the gaps and key strategies and priorities for addressing those root causes to improve organizational performance. The above tools are packages which include a variety of data collection and analysis methods & techniques including surveys, beneficiary assessment, rapid appraisals and focused group interviews (Otoo et al, 2009). Closer look at approaches, tools and methods show that they focus on certain organization elements (Capacity for Disaster Reduction Initiative, 2008; McKinsey, 2001; Root Change, 2009; UNDP, 2006b; Catholic Relief Services, 2011).

Literature sources are inadequate in showing the level of use, appropriateness or results of these approaches in BDS organizations. From a general perspective, Connolly & York, (2003) posit that specific nature of the demand, quality and value of capacity building services and the health of organizations that provide these assistances are not clear even though there is a general agreement that it improves performance. Bundick (2001) observes that there exist the challenges of complexity and formal causation in measuring BDS market development.

Recommendations made in relation to the evaluation of BDS activities by Oldsman & Hallberg (2001) such as the need for clarification of targets and underlying program logic; planning for evaluation at the inception of the project; establishment of baseline data and project records; building valid comparisons into the analysis (benchmarking); use of multiple methods to cross-reference analysis and committing the requisite resources for evaluation are more of a process outline but information on the success elements, use, appropriateness or practicality is limited.

2.3.2 Performance Indicators for Capacity Building

Assessing capacity building requires standard units, especially where direct measurement require a measure of ability, to avoid making human judgment; which is normative, depends on the organization, type of intervention and intended outcomes (Wing, 2004). Performance measurements can be in two dimensions focusing on various attributes or elements. *Entity dimension*- individual, organization, community or institution; or *program dimension*- objective/ impact, output and input (UNDG, 2008; UNDP, 2002). Likewise performance can be measured at the methodology level (effectiveness of methodology) or the actual performance of the entity.

In terms of assessing the effectiveness of methodology, the assessment can focus on effectiveness of intervention strategy; accessibility to cutting-edge information and knowledge in the areas of its operation; response time relative to performance benchmark and quality of output; availability and rate of disbursement of project resources; quality and level of utilization of capacity built- measured by relevance of present work to acquired capacity (Ogiogio, 2005).

The general rule about measuring effectiveness of capacity building in organizations would thus be to assess improvement in the aspect of organizational performance known as performance elements or attributes.

2.3.2.1 Organization Level Indicators of Performance

Though the level of application differs, the focus, unit, basis or key point of measurement is always the organization level. Brown (2001) gives good examples of the three levels of performance indicators but without information on how organizations are performing on these.

Capacity building at organization focuses on its performance, functional capacity, change adaptation and relationships (UNDP/GEF, 2003). In this regard performance improvement focus on these core elements: organization vision - purpose, identity, leadership and governance; organization structure; processes & systems - operations, strategies, skills, infrastructure and technical capacity, financial management and accountability; human resource; culture; management of change, challenges & thematic issues; communication and policy development (CIIR, 2005; Linnel, 2003: McKinsey, 2001).

Output indicators under the above organization performance elements include existence of strategic and operational planning system; functional management and financial system including clearly defined organizational structure, competent staff, ICT system, infrastructure, service delivery systems, regular education and community mobilization activities.

This results into outcome indicators like capacity to predict and cope with change; responsiveness to clients; community involvement; effective quality control and service delivery; service or product cost effectiveness; existence of code of conduct to enhance good governance; increased accountability and transparency; effective communication- documentation and sharing of best practices; strong external linkages - networking, coordination, cooperation; financial sufficiency; efficient and appropriate resource mobilization and allocation; and audited accounts with funding and programs performance clearly indicated (Uneca, 2005; Brown, 2001).

2.3.2.2 Individual Level Indicators of Performance

Individual level indicators focus on organization members and are as varied as the organizations; project; individual needs. However some common indicators that cut across all capacity building interventions include level of participation; level of utilization of services; compliance with policies, rules and regulations; and behavior change- values, attitude, knowledge and skills.

2.3.2.3 Community and Institutional Level Indicators of Performance

Increased capacity hence performance of an organization over time increases the overall capacity and sustainability of the entire community, hence impact of intervention beyond organization. The organizations contribute to the community capacity through interaction with beneficiaries, donors, competitors, collaborators and government. According to Brown (2001) institutional and community level measures of performance include existence of effective policies, regulations and sector strategy; formal and informal partnerships; increased local financing and public engagement in coordinated philanthropic activities, availability of personnel with capacity building competencies, donor coordination, timely analysis and dissemination of relevant information to stakeholders. These features are a factor of interaction between BDS organizations and the environment.

The highest level of capacity measurement is whether the BDS organizations have the capacity to realize the overarching development goal, theme, agenda or policy, on which the said capacity building effort is premised. According to Bundick (2001), the overall goal of BDS market development efforts is creation, development & continued evolution of a functional BDS market.

As mentioned earlier the second dimension focuses on intervention logic or objective hierarchy of capacity building project or program (that is, the intervention itself). In this case performance measures are derived with respect to project inputs, processes/ activities, outputs and outcomes/results (Ogiogio, 2005; Linnel, 2003).

Input refers to the financial, human, technical and material resources necessary to produce the intended outputs of a project (IFAD, 2002). Activities are actions, work or tasks performed to produce specific outputs using inputs. Outputs refer to short term results expected to occur as a direct result of the capacity building interventions hence include the extent to which the interventions addressed capacity needs. Outcome or impact on the other hand is the long term effect achieved through improved performance of the organization or system or changes that occur as a result of the outputs and the extent to which they contribute towards the project purpose and influence environmental factors, which is a measure of methodological effectiveness

Program dimension is usually categorized into formative, process and summative evaluation. Standard process indicators include research, monitoring and evaluation practices; level of coordination; resource and community mobilization; partnerships; and HR management.

A set of fundamentals around which performance can be measured include the generic attributes that cuts across the three levels of performance measurement irrespective of the activity, project, entity or sector (IFAD, 2002; Kuzek and Rist 2004; UNDP, 2002; Ogiogio, 2005; Mc Vay, 1999a; Mc Vay, 1999b; Mc Vay, 2000). The three levels of performance can be collapsed into eight key performance attributes common in monitoring and evaluation scenario like relevance, effectiveness, efficiency, ownership, impact, sustainability, scale and outreach to aid conclusion and attribution of the effectiveness of capacity building in BDS facilitating organizations.

2.3.3 Generic Indicators of Performance Measurements – Attributes of performance

This section of literature review will focus in detail on the above attributes of performance indicators. As mentioned, between the quality of methodology and organization performance dimension, there are eight key measures namely: relevance, effectiveness, efficiency, ownership, participation, impact, sustainability and outreach that every other evaluation tends to measure.

Relevance refers to the appropriateness, depth, quality and utility of an intervention relative to capacity needs it is expected to address. Intervention strategy, design and instruments must be relevant to have the desired impact. Ogiogio (2005) enumerate factors that influence relevance of capacity interventions as the type and proportion of core and potential stakeholders during capacity needs assessment; the quality of beneficiary consultation, shown by the degree of representativeness or appropriateness of the sampled population; the dynamism of capacity needs to be addressed - appropriateness, flexibility and adaptability of the intervention strategy, approaches and instruments, and the design of intervention; the extent of utilization of the products and services by the organization/ beneficiaries; and the extent to which the organization is consulted by stakeholders for expert opinion on policies, programs and development issues.

Effectiveness is the extent to which the development intervention's objectives were or are expected to be achieved, taking into account their relative importance (Mackay, 2007). Grantmakers for Effective Organizations (2003) has developed a working definition of organizational effectiveness: *"The ability of an organization to fulfil its mission through a blend of sound management, strong governance, and a persistent rededication to achieving results."* Capacity building intervention is perceived to be effective if it contributes to performance or

meet a number of conditions, which relate to inputs requirement, strategy, cost-effectiveness of the process, quantity of output, as well as expected outcome, impact and sustainability.

Essentially, therefore, the variance between targets and out-turns in terms of input, process, output, and outcome approximates the level of effectiveness of an intervention. The smaller the variance, the more effective is the intervention and vice versa. A good capacity building intervention is one that achieves high utility and effectiveness, where utility is the rate of return on investment while effectiveness is the efficiency of resource utilization and the extent to which the problem is being addressed by the strategy instrument or the products and service produced.

Efficiency means increasing output without a corresponding increase in cost or loss in quality **Or** Delivering an existing level of output at a declining cost of production while at least still maintaining quality level. According to Mackay (2007) efficiency is a measure of how inputs are converted to results. Essentially efficiency is measured at two levels - resource and strategy efficiency - which include material/ funds, expertise and time resources and opportunity cost.

Thus efficiency can be measured in terms of financial resource utilization, time management, use of human resources, delivery of services, as well as in the capturing and use of new information and knowledge. One measures efficiency by looking at speed of access to information, response or decision making, and appropriateness of intervention strategy, production system and choice of instruments and quality of output. A fair measure of project efficiency is the cost of delivering a unit of capacity building product or service. A high level of efficiency in resource utilization signifies a corresponding level of effectiveness and vice versa.

Common methods of calculating efficiency are input output ratio or cost benefit analysis; rate of return on investment; length of production cycle; proportion of administrative expenses in total

operations budget; turnaround time in service delivery, accessing new technologies and developing and appraising a new project (use of knowledge), depending on the organization. According to Ogiogio (2005) factors that contribute to efficiency include training; application of new knowledge and technology; experience; motivation; improved system, processes and procedures; change in operational strategies; and improved people management and leadership.

Ownership is the extent to which an entity - country, organization or group of stakeholders - has unrestricted influence or control over resource, activity, process, policies, programs, output or an organization (Ogiogio, 2005). Sustainability of projects depends a lot on the level of ownership by the beneficiaries. Control of financial resources through which capacity is built, *measured as share of organization or beneficiaries' funding in the project*, influence the extent to which the beneficiaries own the process hence one of the key measures of level of ownership, provided the resources are not used to secure the services of high-cost international consultants to design policies, programs or strategies, instead of building local capacity as this may be unsustainable.

Ogiogio (2005) observed that owning capacity is not a sufficient condition for owning policies and programs unless it's internal, functional and productive. Success of any capacity building intervention, in this case is measured by the ability to build an organization's capacity to design, implement, monitor and evaluate policies and programs within the organization or community where it exists without or with little support of external consultants, expatriates, facilitators, specialists or international multilateral organizations. The share of influence - value attached to the form of capacity – in this case equal to the cost incurred in acquiring the technical service as a percentage of total recurrent/ administrative cost (Ogiogio, 2005).

The attributes of ownership include beneficiaries' participation and inclusiveness in the needs assessment and design process; level of support & motivation of the beneficiaries; originality and use of locally owned capacity as well as ability of the individuals to engage productively with organizations through utilization of services, influencing policies decisions and resource management. According to (Uneca, 2005) there must be flexibility and considerable local ownership in identifying and setting priorities for capacity building initiatives and requirements. Ogiogio has clearly described how to measure ownership of capacity building but more information is required on the current status in BDS with respect to various aspects of ownership. In some cases ownership is usually considered as an aspect of sustainability hence in this study.

Mackay (2007) defines impact as a positive or negative, directly or indirectly, intended or unintended long-term effects produced by a development intervention. At organization level features of impact include institutional reforms engendered (practice, behavior, culture, systems, and processes, procedures); policy & program consultation, dialogue and implementation capacity enhancement; external skills attracted; best practices established; input, service, special skills and new knowledge development; induce, established or strengthened social movement; and level of participation in the national activities/ agenda- drive or set national agenda/ debate.

It is difficult to measure impact because it is usually normative, influenced by external variables and not documented or systematically linked to external outcomes. Nevertheless, a common method of measuring impact is cost-impact analysis: where costs are monetary and impact is defined by variable that defines the problem- unemployment, revenues, profitability (Pinto, Canto, Piedro-Santa, Vargas and Canzani, 2004). Impact evaluation is a classic evaluation that attempts to find out the changes that occurred and to what they can be attributed (Kuzek and Rist, 2004).

There is a considerable overlap in the literature between the concept of capacity and sustainability (INTRACT, 1998b). All the same sustainability refers to the ability of a system or an organization to function effectively over time with minimum external input. Pinto et al. (2004) define sustainability as the degree to which the positive changes of a project will be maintained after the external support has terminated. According to CIIR (2005) this concept boils down to certain key factors that lead to long term success. Sustainability is frequently equated with financial self-reliance even though there are other aspects like technical, managerial, systems, organizational capacity and outputs. According to Ogiogio (2005) sustainability is a function of funding, effectiveness, efficiency, relevance, ownership and impact.

Financial sustainability- considered as a key facet of sustainability- is defined as the proportion of stakeholders or beneficiaries' own financial resources relative to the total funding requirements for the project (Ogiogio, 2005). Capacity building is said to be more sustainable if the proportion of the organizations (financial) contribution is high or increases overtime to be 100% by the completion of the project or if the financial resources for the implementation of activities are available over a desired future life cycle of the project until the needs are adequately satisfied. Other sustainability criteria include continuing improvement in institutional performance; work performance, processes, policies and programs, capacity utilization and retention; and organizational effectiveness and efficiency - timeliness in delivery of output.

The level of capacity retention can be measured by the rate of turnover of skilled human and entrepreneurial capacity. Promoting sustainability requires mobilizing human and material resources and establishing partnerships among government, civil society and private sector at all levels of decision-making, implementation and monitoring of the development projects.

As Ogiogio (2005) puts it, the real success of capacity building is its ability to develop local skills and institutions, which can effectively generate reforms in policies and programs, guide a development process and draw on global information and knowledge to address local problems.

Lastly, outreach considered as part of impact, is defined in terms of the numbers of individuals, enterprises and organizations reached by an intervention or service (CDASED, 1998). The higher the number of entities reached, the better geographical coverage and level of influence, the greater the outreach. The above generic indicators can further be collapsed into relevance, effectiveness, efficiency, impact and sustainability.

In summary indicators of performance are numerous. Whatever the variables one use or the level at which they are applied, they must meet the bare minimum requirements of being specific, measurable, achievable, available at an acceptable cost, relevant with regard to the objective concerned, realistic, time-bound, enjoyable, rewarding, subjective, participatory, cross-checked, empowering and diverse because they have functions beyond simply attempting the measure the quantifiable aspects of an activity (PARTICIP GmbH, 2002; DfID, 2002).

Literature sources emphasize that performance indicators should be clear, economic, adequate, monitorable; simple, accessible, flexible, participatory, interpreted & communicable, cross-checked & compared, empowering, diverse & disaggregated; conventional and based on solid foundations and theories. Thus, capacity building indicator should have strong diagnostic value and interconnectedness, focus on use for management, enhance ownership and commitment, serve different audience, experimented, incentivizing, contextualized, learning based, planned, combine judgment with intuition and pay attention to logistics (Morgan 1997; Linnel, 2003; Kuzek and Rist, 2004).

The performance indicators can be categorized as direct or indirect/ proxy; process and product; or quantitative and qualitative; and seeks to examine different aspects of an intervention or organization and use different methods and tools (DfID, 2002; Given, 2008; IFAD, 2002).

According to Linnel (2003), assessing the effects of capacity building on organizational effectiveness calls for multiple evaluation approaches. Brown (2001) observes that inherent challenges due to the nature and role interventions and stage of organization development requires capacity measurement to capture individual and a combination of capacity elements and relate them to the stage of development emphasis being on flexibility rather than standardization.

The literature sources have enumerated several indicators of performance especially in NGOs but none is explicit on the actual performance of BDS facilitating organizations. Linnel (2003) assertion that the practice outside NGOs is uncommon; methodologies, personnel and participation inadequate; and effectiveness of different interventions not ascertained attest to this.

Indicators presented by Ogiogio are more general and majorly applicable to the health sector. There is no empirical evidence on the effectiveness of capacity building of BDS facilitating organizations provided for the generic indicators. Using above selected and generic indicators it would be interesting to know how they are applicable to BDS facilitating organizations in the Kenyan context. In their research Saravanan (2003) have shown that capacity improves performance but the study is focused in the medical and not to the enterprise development field.

World Bank-OED (2005a) report on World Bank support for capacity building in Africa reported that most capacity building initiatives are fragmented and lack appropriate process making it difficult to capture cross-sectoral issues and opportunities and to learn lessons across operations, something that has led to varied application of best practices. Although the report is for WB

programs, the same can be said of other programs. The report emphasized the need for sector specific guidance on diagnosis and evaluating capacity building measures.

Even though indicators of performance are clearly identified at this level by various literature sources, little is known about the performance of BDS facilitating organizations based on these indicators. Brown (2001) has elaborately enumerated these indicators but has not shown how specific BDS organizations perform on the identified indicators.

Even though Brown (2001) and Ogiogio (2005) observed that it's difficult to standardize indicators given the variety of setting and entities in which capacity building occurs, the complex exercise of developing performance measurements due to the conceptual and methodological issues involved, including the fact that the benefits associated with capacity building are not readily quantifiable, it's still possible to have universal indicators. Use of complex indices with several indicators - qualitative and quantitative methods- is recommended.

2.6 Summary of Literature Review

Scholarly sources have identified various factors that affect capacity building in general and especially in health sector, but none is specific on the magnitude of influence especially in BDS facilitating organizations. APHSA (2010) have identified sustainable factors for implementing capacity building plans but this is focused more to the health sector. ADB conducted a study on the factors that affect the effectiveness of capacity building but these was mainly restricted to its capacity building efforts and mainly in the fisheries sector (Serrat, 2005). Barker (1998) identifies factors that affect the effectiveness of capacity building but mainly for communities. Barker postulates that intervention should recognize community history, be participatory, and use the skills and resources available in professional, academic and community settings.

Equally, little is known about the factors relative importance or how they interact with each other. The studies do not explicitly present how factors shape organizations opportunities and capabilities (Nitcher et al 2009). Romijn (2000) identified success factors of technological support in SME in developing countries as development of internal capabilities to effectively assimilate, use and adapt new products and technologies, being demand driven and having appropriate incentive structures which can be applicable to BDS facilitating organizations. World Bank (2005b) review of its support for capacity building in Africa concluded that a successful capacity building support should be country owned, result oriented and evidence based. The study recommended capacity building framework that link institutional, organization and human capacity development; the need for adequate needs assessment; incorporating operational, systematic learning, governance issues and M&E frameworks; transformation of capacity building tools and to strengthen knowledge base, sector and thematic leadership; and assessing the role of training in capacity building support.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Overview

This chapter presents the methodology that the study used. It covers the following methodological issues: research design, target population, sampling procedures, data collection instruments, data collection procedures and data analysis approaches as well as how the contingencies were minimized to achieve the research objective.

3.2 Study Area

The study was conducted in Kenya covering BDS facilitating organizations based in the country. Majority of these organizations are concentrated or have their head offices in Nairobi county and branches countrywide but with very few in Rift Valley, Nyanza, Eastern and Coast regions. The sampling was carried out in a way that ensured adequate representation of the entire country.

3.3 Research Design

The research design is Descriptive Survey. Descriptive research is a kind/type of research that is concerned with describing the characteristics, attitudes, specific predictions or narration of facts about a particular individual, group, population or situation, and if a representative sample is used, to be able to generalize the description to a larger population (Kothari, 1998; O'Leary, 2004; Burns, 2005). In survey the information was gathered by asking a range of respondents the same questions related to organization and their characteristics, attributes, lives or opinions. This study required accurate description of the situation of capacity building in Kenya. The research

design was chosen because it's efficient, reliable, economical and allows for collection of large amount of information from a wider respondent at a reasonable cost and time.

The cross sectional survey was used because data was to be collected on phenomena that cannot be directly observed - capacity building. The use of survey permitted the researcher to study more variables at one time and collect real world environment data. It allowed standardization, ease of administration and statistical analysis, minimized the bias and inaccuracies associated with other methods and maximized the reliability of data collected using standard questionnaire.

3.4 Target Population

Population refers to the group to which the researcher intends to generalize the results of a study (Mugenda & Mugenda, 2003). The target population for this study was Kenyan organizations facilitating business development services registered with Micro-enterprise support program trust- MESPT. MESPT is the secretariat to the Business Development Services (BDS) Donor Coordination Group (BDCG), whose purpose is to maximize the effectiveness and impact of donor-led activities in market development and value chain facilitation through active coordination and information sharing. Most BDCG members support capacity building in enterprise development sector in Kenya and include principal donors, donor contractors, and key government departments involved with large, multi-year market development initiatives that provide significant impact at the micro enterprise level.

From MESPT data source, population of the organizations registered with it is estimated to be 152. The actual population of the respondents in each organization varies from one to another. The respondents in this case were the members of the sampled organizations. The study targeted 3 respondents per organization translating to a total population of 456 respondents.

3.5 Sampling and Sampling Design

A Study can only yield accurate results when representative sample is appropriately drawn to achieve adequate sample size.

3.5.1 Sampling

Sampling is the process of selecting units (people, organizations) from a population of interest so that by studying the sample we may fairly generalize our results back to the population from which they were chosen (Trochim, 2006). Sampling must be done whenever a researcher wants to gather information from only a fraction of population, a group or a phenomenon to be studied. The sampling unit in this case is the BDS facilitating organization with the sampling frame obtainable from MESPT – the secretariat for Donor Coordination Group (BDCG) that supports BDS in Kenya. A comprehensive, reliable, appropriate and representative source list for this sample was thus prepared by the researcher after obtaining data from MESPT.

3.5.1.1 Sample Size

A sample is a subset of the population that should represent the entire population (Burns, 2005). Based on the resources available it was not possible to examine every BDS facilitating organization but it was possible to obtain sufficiently accurate results by studying only a portion of the total population of the same. Sample size determination method for this study is the conventional sample size specification. Sixty one BDS facilitating organizations in Kenya were selected to constitute the sample for the study. This sample size was considered optimum and appropriate for the nature and type of research, the research design selected- survey, cost and method of data collection and analysis and the size of accessible population as well as the

geographical coverage of the study. The population variance for these organizations in terms of size, nature and types of activities was also considered to be minimal. According to Burns et al, 2005 there is no relationship between a sample size and representativeness; a probability sample size can be a very tiny percentage of the population size but still accurate.

3.5.2 Sampling Design

Sample design refers to the technique or the procedure the researcher would adopt in selecting items for the sample.

3.5.2.1 Sampling Technique and Procedure

The study used systematic and then stratified random sampling techniques to draw the study sample. In systematic sampling only the first unit is selected randomly and the remaining units of the sample are selected at fixed intervals, where every K^{th} case in the population frame is selected for inclusion in the sample (Mugenda, 2003). A list of all the BDS facilitating organizations in Kenya was drawn in an alphabetical order. The first item was picked randomly from the list, thereafter, the researcher then picked the 3^{rd} items on the list, in a skip interval calculated by dividing the number of BDS facilitating organizations on the list by the sample size, until the entire sample (n= 40%) was obtained, introducing an element of randomness. The procedure results in the same probability for each possible sample, accomplishes the same end as simple random sampling; is more efficient and is used when the population is very large and of known characteristic (Burns, 2005; Williamson, 2005; William 2006).

The second level of sampling entailed grouping the respondents in 3 categories then simple random sampling done to draw the sample for each category. Sampling entailed choosing respondents from the selected organizations focusing mainly on 3 categories of staff- senior

management (CEO, Country Director, Head of Department or Program Manager) 1; Middle level/ Technical Staff (Project officer, Coordinator or Subject Matter Specialist) 1; and support staff (finance, logistics or human resource officers- accountants, financial controllers and HR managers) 1 using stratified sampling method.

The two sampling techniques ensures adequate representation of the entire population of BDS facilitating organizations in Kenya, allowed for measuring the error of estimation or the significance of result obtained and the generalization of the research findings (Fraenkel and Wallen 2000; Kothari, 1998). In all these the research strived to ensure drawing of appropriate and representative sampling frame, proper design and pre-testing of the questionnaire and that all the BDS facilitating organizations selected for the research responded to the questionnaires.

3.6 Data Collection

Data collection involved use of well selected instruments and techniques to ensure accuracy and reliability.

3.6.1 Types and Sources of Data

The study relied on primary source of data using mainly questionnaire method of data collection.

3.6.2 Data Collection Instrument

According to Richard & Plight (1988) most techniques for measuring perceptions and attitudes rely heavily on verbal material in the form of interviews and questionnaires. Questionnaires therefore formed the main instrument for data collection because it minimized the cost of data collection, allowed adequate coverage of respondents in the whole country, comparability of data and ease of data analysis. It’s was a more convenient and the best method of approaching the

officials of NGOs who in most cases are busy people who are not easily available or have time for lengthy interviews but who had enough capacities to adequately respond to the questions.

A simple semi-structured questionnaire was self-administered to the sample population. Questionnaire was well structured with questions well formulated, examined, pre-tested and in a simple language to avoid ambiguity. Pre-testing involved conducting a dry run of survey on a representative set of respondents (20) in order to reveal and correct questionnaire errors before the actual survey. The major type of questions was closed ended questions to help standardize and quantify response from the research and for ease of analysis. A few open ended questions were included in the questionnaire to enable the researcher to probe further on certain issues and ensure that an in-depth and explorative data of all aspects of the variables under study is obtained. The consideration for the question format was based on the nature of the variable being measured, previous research studies, data collection method-survey, ability of the respondent and the desired scale and accuracy levels.

3.6.3 Data Collection Procedure

The questionnaire was delivered to the persons concerned with a request to answer the questions; a briefing on the purpose and clarification on instructions by a well-trained enumerator who delivered and later collected the questionnaires based on agreed time. An introductory letter from Moi University clarifying purpose of study, committing the researcher to confidentiality and requesting the respondent to provide information accompanied the questionnaire. The visit to the concerned BDS organizations and debriefing by the enumerators' ensured good return hence reduced systematic bias due to non-response. To minimize field data collection errors, the research conduct validation checks for a few respondents by re-contacting the respondents through phoning.

3.7 Data Analysis and Presentation

According to Kothari (2005) to the extent possible, the processing and analysis procedure should be planned in detail before the actual work begins in order to minimize costs and time.

Field data was edited, cleaned and validated to check for omissions, completeness, clarity, comprehensibility, accuracy, consistency and reliability in preparation for coding. Coding was done in readiness for analysis using statistical computation - Statistical Package for the Social Sciences (SPSS). Appropriate statistical operations and analysis- data reduction, along with appropriate tests of significance was carried out to facilitate drawing of conclusions about the study. This included descriptive statistical analysis, inferential, differences, associative and predictive analyses that were used to answer the research questions. It involved use of means, standard deviation, ordinal regression, principal component and factors analysis tools to test for frequency, relationships, differences and independences of different variables.

Ordinal regression was performed using a generalized linear model (GLM) that fits both a coefficient vector and a set of thresholds to a dataset. In particular, the study fitted variables that were found significant for the case of methodological factors, organisational factors and environmental factors on organisational performance. Mathematically, ordinal regression model can be represented as shown below.

$$pr(y \leq i \mid x) = б(\Theta i - w.x)$$

Where each yi is an ordinal variable on a scale 1, .., K. To this data, one fits a length-p coefficient vector w and a set of thresholds $\theta 1, ..., \theta K-1$ with the property that $\theta 1 < \theta 2 < ... < \theta K-1$. This set of thresholds divides the real number line into K disjoint segments, corresponding to the K response levels.

As Kothari (1998) puts it, the layout of the report needs to be well planned so that all things relating to the study a well presented in simple and effective style to communicate the finding in efficient manner. The research findings are presented in narratives supported by tables and figure; graphs and charts, around the specific objectives of the study for ease of understanding.

3.8 Validity and Reliability of Research Instruments

Validity; defined as the accuracy of the measurement, is concern with measuring exactly what, concept or variable that, is supposed to be measured and not something else (Nunnally, 1967: Burns, 2005). Thus, validity is concern with the authenticity of the cause –effect relationship (internal validity) and their generalizability to the external or real world environment (external validity) (Serakan, 2006). On the other hand reliability is the extent to which a procedure or instrument provides the same result on repeated trials or the degree to which the measure of a variable contains no error (O'Leary, 2004; Stone, 1978). It is premised on the notion of uniformity or standardization and that the method consistently captures what is being measured.

To ensure reliability and validity the study was guided by the laid down methods and procedures with well design and relevant questions, based on a concrete and consistent conceptual framework mediated by the established theory. A sample size of 40% was considered large enough, and with systematic sampling method to give representative sample to ensure validity.

The study questions, carefully chosen to ensure they relate to study objectives, were kept simple, easy to follow and score and formulated with clear instructions in a way that enhance usability and capture accurate data relating to the variables. Twenty questionnaires was pre-tested to staff of ten organizations in Eldoret and Nairobi, analyzed and modified to make the necessary corrections to ensure the appropriateness of the instrument including time allocation.

3.9 Limitation of Study Methodology

This study is a one off cross-sectional research and may not capture all the organization capacity issues existing in an organization. A longitudinal study and the use of other methods like FGD, desk study and participants observation would bring out a more rigorous and detailed finding on the real situation in the organization. Although systematic sampling is less time consuming and less expensive than simple random sampling, it's less representative in the final analysis because it arbitrarily places population members into groups before a sample is selected.

3.10 Ethics and Quality Control

Ethics in business research refers to a code of conduct or expected norm of behavior while conducting research, pervades each step of the research process and applies to the researcher, respondents as well as the users of the research findings (Serakan, 2006). Borrowing from the American Psychological Association guidelines of conducting research, researcher ensured that the respondents are treated with utmost respect and dignity, client confidentiality is maintained and the information provided is used strictly for research purposes and ensuring that no harm comes to the participants due to this study. Likewise, the importance of the researcher accurately informing the respondents of the nature of the study and gaining their informed consent was upheld. This was clearly stated in the introductory letter accompanying the questionnaire, with an ethical clearance for the final version of the questionnaire. The researcher committed to conduct the study with integrity and rigor, guide against fraud, fabrication, plagiarism, misrepresent author and to act within the law while conducting the study and obtained authorization permit from ministry of education, science and technology.

CHAPTER FOUR

4.0 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Overview

Despite numerous donor capacity building efforts and support to BDS facilitating organizations in Kenya, no one is clear about the results or status of their current capacity. This study sought to answer the question of whether and how capacity building improves the performance of BDS facilitate organizations in Kenya. The general objective of the study was to evaluate capacity building in business development service facilitating organizations in Kenya. To achieve this, the study was guided by the prior outlined specific objectives.

In this section the study seeks to confirm whether capacity building is really undertaken in BDS facilitating organizations in Kenya and what is the nature and outcome of such interventions; whether low capacity actually exist in BDS facilitating organizations and further to explain why such a situation exist using research results supported by literature sources. The reasons for the current state whether environmental, organizational or methodological are discussed based on the findings. In all these the study seeks to answer the question- does capacity building really improve BDS facilitating organization's performance?

This chapter presents study results including general information, the attributes and factors that influence effectiveness and the resultant effects of capacity building in targeted organizations. Descriptive and inferential data analysis, processed using SPSS and excel programs is presented in narrations, tables and figures for better understanding and interpretation.

4.2 General Information

The researcher obtained questionnaires from 183 respondents from 61 organizations giving an average of 3 responses or questionnaires per organization. Of the 183 valid responses from the survey 62% were male and 38% were female. The researcher noted that majority of the respondents (74.4%) were falling between the age of 25 to 38 years while up to 18% were over 39 years of age as indicated in table 4.1 below.

Table 4.1: Age of the respondents

Age	Frequency	Percent	Cumulative %
18-24	15	8.2	8.2
25-31	72	39.3	47.5
32-38	64	35	82.5
39-45	21	11.5	94.0
Over 45	11	6	100.0
Total	183	100.0	

Source: Researcher – August, 2012

In terms of work experience, a small proportion of the respondents 4.4% (8) had worked for their respective organizations for over 10 years, six of them being male and two of them being a female, while 13.1% (24) worked between 6-10 years. Conversely, the larger proportion 56% (102) of the respondents had worked for their respective organizations between 1-5 years, and finally 26.2% (48) worked for less than 1 year as show in Figure 4.1. Overall, the mean length of time worked in the organization by the respondents was 2 years.

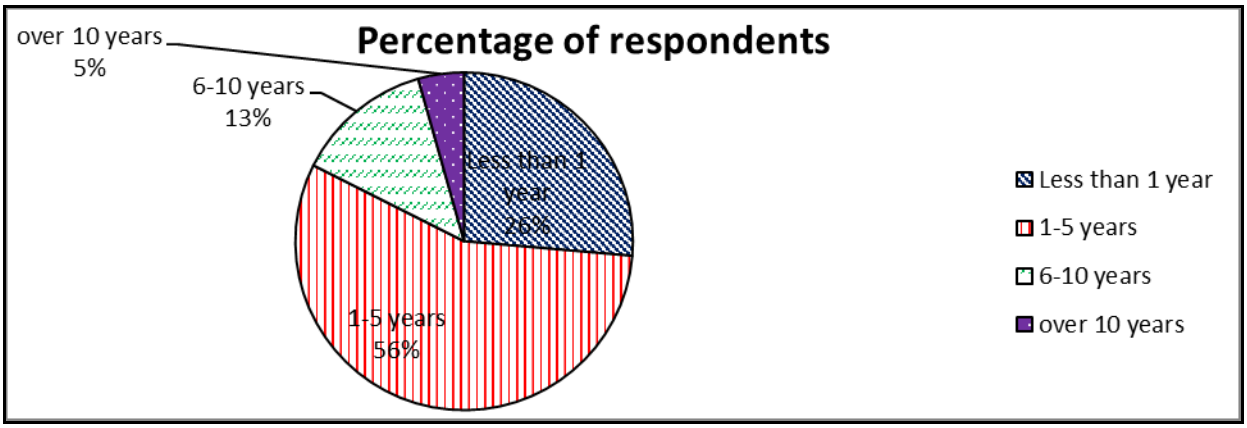

Figure 4.1: The period of time the respondent has worked in the organization

Source: The Researcher – August, 2012

The 183 respondents held various positions in their respective organizations majority (45.5% or 83) being project officers, accountants, human resource officers and project managers as shown in Figure 4.2. The others categories 17.5% (32) included deputy country director, data analysts, research assistant, financial advisory services coordinator, loans officer, accountability officer, training coordinator, project counsellor, ICT assistant, IT manager, ICT administrator, public relations assistant, program assistant/support officer, customer care, information resource officer, social researcher, and livestock specialists.

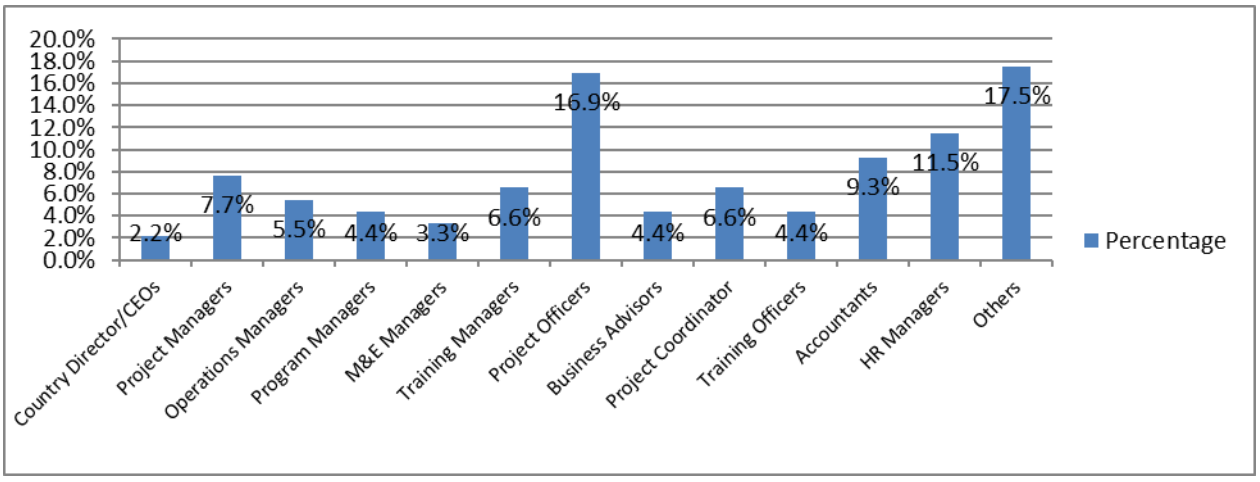

Figure 4.2: Position of respondents in the organization

Source: The Researcher – August, 2012

Looking at the levels of education majority (89%) of the respondents had above graduate level of education with 39% (71) of the respondents at Post Graduate Level, and 50% at Graduate level.

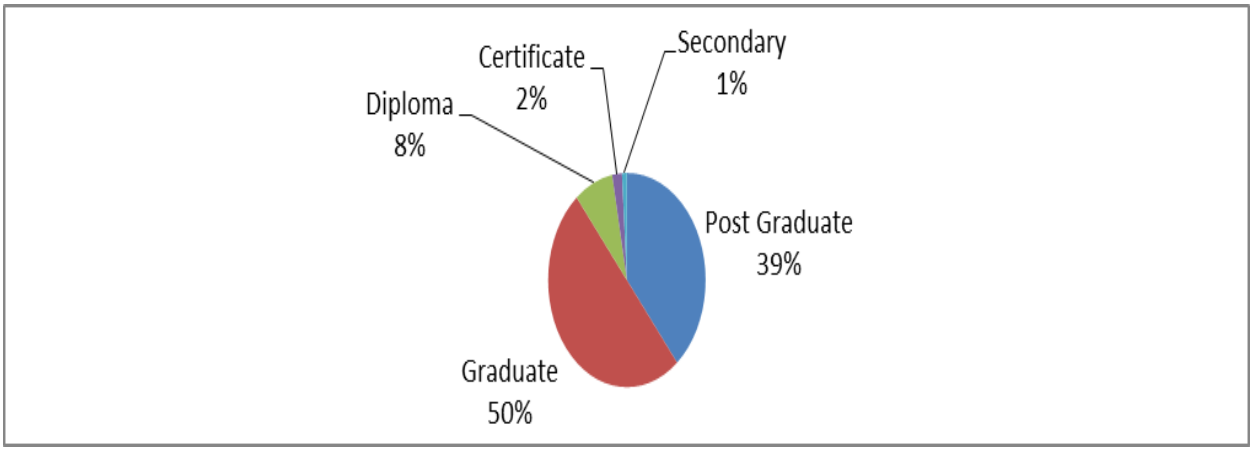

Figure 4.3: Respondent's Level of Education

Source: The Researcher – August, 2012

The surveyed organizations worked in various sectors with some working in more than one sector. Most (38%) of the studied organisation were involved in agricultural sector, while 16% in finance sector (Table 4.2).

Table 4.2: The Sectors the Organization Works

Sector	Frequency	Percent	Cummulative Percent
Agriculture	70	38.25	38.25
Industry and Trade	12	6.56	44.81
Finance	30	16.39	61.20
Agriculture and Industry & Trade	10	5.46	66.67
Agriculture & Finance	3	1.64	68.31
Agriculture & Energy	6	3.28	71.58
Agriculture, Industry & Finance	2	1.09	72.68
Agriculture, Industry & Energy	2	1.09	73.77
Agriculture, Industry, Finance & Energy	4	2.19	75.96
Communication	3	1.64	77.60
Humanitarian & Relief	20	10.93	88.52
Natural Resource Management/ Environment	2	1.09	89.62
Others	19	10.38	100.00
Total	**183**	**100.00**	

Source: The Researcher – August, 2012

Most (48.09%) of the organizations surveyed are focusing on livelihood improvement and poverty alleviation while over 11% & 8% are dealing in enterprise development and income generation respectively. However, it was noted that organizations have more than one areas of focus as indicated in the table 4.3 below. Other organizations focused on community and reproductive health, knowledge management, policy development and education.

Table 4.3: Area of Focus in Organization's Development Work

	AREA OF FOCUS	COUNT	PERCENTAGE	CUMMULATIVE %
1	Livelihood Improvement/ Poverty Alleviation	88	48.09	48.09
2	Enterprise Development	20	10.93	59.02
3	Income Generation	14	7.65	66.67
4	Livelihood Improvement & NARE	14	7.65	74.32
5	Income Generation, Enterprise Devt, Employment Creation, Livelihood Improvement, NARE	8	4.37	78.69
6	Income Generation & Livelihood Improvement	6	3.28	81.97
7	Income Generation, Enterprise Development, Livelihood Improvement, NARE	6	3.28	85.25
8	Income Generation, Livelihood Improvement, NARE	4	2.19	87.43
9	Institutional Strengthening & Coordination	4	2.19	89.62
10	Others	4	2.19	91.80
11	Income Generation & Enterprise Development	3	1.64	93.44
12	Employment Creation	2	1.09	94.54
13	Enterprise Development & Livelihood Improvement	2	1.09	95.63
14	Enterprise Development, Employment Creation, Livelihood Improvement	2	1.09	96.72
15	Enterprise Development, Livelihood Improvement, NARE Management	2	1.09	97.81
16	Employment Creation & Livelihood Improvement	2	1.09	98.91
17	Income Generation, Enterprise Devt, Employment Creation, Livelihood Improvement	2	1.09	100.00
18	Natural Resource Management	0	0.00	100.00
19	***Total***	***183***	100.00	

Source: The Researcher – August, 2012

In terms of the geographical scope or areas of coverage, 67.5% of the organizations interviewed carry out their development activities in both Urban and Rural areas while 25.6% work in Rural areas only. Only 6.8% work exclusively in urban areas.

4.3 Methodologies Used in Capacity Building of BDS Facilitating Organizations in Kenya.

In assessing methodological factors the study focused on pre-existing methodological attributes, critical factors that influenced the choice of capacity building methods and the methodologies used in capacity building including strategies, approaches, methods, processes and activities.

Overall, there is an average quality of implementation of capacity building with most methodological attributes reporting moderate performance. The nature of such interventions is varied ranging from application of various strategies, approaches, methods, processes and activities which confirms previous findings by Uneca (2005); APHSA (2010); Ebbesen et al (2004); World Bank, (2005a) that there are numerous interventions used in capacity building by various organizations but with little best practices.

The study started by asking the respondents whether their organizations have had capacity building or not of which the study confirmed that 79.2% (145) of BDS organizations have had or is currently having capacity building activities as opposed to 20.8% (38) which had no capacity building. Of the yes responses, 30.1% (55) have ongoing capacity building interventions, as indicated in Figure 4.4. The findings agree with Otoo et al (2009) assertion that donors spend a lot of money on capacity development in developing countries.

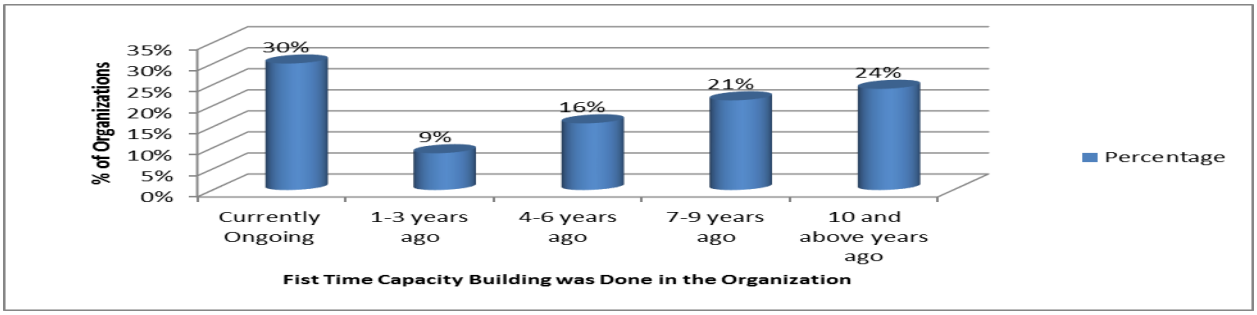

Figure 4.4: The Frequency of First Time Capacity Building was conducted in the Organization

Source: The Researcher – August, 2012

Depending on whether capacity building was /is carried out in their organization, the respondents were asked to indicate the ultimate objective of capacity building intervention in their organization. Objectives were aforementioned for ease of response as shown in table 4.4.

Table 4.4: Ranking of Ultimate Objective of Capacity Building in Various Organizations

Ultimate Objective of Capacity Building	Yes Score	Rank
Improving Technical Capacity	89.16	1
Improving Operational Capacity	88.31	2
Improving Project/Program Design, Implementation & Completion	88.00	3
Enhancing Ability to Learn and Adopt	87.50	4
Enhancing Leadership and Decision Making	87.14	5
Enhancing Organizational Capacities	87.01	6
Building Networks and Partnerships	85.33	7
Improving Service Delivery to Clients	83.56	8
Improving Financial Management/ Profitability	78.38	9
Enhancing Civic / Stakeholder Participation	73.53	10
Improving Fundraising/ Funds Availability	57.97	11

Source: The Researcher – August, 2012

The study noted that the main objective of capacity building in most organization is to improve technical capacity (89%), followed closely by improving operational capacity (88%) while enhancing stakeholder participation (74%) and improving fundraising / funds availability (58%) scores low as key objectives. Majority of the respondents were however not very specific on the ultimate objective of capacity building and rated all the variables presented.

Addressing all the 11 objectives show lack of clarity on objective or that the organizations are over ambitious, something that definitely affects the outcome. Study by Howard, Grimshaw, Lipson, Taylor and Wilson, (2009) suggest that capacity building works best when its purpose is clearly rooted in a particular goal that may be functional or intrinsic, value based or ideological. This includes performance or service improvement; funding program; or improving organizational efficiency, effectiveness, leadership and adaptive capacities.

For the respondents that had capacity building carried out in their organization, a list of strategies and approaches were presented to them for ranking in order of importance based on use or application during capacity building. The weighted averages were used to identify the strategies and approaches as ranked by the respondent as indicated in Figure 4.5 below.

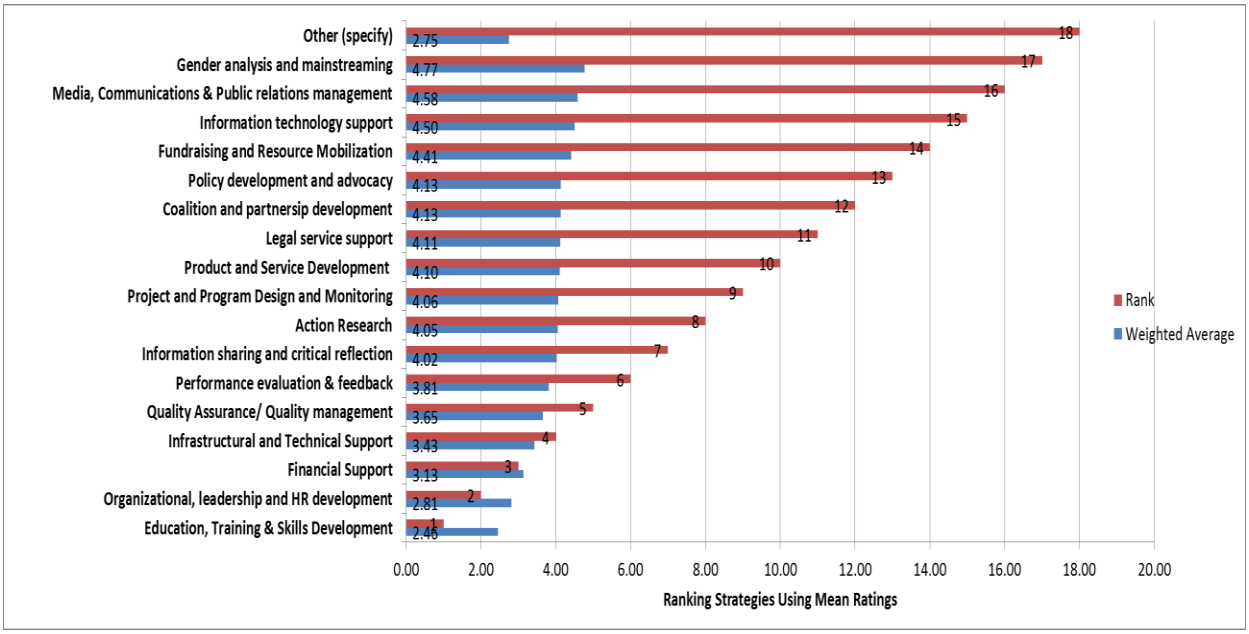

Figure 4.5: Ranking of the Key Strategies and Approaches used in Capacity Building

Source: The Researcher – August, 2012

From the results, the 5 key strategies and approaches used in capacity building for BDS organization in Kenya in order of priority are education, training & skills development; organizational leadership and human resource support; financial support; infrastructural and technical support; and quality assurance program support based on weighted average. Similar ranking using highest number of respondents that ranked a strategy/ approach as number one had education, training & skills development being number one with 45.8% (33) respondents for no 1; financial support 2 with 35% respondents; Infrastructural support 3 with 23.8%;

Organizational, leadership and HR development 4 with 22.9%; legal support, product & service development 5 with 22.5%; and Gender analysis and mainstreaming 6 with 20.5%.

Table 4.5: Factor Analysis for Strategies & Approaches Used in Capacity Building

Rotated Component Matrix[a]			
	Component		
	1	2	3
Education, Training & Skills Development	.922		
Organizational, leadership and HR development	.862		
Financial Support	.846		.422
Infrastructural and Technical Support	.843	.467	
Quality Assurance/ Quality management	.815	.444	
Action Research	.801		
Project and Program Design and Monitoring	.752	.604	
Fundraising and Resource Mobilization	.650	.575	
Product and Service Development	.645	.466	
Media, Communications & Public relations management	-.508		.502
Performance evaluation & feedback		.831	
Information sharing and critical reflection		.760	
Legal service support	.477	.723	
Policy development and advocacy	.457	.709	
Coalition and partnersip development		.646	.439
Information technology support		.559	
Gender analysis and mainstreaming			-.879
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 4 iterations.			

Source: Researcher – August, 2012

Rotated factor matrix represented and shows the correlation between the variables and the factor. Organizations that are known for continuous change usually use complex adaptive systems approaches that are more effective in encouraging better performance, greater 'ownership' and sustainability with experiential learning, mentoring, and self-assessment and on the job development of individual skills being predominant methods (Watson, 2006). This study noted that except for organization development & quality management, capacity building in most organizations use soft approaches & strategies and less on policies, systems, structures & culture development and innovation hence may not necessarily enhance self-sufficiency, culture of learning and large scale, hard capability and sustainable changes in organizations.

The ranks implies that, other strategies & approaches that are key in terms of improving organization systems and culture seems to be applied less frequently in these organizations. Though training is considered an effective way of enhancing capacity, there have been concerns that the whole idea of capacity building has been reduced to merely training of organization staff. Likewise, financial support widely used as a stand-alone strategy without effective structures and systems or supported by other strategies does not necessarily result in enhanced capacity for the targeted organizations. This is supported by assertion that development organizations have received financial support from donors for a long time but have no results to show in terms of capacity (Otoo et al, 2009).

Despite the fact that strategies and approaches like performance evaluation & feedback, project & program design and monitoring, fundraising and resource mobilization, supporting innovation and infrastructure and technical support are critical for organization success and sustainability, they are not applied by many organizations as key strategies to the levels required as study indicates- mentioned by only up to 48.7%. This is so even though the core business of the BDS facilitating organizations is implementation of development projects.

As Bolger (2000) puts it too often than not development projects have focused narrowly on training of individuals without adequate attention to organization issues, broader processes of empowerment or relevant factors in the enabling environment. In addition to improving its 'standing capacities', capacity building should focus on strengthening organization's relationship leverage, programme design capabilities, innovative culture, autonomous self-motivation and agile, adaptive management for long term performance (UNESCO, 2009).

For long term and sustainable results capacity building should apply strategies that enhance behaviour change and entrench the culture of a learning organization and continuous improvement like action research, resource mobilization, information sharing & critical reflection, quality assurance, project design and monitoring, coalition and partnership development, performance evaluation and policy development. Such strategies must re-orient the organization functions, processes, structure, culture, focus and resources to achieve effectiveness and sustainability.

As part of appraising the approaches used the respondents were asked to rate the choice of the approaches used during capacity building in their organization using 1 for the lowest and 5 for the highest rating for a number of selection criteria or indicators - objectiveness, appropriateness, comprehensiveness, collaborative ability, sustainability, promoting participation, flexibility, enhancing supervision and alignment to the ongoing initiatives as the key determinants.

The study found that alignment of capacity building to the ongoing initiative; followed by ability to promote stakeholder participation and consultation; ability of approach to be customized; objectivity; and comprehensiveness and integrative ability of the approach in that order were considered as the most important factors that influence the choice of an approach even though all the approaches were rated high *(weighted mean -3.82)* as a matter of importance as shown in figure 4.6 below.

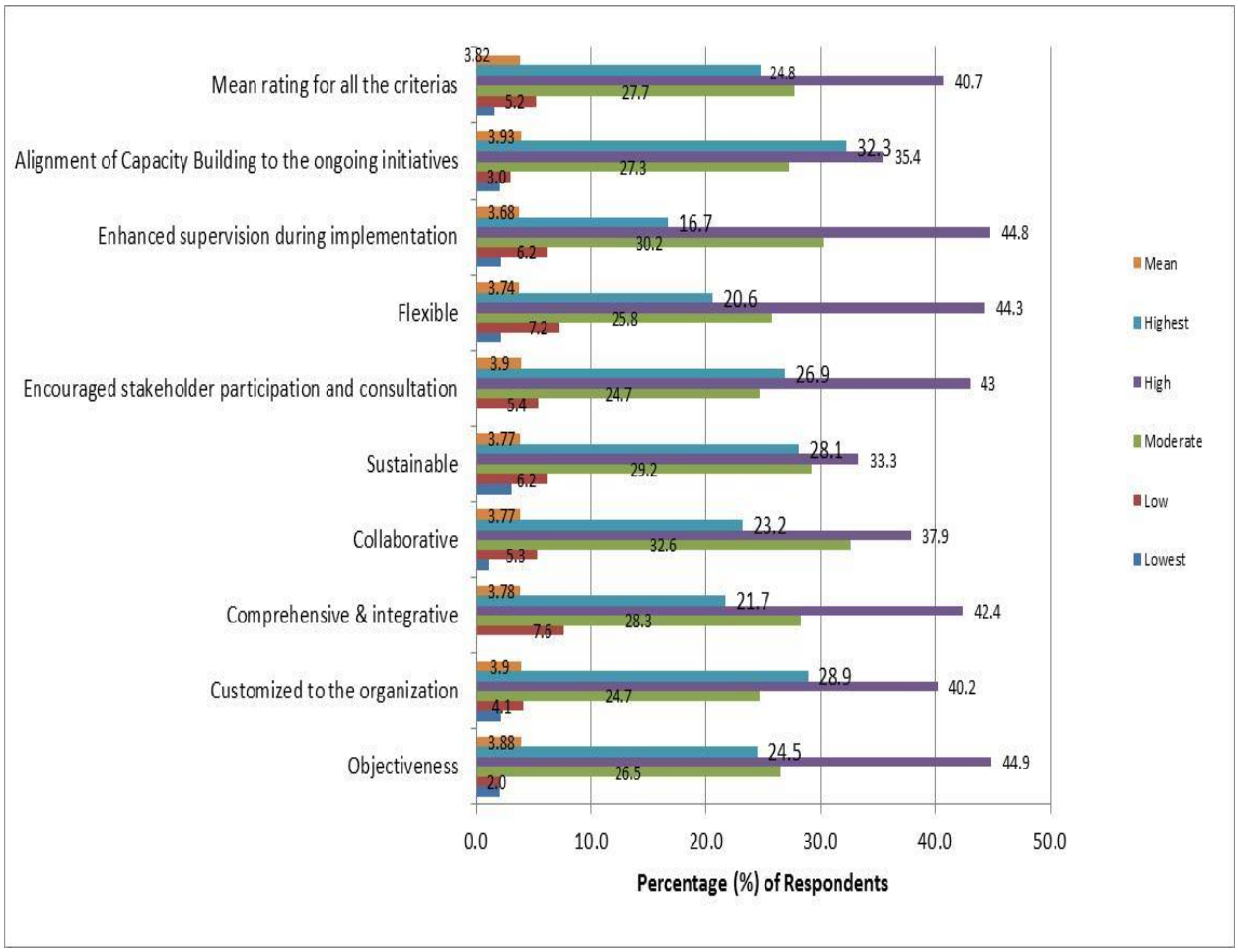

Figure 4.6: Consideration/ Rating for choice of approaches used during capacity building

Source: The Researcher - August, 2012

Further analysis of the components 1 to 4 that accounted for over 78% of the variables combinations indicated that alignment of capacity building to ongoing initiatives, encourage stakeholder participation and consultation, customized to the organization, objective and sustainability scored higher in terms of consideration for the type of approach as shown below.

Table 4.6: Principal Component Analysis for the choice of capacity building approaches

Variable	Comp 1	Comp 2	Comp 3	Comp 4
Objectiveness	0.3598	-0.1502	0.1831	0.3047
Customized to the organization	0.3661	0.2305	-0.019	-0.3953
Comprehensive & integrative	0.341	-0.304	0.4925	0.0298
Collaborative	0.3226	-0.469	0.1472	-0.0976
Sustainable	0.348	0.2977	-0.3661	-0.2429
Encouraged stakeholder participation & consultation	0.3694	0.0529	-0.2226	-0.3178
Flexible	0.3053	-0.4083	-0.4104	0.0732
Enhanced supervision during implementation	0.2897	0.2473	-0.2959	0.756
Alignment of capacity building to the ongoing initiative	0.2856	0.541	0.5121	0.0595

Source: Researcher – August, 2012

Principal Components Analysis is a variable reduction technique involving maximizing the amount of variance accounted group of variables by a smaller group of variables called Components. However, two things can be deduced from these findings; i) that stakeholder involvement comes before objectiveness as a priority when it comes to the choice of an approach; ii) that sustainability comes much less as a considerations for capacity building approaches. It confirms the earlier finding that indicated that in most cases capacity building objective is not very clear. Like stakeholder involvement, SMART objective and objectivity in the choice of method is very crucial as the study indicates that they influence performance especially documentation, efficiency, effectiveness, sustainability, financial sufficiency and quality service provision.

Organisation that reported that they had capacity building in their organization were asked to rate various capacity building methods during capacity building using 0 to 5 scale. The respondent rated the variables as follows: information provision & awareness creation, training, and

networking and linkages were rated with high frequency of application. Formal and informal analytical and advisory activities, dialogue and supervision, peer reviews, expert advice and consultation, infrastructural /technological support, financing, IT equipment and support, mentoring, experiential learning opportunities and exposure / study visits were rated moderate using standard mean ratings - see table 4.6.

Table 4.7: Frequency of Application of Capacity Building Methods in Organizations

METHODS	N	None %	Very Low %	Low %	Moderate %	High %	Very High %	*Mean Rating*	Description of mean rating	Mean of the Methods Ranking	Mean Rank
Information Provision & Awareness Creation	130	1	5	8	28	10	48	***3.8***	High	1.75	2
Training	138	1	1	13	10	22	53	***4.1***	High	1.22	1
Infrastructural/Technical Support	127	5	12	20	27	20	16	***2.9***	Moderate	2.00	3
Financing	125	10	16	15	24	16	19	***2.8***	Moderate	2.20	4
Expert advice & Consultation	125	7	5	10	28	28	22	***3.3***	Moderate	2.25	5
Lobbying & Advocacy	115	13	13	15	15	22	22	***2.9***	Moderate	2.50	6
Exposure Visits/ Study Tours	126	7	9	30	22	17	15	***2.8***	Moderate	2.50	7
Formal & Informal Analytical & Advisory Activities	115	2	13	19	31	22	13	***3.0***	Moderate	2.50	8
IT Equipment & Support	127	7	20	16	23	16	18	***2.7***	Moderate	3.00	11
Dialogue and Supervision	121	1	11	11	30	30	16	***3.2***	Moderate	2.50	9
Peer Reviews	115	5	14	18	21	24	18	***3.0***	Moderate	3.50	14
Mentoring	125	6	11	17	28	19	19	***3.0***	Moderate	3.00	12
Use of Experiential Learining Opportunities	119	4	11	17	26	26	16	***3.0***	Moderate	3.00	13
Networking & Linkages	117	1	7	7	29	27	29	***3.6***	High	2.67	10
Weighted Avergae for the Ratings	***123***	***5%***	***11%***	***15%***	***24%***	***21%***	***23%***	***3.2***	***Moderate***		

Source: The Researcher – August, 2012

Training was rated high (53%) among capacity building methods followed by information provision and awareness creation (48%) and networking & linkages (29%). Still, 48% ranked training as number one of the 3 most commonly used methods. The initial Eigen values indicated that component 1 to 4 accounts for 66% the methods used. The key methods under these 4 components extracted were training, financing, information provision, infrastructural support and networking – table 4.8.

Table 4.8: Principal Component Analysis for Capacity Building Methods

Variable	Comp1	Comp2	Comp3	Comp4
Expert Advice & Consultation	0.1952	0.2462	-0.1983	-0.346
Information Provision & Awareness creation	0.2115	0.4602	-0.1296	0.2734
Infrastructural/ Technical Support	0.3148	0.0637	0.607	-0.1294
Financing	0.334	0.1071	0.4781	0.4389
Training	0.3347	0.4664	-0.0268	-0.1455
Lobbying & Advocacy	0.1992	0.3513	0.0004	0.1514
Exposure Visits/Study Tours	0.2815	0.2314	-0.071	-0.3716
Formal & Informal Analytical & Advisory Activities	0.3015	-0.2145	-0.133	-0.1234
IT Equipment & Support	0.2605	-0.178	0.393	-0.2683
Dialogue and Supervision	0.1771	-0.2385	0.0096	-0.2966
Peer Reviews	0.3094	-0.3604	-0.2241	0.066
Mentoring	0.2154	-0.1905	0.0623	0.3373
Use of Experiential Learning Opportunities	0.3052	-0.1285	-0.1242	0.2385
Networking and Linkages	0.2239	-0.0197	-0.3152	0.2526

Source: The Researcher – August, 2012

Principal component analysis indicates that training (0.873), infrastructural and technical support (0.869), finance (0.828), information provision and awareness creation (0.748) and networking are the most significant methods of capacity building used in BDS organizations – see table 4.9.

Table 4.9: Factor Analysis for Capacity Building Methods

Rotated Component Matrix[a]				
	Component			
	1	2	3	4
Training	.873			
Information provision & awareness creation	.748			
Networking & Linkages	.715			
Mentoring	.701			
Formal & Informal Analytical & Advisory activities	.667			
Dialogue and Supervision	.636			.447
Financing		.828		
Expert advice & Consultation		.662		.462
Lobbying & Advocacy		.640		
Infrastructural/Technical Support			.869	
Peer Reviews			.694	
Use of experiential learining opportunities		.404	.641	
Exposure Visits/ Study tours				.651
IT Equipment & support				.623
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.				
a. Rotation converged in 7 iterations.				

Source: The Researcher – August, 2012

This findings is in agreement with Ncube (2005) and Baristic (2004) assertion that training and infrastructural support are the most dominant methods in capacity building. Most organizations use training as the dominant method yet World Bank (2005a) study found out that technical assistance and training alone is not adequate in capacity building. Again Otoo et al (2009) emphasized the role of effective communication in capacity development yet very few organizations seemed to have used methods that enhance communication and information management. Information and awareness creation though rated as high doesn't necessarily translate to the use of information unless supported by a structured engagement process.

According to Australian Volunteer International (2006) capacity building is a process that requires a number of strategies and activities to be sustainable. For example Connolly (2003) argues that most effective capacity building support programs that focus on management support; address adaptive and leadership capacity; employ coaching, consulting, referrals, research and peer exchange; transfer expertise and create incentives to follow through.

Other capacity building methods include workshops, seminars, experiential conferences, provision of reading materials, team building, on the job training, motivational /master talks, performance evaluation and appraisal, social/environmental engagement, community exchange forums, sponsorship to symposia, advisory services, research and consultancy.

Overall the mean rating for the use of various methods in the organizations that have capacity building were mainly between moderate and high as indicated on the table 4.6.

In a similar ranking of critical factors that determine the choice of capacity building method, the goal of the organization was ranked first with 49.5% respondents; type of organization- 2 with

36.8%; relevance, benefit and problem to be addressed 3 with 33.7%; existing organization capacity 4 with 30.6% respondents for the variable as number one.

Based on the mean and grouped median the variable ranked first was still goal of organization followed by relevance, benefit and problem to be address; existing organization capacity; type of organization; context/ environment; cost of implementation; top management decision, and ease of implementation in that order as shown in the table 4.10 below.

Table 4.10: Ranking of the Critical Factors that Determine Capacity Building Methods

Factors that determine choice of capacity building method	Mean of Rankings	Grouped Median	Std Rank
Goal of the organization	2.19	1.76	1
Relevance, Benefit and Problem to be addressed by the intervention	2.45	1.95	2
Existing organization capacity- competencies, technology etc	2.81	1.98	3
Type of organization	2.97	2.55	4
Context/ environment in which the organization operates	3.60	2.75	5
Cost of implementation	3.77	3.05	6
Top Management level decision	3.89	3.18	7
Ease of implementation of the intervention	4.04	3.27	8
Others (Specify)	6.00	7.50	9

Source: The Researcher – August, 2012

The result indicates that majority of the organizations considers goal of the organization; relevance, benefit & problem to be addressed by the intervention; existing capacity and type of the organization as key factors when choosing capacity building method.

Thus the type of organization hence the relevance, associated benefit and the problem an intervention is going to solve rank highly in the choice of methods as not any or all methods are applicable to all organizations or problems. Ease of implementation of the method followed by

top management level decision rank low in the choice of method, an indication that the choice of intervention involves participation and not top down approach but which may also be attributed to lack of top management support. In a way it shows that most organizations are reactive and problem solving and not necessarily pro-active, strategic, futuristic and growth oriented.

The study also examined if capacity building in organizations followed the conventional process of planning, implementation and evaluation hence respondents were asked to indicate whether the identified steps were/are followed by agreeing or disagreeing. The study noted that most organizations (71%) follow a well-established process during capacity building. Four steps had *strongly agreed* as the highest rating as steps that are followed while majority of the respondents *agreed* that three other steps are followed by their organizations during capacity building. The weighted average and mean ratings for all the steps was 4 equivalents to *Agreement* except for needs assessment that indicated s*trong level of agreement* as the average rating.

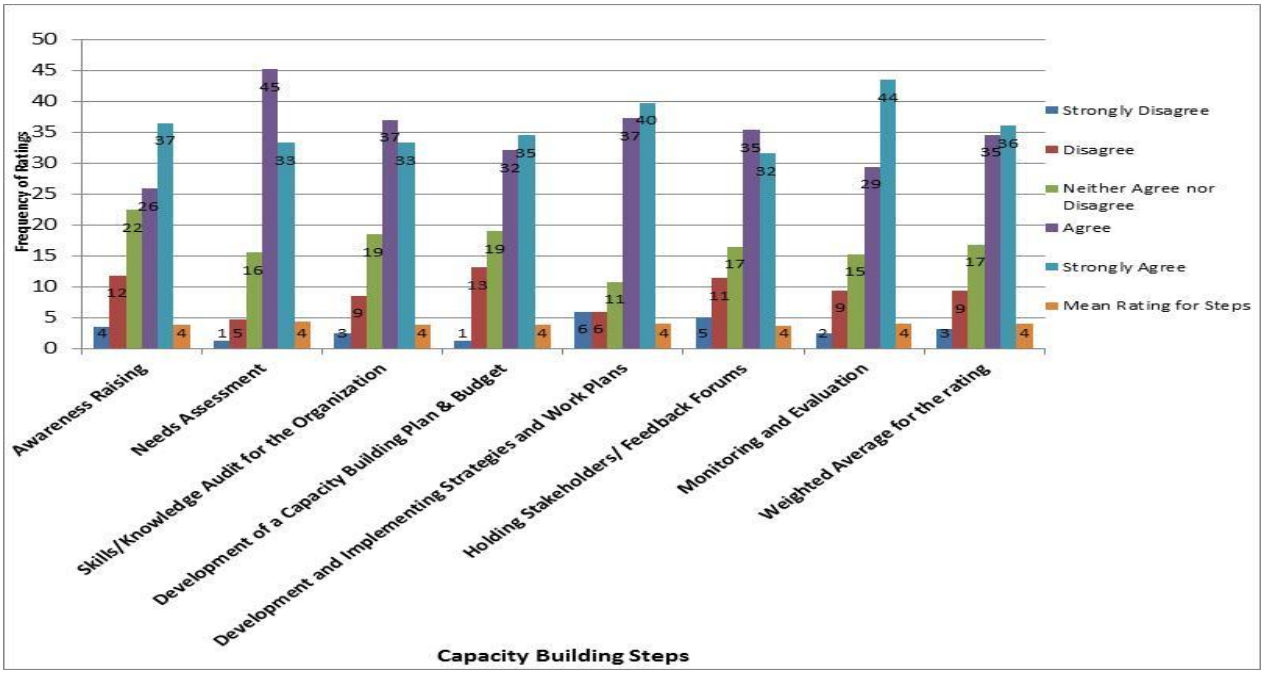

Figure 4.7: Rating of Steps Followed by Organizations during Capacity Building

Source: The Researcher – August, 2012

There was no winning rating for strongly disagree, disagree and neither agree nor disagree for any capacity building steps followed organizations, as the table below indicates.

Table 4.11: Mean Ratings for the frequency of capacity building steps in the organizations

Capacity Building Steps/ Process	Rating for Building Steps		
	No of Respondents	Mean Rating	Description of Mean Rating
Awareness Raising	131	3.80	Agree
Needs Assessment	129	4.46	Strongly Agree
Skills/Knowledge Audit for the Organization	125	3.90	Agree
Development of a Capacity Building Plan & Budget	129	3.86	Agree
Development and Implementing Strategies and Work Plans	128	3.99	Agree
Holding Stakeholders/ Feedback Forums	121	3.77	Agree
Monitoring and Evaluation	131	4.02	Agree
Weighted Average for the rating	***128***	***3.97***	***Agree***

Source: The Researcher – August, 2012

From the principal component analysis and correlation component 1 and 2 accounted for up to 70% of the variables with needs assessment, skills/knowledge audit, developing and monitoring and evaluation and implementing strategies and work plans as the most significant steps followed in capacity building in that order as shown in the table below.

Table 4.12: Factor analysis for whether BDS organizations follow steps in capacity building

Variable	Comp1	Comp2	Comp3
Awareness Raising	0.352	-0.5559	0.6278
Need Assessment	0.4059	-0.1975	-0.0752
Skills/Knowledge Audit for the Organization	0.3925	0.6062	-0.1373
Development of a Capacity Building Plan & Budget	0.383	-0.3699	0.0503
Developing and Implementing Strategies and Work Plans	0.345	0.1934	-0.5205
Holding Stakeholders/ Feedback Forums	0.3728	0.0933	0.4307
Monitoring and evaluation	0.3906	0.3186	-0.3499

Source: The Researcher – August, 2012

This finding is contrary to World Bank (2006) assertion that many capacity development activities are not grounded on rigorous needs assessments and do not include appropriate sequencing of measures aimed at institutional organization change and individual skills building. However, a significant number of respondents (29%) that strongly disagreed, disagree and neither agree nor disagreed with whether their organization follow this steps point to the problem that not all the organizations follow a well laid out process during capacity building. For instance, clear objective setting is still a challenge in most organizations.

Equally, respondents were asked to state whether a number of processes had been effective during capacity building process in their organization by answering yes or no. With at least 77% response, majority (75.3%) of the respondents said that the assessed processes/ features during capacity building were effective as indicated in Figure 4.8.

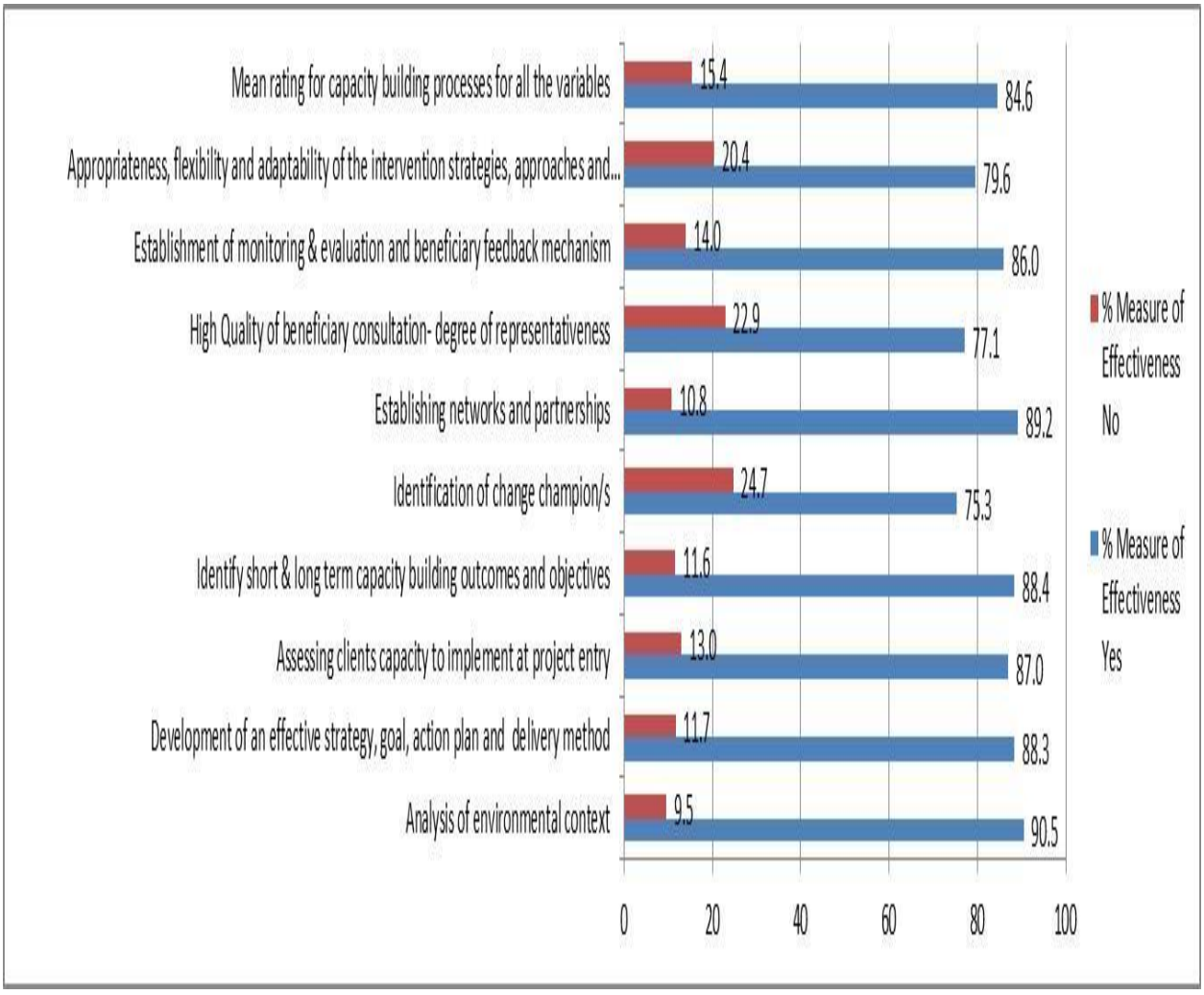

Figure 4.8: Rating of the Effectiveness of Capacity Building Processes / Features

Source: The Researcher – August 2016

The variables with the highest number of yes rating was analysis of environmental context, and establishment of networks & partnerships- 91%; development of an effective strategy, goal, action plan and delivery method- 88% and identification of short term & long term capacity building outcomes and objectives (88%).This result confirms earlier findings and credibly lead to conclusion that BDS organizations are very effective when it comes to processes and procedures.

According to Howard et al (2009) good capacity building practice starts with theory of change, followed by proper diagnosis and design. A very well thought out capacity building process is fundamental for successful outcome as it helps identify felt needs, clarify goals, set clear targets, identify critical path and milestones, rally key stakeholder, create ownership and urgency hence ensure smooth implementation, high outputs and outcomes. For instance needs assessment in terms of type and proportion of core and potential stakeholder before capacity building is very critical because, it influence the relevance of capacity building interventions (Ogiogio, 2005).

World Bank review of its capacity building in Africa recommended that capacity building efforts should strive to establish strong body of knowledge, strong leadership, use appropriate process for adequate needs identification, be clear on the role of training and incorporate ways to monitor and measure results (World Bank, 2005a). Thus development efforts should provide clear operational and systematic learning framework coherent with capacity building strategies; outline role of governance and be result based if it has to be sustainable, all issues of process.

The study noted that activities carried out to improve capacity of BDS facilitating organizations are varied depending on the recipient organization. Outstanding capacity building activities reported included organization assessment, training, staff seminar, knowledge & information sharing, financing, provision of facilities, installation of IMS, action research, e-networking, publications, establishment of financial and operational procedure and team building. Equally, training topics are varied depending on the organization or the issues being addressed.

Table 4.13: Capacity Building Activities in BDS Organizations

Activity	Frequency
Training of staff on various issues/topics	55.2%
Exposure/ Exchange Visits	7.8%
Provision of Phyisical Facilities & Technical support- ICT, E-learning Support	6.5%
Conduct Monitoring, Evaluation and Feedback	5.8%
Provision of Funds	3.9%
Facilitating Research/ Action Research	3.2%
Linkage with other service providers/partners	3.2%
Hold Mentoring Sessions	2.6%
Conduct/Hold Workshops, Conferences and Seminars	1.9%
Facilitating Marketing and Market Linkages	1.9%
Information Sharing	1.9%
Conducting Peer Review	1.3%
Sponsor Participation in ASK Shows	1.3%
Consultation on Establishment of Financial & Operational Procedures	0.6%
Development of Training Materials	0.6%
Facilitating Strategic Planning & Reviews	0.6%
Hold Dialogue and Supervisory Sessions	0.6%
Organize Exchange Programmes	0.6%

Source: Researcher – August, 2015

These findings agree with (Howard et al, 2009; and Wings, 2004), that there are numerous capacity building activities around the world, because of diverse organizations and contexts; varying policies and relationships between government and NGOs. It confirms (Uneca, 2005; APHSA, 2010; Otoo et al, 2009 and Light et al, 2004) assertion that capacity building strategies and activities are varied and sometimes confusing. Some capacity building activities cuts across while others are more technical, specialized and specific to organization and subject matter.

The study also indicated that the activities are in some cases arbitrary, not standalone or planned capacity building projects, nor based on best practices but implemented within other development projects and not necessarily intended to improve the overall performance of the organization. This is in line with Howards et al, (2009) assertion that functional approach to capacity building dominates. It supports WB-OED (2005b), findings that most capacity building

efforts in Africa are fragmented and that there is no uniform application of best practices which makes it difficult to capture cross-sectional issues, opportunities and lessons learnt.

Further, the respondents were asked to indicate by selecting yes or no whether a list of monitoring and evaluation practices existed in their organizations during capacity building. Most organizations reported well-established monitoring and evaluation system with over 69% of the respondents observing that most key attributes or M&E practices existed in their organization during capacity building except for the use of multiple methods for cross-reference and benchmarking that was rated 58%. Only up to 42% of respondents do not use multiple methods to cross reference analysis as a standard practice. The practices rated include existence of M& E framework with well-defined targets; stakeholder involvement; communication & feedback; baseline survey; benchmarking and allocation of adequate resources for M&E, see graph below.

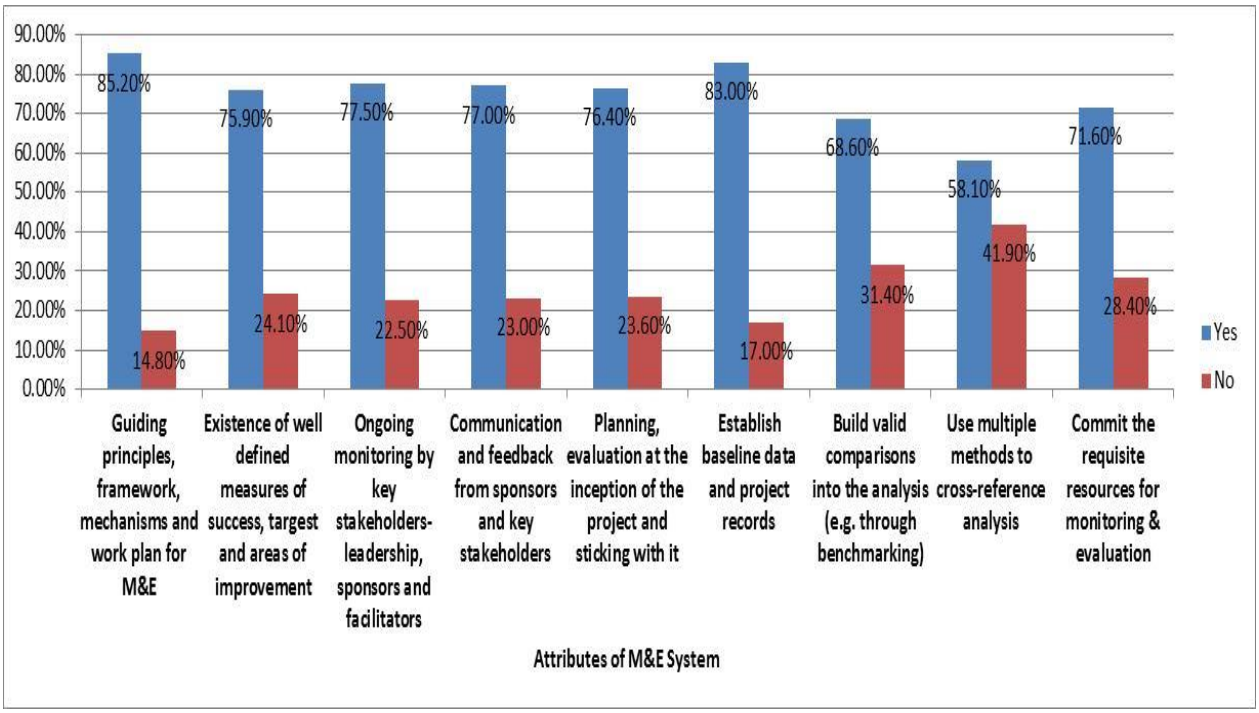

Figure 4.9: Existence of Monitoring & Evaluation Practices during Capacity Building Exercise

Source: The Researcher – August, 2012

These findings shows that in terms of monitoring activities, BDS facilitating organizations are able to set clear targets and indicators as well as design methods for collecting data to verify whether the targets have been achieved. This with the above results on the capacity building process/steps shows consistency and well established practice that is good for performance. The findings are in line with Oldsman & Hallberg (2001) best practice on M & E process in capacity building that include the need for clarification of targets and the underlying programme logic; planning for evaluation at the inception of the project; establishment of baseline data and project records; building valid comparisons into the analysis (benchmarking); use of multiple methods to cross-reference analysis and committing the requisite resources for monitoring and evaluation. A good M&E system with a very clear framework is fundamental for the achievement of any organizations objectives and must be integrated in the capacity building process.

The effect of this can be seen in various M & E related variables used in assessing organizations performance starting with result based management practices with sound M & E system and application of knowledge management programs that improved to a large extent and to some extent after capacity building; management of change & thematic issues with ability to learn, predict & cope with environmental changes rated as high; and existence of guiding principles, framework & mechanisms for M & E with well-defined measures of success and research and knowledge management system in majority of organizations as reported in the study findings. What these indicate is that capacity building leads to positive result when due process is followed and the opposite is the same when implementation or M & E practices are weak.

This however, contradict World Bank (2005a) study findings that most capacity building efforts lack standard quality assurance processes at the design stage and are not routinely tracked,

monitored and evaluated. It also negates ANCBI (2002) assertions that monitoring & evaluation of capacity building is relatively new and still lack methodological framework and instruments.

Further, the participants were asked to rate, on a scale of 1 for very low to 5 for very high, the level of practice, existence or performance of selected methodological attributes during capacity building in their organization. The results were as indicated in figure 4.10.

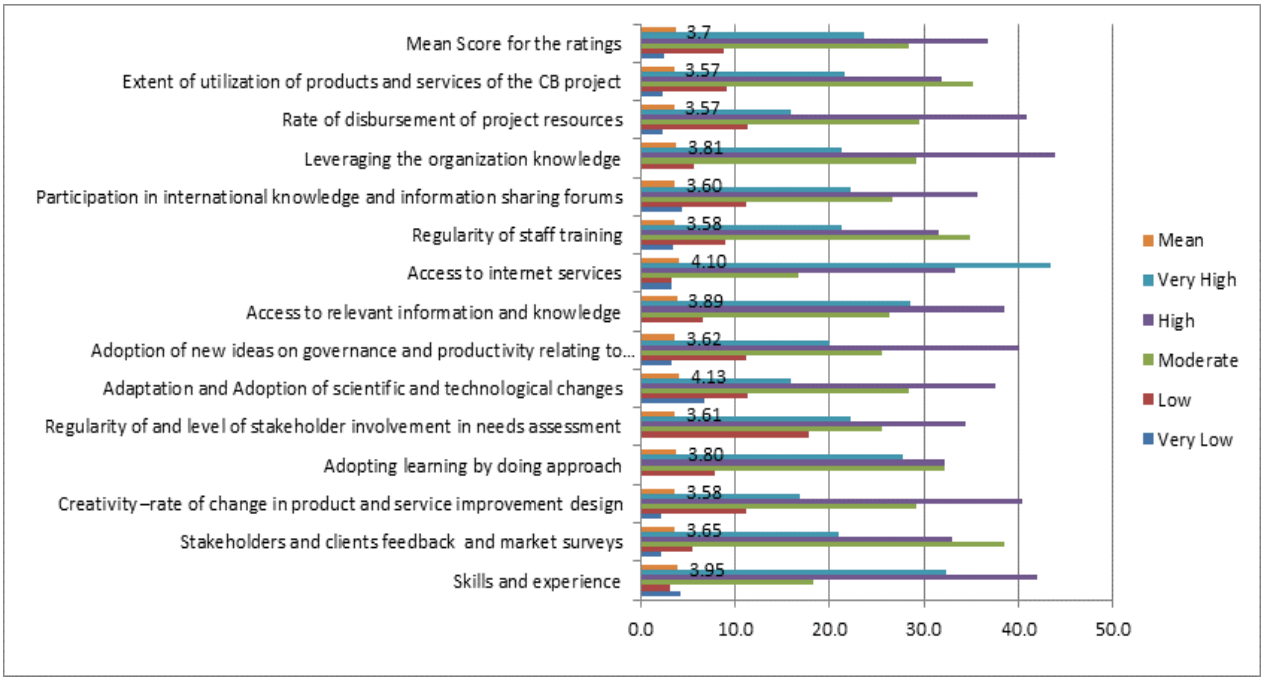

Figure 4.10: Level of practice, existence or performance of selected organization attributes during capacity building- percentage of the ratings.

Source: The Researcher 2012

The above figure indicates that the weighted means of all the variables was 3.7, equivalent to high with the lowest mean being 3.57 for adaptation and adoption of scientific & technical changes and the highest being 4.13 for rate of disbursement of project resources. Up to 37% respondents reported high, followed by (28%) moderate and (24%) very high for level of practice or performance of selected organization attributes. This shows that the level of practices of these methodological attributes during capacity building is generally favourable / conducive.

The most significant variables from principal component analysis were adaptation and adoption of scientific and technological changes, access to internet services and skills and experience an indication of emphasis on technology and skills as shown in the table below.

Figure 4.14: Practice or performance of organization attributes during capacity building.

Variable	Comp1	Comp2	Comp3
Skills and experience	0.3175	-0.2929	-0.3591
Stakeholders and clients feedback and market survey	0.2759	-0.2118	-0.1073
Creativity- rate of change in products and service improvement design	0.2733	-0.4587	0.1298
Adopting learning by doing approach	0.2518	-0.4366	-0.0035
Regularity of and level of stakeholder involvement in needs assessment	0.2761	0.1252	0.1452
Adaptation and adoption of scientific and technological changes	0.2103	0.4716	0.7777
Adoption of new ideas on governance and productivity relating to organization principles and experiences	0.3064	-0.1617	-0.0314
Access to relevant information and knowledge	0.2927	0.0866	0.0043
Access to internet services	0.3219	0.0431	-0.3623
Regularity of staff training	0.2705	0.1461	-0.0273
Participation in international knowledge and information sharing forums	0.2434	0.1391	0.0527
Leveraging the organization knowledge	0.0084	0.2692	0.0916
Rate of disbursement of project resources	0.2677	0.2839	0.0262
Extent of utilization of products and services of the CB project	0.2779	0.0313	0.2681

Source: The Researcher 2012

To assess the overall quality of capacity building exercise, the participants were asked to rate the performance of a number of variables from very low to very high on a scale of 1 to 5 respectively. In this case, the organizations were assessed on their ability and quality of implementation based on resource availability, strategy, design, equipment, cost, appropriateness, depth, tools, methods and participation. The majority and mean aggregate (3.2) rating for most variables was moderate indicating the perceived quality of implementation of capacity building interventions in organizations as moderate. At least 74% (136) respondents to this question rated the performance of six study variables as moderate and only two as low as indicated in table 4.10. Very low, low and very high were not considered as winning ratings.

Table 4.15: Organization performance on the following variables during capacity building

Variable	No	Very Low %	Low %	Moderate %	High %	Very High %	Mean Rating	Description of Mean Rating
Adequacy of resource (input) to provide response to identified capacity needs	136	6.80	28.40	36.40	6.80	21.60	3.41	Moderate
Adequacy of strategy, instrument, product and service in addressing needs	134	5.80	33.30	31.00	11.50	18.40	2.45	Low
Outputs produced met the needs, targets set and are sustainable	134	2.30	8.00	39.10	33.30	17.20	3.42	Moderate
Effective and participatory monitoring and evaluation	134	2.30	15.90	34.10	27.30	20.50	3.42	Moderate
Cost of delivery of capacity building interventions	132	3.50	9.30	34.90	32.60	19.80	3.44	Moderate
Appropriateness, depth, quality and utility of CB intervention/s	134	10.40	28.80	27.80	18.90	17.00	2.43	Low
Appropriateness of the design, tools and methods used in capacity building	130	3.50	8.20	39.60	28.60	20.00	3.42	Moderate
Level of beneficiaries participation and inclusiveness in needs assessment and in design and implementation & evaluation processes of capacity building	127	6.00	10.80	28.90	27.70	26.50	3.45	Moderate
Aggregate Mean	***133***	***5.08***	***17.84***	***33.98***	***23.34***	***20.13***	***3.18***	Moderate

Source: The Researcher – August, 2012

From principal component analysis, component 1 to 3 accounted for 78% of the variables combination that expressed maximum information on this question. Beneficiary participation, cost of delivery of interventions, appropriate methodology and effective monitoring and evaluation were the most significant favourable methodology variables during capacity building.

Table 4.16: Organization performance on the following variables during capacity building

Variable	Comp1	Comp2	Comp3
Adequacy of resources to provide response to identified capacity needs	0.3589	-0.2647	0.3922
Adequacy of strategy, instrument, product and service in addressing needs	0.3339	-0.428	0.0784
Output produced met the needs, targets set and are sustainable	0.365	-0.0892	0.5572
Effectiveness and participatory monitoring and evaluation	0.368	0.1989	-0.2149
Cost delivery of capital building interventions	0.3842	0.0407	0.2224
Appropriateness, depth, quality and utility of CB interventions	0.2798	0.1876	-0.139
Appropriateness of design, tools and methods used in capacity building	0.368	-0.1596	-0.3541
Level of beneficiary participation and inclusion in needs assessment, design, implementation and evaluation of capacity building processes	0.3602	0.7981	-0.5377

Source: The Researcher – August, 2012

Beneficiary participation, methodology, cost efficiency and effective monitoring seems to be the most favourable factors during capacity building as indicated by the above results. This two can be grouped into participation and methodological effectiveness which are the most important consideration for in most organizations during capacity building.

The reasons given for poor performance of the said variables during capacity building were; not properly set objectives & with misplaced priorities; inadequate needs assessment; inadequate design and implementation structures; dependence on donor specifications; poor implementation of activities (due to); inadequate resources; reduction in donor support; poor integration with the organization operations, processes and structures; inadequate methodology like quality trainings; little management supports and staff commitment; ad hoc training; and inefficient monitoring.

The reasons given for positive or high performance of the variables was that capacity building adequately solved the problems identified, created relevant capacities and better understanding of organization goals, motivated staff, improved service delivery & systems and enhanced institutional mandate and satisfactory feedback. This is because according to the respondents capacity building exercise was appropriate and targeted organization as a whole with relevant and achievable objectives; proper identification of gaps & requirements; professionally implemented using approaches that promotes participation, empowerment, effective control and sustainability and with well-established enforcement mechanism in the organization.

Seventy five (75%) said that capacity building was carried out in their organization as part of a project while only 25% had capacity building carried out as a deliberate, stand-alone project. This show that actually only 25% of BDS organizations has genuine and well planned capacity building with clear objective which is not dependent on another project.

Ultimately, the respondents were asked to indicate their level of satisfaction with the extent to which capacity building met the project objectives or addressed capacity needs identified in their organization. Only 10% of the respondents rated their level of satisfaction with the interventions achievement as very satisfactory, while 43% rated the achievements as Satisfactory -Figure 4.12.

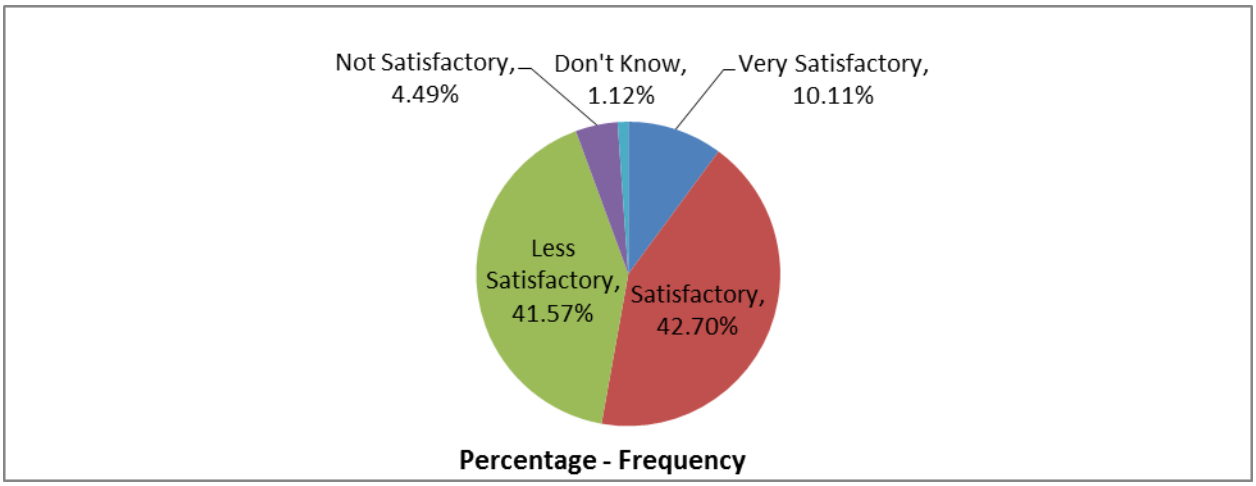

Figure 4.12: Level of satisfaction with interventions' achievement of capacity building objective

Source: The Researcher – August, 2012

The respondents who were very satisfied with the results for capacity building cited development of better programs, successful project implementation, enhanced technical competency and ability to manage change, improved employee performance, improved communication and (media) reporting on trade & development, improved motivation & staff commitment, wider market control, improved customer service delivery & profitability, change of organization culture, new innovations, cost reduction & improved financial management, positive feedback from donors/ clients as evidence of improved performance and post project evaluation results. The reasons given for high level of satisfaction included proper needs assessment; a well-established M & E system; stakeholder involvement; and relevant interventions.

The respondents for less satisfactory performance cited the reasons as poor strategies, inadequate resources, withdrawal of funding, lack of effective monitoring framework resulting to poor retention of skills, overall poor performance and that organization structures and systems are still not well developed, which is an aspect of low sustainability.

Further, majority of the employees who had worked for 1-5 years were less satisfied with the performance compared to those that had worked for over six years who were satisfied with the level of achievement of capacity building objectives as shown in the figure 4.13 below.

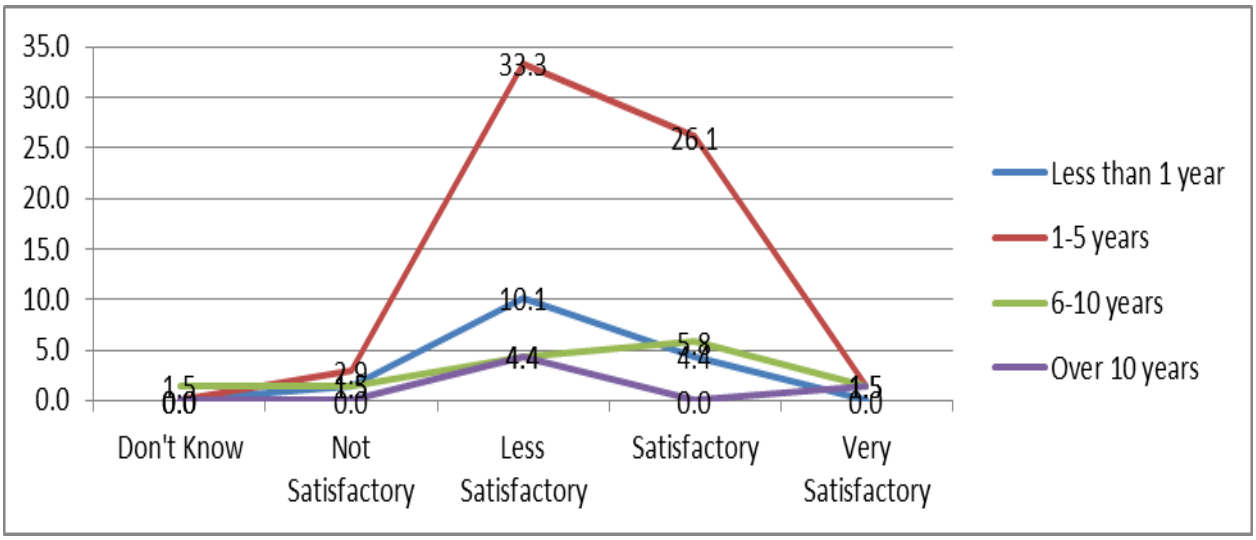

Figure 4.13: Cross tabulation of period worked in the organization and level of satisfaction with capacity building achieving its objectives / needs.

Source: Researcher – August, 2012

From the response on whether capacity building satisfactorily met the objectives/ needs of the organization, it can be deduced that majority of capacity building initiative moderately meet intended objectives. These shows that capacity building is carried out with mix level of success with strategies, methods, processes and activities appropriate and well executed in some cases and poorly done in others. The ideal situation of methodology and result is yet to be reached.

Out of all the methodological parameters used, capacity building processes and M&E systems were the two variables that had the highest favourable rating in terms of efficiency or quality of implementation with the others receiving more or less moderate ratings.

On the challenges experienced by the organization during capacity building, 34% of the respondents who answered this question mentioned inadequate resources & poor resource allocation and utilization; staff conflict; lack of commitment, co-operation, proper planning, goal clarity and follow up; constraining organization culture, donor conditions and budget; inadequate needs assessment; low stakeholder involvement; lack of management support; poor coordination, communication & insufficient information; different levels of participant knowledge; poor methods and approaches; inadequate facilities; negative attitude; inadequate skills; lack of organizations policies that support implementation & creativity; weak organization leadership and structure; and inappropriate training. Other challenges experienced are limited time; lack of appreciation of the importance of capacity building; inadequate capacity building expertise; low staff motivation; limited and high staff turnover; and lack of clear implementation framework.

4.3.1 Most Significant Methodological Indicator

Of the five methodological factors or attributes assessed, the study found out that their conditions during capacity building was generally favourable or as having moderate performance. The dimensions or aspects used to assess methodology includes strategy, approaches, methods, steps and other methodological practices or attributes that assess quality of implementation.

The most significant strategy used in capacity building was education training and skills development. The first two most significant variables indicated that human resource/ skills development is the most important strategy used in most organizations.

Principal component analysis indicates that alignment of capacity building to ongoing initiatives and internal systems followed by stakeholder involvement is the most important factors in the choice of capacity building approach. In terms of the significant method used in capacity building, factor analysis shows that training, with an Eigen value of 0.4664 is the most significant capacity building method followed by infrastructural/ technical support and information provision and awareness raising. Most organizations follow a well laid down capacity building process with needs assessment being the most significant step followed by majority of the organizations. Other important steps are skills and knowledge audit and monitoring and evaluation.

In terms of the overall quality of capacity building level of beneficiary participation was rated as the best quality element achieved by capacity building methodologies. Further analysis of quality attributes indicates that appropriateness of methodology whether in terms of design, strategy, tools and methods equally had high quality of achievement.

Finally, the most significant variables from combined methodological factors as indicated by the factor analysis were training and skills development, followed by stakeholder involvement. Training and skills development, stakeholder participation, technical support, use of technology, needs assessment and appropriate methodology were critical themes cutting across component categories whether in terms of methodology used or factors that determine the same as part of objectives, strategies, approaches, methods or process dimensions. Training therefore forms the variable for assessing effect of methodological factors on capacity building of BDS facilitating organizations.

4.4 Organization Factors that Affects Effectiveness of Capacity Building of BDS Facilitating Organizations in Kenya.

The study examined pre-existing organization factors that influence the effectiveness of capacity building in DBS facilitating organizations. In this case, the key variables considered were existing organization purpose and identity; organization strategies, systems, processes, structures and culture, infrastructure and leadership; level of stakeholder participation and sector and focus of the organization. The study indicates that there are generally favourable organization factors for capacity building in BDS facilitating organizations in Kenya except for leadership factors.

Where 1 is the lowest and 5 the highest, the respondents were asked to rate the state of a number of organization factors during capacity building in their organizations. There was a high rating by majority (38.44%) of the respondents with 11 out of 16 factor variables registering high as the rating with the highest respondents followed by moderate (28.18%) for 5 variables as shown in the table 4.17. The weighted average for organization factors variables was 3.65; with the median and mode being 4 (equivalent to High) except for effective resource mobilization and efforts coordination that had a median and a mode of 3. Existence of quality assurance practices and sharing of best practices rated moderate as an existing conditions favourable for effective implementation of capacity building.

Critical organization conditions like existence of mission, vision and performance goals, leadership support and accountability; appropriateness of organization structure, values and norms; adequacy of finance and financial management practices; alignment to global and country development priorities; supportive research, monitoring and evaluation practices; and adequacy and competencies of staff were rated high as pre-existing conditions in most organizations.

Table 4.17: Rating of Existing Organization Factors during Capacity Building in the Organizations

Organization Factors/ Variables	Lowest %	Low %	Moderate %	High %	Highest %	Mean
Existence of organization mission, vision and performance goals	5.1	1.0	17.3	38.8	37.8	4.03
Existence of Leadership support and accountability	4.1	6.1	23.5	40.8	25.5	3.79
Appropriateness of organization structure, values and norms	4.0	4.0	29.3	37.4	25.3	4.06
Adequacy of finance and financial management practices	4.0	9.1	21.2	43.4	22.2	3.71
Existence of quality assurance practices and sharing of best practices	3.1	8.2	35.7	30.6	22.4	3.61
Alignment to global and country development priorities- activities etc	3.2	12.8	23.4	36.2	24.5	3.66
Adequacy of Technology, infrastructure & physical facilities	3.1	9.2	32.7	38.8	16.3	3.56
Supportive Research, monitoring and evaluation practices	3.0	10.1	25.3	38.4	23.2	3.69
Effectiveness of resource mobilization & efforts coordination	2.0	13.1	27.3	42.2	15.2	3.48
Level and effectiveness of communication	1.1	12.8	34.0	35.1	17.0	3.44
Existence of the culture of learning & knowledge management programs	3.0	9.1	36.4	36.4	13.1	3.49
Level of community mobilization & stakeholder participation	2.1	14.9	27.7	38.3	17.0	3.43
Adequacy and competencies of staff available	2.1	5.2	24.7	45.4	22.7	3.81
Level of staff motivation	5.0	4.0	33.0	41.0	17.0	3.71
Rate of staff turnover and personnel changes	9.3	13.4	33.0	29.9	14.4	3.60
Alignment of internal functions, policy and budget	3.0	11.1	26.3	42.4	17.2	3.27
Mean Score/ Percentage for the ratings	**3.58**	**9.01**	**28.18**	**38.44**	**20.68**	**3.65**

Source: The Researcher- August 2012

On conducting principal component analysis, components 1 to 3 accounted for 67% of the combinations that explained the significant organization factors that affects capacity building.

Table 4.18: Principle component analysis of organization factors affecting capacity building

Component	Eigenvalue	Difference	Proportion	Cumulative
Comp1	6.99262	5.59894	0.4995	0.4995
Comp2	1.39368	0.380707	0.0995	0.599
Comp3	1.01297	0.225334	0.0724	0.6714
Comp4	0.787634	0.133528	0.0563	0.7276
Comp5	0.654106	0.100053	0.0467	0.7744
Comp6	0.554054	0.0676471	0.0396	0.8139
Comp7	0.486407	0.0492384	0.0347	0.8487
Comp8	0.437168	0.0389356	0.0312	0.8799
Comp9	0.398233	0.0502655	0.0284	0.9083
Comp10	0.347967	0.0326372	0.0249	0.9332
Comp11	0.31533	0.0485106	0.0225	0.9557
Comp12	0.266819	0.072486	0.0191	0.9748
Comp13	0.194333	0.0356423	0.0139	0.9887
Comp14	0.158691	0	0.0113	1
Principal components/correlation		*Number of obs*	*=*	*86*
Number of comp.	*=*	*3*		
Trace	*=*	*14*		
Rotation: (unrotated = principal)		*Rho*	*=*	*0.6714*

Source: The Researcher- August 2012

From the three components appropriate structures, values and norms is the organization factor variable that has the most significant effect on capacity building followed by whether an organization has well defined mission, vision and goals and availability of competent staff. Thematically this means that governance and management are the most important organization variables that affects capacity building as table 4.19 below indicates.

Table 4.19: Rating of Existing Organization Factors during Capacity Building in the Organizations

Rotated Component Matrix[a]			
	Component		
	1	2	3
Adequacy and competencies of staff available	0.831		
Level and effectiveness of communication	0.825		
Effectiveness of resource mobilization & efforts coordination	0.823		
Existence of Leadership support and accountability	0.823		
Supportive Research, monitoring and evaluation practices	0.818		
Alignment to global and country development priorities- activities etc	0.807		
Existence of quality assurance practices and sharing of best practices	0.773		
Alignment of internal functions, policy and budget	0.772		
Adequacy of finance and financial management practices	0.767		
Adequacy of Technology, infrastructure & physical facilities	0.746		
Existence of the culture of learning & knowledge management programs	0.746		
Level of staff motivation	0.731		
Rate of staff turnover and personnel changes	0.657		
Level of community mobilization & stakeholder participation	0.547	0.415	
Existence of organization mission, vision and performance goals		0.933	
Appropriateness of organization structure, values and norms			0.936
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 4 iterations.			

Source: The Researcher- August 2012

The conclusion from these findings is that the organizations had pre-existing organization capacity, favorable conditions or high level of conduciveness for capacity building. This is an indication that most of these organizations were prepared for capacity building therefore the outcome was majorly dependent on the methodology used or influence of external factors. However, moderate score for level of communication; resource mobilization and efforts coordination; culture of learning and knowledge management; community mobilization and participation; and alignment to internal functions, policies and budget can lead to poor results and could explain why only moderate but not very high performance are reported in terms of organization capacity. For instance Watson (2006) says that without knowledge management system and participation capacity building cannot achieve desired results.

4.4.1 Most Significant Organization Factor

The study shows that the most significant organization factor that affects capacity building is appropriate organization structure, value and norms followed by existence of well-defined mission, vision and performance goals and availability of competence staff. The first four significant elements under the three components that accounts for 67% of the variables can be grouped into governance and management factors.

This is the variable that represents organization factors used in determining the effect of organization factors on capacity building in BDS organizations in further analysis.

4.5 Environmental Factors that Affects Effectiveness of Capacity Building in BDS Facilitating Organizations in Kenya.

The study examined various environmental factors that influence the effectiveness of capacity building categorized as institutional, policy and legal framework; donor coordination & partnerships; development priorities; governance, human capital and public participation. The study finding indicates generally favourable external factors for capacity building in BDS facilitating organizations in Kenya except for leadership factors as described in this section.

The respondents rated the existence or status of a number of contextual variables in the country or community during capacity building in their organization using a scale of 1-very low to 5-very high as shown in table 4.20. Rating with the highest number of respondents for most variables (9) was moderate followed by high (4 variables). The standard mean rating for the environmental factors was 3.4, (moderate), with a standard deviation of 1 while the median and mode for the variables was 3 (moderate) for 9 out of 13 variables and 4 (high) for the remaining 4 variables.

Table 4.20: Rating for Environmental Factors during Capacity Building in Organizations.

Environmental Factors/ variables	Very low %	Low %	Moderate %	High %	Very High %	Mean
Level and effectiveness of NGO & BDS coordination in the country	5.1	11.2	40.8	29.6	13.3	3.35
Level of enforcement of institutional and legal framework guiding BDS facilitating organizations operations.	4.0	15.2	40.4	31.3	9.1	3.26
Level and effectiveness of donor coordination	3.1	18.4	35.7	32.7	10.2	3.29
Level of multi-sectoral and inter-organizational partnerships/ networking	4.2	10.4	33.3	40.6	11.5	3.45
Supportiveness of policies to the development of BDS facilitators and with a well structured policy making process.	3.2	16.0	39.4	29.8	11.7	3.31
Appropriateness of global and country development priorities	1.1	10.5	42.1	33.7	12.6	3.46
Appropriateness of BDS sector strategy and plan	2.1	13.7	31.6	38.9	13.7	3.48
Appropriateness and adequacy of HR and management capacities/practices	0.0	12.6	37.9	34.7	14.7	3.52
Availability of funds for BDS capacity building in the country/ globally	2.1	15.6	31.2	35.4	15.6	3.47
Adequacy of Infrastructure- information and communication systems etc	1.0	16.5	34.0	34.0	14.4	3.44
Favorability of History, culture and community values	3.2	16.8	35.8	32.6	11.6	3.33
Favorable National leadership and governance	2.1	15.8	40.0	33.7	8.4	3.31
Level of citizen participation- civic, development etc	3.1	8.3	34.4	36.5	17.7	3.57
Mean Score/Percentage for the Ratings	**2.64**	**13.92**	**36.66**	**34.12**	**12.65**	**3.40**

Source: The Researcher

Enforcement of institutional and legal framework; donor coordination; supportive policies to the development of BDS facilitators and with a well-structured policy making process; and national leadership and governance variables were rated the lowest.

When the researcher conducted component analysis the study indicates component 1 and 2 accounts for 66% of the while component 3 accounts for 71% of the variables. Component 1 and 2 therefore adequately represent the variables combinations that represent environmental factors for this study. The component analysis shows that the most significant variables during capacity building were institutional and legal framework, citizen participation, and appropriate and adequate human resource and management capacities. Analysis and grouping of the variables in the two components indicates that institutional framework, stakeholder participation and existing human resource are the key environmental factors that influence capacity building.

Table 4.21: Rating for Environmental Factors during Capacity Building in Organizations.

Rotated Component Matrix[a]		
	Component	
	1	2
Level of enforcement of institutional and legal framework guiding BDS facilitating organizations operations.	0.846	
Level of citizen participation- civic, development etc	0.817	
Appropriateness and adequacy of HR and management capacities/practices	0.815	
Availability of funds for BDS capacity building in the country/ globally	0.804	
Level of multi-sectoral and inter-organizational partnerships/ networking	0.743	
Level and effectiveness of NGO & BDS coordination in the country	0.638	
Appropriateness of global and country development priorities	0.566	0.499
Appropriateness of BDS sector strategy and plan		0.808
Supportiveness of policies to the development of BDS facilitators and with a well-structured policy making process.		0.799
Favorable National leadership and governance		0.779
Adequacy of Infrastructure- information and communication systems etc		0.743
Level and effectiveness of donor coordination		0.68
Favorability of History, culture and community values	0.555	0.612
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		
a. Rotation converged in 3 iterations.		

Source: The Researcher- August 2012

4.5.1 Most Significant Environmental Factor

From the component factor analysis the most significant environmental factor was the Level of enforcement of institutional and legal framework guiding BDS facilitating organizations operations. Grouping of the environmental variables of the two components into thematic areas indicates that pre-existing institutional and policy framework and level of stakeholder participation on development issues are the two most important environmental factors that affect capacity building. The variables were taken to represent environmental factors in measuring the effects of environmental factors on capacity building.

Overall, the study indicates that all the three factors – methodological, organization and environmental were moderately favourable or conducive prior to and during capacity building.

Using principal component and factor analysis, the researcher was able to identify the most significant variables that represent the three categories of factors that influence capacity building. The factors can be grouped into five main thematic areas that include use of training and skills development, appropriate methodology, pre-existing organization governance and management capacity, level of stakeholder participation and existing institutional and policy framework.

4.6 Effect of Capacity Building on BDS Facilitating Organizations in Kenya

This section examined the current performance of the BDS facilitating organization followed by deeper analysis of the actual effect of capacity building efforts using conventional organization performance elements and indicators. The study compared performance of organizations that had capacity building against those that did not and assessed the effects of specific factors especially methodologies to confirm whether capacity building improves performance.

The assessment of effects of capacity building involved three steps - step one involved identifying the most significant aspects of methodological, organizational and environmental factors to represent independent variable. Step two involved identifying the most significant measures of organization performance to represent the eight generic indicators of performance (dependent variables). The third step involved assessing how changes in independent variable (significant factors element) resulted in to change in the (most significant) representative elements of performance.

This analysis was based on the following formula:

Change in Z = Change in W x X x Y

Where Z is the effect of capacity building - dependent variable; and W, X and Y are the independent (Methodological, Organization and Environmental) variables.

Besides ordinal logistic and multiple regression, the study conducted principal component and factor analysis to determine the most significant variables, and how multiple interventions and factors cumulatively and proportionately affects performance. The goal of factor analysis was to reduce the dimensionality of the original variables and to give an interpretation to the new variable, spanned by a reduced number of new dimensions to underlie the old ones.

4.6.1 Performance of BDS Facilitating Organizations and Sector in Kenya

To assess the current organization performance, the respondents were asked to rate their organization on a scale of 1 for very low, 2 low, 3 moderate, 4 high and 5 very high using pre-selected elements of organizational success. Most organizations reported high performance rating for most elements assessed with the mean rating being 3.61 (high), and 13 out of 14 performance elements recording high performance as shown in table 4.26 in section 4.6.2.25.

Whether in terms of a pre-existing condition, methodological support or outcomes most organizations seem to perform better on infrastructural and technological capacity. This can be attributed to the fact that most NGOs are usually well supported or use a good chunk of their money to purchase physical and technological facilities to support project implementation.

Still, the respondents were asked to indicate whether some selected elements of organization success existed in the organization by choosing yes or no. Majority (83) of respondents, both for organization where capacity building was carried out and where not carried out, said that the said organization elements existed in their organizations. However, a significant number of respondents also reported that these organization elements do not exist in their organization as part of organization practice in both cases - Leadership development plan (36%); Participatory, democratic and measurable control system (29%); Risk mitigation mechanism or plan (28%); Financial resources that meet the needs of the organization (21%); and Research and knowledge management system 28%.

Table 4.22: Existence of Selected Organization Elements of Success in the Organization

Organization Elements of Success	Yes (%)	No (%)
Clear organization purpose & identity shared by staff and key stakeholders	99	1
Leadership development plan	64	36
Effective organization policies, regulations & strategies	92	8
Operations & strategic management/planning systems	92	8
Functional & efficient service delivery systems	93	7
Participatory, democratic & measurable control system	71	29
Effective human resource management systems	82	18
Two way communication between members & management	85	15
Risk mitigation mechanism or plan	72	28
Financial resources that meets the needs of the organization	79	21
Participation in international knowledge & information sharing conferences	84	16
Guiding principles, framework & mechanisms of monitoring & evaluation	87	13
Well defined measures of success & areas of improvement	83	17
Research & knowledge management systems	72	28
Ongoing monitoring & feedback by stakeholders	83	17
AVERAGE	**83**	**17**

Source: Researcher – August, 2012

As part of good organization practice, the respondents were also asked to indicate whether a number of documents existed in their organization of which majority (over 70%) who answered the question indicated that the documents were kept by their respective organizations, except for fundraising plan. In terms of documents that are kept by the organizations Written Mission and Vision Statement with (91.33%) was the most common documents followed by Specific program and project documents (88.49%); Strategic Plan; Financial Policy and HR policy (88.86%); Governing Documents and Charters (84.80%); Organization Monitoring and Evaluation framework (78.61%); Board Code of Conduct, Strategic Plan (72.51%); Information and Communication Policy (70.39%); and Fundraising Plan (62.21%) as shown on table 4.23.

Table 4.23: Level of Documentation in BDS Facilitating Organizations

Document Kept by the Organization	Whether the Document exist in the organization	Whether Capacity Building Carried out in the organization		Total
		Yes	No	
Governing Documents and Charters	Yes	112	32	144
	No	11	0	11
	Don't Know	9	6	15
Total		132	39	171
Board Code of Conduct	Yes	97	27	124
	No	14	3	17
	Don't Know	22	8	30
Total		132	39	171
Strategic Plan	Yes	119	33	152
	No	8	3	11
	Don't Know	8	2	10
Total		133	40	173
Written Mission and Vision Statement	Yes	122	36	158
	No	8	0	8
	Don't Know	5	2	7
Total		133	40	173
Financial Policy	Yes	120	32	152
	No	9	4	13
	Don't Know	6	2	8
Total		133	40	173
Human Resource policy	Yes	122	30	152
	No	11	5	16
	Don't Know	2	3	5
Total		133	40	173
Fundraising Plan	Yes	69	14	83
	No	35	14	49
	Don't Know	29	10	39
Total		132	39	171
Information and Communication Policy	Yes	94	27	121
	No	29	8	37
	Don't Know	11	3	14
Total		132	40	172
Specific Program and Project Documents	Yes	124	29	153
	No	8	0	8
	Don't Know	3	9	12
Total		134	39	173
Organization Monitoring and Evaluation Framework	Yes	109	27	136
	No	16	5	21
	Don't Know	10	6	16
Total		133	40	173

Source: The Researcher

On financial and technical contribution, higher technical than financial contribution was reported for most variables with 61% and 48% organizations reporting 1-50% financial and technical contributions respectively but with majority meeting only up to 25% of their needs. Only 21% of the organizations meet between 51-100% of their total financial requirement from internal sources. This means that organizations are not 100% financial and technically self-reliant and have low financial than technical capacity. In terms of financial contribution towards capacity building, majority (58%) of the organizations surveyed contributes 0-25% of their funding requirements followed by (19%) 26-50%, (17%) 51-75%, and (5%) 76-100%. These findings

agrees with Bear et al (2003) assertion that organizations are facing many dilemmas associated with resource allocation, approaches, partnerships and inadequate skills among facilitators.

The study indicates weakness in funding structure which with weakness in financial management elements and variables cutting across and or reported elsewhere in this study, supports further findings that sustainability in BDS organizations is not good enough since financial self-reliance is a critical part of sustainability. One reason given for projects failures in the study is lack of adequate funding which leads to abandonment or failure to complete the project. This weakness relates to poor performance or challenges of other sustainability parameters like resource mobilization, efforts coordination, and community participation reported in the study.

This findings means that capacity building undertaken in most BDS facilitating organizations does not enhance financial sustainability or that financial support as a capacity building strategy does not enhance the organizations' financial or technical self-reliance. According to Ogiogio (2005) the extent to which the beneficiaries own capacity building process is a function of its control over the resources through which capacity is built, provided the resources are not used to secure the services of high-cost international consultants instead of building local capacity.

Apart from the development agencies or donors some organizations also obtain their finances from banks, provision of consultancy services, corporate and individual donors, fees and sales of goods, business profits and government allocations; investors; funding by professional bodies; consumer organizations and research institutions. However majority of these organizations still rely on external and international donor funding with a few venturing into local fundraising. Some organizations outsource external consultants where internal capacity is deficient.

In assessing the organization's performance of its core mandate of providing BDS facilitating services, the respondents were asked to rate organization's delivery of the said service among beneficiaries using a scale of 0-not applicable, 1-completely ineffective, 2-ineffective, 3-fairly effective, 4-effective and 5- very effective. It was noted that an organization provides between 3 and 19 different types of services and an average of 11 services to its clients.

Generally, a larger number of respondents rated the performance of the BDS activities/ services as effective (29.5%), fairly effective (23.8%) and very effective (17.1%) with the mean rating for most of the variables as 4, which on the above scale was equivalent to effective as shown below.

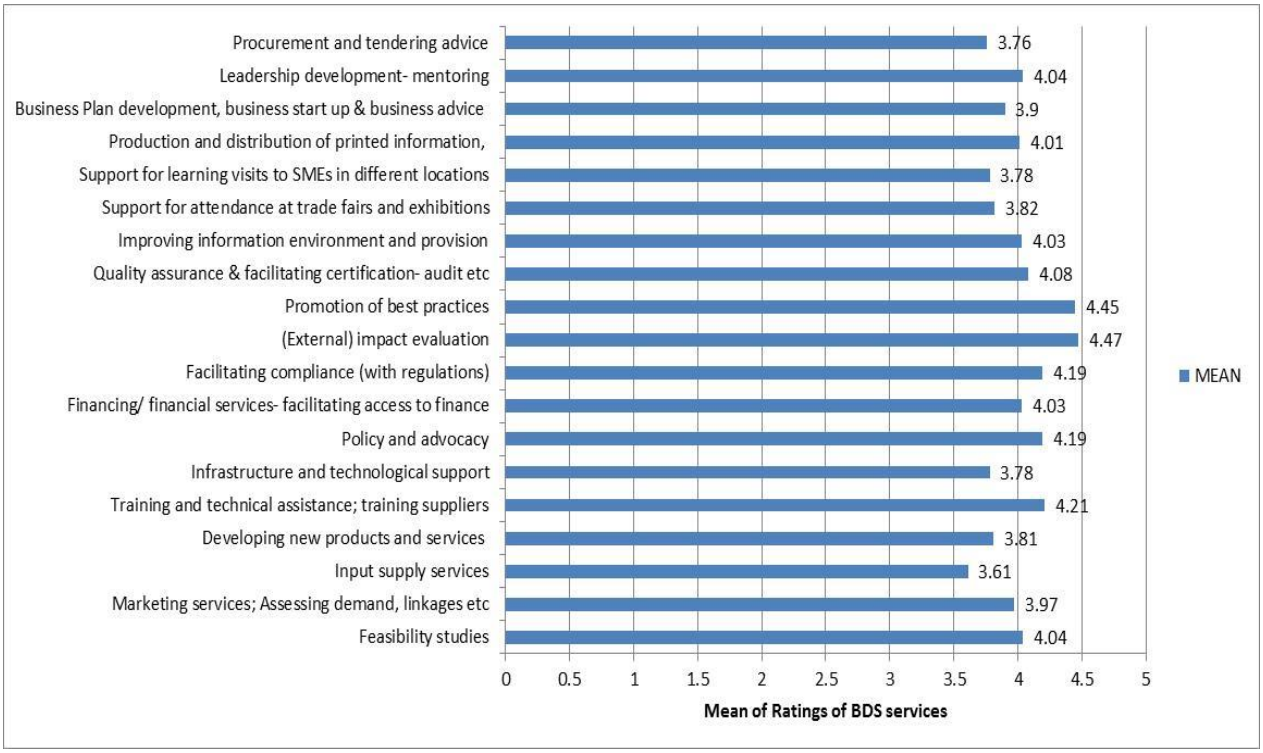

Figure 4.14: Rating of BDS Services provided by the organizations

Source: The Researcher

Specifically, feasibility studies, developing new products and services and leadership development were rated as fairly effective by the majority of respondents. Provision of marketing services; assessing demand, linkages; Input supply services; Training and technical

assistance; Infrastructure and technological support; Policy and Advocacy; Financing & financial services; Facilitating compliance with regulations; (External) impact evaluation; Promotion of best practices; Quality assurance & facilitating certification-audit; Improving information environment and provision; Support for attendance at trade fairs and exhibitions; Support for learning visits to SMEs in different locations; Production and distribution of printed information; Business plan development and business advice and Procurement and tendering advice were all rated as effective by the majority of the respondents. The ratings 1 for completely ineffective, 2 ineffective and 5 very effective were not considered winning categories by the majority.

The study also set out to determine the efficacy of provision of BDS facilitating services by various organizations using selected performance indicators based a scale of 1 for very poor, 2 poor, 3 fair, 4 good, and 5 for very good. Majority of the respondents scored good as the highest rating for the respective indicators as shown in table 4.23. The mean rating for the variables was from 3.46 to 3.87 with 9 out of 10 variables having mean equivalent to (4) good achievement of efficacy in BDS service facilitation and only '*ability of BDS programs or service packages stimulate demand for and supply of business support services"* achieving a fair rating (3.46) by majority of respondents. With a response rate of at least 76%, very poor, poor and very good were not considered winning categories by the majority of the respondents. These findings even though seems not to agree with literature that asserts poor service provision (Ageze, 2006), show that services offered are still not good enough or optimal as very good is not a winning majority.

In terms of sector performance, the study findings indicate a generally good performance of the BDS facilitation sector with majority rating between fair and very good and a weighted average rating for fair. These findings reflect the average performance of specific organizations assessed using various capacity elements.

The challenges cited as currently existing in the organization included inadequate skills for all functional departments of the organization; poor communication & policy implementation; inadequate facilities & infrastructure; high cost of hiring qualified staff; inadequate funds; difficulty in meeting the client's needs; restrictive donor conditions; high rate of employee turnover; weakness in research and development; weak HR systems- poor role clarity, specialization & alignment; limited staff; inability to attract long term funding for capacity building; inadequate co-operation among stakeholders; poor planning & objective setting; lack of commitment; inadequate partnerships & networking; inadequate M & E capacity; low up take of SME products; sector dysfunction; stiff industry competition; inadequate technological competence; sustainability; inadequate stakeholder awareness; inability to realize the organization goals & mission and diversity & complexity of the sector.

The above challenges indicate that BDS organizations in Kenya have not achieved the ideal capacity or that interventions have not realized maximum performance hence need for more efforts. The respondents suggested the following as the possible solutions to the current capacity challenges in their organizations: continuous sensitization of decision makers about capacity development; clear policy and plan on capacity building; strengthening partnerships and national capacity building networks; continuous training and staff development; regular follow ups; increasing & diversifying sources of funds & intensify fundraising; establishing strong communication and marketing strategies; improving donor coordination; improving stakeholder participation; establishing feedback mechanisms; mentoring; hiring qualified staff; promote innovation; participatory training needs assessment; organization culture change; establishment of regulatory bodies; proper allocation of funds; and use of online information sharing systems.

4.6.2 Comparison for Organization with Capacity Building and No Capacity Building

To assess whether there is difference between organizations that had capacity building and those that hadn't, the ANOVA test was conducted. The test revealed that there was statistical difference in 9 out of 14 performance elements which had P-values of less than 0.049 at 95% level of confidence amongst which regularity of education and community mobilization activities had a perfect relationship. The remaining 5 variables had no significant difference since they had p-values greater than 0.051 which presented evidence against the null-hypothesis as depicted in Table 4.24 below.

Table 4.24: Rating of Performance of Organization Elements of Success

Organization Capacity Element	Very Low	Low	Moderate	High	Very High	Mean	Median	Mode	Std Deviation	Skewness	Kurtosis	ANOVA	R Sq
Accountability and Transparency	8.4	3.7	24.3	38.3	25.2	3.68	4.00	4	1.146	-0.881	0.302	0.015	0.030
Organizational integrity & reputation for delivery of high quality and high impact program and policy completion	5.6	10.3	28.0	41.1	15.0	3.81	4.00	4	1.020	-0.811	0.233	0.012	0.056
Funding, Fundraising and Resource Mobilization	2.8	9.3	17.8	43.9	26.2	3.50	4.00	4	1.049	-0.611	-0.006	0.015	0.093
Staff Capacity, Skills, Aptitude, Synergy and Awareness	0.9	9.4	21.7	43.4	24.5	3.81	4.00	4	0.947	-0.570	-0.182	0.014	0.014
Infrastructural /Technical Capacity - Appropriateness	0.9	15.0	26.2	40.2	17.8	3.59	4.00	4	0.981	-0.315	-0.637	0.508	0.002
Regularity of Education & Community Mobilization Activities	4.9	12.6	25.2	36.9	20.4	3.55	4.00	4	1.100	-0.521	-0.364	0.000	0.056
Participation in national policy making, legislation & regulations	7.8	21.6	30.4	23.5	16.7	3.20	3.00	3	1.186	-0.063	-0.855	0.049	0.063
Consensus building, teamwork & staff motivation	4.7	10.4	30.2	36.8	17.9	3.53	4.00	4	1.053	-0.500	-0.152	0.328	0.003
Project & program design, implementation & monitoring	4.0	7.9	28.7	37.6	21.8	3.65	4.00	4	1.034	-0.588	0.034	0.041	0.031
Partnership building -strength in networking, collaboration & coordination	1.9	7.7	25.0	42.3	23.1	3.77	4.00	4	0.958	-0.601	0.096	0.047	0.590
Management of change and thematic issues- ability to learn, predict and cope with changes	3.9	8.7	25.2	43.7	18.4	3.64	4.00	4	1.008	-0.687	0.226	0.051	0.036
Level of stakeholder/community involvement	1.9	10.3	30.8	34.6	22.4	3.65	4.00	4	1.001	-0.349	-0.432	0.152	0.060
Quality control & service cost effectiveness	2.9	8.6	29.5	37.1	21.9	3.67	4.00	4	1.006	-0.498	-0.105	0.009	0.003
Gendermainstreaming practices	8.3	11.1	28.7	30.6	21.3	3.45	4.00	4	1.187	-0.469	-0.519	0.581	0.009
Average	**4.21**	**10.47**	**26.65**	**37.86**	**20.90**	**3.61**	**3.93**	**3.93**	**1.05**	**-0.53**	**-0.17**	**N/A**	**N/A**

Source: Researcher- August, 2012

High performance rating was reported as the highest response in 13 out of 14 performance elements with only participation in national policy making, legislation & regulations recording moderate ratings in organizations that had capacity building - see table 4.25.

Table 4.25: Rating of organization performance for organizations that HAD capacity building

Organization Performance Elements- Yes Capacity Building	Number of Responses						
	Very Low	Low	Moderate	High	Very High	Mean Rating	Highest Rating
Accountability and transparency	10	5	21	60	39	3.84	High
Organizational integrity; reputation for delivering high quality & high impact programs	3	9	22	56	44	3.96	High
Funding, fundraising and resource mobilization	5	10	38	58	26	3.66	High
Staff capacity, skills, aptitude, synergy and awareness	2	9	29	57	38	3.89	High
Infrastructural / technical capacity- appropriateness etc	0	15	34	56	29	3.74	High
Regularity of education and community mobilization activities	2	16	44	39	37	3.67	High
Participation in national policy making, legislation and regulations	13	22	43	31	29	3.30	Moderate
Consensus building, teamwork and Staff motivation	5	16	40	47	29	3.58	High
Project and program design, implementation and monitoring	2	4	38	58	34	3.87	High
Partnership building- strength in networking, collaboration & coordination	4	9	33	53	37	3.81	High
Management of change and thematic issues - ability to learn, predict and cope with environmental changes.	2	11	37	55	30	3.74	High
Level of stakeholder/ community involvement	2	9	41	51	34	3.77	High
Quality control and service cost effectiveness	2	10	40	52	31	3.74	High
Gender mainstreaming (practices)- analysis etc	8	14	41	42	31	3.54	High
Average Total Number of Responses Per Scale	**4**	**11**	**36**	**51**	**33**	**3.72**	**High**
Percentage Responses Per Scale	**0.85%**	**4.49%**	**21.22%**	**40.37%**	**33.03%**		

Source: Researcher – August, 2012

In organizations that had no capacity building only 4 out of 14 variables scored high performance rating with the remaining 10 performance elements registering moderate performance as the highest ranking as shown in table 4.16. Still the study noted that means for organizations that had capacity building - 4 - were relatively of a higher scale than those that had no capacity building- 3, and with performance curve leaning more on very high performance side for organizations with capacity building and pulling more to the very low performance side for no intervention. All this indicates that there is a significant improvement hence correlation between capacity building and performance.

Table 4.26: Rating of organization performance for organizations that had NO capacity building

Organization Performance Elements- No Capacity Building	Number of Responses						
	Very Low	Low	Moderate	High	Very High	Mean Rating	Highest Ranking
Accountability and transparency	3	2	21	10	7	3.37	Moderate
Organizational integrity; reputation for delivering high quality & high impact programs	2	7	10	21	3	3.37	Moderate
Funding, fundraising and resource mobilization	5	7	13	15	2	3.05	Moderate
Staff capacity, skills, aptitude, synergy and awareness	0	7	9	21	7	3.64	High
Infrastructural / technical capacity- appropriateness etc	2	10	14	14	3	3.14	Moderate
Regularity of education and community mobilization activities	5	8	2	25	0	3.18	Moderate
Participation in national policy making, legislation and regulations	2	16	11	13	2	2.93	Moderate
Consensus building, teamwork and Staff motivation	3	2	14	21	3	3.44	Moderate
Project and program design, implementation and monitoring	4	7	14	12	5	3.17	Moderate
Partnership building- strength in networking, collaboration & coordination	0	4	11	23	5	3.67	High
Management of change and thematic issues - ability to learn, predict and cope with environmental changes.	4	5	5	26	5	3.51	High
Level of stakeholder/ community involvement	2	7	14	12	7	3.36	Moderate
Quality control and service cost effectiveness	2	4	12	16	9	3.60	High
Gender mainstreaming (practices)- analysis etc	7	5	9	14	8	3.26	Moderate
Average Total Number of Responses Per Scale	3	7	11	17	5	3.33	Moderate
Percentage Responses Per Scale	6.98%	16.28%	25.58%	39.53%	11.63%		

Source: The Researcher – August, 2012

Capacity building has significant correlation with Project and program design, implementation & monitoring, Infrastructural/technical capacity-appropriateness, Funding, fundraising and resource mobilizations, Organization integrity; reputation for delivering high quality & impact programs, Participation in national policy making, legislation and regulations, and Regularity of education and community mobilization activities with scores of 0.57 to 0.97 in ascending order.

In addition, cross tabulation, indicated a significant different between of the organizations that had capacity building compared with those that did not on - *funding, fundraising and resource mobilization; participation in national policy making and legislation; project design, implementation and monitoring* - with organizations with capacity building performing better on these elements of success compared to those that did not and with the mean rating being 3.66; 3.30; 3.87 for capacity building -equivalent to high- compared 3.05; 2.93; 3.17 respectively, for no capacity building -equivalent to moderate- performance ratings – see Figure 4.15.

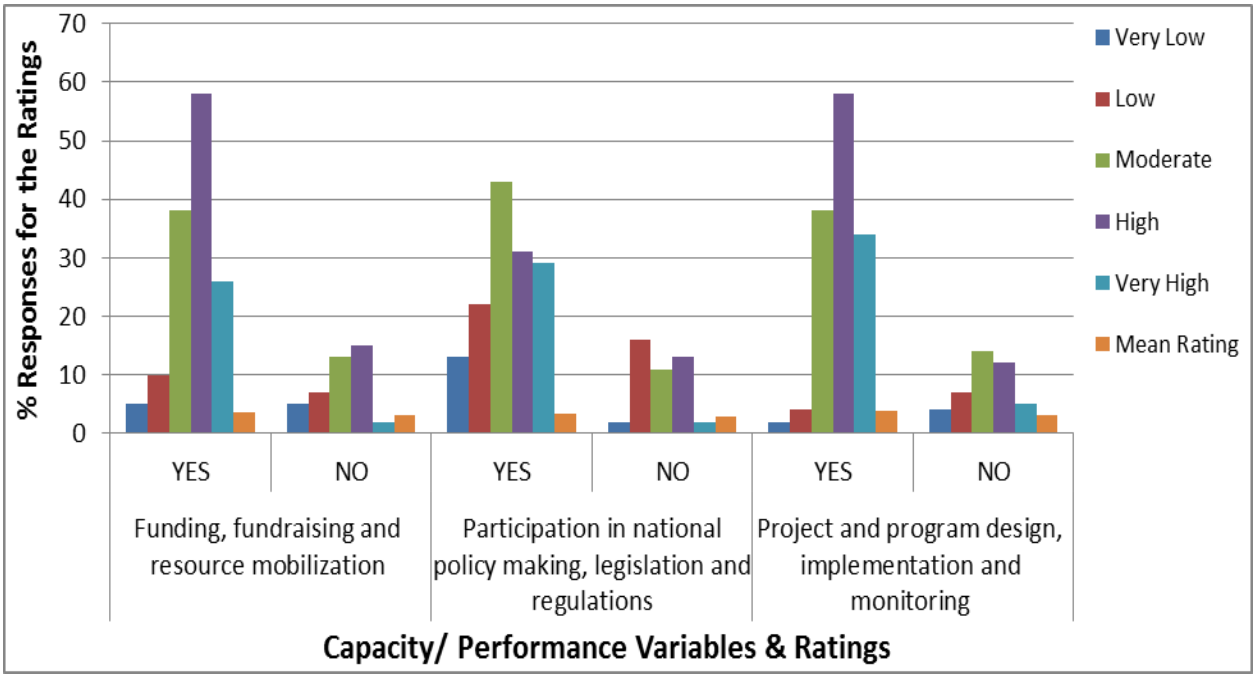

Figure 4.15: Comparative performance rating for capacity building & no capacity building

Source: The Researcher – August, 2012

A look at the existence of additional elements of organization success the researcher noted slight difference in the performance ratings on the existence of functional and efficient service delivery systems with the ratios being 13:4 for organizations with capacity building and 9:4 for no capacity building for existence to no existence of these organization elements respectively.

But it was also noted that there was no significant difference between organizations that had capacity building and those that had not on the existence of clear organizations purpose and identity 74:1 for yes compare to 43:0 for no capacity building; leadership development plan 3:2 for yes to 3:1 for no; effective organization policies and programs 11:1 for yes to 18:1 for no; effective human resource management system 4:1 for yes to 12:1 for no; risk mitigation plan 2:1 for yes to 7:1 for no; research and knowledge management system 3:1 for yes to 3:1 for no; and ongoing monitoring and feedback by key stakeholders 5:1 for yes compared to 9:1 for no capacity building- table 4.27. All variables had P-values greater than 0.05.

Table 4.27: Cross tabulations for the existence of selected organizations elements of success

Organization Elements of Success	Existence of Element/ Variable of Success	Whether Capacity Building Carried out in the organization		Total
		Yes	No	
Clear Organization Purpose & Identity Shared by Key Stakeholders	Yes	148	33	181
	No	2	0	2
Leadership Development Plan	Yes	89	28	117
	No	56	10	66
Effectiveness Organization Policies, Regulations and Strategies	Yes	133	36	169
	No	12	2	14
Operations and Strategies Management/ Planning Systems	Yes	127	40	167
	No	12	3	15
Functional & Efficient Service Delivery Systems	Yes	136	34	170
	No	9	4	13
Functional & Effective Financial Management Systems	Yes	129	35	164
	No	16	3	19
Participatory, Democratic and Measurable Control Systems	Yes	105	30	135
	No	40	8	48
Effective Human Resource Management System	Yes	115	35	150
	No	30	3	33
Two Way Communication Between Members and Management	Yes	125	34	159
	No	20	4	24
Risk Mitigation Mechanism or Plan	Yes	98	33	131
	No	47	5	52
Financial Resources that Meets the Needs of the Organization	Yes	115	32	147
	No	30	6	36
Participation in International Knowledge and Information Sharing Conferences	Yes	122	31	153
	No	23	7	30
Guiding Principles, Framework and Mechanisms of Monitoring & Evaluation	Yes	126	33	159
	No	18	5	23
Well Defined Measures of Success and Areas of Improvement	Yes	118	33	151
	No	26	5	31
Research and Knowledge Management System	Yes	104	28	132
	No	38	10	48
Ongoing Monitoring and Feedback by Key Stakeholders- Leaders, Sponsors and Facilitators	Yes	116	34	150
	No	23	4	27

Source: The Researcher – August, 2012

The findings reveal that capacity building is not the sole determinant for organization practices. Such practices can also be a result of established laws or industry norms. It is one thing to have a vision, plans, policies, programs and get feedback and another thing to implement hence further interrogation on the use and implementation in both cases is required to make valid conclusions.

Except for program and project documents that had P-value of 0.000 there was no correlation between capacity building and the organization's keep of specific document since all variables had P-value greater than 0.05 at 95% confidence level. Surprisingly, the organizations that had NO capacity building had high ratios (weighted average 8:1) between the responses for organizations with documents compared to those with no documents just as the ratios for those organizations that had capacity building (weighted average 7:1) but with a relatively with higher margin for the yes to no ratios in favour of organizations with capacity building.

Except for policy design and implementation that had P-value greater than 0.506 there is significant difference between the two types of organizations on technical contribution to capacity building, with needs assessment and programme design, implementation & monitoring having P-values of 0.034, 0.032 and 0.009 respectively. The majority with capacity building technically supports 26-50% of their capacity building and needs assessment; 51-75% of project design, implementation & M&E and policy implementation; but only 1-25% of their policy design activities. On contrary majority of organizations without capacity building supports 1-25% of capacity building, program and projects, policy design and needs assessment; and 26-50% of policy implementation activities as shown on table 4.28.

Table 4.28: Proportion of Organization's Technical Contribution to its Activities

ORGANIZATION ACTIVITY	Percentage Contribution	Whether Capacity Building Carried Out in the Organization		Total
		Yes	No	
TECHNICAL CONTRIBUTION BY THE ORGANIZATION				
Capacity Building	0%	3	8	11
	1-25%	35	11	46
	26-50%	37	9	46
	51-75%	25	6	31
	76-100%	14	2	16
	Total	114	36	150
Program/Project Design, Implementation & Monitoring and Evaluation	0%	2	0	2
	1-25%	15	15	30
	26-50%	15	8	23
	51-75%	42	8	50
	76-100%	35	3	38
	Total	109	34	143
Policy Design	0%	5	3	8
	1-25%	37	11	48
	26-50%	22	6	28
	51-75%	26	9	35
	76-100%	20	3	23
	Total	110	32	142
Policy Implementation	0%	5	2	7
	1-25%	28	8	36
	26-50%	20	12	32
	51-75%	34	6	40
	76-100%	23	5	28
	Total	110	33	143
Needs Assessment (for capacity building)	0%	6	3	9
	1-25%	31	12	43
	26-50%	34	8	42
	51-75%	23	9	32
	76-100%	20	3	23
	Total	114	35	149

Source: Researcher – August, 2012

With a P-value of 0.039 at 95% confidence level, the study noted significant difference in organizations' total funding where majority (43%) that had capacity building funds 1-25% of their total funding needs compared to majority (38%) without capacity building that meets 26-50% of their total financial requirements. On specific activities, significant difference was noted

in administrative budgets where majority of organizations that had capacity building fund 1-25% of this budget as opposed to majority that had no capacity building that funds 51-75%. However, in both types of organizations, majority of the respondents reported 1-25% own contribution for capacity building and programs budget.

Table 4.29: Proportion of Organization's Financial Contribution to its Activities

ORGANIZATION ACTIVITY	Percentage Contribution	Whether Capacity Building Carried Out in the Organization		Total
		Yes	No	
FINANCIAL CONTRIBUTION BY THE ORGANIZATION				
Capacity Building	0%	3	8	11
	1-25%	63	14	77
	26-50%	23	6	29
	51-75%	23	3	26
	76-100%	3	5	8
	Total	115	36	151
Programmes/Project	0%	6	3	9
	1-25%	51	14	65
	26-50%	31	3	34
	51-75%	17	9	26
	76-100%	11	6	17
	Total	116	35	151
Administrative Budget	0%	3	2	5
	1-25%	40	8	48
	26-50%	38	6	44
	51-75%	22	18	40
	76-100%	12	2	14
	Total	115	36	151
Total Funding Requirement	0%	6	3	9
	1-25%	42	11	53
	26-50%	29	12	41
	51-75%	12	3	15
	76-100%	9	3	12
	Total	98	32	130

Source: The Researcher – August, 2012

Organizations with capacity building had higher ratio for financial sufficiency compared to those that did not - poor 2:1, fair 3:1, good 3:1, and very good 4:1 as shown in table 4.30 below.

Table 4.30: Cross tabulation capacity building and financial sufficiency in BDS organizations

Independent Variable		Rating of Financial Sufficiency/Adequacy					
		Very Poor	Poor	Fair	Good	Very Good	Total
Whether Capacity Building was Carried Out	YES	0	11	38	37	20	106
	NO	2	5	12	11	5	35
Total		2	16	50	48	25	141

Source: The Researcher - August, 2016

This funding structure can be attributed to a number of factors depending on the aspect of funding or activity being considered – i) The international funding outlook and also to the fact that most BDS facilitating organizations are not business oriented organizations that generate their own revenues but rely on donor funding, especially for project and capacity building. In this case higher reliance on external funding can be attributed to the fact that capacity building improves ability for fundraising or networking that has nothing to do with financial self-reliance in the long run. ii) It can also be attributed to aggressiveness and diversification of income streams or generating activities outside the conventional donor funding.

Study noted that BDS facilitating organizations that had capacity building were more effective in financial service provision compared to those that did not. The organizations rated financing and financial service provision to client as completely infective 1.8% to 8.6%; fairly effective- 16.39% to 31.43%, effective- 36.89% to 34.28%, very effective- 18% to 5.71% for organizations that had capacity building compare to those that did not respectively. The ratio of organizations with finance policy and fundraising plan and those that did not was 5:1 and 4:1 respectively for organizations that had capacity building compared to 5:2 and 2:1 for those that did not. Only 48.5% of the organizations had fundraising plan. This indicates that capacity building improves financial management but the financial performance in BDS organizations still has weaknesses.

Table 4.33 illustrates the quality of service provided by organizations where majority of those with capacity building recorded effective 29.1%, fairly effective 24% and very effective 20.3%, ineffective 8.2%, completely ineffective 3.3%, while those with no capacity mainly rating their performance of services as effective-33.4%, fairly effective-21% ineffective-13.9%, completely ineffective-10.4%, then 7.7% very effective.

Table 4.31: Rating for the Organizations Performance of BDS Services/ Activities

Type of Service / Activity by the Organization	Whether Capacity Building was Carried Out	Performance Rating					
		N/A	Completely ineffective	Ineffective	Fairly effective	Effective	Very effective
Feasibilty studies	Yes	11.3%	1.3%	7.5%	31.3%	23.8%	25.0%
	No	28.6%	9.5%	14.3%	19.0%	28.6%	0.00%
Marketing services;Assessing demand, linkages	Yes	14.5%	2.6%	7.9%	23.7%	36.8%	14.5%
	No	18.2%	4.5%	9.1%	31.8%	31.8%	4.5%
Input supply sevrices	Yes	17.6%	6.8%	14.9%	21.6%	28.4%	10.8%
	No	18.2%	13.6%	9.1%	27.3%	31.8%	-
Developing new products and services	Yes	19.2%	2.7%	2.7%	31.5%	30.1%	13.7%
	No	19.0%	9.5%	9.5%	23.8%	33.3%	4.8%
Training and technical assistance; training suppliers	Yes	9.0%	1.3%	10.3%	23.1%	30.8%	25.6%
	No	13.6%	9.1%	27.3%	18.2%	22.7%	9.1%
Infrastructure and technological support	Yes	17.3%	4.0%	12.0%	25.3%	28.0%	13.3%
	No	13.6%	13.6%	9.1%	22.7%	27.3%	13.6%
Policy and advocacy	Yes	9.1%	5.2%	11.7%	26.0%	23.4%	24.7%
	No	9.1%	13.6%	4.5%	18.2%	40.9%	13.6%
Financing/Financial services- facilitating access to finance	Yes	17.9%	1.3%	9.0%	16.7%	37.2%	17.9%
	No	4.5%	9.1%	13.6%	31.8%	36.4%	4.5%
Facilitating compliance (with regulations)	Yes	12.3%	1.4%	5.5%	23.3%	38.4%	19.2%
	No	9.1%	13.6%	4.5%	31.8%	31.8%	9.1%
(External) Impact evaluation	Yes	11.50%	3.80%	7.70%	23.10%	30.80%	23.10%
	No	13.60%		18.20%	13.60%	45.50%	9.10%
Promotion of best practices	Yes	7.6%	2.5%	5.1%	27.8%	29.1%	27.8%
	No		9.1%	13.6%	22.7%	50.0%	4.5%
Quality assurance & facilitating certification -audit	Yes	14.90%	4.10%	5.40%	20.30%	29.70%	25.70%
	No	13.60%	4.50%	13.60%	36.40%	27.30%	4.50%
Improving information environment and provision	Yes	10.7%	5.3%	6.7%	28.0%	32.0%	17.3%
	No	13.6%	18.2%	18.2%	4.5%	40.9%	4.5%
Support for attendance at trade fairs and exhibitions	Yes	19.2%	1.4%	12.3%	21.9%	26.0%	19.2%
	No	13.6%	9.1%	22.7%	18.2%	27.3%	9.1%
Support for learning visits to SME in different locations	Yes	21.1%	2.6%	6.6%	25.0%	27.6%	17.1%
	No	14.3%	14.3%	19.0%	14.3%	28.6%	9.5%
Production and distribution of printed informati	Yes	14.7%	4.0%	8.0%	22.7%	30.7%	20.0%
	No	18.2%	9.1%	13.6%	13.6%	36.4%	9.1%
Business plan development, business start up & business advice	Yes	24.0%	1.3%	6.7%	18.7%	24.0%	25.3%
	No	9.5%	14.3%	4.8%	23.8%	38.1%	9.5%
Leadership development- mentoring	Yes	14.3%	5.2%	7.8%	27.3%	19.5%	26.0%
	No	4.5%	13.6%	22.7%	18.2%	27.3%	13.6%
Procurement and tendering advice	Yes	20.0%	5.3%	10.7%	18.7%	26.7%	18.7%
	No	23.8%	9.5%	14.3%	9.5%	28.6%	14.3%

Source: Researcher – August, 2015

The study noted no significant difference in the effectiveness of services provided by organizations that had compared to those that had no capacity building including feasibility study and training and technical assistance which had P-values of 0.002 and 0.016 respectively, correlation being significant at 0.01. The other 17 variables had P-values of more than 0.094.

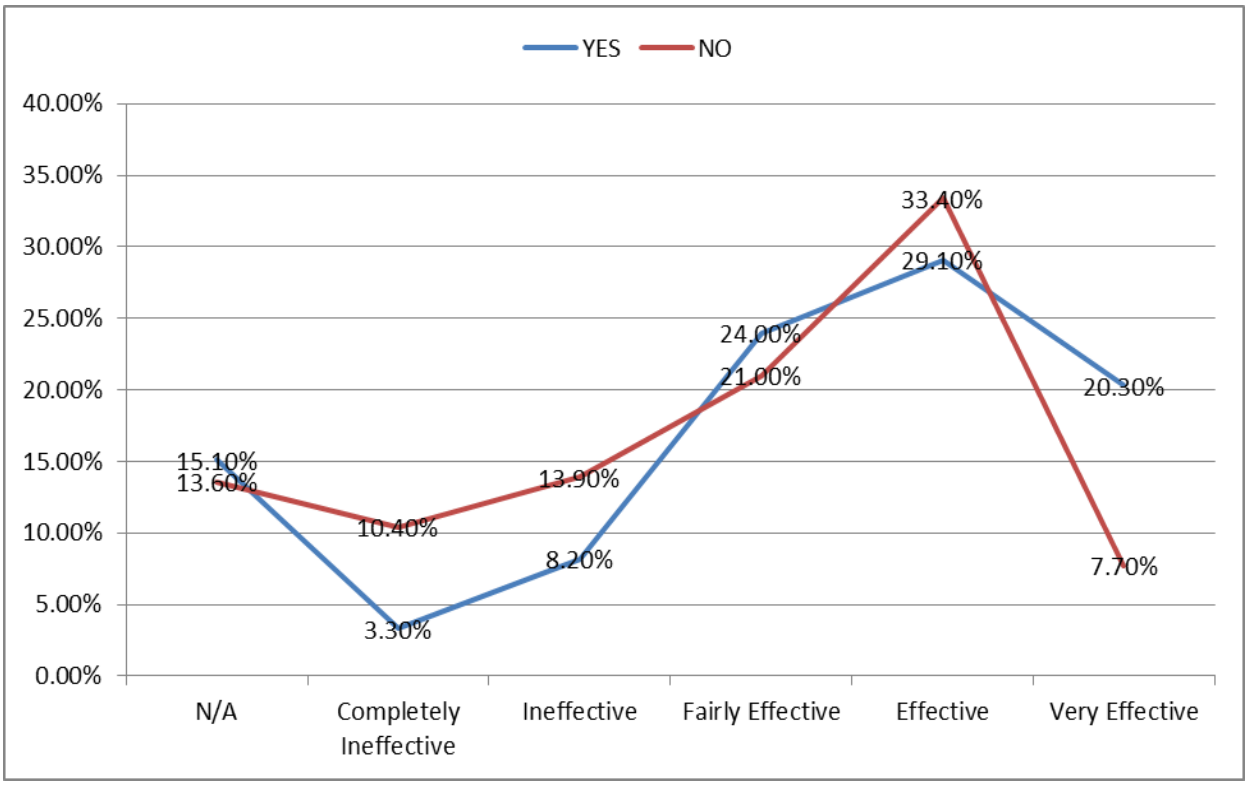

Figure 4.16: Cross Tabulation of Capacity Building and BDS Services by Organizations

Source: Researcher – August, 2015

In terms of BDS facilitating service provision, the organizations provide an average of 11 services, majority rating the quality of service as good but with no significant difference between the efficacy of service provided by organizations with capacity building and those with no capacity building except for BDS programs or services stimulate demand for & supply of business support service which had a P-Value of 0.038 at 95% confidence level.

On cross tabulation of capacity building and the efficacy of provision of BDS facilitating services, the study noted positive performance in both organizations that had capacity building and those without with standard mean for yes being 3.72 and no 3.56. Both the organizations had good followed by fair as the highest ratings then very high for those with and poor for those that had no capacity building as the third highest ratings for efficacy of service provision – table 4.32.

Table 4.32: Efficacy of facilitation of BDS services for YES or No capacity building

Indicators of Organization Performance	Mean Rating for Efficacy		
	Yes Capacity Building	No Capacity Building	Total/ Aggregate
Service offered are responsive to clients demands	3.92	3.68	3.87
BDS programs/ services stimulate demand for BDS services	3.61	3.09	3.46
Organization have realistic plans/strategies for dealing with business aspects of service delivery	3.61	3.33	3.54
BDS programs produce positive (social) impact in addition to serving particular sets of clients	3.71	2.95	3.61
Strengthening Important Types of business linkages	3.71	3.42	3.63
Stimulate Increased learning and more rapid diffusion of innovations	3.61	3.14	3.52
Staff/Partner/Beneficiaries have developed the requisite capacities for effective performance	3.73	3.43	3.68
Quality and level of utilization of capacity built of the BDS recipients	3.81	3.57	3.85
Behaviour change among staff and the beneficiaries	3.65	3.32	3.64
Positive change in the income levels and living standards of beneficiaries	3.84	3.62	3.79
Aggregate/ Standard Mean for the Efficacy	***3.72***	***3.36***	***3.66***
Key: 1-Very Poor; 2-Poor; 3-Fair; 4-Good; 5-Very Good	Good	Fair	Good

Source: The Researchers

Similar findings in Ethiopia by Ageze (2006) found out that the level of selected BDS providers' performance is high in expanding the market for BDS and increasing access of underserved groups to BDS but outreach of the selected programs is low in developing high quality, diverse and competitive BDS market.

On cross tabulation for organizations that had capacity building and those that had not, the study reported a substantial difference between the two types of organizations on perception on performance of the BDS sector. Organizations with capacity building had a right heavy linear distribution curve while those without had a left leaning linear curve. Using cumulative (aggregate) mean 75% of the variables recorded fair as the mean rating followed by good 25% for capacity building, while 87.5% of the variables had fair followed by 12.5% for good as the mean ratings for organizations with no capacity building as show in the graph 4.17 below.

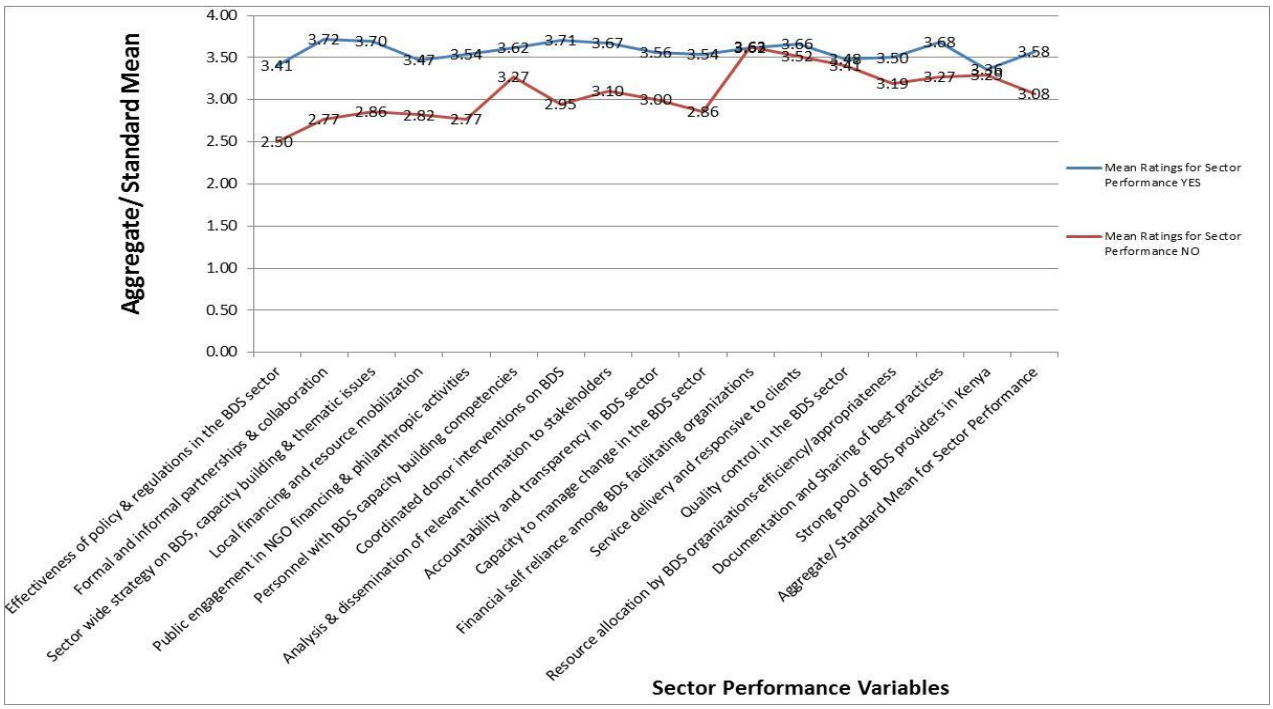

Figure 4.17: Comparative Rating of the Overall Performance of the BDS Sector

Even though both had a similar trending, organizations with capacity building have lower scores for worse than and higher scores for average and better than performance comparison compared to those that did not have capacity building as shown below.

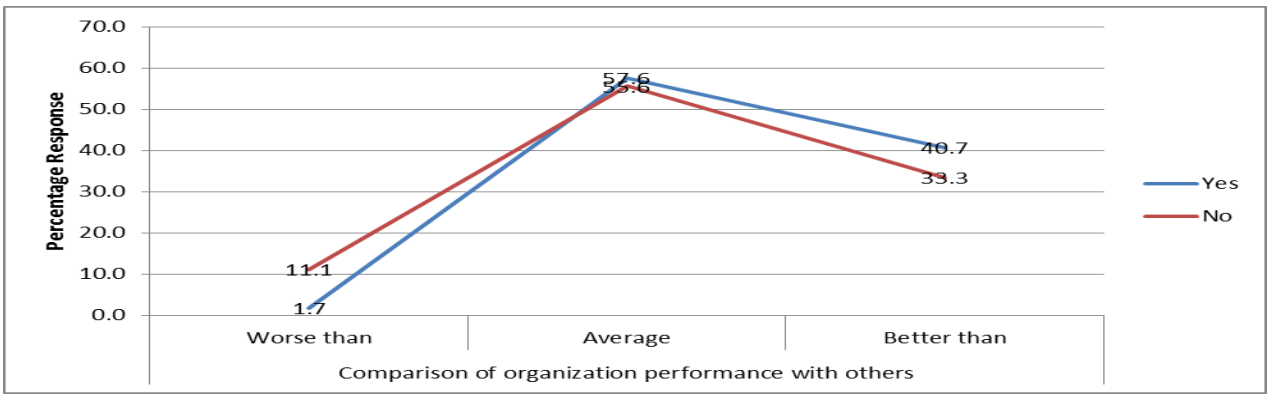

Figure 4.18: Organization Performance comparisons for with and no capacity building.

Source: Researchers- August 2016

All these results strongly affirm to the fact that capacity building generally improves performance of BDS facilitating organizations.

4.6.3 Effects of Capacity Building Methodology on Performance of BDS organizations

Methodology refers to different strategies, approaches, methods, processes and practices used in capacity building. Methodological factors are pre-existing factors (in a country) that determine the choice of methodology during capacity building. In assessing the effects of methodology on the outcome of capacity building in BDS facilitating organizations the researcher used the most significant elements of methodology identified through principal comparative analysis.

The researcher found out that the type and quality of strategy influence the effectiveness of capacity building. For example majority that ranked education, training and skills development as number one strategy also reported high ratings followed by very high as opposed to those who ranked it lowly that reported moderate as the highest performance for fundraising and resource mobilization; and staff capacity, skills, aptitude, synergy and awareness, which shows that training greatly improves staff and resource mobilization capacity.

On cross tabulation of the education, training and skills development as a key strategy or approach of capacity building and funding, fundraising and resource mobilization; and staff capacity, skills, aptitude, synergy and awareness as elements of organization success, the study found out that the strategy have a lot of positive effect on staff capacity element more than improving the organization fundraising and resource mobilization performance elements with aggregate rating of 4.16 and 3.93 respectively. Majority of the respondents who ranked education, training and skills development as the key strategy used in capacity building reported 1-25% financial contribution for capacity building as their highest score - 60%; program and project implementation 51-75% by 35% of respondents; administrative budget 1-25% by 35%; and total funding requirement 76-100% by 35% of the respondents.

In the case of proportion of technical support, the respondents who chose education, training and skills development as number one strategy reported 1-25% proportion of technical support as the highest organization contribution -45% respondents- for capacity building; 76-100% contribution by 35% of respondent for program/project design, implementation & monitoring; 1-25% by 31.5% for policy design; 1-25% and 51-75% of 35% of respondents each for policy implementation; and finally 1-25% proportion of technical support by 35% of the respondents for needs assessment.

Totally different results were reported for the other strategies and approaches. Respondents who ranked infrastructure & technical support as the first of key strategies used in capacity building scored 51-75% financial contribution to capacity building and program/ project implementation by 44.4% and 88.9% respondents respectively; 26-50%, 51-75% and 76-100% financial contribution by 33% of respondents in each case for administrative budget; and 75-100% financial contribution by 75% of respondents for total funding requirement. Likewise respondents that ranked organization, leadership and HR development as number one strategy reported 1-25% financial contribution by 57% of the respondents for capacity building; 51-75% for 57% for program & projects; 26-50% for 42.86% of respondents for administrative budget; and 75-100% financial contribution for 66.7% of the respondents for the total funding. This shows that different capacity strategies and approaches affect different performance elements hence parts of the organization differently.

Still organizations (40%) that ranked financial support as the first key strategy also reported very low contribution (0-25%) in terms of funding for capacity building. The case was not the same for respondents who ranked financial support as number one who had majority (57%) reporting 51-75% financial contribution towards program/ projects; 47% of respondents reporting 26-50%

financial contribution to administrative budget; and 55% of respondents recorded 26-50% contribution to the total budget. This shows that organizations receive funding from development agencies mainly for programs and organization operations but hardly for capacity building.

In the case of proportion of technical support, the organizations who ranked financial support as number one strategy or approach in capacity building had the highest score in technical provision for capacity building (33%) for 26-50% and 51-75%; program / project design, implementation, monitoring & evaluation (57%) for 51-75%; policy design (35.7%) for both 1-25% & 26-50%; policy implementation 42.9% for 51-75%; and needs assessment 33% for 1-25%.

Respondents who ranked infrastructure and technical support as number one capacity building strategy reported 26-50% and 51-75% technical contribution by 33.33% respondents for capacity building in each case; 51-75% technical support by 66.67% respondents for program/ project design, implementation and evaluation; 51-75% by 55.56% and 66.67% respondents for policy design and implementation respectively; 75-100% technical support by 44.44% respondents for needs assessment. For the respondents that selected organization leadership and HR development as the number one strategy, 1-25% and 26-50% was the highest level of technical support by 42.86% of respondents in each case; for program/project design, implementation and M&E.

Capacity building strategies that targeted improvement in finance did not necessarily improve financial and technical sufficiency while those that involved technical capacity strengthening and training significantly improved technical and financial capacity of the organizations with direct technical support being the highest in improving technical sufficiency. Funding programs without emphasis on capacity building of the implementing organization is what usually leads to poor implementation and realization of project objective as reported by World Bank (2005b).

The study also found out that the type and the frequency method used affects the outcome of capacity building. When the researcher cross tabulated training as capacity building method with efficacy variables, the researcher found a significant correlation between the frequency of training and efficacy of service provision. Organizations that rated training as high and moderate method of capacity building reported good and fair efficacy of service provision.

Similar pattern was recorded for other capacity building methods with majority of the methods that were rated moderate and high also scoring good and fair ratings for efficacy in provision of their services except for infrastructure and technical support, IT equipment and support and financing that does not seem to correlate with efficacy of service provision. Organizations that had high and moderate frequency ratings for infrastructure and technical support as a method of capacity building reported poor and fair efficacy as the highest and second highest rating respectively as shown table 4.32 below.

Table 4.32: Cross tabulation of selected methods & efficacy of provision of BDS services

Indicators of Efficacy of Organization Performance of BDS Facilitation Services	Level of Response	Training		Infrastructure/Technical Support		Networking & Linkages		Overall Mean	Overall Std. Deviation
		Frequency of Use	Efficacy of BDS Serviice	Frequency of Use	Efficacy of BDS Serviice	Frequency of Use	Efficacy of BDS Serviice		
Service offered are responsive to client demands	1st Rating	Very/High	Good	Low	Good	V/High	Good	3.87	0.944
	2nd Rating	High	Very Good	Moderate	Very Good	H/Moderate	V/Good		
BDS prog or services stimulate demand for & supply of busines support service	1st Rating	V/High	Good	Low/Moderate	Good	V/High	Good	3.46	1.025
	2nd Rating	High	Fair	High	Fair	Moderate	Fair		
Org have realistic plans/strategies for dealing with business aspects of service delivery	1st Rating	V/High	Good	Low/Moderate	Good	V/High	Good	3.54	0.925
	2nd Rating	High	Fair	High	Fair	Moderate	Fair		
BDS programs produce positive (social) impact in addition to serving particular sets of clients	1st Rating	V/High	Good	Low/Moderate	Good	V/High	Good	3.61	0.881
	2nd Rating	High	Fair	High	Fair	Moderate	Fair		
Strengthening Important Types of business linkages	1st Rating	V/High	Good	Moderate	Good	V/High	Good	3.63	0.997
	2nd Rating	High	Fair	Low	Fair	H/Moderate	Fair		
Stimulate Increased learning and more rapid diffusion of innovations	1st Rating	V/High	Good	Low	Good	V/High	Good	3.52	1.012
	2nd Rating	High	Fair	Moderate	Fair	H/Moderate	Fair		
Staff/Partner/Beneficiaries have developed the requisite capacities for effective performance	1st Rating	V/High	Good	Low	Good	V/High	Good	3.68	0.807
	2nd Rating	High	Fair	Moderate	Fair	H/Moderate	Fair		
Quality and level of utilization of capacity built of the BDS recipients	1st Rating	V/High	Good	Moderate	Good	V/High	Good	3.85	1.111
	2nd Rating	High	Fair	Low	Fair	High	Fair		
Behaviour change among staff and the beneficiaries	1st Rating	V/High	Good	Low/Moderate	Good	V/High	Good	3.64	.855
	2nd Rating	High	Fair	High	Fair	H/Moderate	Fair		
Positive change in the income levels and living standards of beneficiaries	1st Rating	V/High	Good	Low/Moderate	Good	V/High	Good	3.79	.895
	2nd Rating	High	Fair	High	Fair	H/Moderate	Fair		

Source: The Researcher- August 2012

In addition, based on the quality of implementation, the study found out that training as a capacity building method have different effect on the following elements of organization performance in descending order of magnitude –operations and strategic management; functional and effective financial management systems; guiding principles, framework and mechanisms of M&E; well defined measures of success and areas of improvement; effective HR management systems and research and knowledge management. For example the study noted that (the quality of) training as a method of capacity building greatly affect level of documentation and effectiveness of service delivery by BDS organizations with higher quality of training correlating with very effective service provision especially training and technical assistance, policy and advocacy and promotion of best practices.

These findings shows that i) different capacity building methods contribute differently to the organization performance, ii) quality of application or implementation of a particular method is a determinant of the level of performance of BDS organization e.g. efficacy of service provision.

On cross tabulation of the methods of capacity building with organization's performance compared with other peers, the study noted that there is no significant difference between the method variables with all of them having average comparison as the first followed by better than as the organization performance irrespective the frequency of application or rank. Respondents that rated training with very high (50.67%) followed by high (21.33%) as the most frequently used method chose average (41.33%) performance followed by better than (26.67%) performance rating while respondents that ranked infrastructural and technological support with moderate (27.69%) and low (23.07%) as the highest rating chose average (32.31%) followed by better than (18.46%) as the organization's performance compared to others.

The organizations that reported very high (45.21%) as the highest and moderate (30.14%) as the second highest performance rating for information provision & awareness creation also reported average (41.1%) and better than (30.14%) comparisons as the highest and second performance ratings for the organization respectively, similar pattern applying to lower ratings.

This particular assessment focused more on the frequency of use and intensity or the magnitude of change by the most significant capacity building method. The conclusion to this is that capacity method has a positive effect or a general improvement on the performance of the organization irrespective of the type, level and quality of application.

Further, the researcher cross tabulated the first two highest scores of capacity building steps - awareness creation and needs assessment - with accountability and transparency, organization integrity, funding, fundraising & resource mobilization, staff capacity, infrastructural/technical capacity, regularity of education & community mobilization activities, participation in national policy making, consensus building, project & program design, implementation & monitoring, partnership building, management of change, stakeholder involvement, quality control & service cost effectiveness and gender mainstreaming, and found that they are significantly correlated. The respondents who scored strongly agree and agree in the use of awareness creation and needs assessment also rated very highly and highly for the above variables with the opposite having similar results which attest to Howard et al (2009) postulation that an effective process is critical for the success of any capacity building.

The study also established a correlation between the level of awareness creation during capacity building and organization performance comparison with those organizations that had high score

(Strongly agree- 42.11% & Agree -24.56%) for awareness raising as part of the process recording high score for average (59.6%) and better than (38.6%) comparison - table 4.33.

Table 4.33: Cross tabulation of awareness raising with organization performance comparison.

Capacity Building Step		Comparison of organization			Total
		Worse than	Average	Better than	
Awareness Raising	Strong Disagree	0	5	3	8
	Disagree	2	4	1	7
	Neither agree nor Disagree	1	19	8	28
	Agree	0	21	8	29
	Strongly Agree	0	23	26	49
Total		**3**	**72**	**46**	**121**

Source: The Researcher- August 2012

The study indicates that following clear capacity building process affects BDS facilitating organizations performance, but has different levels of performance for specific elements, where organizations that scored highly on following due process also perform better compared to peers.

There was no very big difference between organizations that had a number of M&E practices in their organization compared to those that had no such practices. When correlated all cases registered average followed by better than performance comparison, though those with yes for existence of M&E practices had much leaning towards better than. The ratio of average to better than performance was however minimal in organizations that reported yes for the existence of the M&E practices as compared to those that said no that had very high ratios of average to better than in favour of average as shown in Table 4.34.

Table 4.34: Cross tabulation of M&E practices with the comparative rating of performance

M&E System Attributes/ Practices	Whether the M&E Practice Exist	Comparison of organization performance with others			Total
		Worse than	Average	Better than	
Guiding Principles, Framework, Mechanisms & Workplan for M&E	Yes	2	58	42	102
	No	2	11	5	18
Total		4	69	47	120
Existence of Well Defined measures of Success, Targets & areas of improvement	Yes	2	46	38	86
	No	2	20	9	31
Total		4	66	47	117
Ongoing monitoring by Key stakeholders-Leadership, sponsors, facilitator	Yes	5	49	38	92
	No	0	20	8	28
Total		5	69	46	120
Communication and feedback from sponsors and key stakeholders	Yes	3	48	38	89
	No	2	18	8	28
Total		5	66	46	117
Planning evaluation at the inception of the project and sticking with it	Yes	3	45	42	90
	No	2	23	5	30
Total		5	58	47	110
Establish baseline data and project records	Yes	5	48	43	96
	No	0	18	3	21
Total		5	66	46	117
Build valid comparisons into the analysis- Benchmarking	Yes	2	42	34	78
	No	2	26	11	39
Total		4	68	45	117
Use multiple methods to cross-reference analysis	Yes	2	32	34	68
	No	2	35	12	49
Total		4	67	46	117
Commit the requisite resources for monitoring & evaluation	Yes	2	46	37	85
	No	2	22	11	35
Total		4	68	48	120

Source: The Researcher- August 2012

Organizations that had guiding principles, framework, mechanisms and work plan for M & E also reported high percentage for yes for the existence of organization elements like two way communication between members and management; well defined measures of success and areas of improvement; research and knowledge management system; and ongoing monitoring and feedback with the ratio for yes to no being higher for yes in organizations that have these M& E practices as opposed to organizations that did not as shown in the table 4.35.

Table 4.35: Cross-tabulation of existence of selected M&E practices and organization elements

Organization Capacity Elements	Existence of Guiding Principles, Framework, Mechanisms & Workplan for M&E	Ratio for the Existence of the Org. Elements	
		Yes	No
Two way communication between members and management	Yes	5	1
	No	3	1
Well defined measures of success and areas of improvement	Yes	5	1
	No	5	2
Research and knowledge management system	Yes	3	1
	No	1	1
Ongoing monitoring and feedback by key stakeholders	Yes	9	1
	No	5	2

Source: The Researcher- August 2012

Even though marginal, the findings confirms that to some extent the M&E practices positively influence the outcome of capacity building, though this could be a practice that is entrenched and cutting across due long term interactions beyond capacity building as earlier results shows.

On cross tabulation of the practice, existence and performance of selected methodological attributes during capacity building with a selected elements of organization success, the study found out that the respondents that rated them very high and high also reported very high scores for the existence of the elements of success in their organizations, the opposite being the same.

For instance, the respondents that reported very high and high level of practice, existence or performance in terms of skills and experience, adopting learning by doing research, regularity of and level of stakeholder involvement in needs assessment and participation in international knowledge & information sharing forums during capacity building also reported very high score for existence of leadership plan, effective organization policies, regulations & strategies and operations & strategic management / planning systems as element of organization success. The opposite results were obtained for low rating for the same attributes where majority reported no for the existence of the same elements of organization success.

Finally, on cross tabulation of the selected capacity building methodological factors with selected effectiveness, efficiency and impact variables, the study noted a significant difference in performance of organizations that said the processes/features were effective compared to those who reported that the said methodological variables were not effective as shown in table 4.36.

Table 4.36: Cross Tabulation of Capacity Building Process and Selected Effectiveness, Efficiency & Impact parameters

Capacity Building Processes/ Features	Effectiveness, Efficiency or Impact Variable	Effectiveness of Capacity Building Process	Level of Capacity Improvement					
			None/ Not Applicable	Very Small Extent	Small Extent	Some Extent	Large Extent	Very Large Extent
Analysis of environmental context	Level of participation in national activities, agenda & debate	Yes	5	6	11	32	26	25
		No	2	2	5	3	2	0
Analysis of environmental context	Human resource utilization	Yes	2	2	23	29	34	18
		No	0	3	2	3	3	2
Analysis of environmental context	Organization's influence on the key Organization policy & program	Yes	2	5	6	31	45	18
		No	0	2	2	3	6	0
Development of an effective strategy, goal, action plan and delivery method	Evaluation System	Yes	0	5	9	25	45	23
		No	2	3	3	5	2	0
Assessing clients capacity to implement at project entry	Effective Organization culture and behavior	Yes	2	5	18	34	32	22
		No	0	3	3	9	0	0
Assessing clients capacity to implement at project entry	Social movement induced, established or strengthened	Yes	6	5	22	12	37	20
		No	0	0	5	9	2	0
Identifying short & long term capacity building outcomes and objectives	Increased quantity & quality of outputs- Products/Services	Yes	0	8	6	22	48	20
		No	0	0	3	6	6	0
Identification of change champion/s	Organization leadership & governance	Yes	0	3	2	26	38	17
		No	2	3	6	5	11	3
High quality of beneficiary consultation- degree of representativess	Entrepreneurial and revenue capacity of the organization	Yes	5	9	8	32	23	18
		No	2	2	6	6	9	0
Establishment of monitoring & evaluation and beneficiary feedback mechanism	Ability of the organization to fulfil its mission	Yes	2	3	5	20	43	32
		No	0	0	3	6	5	2

Source: The Researcher- August 2012

The respondents who reported effective methodological attributes during capacity building reported very large followed by large extent performance improvement and with performance distribution curve leaning to the right compared with those that said the methodological features or process were not effective who reported small extent followed by some extent improvement rating as the majority rating with the distribution curve leaning toward left- low performance.

To assess the effect of methodological factor on performance the researcher conducted correlation and regression analysis. The study examined methodological factors that influence performance of an organisation by using Pearson correlation coefficient between methodological factors that were found to be most significant under each aspect. The study assumed that significant factors examined under the performance category were important aspect of organisation performance, therefore a variable known as performance was computed from the response using additive model and the resulting value was divided by maximum possible observed response. The value obtained was a continuous variable that ranged from 0-5.

Table 4.37: Relationship between performance and methodological factors

Significant Methodology Variable	Performance Measurement		
	Pearson Correlation(r)	n	Sig. (2-tailed)
Adaptation and Adoption of scientific and technological changes	0.047	88	0.665
Training and skills development	0.336	99	0.001
Alignment of Capacity Building to the on-going initiatives	0.377	83	0.000
Beneficiary Participation & Inclusiveness	0.349	84	0.001
Needs Assessment	0.334	87	0.001

Source: Researcher – August, 2012

The study found that association between Training and skills development, Alignment of Capacity Building to the on-going initiatives, Beneficiary Participation & Inclusiveness, Needs Assessment methodologies were significantly associated with organisation performance at $\alpha=0.05$ while Adaptation and relationship between adoption of scientific and technological changes and performance was found to be insignificant.

When the research conducted ordinal regression analysis of training, which was the most significant methodology, on the most significant organizations elements of performance – financial resource utilization, regularity of staff training, current level of beneficiaries support and motivation, and influence on key policy and programs - Chi-square of 9.382 and significance figure of 0.025 at a 95% confidence level which indicates that organization factor affects organization performance. A chi-square of 33.694 and significance of 0.53 was recorded for all the 23 performance elements combined.

A critical look shows that in some cases methodology do affect the outcome of capacity building but in some cases not. That is in as much as there were significant differences in the organizations that had capacity building or scored highly in the performance or use of certain methodologies- strategies, approaches methods, processes, or practices - there were some cases where the performance was the same irrespective of the level or quality of implementation.

These findings agree with Ageze's (2006) research in a similar context- Ethiopia- that revealed mixed results. Ageze reported that holistically, current approaches and performances of BDS providers for MSEs in Addis Ababa did not achieve high level of increased impact, expanded outreach, and that sustainability & performances are strong in one component and weak in another variable. Ageze argued that despite achievements in the BDS sector, there are challenges to be dealt with closely in developing diverse, competitive and sustainable BDS market.

Study indicates that effective and appropriate methodology in terms of proper needs assessment, planning, goal setting, strategies, appropriate method, stakeholder participation, management support, synergy with organization processes, systems and structures, adequate resources and effective monitoring and evaluation are critical determinants of the success of capacity building.

4.6.4 Effect of Organization Factors on BDS Facilitating Organizations' Performance

The study indicates a significant difference between the organizations that scored highly and those that scored lowly on existence of selected organization factors on the performance compared to similar organizations. Organizations that reported highest and moderate rating of factors recorded high rating of average and better than performance compared to those that scored low and lowest that reported worse than an average comparison.

The most significant organization variable was organization structure, value and norms. When the study evaluated relationship between Appropriateness of organization structure, values and norms and organisation performance, the study found that there was a positive linear relationship of r=0.047. The relationship was significant at α=0.05. Implying that enhancement of organization structure, values and norms significantly affect performance of organisations.

Table 4.38: Relationship between performance and organization factors

		Performance	Appropriateness of organization structure, values and norms
Performance Variable	Pearson Correlation(r)	1	0.047
Appropriateness of organization structure, values and norms	Sig. (2-tailed)		0.340
	N	119	99
	Pearson Correlation	0.047	1
	Sig. (2-tailed)	0.340	
	N	99	99

Source: Researcher – August, 2012

When the research conducted ordinal regression analysis using this variable on the most significant organizations elements of performance – financial resource utilization, current level of beneficiaries support and motivation, influence on key policy and programs, and relevance of current work schedule to capacity acquired- Chi-square of 30.063 and significance figure of 0.005 at a 95% confidence level which indicates that organization factor affects organization performance. Being the only significant factor, then we can conclude that organisational factors as approach on capacity building significantly enhance organisation performance.

For example all the 8 respondents that reported lowest rating for existence of organization mission, vision and performance goal scored average performance comparison while the 141 that reported between moderate to highest rating for this factor record 78 and 60 performance comparison of average and better than ratings respectively. Similar ratings were reported for other organization variables like existence of leadership support and accountability during capacity building, adequacy of finance and financial management practices, supportive research, monitoring and evaluation with the study indicating that the higher the performance of the factor the better the rating of organization performance.

This indicates that organization factors affect not only issues of implementation but also overall outcome of capacity building with the level of favourability of the factor, the better the outcome.

4.6.5 Effect of Environmental Factors on BDS Facilitating Organizations' Performance

The study indicates that environmental factors affects capacity building results. Low rating of issues relating to leadership, policy, sector and national institutions and coordination as indicated under the environmental variables is equally reflected in ratings of similar variables of the organization and sector performance which indicates some consistency on these attributes. These confirms previous research findings and literature that Kenya as a country is still weak in terms of institutions and issues of governance; and donor and BDS agency coordination (Nyolo, 2012).

Specifically organization leadership & governance practices; time management; organization's influence on key organization policy and programmes; level of beneficiary support & motivation; application of knowledge management programs; ability of the beneficiary to engage in utilization of services and compliance with rules & policies are not entirely dependent on capacity building if we go by the outcomes. For instance the score on leadership issues whether in term of existence of plan or practices was similar or moderate in both cases of capacity building or no capacity building which shows that it goes beyond capacity building. Equally both the organizations scored highly in terms of rating for self-support in policy design irrespective of whether capacity building.

Such results can be attributed to environmental factors like country leadership, governance and policy issues driven by government and international development agenda, legal framework and economic situations that may not necessarily be dependent on capacity building but more on changes in the national culture or value system, policy and development interventions; occasioning reactive rather than a pro-active actions with similar impact on the organization.

The institutional framework, national value system and leadership are critical factors that cascade to and influence directly or indirectly the local organization (governance) practices hence poor performance of the above attributes can be taken to be a mirror of the wider national system, which organization capacity building may have very minimal influence. As UNESCO (2009) puts it, capacity building strategies need to focus on several levels: the capacities of individuals, the effectiveness of the organization as well as the norms and practices which rules public management as a whole; political, social and economic context.

Existence of favorable environmental conditions during capacity building was moderate to high for/in most organizations. This average rating is however not the best condition for capacity building that can guarantee high performance considering that environmental conditions plays a very important role in constraining or supporting interventions hence determining the outcomes.

In as much as these factors are outside their direct influence, it's important that facilitators take cognizant of these issues so that they develop mechanisms to mitigate the risks associated with or to use the opportunities presented by the factors. Pre-existing factors affects the extent to which development goals are locally embraced or owned and thus how vigorously they are pursued as well as determine efficiency and effectiveness with which the available resources are used to achieve goals (World Bank 2002; Otoo et al, 2009). The findings call for a refocus of capacity building beyond target organizations into the environment by designing interventions that also target change in the wider society for large-scale and long term change. It's a combination of approaches and strategies that target individuals, organizations and community that as BCHLA (2007) puts will create long term stability and strong foundations for change.

The most significant environmental variable was level of enforcement of institutional and legal framework guiding BDS facilitating organizations operations. The study evaluated relationship between Level of enforcement of institutional and legal framework guiding BDS facilitating organizations operations and organisation performance. The study found that there was a significant positive linear relationship of r=0.237. Implying that enforcement of institutional and legal framework guiding BDS facilitating organizations operations could significantly affect performance of organisations – see table below.

Table 4.39: Relationship between performance and environmental factors

		Performance	Level of enforcement of institutional and legal framework guiding BDS facilitating organizations operations.
Performance	Pearson Correlation(r)	1	0.237(*)
Level of enforcement of institutional and legal framework guiding BDS facilitating organizations operations.	Sig. (2-tailed)		0.018
	N	119	99
	Pearson Correlation	0.237(*)	1
	Sig. (2-tailed)	0.018	
	N	99	99

* Correlation is significant at the 0.05 level (2-tailed).

Source- Researcher – August 2016

Regression analysis using this variable indicated that environmental factors significantly affect organization performance as the chi-square and the significance for all the combined organization performance elements was 42.902 and 0.005 respectively. Ordinal regression

analysis of these most significant environmental variable on financial resource utilization, current level of beneficiaries support and motivation, influence on key policy and programs, and relevance of current work schedule to capacity acquired records chi-square of 25.635 and significance value of 0.000. Therefore we can conclude that environmental factors as approach on capacity building significantly enhance organisation performance.

Pre-existing factors forms what is known as capacity for development which affects the extent to which development goals are locally embraced or owned and thus how vigorously they are pursued as well as determine efficiency and effectiveness with which the available resources are used to achieve goals (World Bank 2002; Otoo et al, 2009).

From the study findings, it can be inferred that methodological, organization and environmental factors external and/or pre-existing significantly affects the overall and final outcome of capacity building. And that the organization factors are in most cases favourable but variations in the ease of implementation and actual effect is brought about by differences in methodology and environmental factors pre-existing, occurring or used during capacity building, which constitute its 'capacity for development.'

The findings are in tandem with the systems theory that illustrates that all the interconnected and changing parts of a BDS organization operate in equilibrium hence the cumulative outcome is a factor of environment and capacity building interventions (Alicia, 2005). The findings also agrees with Lipson et al, (2006) that capacity building is crucially dependent on the quality of the organizations in which they work, of which its operations are influenced by the enabling environment – the structures of power and influence and the institutions – in which they are embedded. It's not only about skills and procedures.

4.6.6 Effect of Capacity Building Based on Generic Indicators of Performance

The indicators used to examine the effects of capacity building in BDS organizations included effectiveness, efficiency, relevance, ownership & participation, impact, sustainability and outreach. The researcher used a scale of 1 very small to 5 for very large to measure the extent of performance improvement in the respondents organization using the above variables.

In terms of enhancing effectiveness and efficiency, the parameters considered were organization mission, leadership, M&E system, Outputs, Finance, Human Resource, Information & technology and policy and programs. Large extent was the rating of improvement by the highest number of respondents for literally all the effectiveness and efficiency variables- Ability of the organization to fulfil its mission (42%), Organization leadership and governance practices (42%), Result based management practices with sound monitoring and Evaluation system (40%), Increased quantity & quality of output-Product/ Services (44%), Financial resource utilization (41%), Time management (31%), Human resource utilization (33%), Access & Application of new information, knowledge & technology (33%), and Organization's influence on its key policies & programs (40%).

Standard mean rating for all the effectiveness and efficiency variables was 3.45 which on a scale of very small to very large extent is Some Extent meaning that overall level of improvement on organization performance after capacity building was to Some Extent as shown in Table 4.40 below. Other ratings were not considered by the majority as winning scales.

Table 4.40: Effects of capacity building on organizations' effectiveness and efficiency

Effectiveness and Efficiency Variable	N	None	Very Small Extent	Small Extent	Some Extent	Large Extent	Very Large Extent	Mean Rating	Description of Mean Rating
Ability of the organization to fulfill its mission	145	2	8	9	32	60	34	3.68	Large Extent
Organization leadership and governance practices	141	5	9	15	31	60	21	3.39	Some Extent
Result based management practices with sound monitoring & evaluation systems	145	2	14	12	32	59	26	3.46	Some Extent
Increased quantity and quality of output- products/ services	143	0	12	11	29	63	28	3.58	Large Extent
Financial resource utilization	143	5	9	12	37	58	22	3.40	Some Extent
Time management	143	3	9	18	45	45	23	3.31	Some Extent
Human resource utilization	141	3	9	26	35	46	21	3.25	Some Extent
Access, application of new information, knowledge and technology	141	0	9	21	32	46	32	3.50	Large Extent
Organization's influence on the key organization policy and programmes	140	5	9	11	35	55	25	3.44	Some Extent
Mean Percentage of Respondents for the ratings for all the variables	***142***	***2.15%***	***6.45%***	***10.75%***	***23.66%***	***38.71%***	***18.28%***	***3.45***	***Some Extent***

Source: The Researcher – August, 2012

To assess the most significant measure of efficiency and effectiveness the researcher conducted principal component analysis to determine the variable most affected by capacity building. The analysis showed that component one explains over 66% of effects of capacity building. After adding the second and the third component to the model, no much improvement was observed, thus the initial model is sufficient to explain the outcome as indicated in the table 4.41 below.

Table 4.41: PCA for effectiveness and efficiency of capacity building in BDS organizations

Component	Eigen Values	Difference in Eigen values	Proportion of variance explained	Cumulative proportion of variance explained
Component 1	5.93741	5.23871	0.6597	0.6597
Component 2	0.698695	0146564	0.0776	0.7373
Component 3	0.552131	0.110019	0.0613	0.7987
Component 4	0.442113	0.0895728	0.0491	0.8478
Component 5	0.35254	0.0444996	0.0392	0.889
Component 6	0.30804	0.0393654	0.0342	0.9212
Component 7	0.268675	0.0109613	0.0299	0.9511
Component 8	0.257713	0.0750258	0.0286	0.9797
Component 9	0.182688		0.0203	1

Source: Researcher- August 2012

On investigating the first components of performance of capacity building the study indicated that ability of organization to fulfil its mission, followed increased quantity and quality of outputs and access to information and technology are the most affected by capacity building as shown in the table 4.42 below. Thematically this shows that most important aspect of organization affected by capacity building its ability to use new knowledge and technology to increase/ improve its outputs and services.

Table 4.42: Component analysis for the efficiency and effectiveness of capacity building

Component Matrix[a]	
Performance Element	**Component 1**
Ability to the organization to fulfil its mission	.883
Increased quantity & quality of output - product/ services	.846
Access and application of new information, knowledge & technology	.835
Result based management practices with sound M&E system	.821
Human resource utilization	.803
Financial resource utilization	.801
Organization leadership and governance practices	.778
Influence on the key organization policy & programme	.754
Time management	.746
Extraction Method: Principal Component Analysis.	
a.1 components extracted.	

Source: Researcher – August 2012

Overall, the R square and P value from component analysis indicates that capacity building positively correlates to efficiency and effectiveness of organizations as shown in the table 4.43.

Table 4.43: Component analysis for the effectiveness and efficiency of capacity building

Model	Sum of squares	R squared	Adjusted R squared	df	P value
1	5.36	0.574	0.5681	71	>0.5
2	5.37	0.575	0.5629	70	>0.5
3	5.46	0.584	0.5659	69	>0.5

Source: Researcher, August 2012

On rating whether the capacity building had improved relevance, ownership and beneficiaries participation the ratings with the highest respondents were Large extent 31%, Some extent 27% and Very large extent 18%. However, Some Extent was the mean rating for all the variables with a score of 3.3 except for current level of beneficiaries support and motivation that had large extent as the mean rating with the mean of 3.56.

Majority reported that capacity building improved performance of their organization to a large extent on consultation by stakeholders for professional opinion (37%); current level of beneficiaries support and motivation (34%); originality and use of locally owned capacity to develop and implement policy, program and strategies (28%); and strengthening of social movement (34%); while entrepreneurial and revenue capacity of the organization (31%); effective organization culture and behaviour (33%) and level of participation in national agenda, (29%) recorded to some extent improvement as the highest ratings as shown in table 4.44. None, Very Small Extent and Small Extent were not considered by the respondents as winning scales.

Table 4.44: Effect of Capacity Building on Organizations Relevance, Ownership & Impact

Relevance, Ownership and Beneficiaries Participation & Impact of Capacity Building	N	None %	Very Small Extent %	Small Extent %	Some Extent %	Large Extent %	Very Large Extent %	Mean Rating	Description of Mean Rating
Consultation by stakeholder for professional opinion on development issues, policies and programmes after capacity building	138	2.22	4.44	14.44	26.67	36.67	15.56	**3.38**	**Some Extent**
Current level of beneficiaries support and motivation	138	0.00	2.22	14.44	28.89	34.44	20.00	**3.56**	**Large Extent**
Originality and use of locally owned capacity to develop and implement policy, program and strategies	138	2.22	5.55	16.67	23.33	27.78	24.44	**3.42**	**Some Extent**
Entrepreneurial and revenue capacity of the organization	138	5.56	8.89	12.22	31.11	28.89	13.33	**3.09**	**Some Extent**
Effective organization, culture, and behavior	141	1.09	7.61	11.96	32.61	29.34	17.39	**3.34**	**Some Extent**
Social movement induced, established or strengthened	135	5.68	6.81	21.59	15.91	34.09	15.91	**3.14**	**Some Extent**
Level of participation in national activities, agenda, debate enhanced	137	5.62	10.11	11.24	29.21	22.47	21.35	**3.17**	**Some Extent**
Mean of the Percentages of the Respondents for all the Variable	138	3.20	6.52	14.65	26.82	30.53	18.28	**3.30**	**Some Extent**

Source: The Researcher – August, 2012

Again on analysis of specific variables using principal component analysis, the researcher found that only one component which accounted for 74% of the variables had level of beneficiary support and motivation as the most significant variable followed by stakeholder consultation as shown in the component matrix below.

Table 4.45: Variable component loadings for relevance, ownership and beneficiary participation in capacity building

Component Matrix[a]	
	Component 1
Current level of beneficiaries support & motivation	.904
Consultation by stakeholders for professional opinion on devt issues, policy & programs	.864
Originality and use of locally owned capacity to develop & implement policy, program & strategies	.814
Extraction Method: Principal Component Analysis.	
a. 1 components extracted.	

Source: Researcher – August 2012

Similar ranking of impact indicators using the means indicated that inducement, establishment and strengthening of social movement (3.36); effectiveness of organization culture and behaviour (3.13); participation in national activities, agenda and debate (3.13); followed by and entrepreneurial and revenue capacity of the organization (3.09) were the most improved elements due to capacity building. To determine the most significant impact of capacity building, the researcher conducted component analysis resulting to the following component loadings.

Table 4.46: Component Loading for the Impact of Capacity Building in BDS Originations

Variable	Comp1	Comp2	Comp3
Entrepreneurial & revenue capacity of the organization	0.4646	0.6189	0.5706
Effective organization culture and behaviour	0.5091	0.3965	-0.6569
Social movement induced, established & strengthened	0.5219	-0.4464	-0.2665
Level of participation in national activities, agenda & debate	0.5026	-0.5103	0.4147

Source: Researcher – August 2012

Because component one explained 66% of the outcomes, the researcher narrowed further analysis to component one which indicates that the most significant impacts of capacity building in BDS organization is change or strengthened social movement, followed by organization culture and participtation in national activities shown in Table 4.47 below.

Table 4.47: Impact of Capacity Building in BDS Organizations

Component Matrix[a]	
Impact Indicator	**Component 1**
Social movement induced, established or strengthened	.849
Effective organization culture and behavior	.828
Level of participation in national activities, agenda, debate enhanced	.818
Entrepreneurial and revenue capacity of the organization	.756
Extraction Method: Principal Component Analysis.	
a.1 components extracted.	

Source: Researcher – August 2012

Overall the P-value of more than 0.5 (see table 4.48) indicates as that capacity building significantly affects impact of BDS facilitating organizations.

Table 4.48: R square, df and P-value of PCA for the impact of capacity building

Model	**Sum of squares**	**R squared**	**Adjusted R squared**	**df**	**P value**
1	5.99	0.4712	0.4642	76	>0.5
2	6.02	0.4731	0.4591	75	>0.5

Source: Researcher – August 2012

The three highest rating by respondents for sustainability variables were some extent (32%), large extent (28%), and very large extent (22%). Likewise the mean rating for all the sustainability variables was 3.4, equivalent to some extent and which was the scale with the highest average respondents - 32%. This meaning that majority of the respondents said that

capacity building improved sustainability elements in their organization to some extent. None, very small extent, small extent and very large extent were not considered as winning scales.

Table 4.49: Contribution of Capacity Building in Improving Organizations' Sustainability

Sustainability Variable for Capacity Building in the Organizations	N	None %	Very Small Extent %	Small Extent %	Some Extent %	Large Extent %	Very Large Extent %	Mean Rating
Regularity of staff training	138	2.9	4.4	19.1	30.9	22.1	20.6	3.3
Level of beneficiary participation- decision making, feedback, resources	141	3.0	6.0	6.0	32.8	29.9	22.4	3.5
Relevance of present work schedule to acquired capacity	137	3.0	4.5	7.5	31.3	28.4	25.4	3.5
Application of knowledge management programs, process etc	144	1.5	6.2	7.7	43.1	15.4	26.2	3.4
Ability of beneficiary to engage with org on- Utilization of Services	143	3.2	7.9	7.9	25.4	34.9	20.6	3.4
Ability of beneficiary to engage with org on- Compliance with policies and rules	140	3.1	6.3	4.7	29.7	37.5	18.8	3.5
Mean Percentage of Respondents for the ratings for all the variables	**141**	**2.8**	**5.9**	**8.8**	**32.2**	**28.0**	**22.3**	**3.4**

Source: The Researcher – August, 2012

On specific sustainability parameters highest scaling was recorded for some extent for improvement in performance of regularity of staff training (31%); level of beneficiary participation in decision making, feedback and resources contribution (33%); relevance of present work schedule to acquired capacity (31%); and application of knowledge management programs, process, critical reflection and continuous improvement practices (43%). Improvement in performance of ability of beneficiary to engage with organization on utilization of services; and on compliance with policies and rules had large extent as the majority rating with 35% & 38% respondents respectively - see Table 4.49.

The extent of utilization of the organization products and services, which had some extent as the mean rating, is very important because as Ogiogio (2005) puts it, it's the best indicator of the quality, appropriateness, and level of needs assessment. These findings compare well with other

sustainability parameters considered elsewhere in the study like beneficiary participation and inclusiveness; governance practices; effective M&E system and knowledge management and continuous learning; staff development; high utilization of the services; and compliance with the policies and rules by the beneficiaries that were equally rated moderate meaning that BDS organizations do not have adequate systems to ensure optimum sustainability and growth.

In as much as this findings tend to contradicts earlier study findings that organizations had effective implementation process and M& E system in place, it is consistent with the average performance reported all through in terms of methodology and outcome because even in terms of efficiency and quality of implementation, only capacity building process and M&E systems received the highest favorable rating. Looking at it critically, some extent rating, which is the middle (50%) score for majority of sustainability indicators, tend to agree with Ogiogio (2005) and World Bank (2004) postulation that majority of projects and efforts by NGOs are not sustained and are abandoned after donor withdrawal.

To identify the most significant sustainability indicator affected by capacity building the researcher conducted principal component analysis as presented in the table 4.50 below.

Table 4.50: Principle component loading for sustainability variables

Component	Eigenvalue	Difference	Proportion	Cumulative
Component 1	4.18576	3.54152	0.6976	0.6976
Component 2	0.644243	0.15069	0.1074	0.805
Component 3	0.493553	0.206458	0.0823	0.8873
Component 4	0.287096	0.0604507	0.0478	0.9351
Component 5	0.226645	0.0639467	0.0378	0.9729
Component 6	0.162698	.	0.0271	1

Source: The Researcher – August, 2012

With component one explaining up to 70% of the outcomes the component analysis shows that ability of beneficiary to engage with organization on compliance with policies & rules, followed by beneficiary participation and relevance of present work schedule to acquired capacity are the most significant aspects of sustainability improved by capacity building as show in tables 4.51.

Table 4.51: Component matrix for sustainability elements of the organization capacity

Component Matrix[a]	
Sustainability Elements	**Component 1**
Ability of beneficiary to engage with org on - compliance with policies & rules	0.888
Level of beneficiary participation - decision making, feedback, resources	0.884
Relevance of present work schedule to acquired capacity	0.876
Application of knowledge management programs, process, and performance improvement practices	0.800
Ability of beneficiary to engage with org on - utilization of Services	0.790
Regularity of staff training	0.763
Extraction Method: Principal Component Analysis.	
a. 1 components extracted.	

Source: The Researcher – August, 2012

From the study results, it can be inferred that to a greater extent, capacity building significantly improves organization performance. Looking at the various aspects or indicators used in assessing performance the study reported a significant difference between organizations that had capacity building or better methodology in 7 out of the 9 parameters or areas used to examine the effects of capacity building. For instance the study findings indicates that capacity building

improved most effectiveness, efficiency, relevance, ownership and beneficiary participation variables to large extent as reported by the highest respondents (30.53- 41.38%). Except for efficiency and effectiveness parameters that scored 3.5 (large extent), ownership, beneficiary participation, impact & sustainability variables recorded weighted average rating of 3.30-3.32 equivalent to some extent overall level of performance improvement after capacity building. Figure 4.12 shows a large extent improvement and above average performance in various organizations performance elements assessed as effectiveness, efficiency, relevance, ownership, participation, impact and sustainability variables. The elements had an aggregate mean rating of more than 3 and a linear distribution toward positive improvement.

Figure 4.19: Aggregate Mean Performance Improvement for the Generic Variables

Source: The Researcher – August, 2012

The study also conducted CPA for; efficiency, effectiveness, relevance, ownership, beneficiary participation, impact and sustainability parameters to determine which of these capacity elements is most significantly improved by capacity building. Component 1-3 explained 70% of the outcome of capacity building in the organization as indicated in table 4.52 below.

Table 4.52 CPA for all generic capacity elements for effects of capacity building

Variable	Component				
	1	2	3	4	5
Ability of organization to fulfill its mission	0.2199	0.1215	-0.2552	0.083	0.2068
Organization leadership & governance practices	0.2254	0.1551	-0.2368	0.0563	-0.1848
Result based management practices with sound M&E system	0.2162	0.1286	-0.3114	-0.0487	-0.164
Increased quantity and quality of output- products/ services	0.2322	0.1209	0.0125	-0.0768	-0.0593
Financial resource utilization	0.1908	0.4324	0.2364	-0.1169	-0.0734
Time management	0.1975	0.3351	0.1436	0.2706	-0.2401
Human resource utilization	0.2137	0.0973	-0.1315	0.1599	-0.4775
Access and application of new information, knowledge and technology	0.2083	0.203	-0.1501	0.2357	0.3039
Influence on the key organization policy & programs	0.2329	0.1135	-0.0975	-0.221	0.1782
Consultation by stakeholder for professional opinion on devt issues, policies & programs	0.2229	-0.1801	-0.2952	-0.0203	-0.0104
Current level of beneficiaries support & motivation	0.2368	-0.0154	-0.2638	-0.0826	0.045
Originality and use of locally owned capacity to develop & implement policy, program & strategies	0.2135	-0.278	-0.1008	-0.102	-0.0313
Entrepreneurial and revenue capacity of the organization	0.1668	0.3022	0.3564	0.2513	0.4259
Effective organization culture and behavior	0.2258	0.0359	0.1761	-0.1685	0.0249
Social movement induced, established or strengthened	0.196	-0.0523	0.164	-0.5766	0.0701
Level of participation in national activities, agenda and debate enhanced	0.198	0.0185	0.0635	-0.362	0.217
Regularity of staff training	0.1902	-0.0972	0.3827	-0.0181	-0.3575
Level of beneficiary participation - decision making, feedback, resources	0.2273	-0.2727	0.135	-0.0417	-0.0601
Relevance of present work schedule to acquired capacity	0.2343	-0.2162	0.1754	0.107	-0.1888
Application of knowledge management programs, processes, critical reflection and continuous improvement practices	0.2052	-0.3032	0.3098	0.2696	0.1027
Ability of beneficiaries to engage with the organization on-utilization of services	0.2145	-0.2726	-0.0029	0.1674	0.151
Ability of beneficiaries to engage with the organization on-compliance with policies & rules	0.2072	-0.2545	-0.0923	0.2789	0.2002

Source: Researcher – August, 2012

From the CPA the most significant variable for organization performance was financial resource utilization followed by regularity of staff training, current level of beneficiaries support and motivation, and relevance of present work schedule to acquired capacity.

4.6.7 Cumulative Effect of Capacity Building on BDS Facilitating Organizations in Kenya

The study examined capacity building factors - methodological, organisation and environmental factors - that influence performance of an organisation. To assess the effects of each factors on the organisation performance, the researcher used Pearson correlation coefficient between factors that were found to be most significant under each category. The study assumed that all factors examined under the performance category were important aspect of organisation performance, therefore a variable known as performance was computed from the response using additive model and the resulting value was divided by maximum possible observed response. The value obtained was a continuous variable that ranged from 0-5.

The second level of assessment involved assessing how the combined three factors- Methodological, Organization and Environmental factors cumulatively affect performance. To assess the effect of capacity building on the performance of BDS facilitating organizations in Kenya, the most significant variable from each category was fitted into a regression model.

Table 53: Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	138.896			
Final	91.346	47.550	14	.000

Source: Researcher – August 2016

The study found that the ordinal regression model was appropriate for assessing the relationship between capacity building on organisational performance as shown in the table above.

The researcher found that capacity building accounted 51.9% of organisation performance in Kenya as shown in the table below.

Table 54: Pseudo R-Square

Cox and Snell	0.519

In particular, we can conclude that Participation & Inclusiveness, appropriateness of organization structure, values and norms and level of enforcement of institutional and legal framework guiding BDS facilitating organizations operations contributed to 51.9% of organisations performance.

In summary, the study indicates that BDS facilitating organizations have average performance in terms of efficiency and effectiveness, relevance, ownership, beneficiary participation, impact and sustainability. In all the 7 parameters, study indicates an overall moderate performance or capacity. This confirms Uneca (2005) assertion that capacity of state and none state institutions in Africa is still deficient. According to Grant makers for Effectiveness Organizations (2003) capacity building can only be perceived to be effective, if among other things it contributes to cost-effectiveness, high quantity of output, impact and sustainability.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Overview

This chapter contains the summary, conclusion and recommendations of the study presented under the three specific study objectives relating to how capacity is/ was carried out- methodology, its effects on organization performance and factors determining overall outcome.

5.1 SUMMARY

The researcher obtained questionnaires from 183 respondents in 61 organizations giving an average of 3 responses per organization. The study noted that 64% of respondents had above graduate level education, 74.4% between the age of 25 to 38 years with 56% having worked between 1-5 years. Most organizations (38%) are in agricultural sector.

5.1.1. To assess the methodologies used in capacity building of BDS facilitating organizations in Kenya.

This study confirmed that majority (79%) of BDS organizations have capacity building with 30% ongoing interventions but with no single specific ultimate objective.

Overall, there is an average quality of implementation of capacity building with most methodological attributes reporting moderate performance. The study noted that nature of such interventions is varied ranging from application of various strategies, approaches, methods, processes and activities. The main objective of capacity building in most organization is to improve technical capacity (89%), followed closely by improving operational capacity (88%), enhancing stakeholder participation (74%) and improving fundraising / funds availability (58%).

The 5 key strategies and approaches used in capacity building for BDS organization in Kenya in order of priority are education, training & skills development; organizational leadership and human resource support; financial support; infrastructural and technical support; and quality assurance program support based on weighted average. These findings shows that capacity building focus less on complex adaptive systems approaches that can result into large scale, hard capability and sustainable changes. Still alignment of capacity building to ongoing initiatives, encourage stakeholder participation and consultation, customized to the organization, objective and sustainability scored higher in terms of consideration for the type of approach in that order.

Overall the mean rating for the use of various methods were mainly between moderate and high with Training, followed by infrastructural and technical support, finance, information provision and awareness creation and networking are the most significant methods of capacity building used in BDS organizations. The study noted that most organizations (over 71%) follow a well-established and effective process during capacity building.

The study found out that capacity building activities in BDS facilitating organizations are varied depending on the nature of organization but with training constituting over 55% of activities. Most organizations (71%) follow a systematized and well-established process that include awareness raising, needs assessment, capacity building plan & budget, developing and implementing strategies and work plans, and monitoring and evaluation, skills/knowledge audits and holding stakeholders / feedback forums. Likewise, most organizations reported well-established M & E system during capacity building with over 58% of the respondents saying that most of the M&E practices existed. But few organizations use multiple methods for cross-reference and benchmarking. Only 25% of BDS organizations have well planned capacity building projects with clear objective while 75% have it as part of another project.

The overall quality of capacity building was moderate with at least 74% the respondents rating the performance. Of the four the dimensions or aspects used to assess methodology - strategy, approaches, methods, steps and other methodological practices or attributes that assess quality of implementation - the study found out that their conditions during capacity building was generally favorable or as having moderate performance. Up to 37% respondents reported high, followed by (28%) moderate and (24%) very high for level of performance of methodological attributes which shows that the level of practices of these attributes during capacity building is generally favorable. Up to 43% of the respondents rated the extent to which capacity building addressed the needs/ objectives identified as Satisfactory, and 42% Less Satisfactory meaning that a significant number still perceive the result of capacity building in many organizations as still not satisfactory. The reasons given like poor strategies, retention of skills, sustainability and performance, points to existing weakness in quality of implementation or methodology hence the final impact of capacity building.

Overall, the study found that association between Training and skills development, Alignment of Capacity Building to the on-going initiatives, Beneficiary Participation & Inclusiveness, Needs Assessment methodologies were significantly associated with organization performance at α=0.05 while Adaptation and relationship between adoption of scientific and technological changes and performance was found to be insignificant.

These findings shows that i) different capacity building methods contribute differently to the organization performance, ii) quality of application or implementation of a particular method is a determinant of the level of performance of BDS organization, iii) there is an average quality of methodology in capacity building of BDS facilitating organizations in Kenya.

5.1.2. To assess the organization factors that affects the effectiveness of capacity building of BDS facilitating organizations in Kenya.

There was a high rating for organization factors by majority (38.44%) of the respondents with 11 out of 16 factor variables registering high as the rating with the highest respondents followed by moderate (28.18%) for 5 variables factors during capacity building in BDS organizations. The weighted average for organization factors variables was 3.65; which equivalent to High except for effective resource mobilization and efforts coordination. This confirms that organization factor is a determinant on the effect of capacity building in BDS facilitating organizations.

Appropriate structures, values and norms is the organization factor variable that has the most significant effect on capacity building followed by whether an organization has well defined mission, vision and goals and availability of competent staff. The study confirms a positive linear relationship of $r=0.047$ with the relationship being significant at $\alpha=0.05$. The conclusion from these findings is that the organizations had pre-existing organization capacity, favorable conditions or high level of conduciveness for capacity building. The organizations that scored high rating for favourability of the organization factor variables also performed better than those that performed poorly on the same variables indicating that organization factors influence the outcome of capacity building. From the study it can be inferred that the organization factors in BDS organizations in Kenya are favourable for capacity building. That is, 11 out of 16 variables recorded high rating while the mean was 3.65- high. However moderate scores were reported for level of communication; resource mobilization & efforts coordination; culture of learning and knowledge management; community mobilization & participation; and alignment to internal functions, policies and budget that explains resulting moderate but not very high performance.

5.1.3. To assess the environmental factors that affects the effectiveness of capacity building of BDS facilitating organizations in Kenya.

The study examined various environmental factors that influence the effectiveness of capacity building categorized as institutional, policy and legal framework; donor coordination & partnerships; development priorities; governance, human capital and public participation.

Environmental factors are moderately favourable for capacity building, rated with an aggregate mean of 3.4 and considered by majority of respondents in most variables as moderate. However, the study noted that the institutional and environmental factors especially/and interventions related to leadership and policy in Kenya are unfavourable, weak and poorly implemented with equal results of poor performance on leadership and governance practices. Enforcement of institutional and legal framework; sector, national institutions and donor coordination; supportive policies to the development of BDS facilitators; policy making process; and national leadership and governance are still rated the lowly in terms of pre-existing environmental factors as well as the outcome or ratings on the organization and sector performance on the same issues.

Grouping of the environmental variables of the two components into thematic areas indicates that pre-existing institutional and policy framework and level of stakeholder participation on development issues are the two most important environmental factors that affect capacity building. The study found that there was a significant positive linear relationship of r=0.237 between the level of enforcement of institutional and legal framework guiding BDS facilitating organizations operations and organisation performance implying that environmental factors affects capacity building. Still the study finding indicates generally favorable external factors for capacity building in BDS facilitating organizations in Kenya except for leadership factors.

5.1.4. To assess the effect of capacity building on the performance of BDS facilitating organizations in Kenya.

The study findings indicate a generally good performance of the BDS facilitating organization and sector with majority and a weighted average rating for fair. Most organizations reported high performance rating for most elements assessed with the mean rating being 3.61 (high), and 13 out of 14 performance elements recording high performance with most organizations performing better on infrastructural and technological capacity. However findings indicate that capacity building in most BDS facilitating organizations does not enhance financial sustainability.

ANOVA test revealed that there was statistical difference between organizations that had capacity building and those that hadn't in 9 out of 14 performance elements which had P-values of less than 0.049 at 95% level of confidence with regularity of education and community mobilization activities having perfect relationships.

The study shows that methodology, organization and environmental factors all have a significant effect on the overall outcome of capacity building in BDS organizations. To assess the effects of three factors on the organization performance, the researcher used Pearson correlation coefficient between factors then fitted the most significant variable from each category into a regression to assess the effect of capacity building on the performance of BDS facilitating organizations in Kenya. The researcher found that capacity building accounted 51.9% of BDS facilitating organizations' performance in Kenya.

In particular, participation & inclusiveness, appropriateness of organization structure, values and norms and level of enforcement of institutional and legal framework guiding BDS facilitating organizations are the most important aspects influenced by capacity building.

5.2 CONCLUSION

Generally, the study reported average effectiveness hence performance in terms of capacity building, efforts and outcome. Most organizations perform moderately on capacity building methodology be it in terms of strategies, methods, steps followed, M&E practices or other implementation attributes. Training is the most widely used method in capacity building, with the process inadequately focusing on the wider organization systems; strategies that enhance objectivity; long term ownership, learning and sustainability. Capacity builders need to focus more methods and approaches that target change in organization hardware and fundamentals like structures, processes, systems and culture for long term effects.

The study has established that there is a significant correlation between capacity building and the organization performance. Methodological, organization and environmental factors affect not only issues of implementation but also overall outcome of capacity building with the level of favorability of the factor; the different strategy, method, process and quality of implementation of capacity building differently affecting the overall outcome. The study showed a significant improvement on the efficiency, effectiveness, relevance, ownership, beneficiary participation and impact and other performance variables due capacity building. Likewise capacity building significantly improves the effectiveness and efficacy of BDS service provision by BDS facilitating organizations with different capacity building methods resulting to different levels of efficacy. Generally, capacity building in BDS organizations achieved moderate performance, even though some selected elements like leadership, policy, risk & knowledge management, financial self-reliance and sustainability recorded low performance. Capacity building improves use of financial policies, fundraising plans and funds utilization in BDS facilitating organizations even though it does not seem to enhance financial sustainability or self-reliance.

In general, BDS facilitating organization have moderate capacity to meet their mandates, with general performance of the sector considered fair / average.

There are favourable internal and external factors for capacity building in BDS facilitating organizations in Kenya except for leadership factors. Existing organization factors positively affect not only implementation but also the overall outcome of capacity building. Organization factors are in most cases favorable but variations in the ease of implementation and actual effect is brought about by differences in methodology and environmental factors pre-existing, occurring or used during capacity building. Methodological factors do affect the outcome of capacity building but contribute different levels of performance for different organization performance elements. The strategies, processes, methods and practices are generally favorable. A significant number of environmental and institutional factors like policy framework, national value system and leadership are still rated lowly in terms of favorability to capacity building.

The researcher has noted some inconsistencies in responses provided on M&E, finance and sustainability related variables, which makes valid conclusion difficult. Action research, experimental, longitudinal or an array of methods where one observes changes in behavior overtime would help in conclusion, absolute isolation and attribution of cause relationships of specific capacity building interventions that may not be easy in survey or cross sectional research methodologies. In as much as it’s hard to come up with a general, comprehensive and all inclusive organization assessment tools and parameters, the study has established a basic standard of measure that looks at all aspects of organization, using conventional indicators and focusing on basic organization elements irrespective of the nature of organization. These generic indicators are adequate and valid in assessing performance and generalization and can be tested using various variables and tools depending on the context, type and aspects of the organization.

5.3 RECOMMENDATIONS

5.3.1 RECOMMENDATIONS ON BDS CAPACITY BUILDING

Capacity Building in BDS organizations should focus more on the environment in which the organization operates in the design of interventions to address the environmental factors that constrain capacity building outcome. Use of system wide approach not only take into consideration but also address national leadership and governance issues, national value systems, policy & institutional framework and donor landscape to create conducive culture for change and maximum impact. The process should have clear environmental analysis and comprehensive institutional framework and multi-sectoral approach to interventions to achieve optimum results.

Capacity building should use a wide range of methodologies to bring structural and fundamental changes; enhance ownership, leadership, continuous improvement and sustainability and attend to critical aspects like financial management and culture. The process, besides training, should use methods that emphasis on changing systems, structure, market and behavior to create long term and holistic change. Practitioners should enhance partnerships & coordination; promote documentation and dissemination of best practices for uniformity, learning and effectiveness.

Practitioners can adopt the generic indicators of effectiveness, efficiency, relevance, ownership, outreach and impact, that adequately assess all aspects irrespective of the type of organization, to assess the performance of its elements including purpose and identity; leadership; systems; structure; process; and culture. This settles the debate of whether the evaluation should be based on definite, pre-design, logical or result based management framework or use complex adaptive systems approaches with the merits and uses of different methods left to circumstances and the reason for capacity building.

5.3.2 RECOMMENDATIONS FOR FURTHER RESEARCH

The study was limited to identifying and confirming methodological and organizational factors that affect capacity building in BDS organizations and their status or performance during the interventions. Further studies should focus in assessing to what extent does specific environmental factors affect capacity building in BDS facilitating organizations. Absolute attribution of the effects especially of specific capacity building interventions is not easy when using survey; questionnaire and cross sectional methodologies. In bits and pieces, further research should focus on dissecting the complexities and establishing formal if possible absolute causation or attribution, for specific variable, using a more rigorous; longitudinal; experimental; anthropological and participants' observation methods.

The study has inconclusive findings on the effects of capacity building on the financial performance of BDS organizations. Further research is required to determine the actual effect of capacity building on funding, financial management, utilization, and self- sufficiency.

Equally, just as capacity building requires complementarity of approaches and methods, measure of performance of capacity building also require use of various research methods – design, techniques, tools – descriptive; cross-sectional, and longitudinal to adequately capture all the elements, comprehensively assess specific performance indicators and which was beyond the scope of this study. Ideally, use of more than one and both qualitative and quantitative approach is recommended for further research. For clarity, a comprehensive and attributable result the assessment should focus on a few and specific aspect or objective of capacity building or part of the organization with a few variables that can be studied in details to determine whether specific capacity interventions have improved that performance element instead of a general assessment.

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Capacity Development - UNDP

UNDP: http://www.capacity.undp.org (includes capacity assessment case studies)

7.0 APPENDICES

7.1 APPENDIX I: INTRODUCTORY LETTER AND QUESTIONNAIRE

MOI UNIVERSITY

P.O. BOX 3900-30100

ELDORET

Dear Sir/ Madam,

REF: REQUEST FOR INFORMATION

This is an academic study undertaken in partial fulfilment of an M-Phil in Development studies, degree programme in Moi University.

The purpose of the research is ***to assess the effectiveness of capacity building intervention/s in business development facilitating organizations in Kenya***.

Your assistance in providing information as asked in the questionnaire to facilitate this study will be highly appreciated.

Thank you in advance.

Edwin Odhiambo

Tel: 0733938252/ 0710137202

Email: edwinodhiambo2002@yahoo.com

QUESTIONNAIRE FOR THE STAFF OF BDS FACILITATING ORGANIZATIONS

Instructions for completing the questionnaire

i. The information you provide on this questionnaire will be handled with utmost confidentiality and only used for the purpose of this study.

ii. Indicate your response by ticking the appropriate box and providing details where required. Kindly objectively answer the questions as they apply to your current organization.

iii. Part B- E of the questionnaire is specifically seeking information about your organization and not about you. Kindly strive to answer ALL the questions unless if not applicable to your circumstances.

iv. The term capacity building refers to any intervention/s that enhances the ability; improve the performance; functionality, viability, service delivery; and/ or enable the organization to realize its objective more effectively.

PART A: GENERAL INFORMATION

Phone number (Optional): ……..

1. Indicate your gender Male ☐ Female ☐

2. Select your age bracket

Age bracket	**Tick**
18-2	
25-31	
32-38	
39-45	
Over 45	

3. What is the name of the organization you are working for ……

4. How long have you worked for the organization?

Duration	**Tick**
Less than 1 yr	
1-5 years	
6-10 years	
Over 10 years	

5. What is your current title/ position in the organization? Tick appropriately

Project Manager ☐ Operations Manager ☐ Project officer ☐

Business Advisor ☐ Project Coordinator ☐ Accountant ☐

HR Manager ☐ Other (Specify) ……..

6. Please tick your level of education

Post graduate	
Graduate	
Diploma	
Certificate	
Secondary	
Other (Specify)	

7. In its development work, what is the **Focus** of your organization?

Focus	**Tick**
Income Generation	
Enterprise Development	
Employment creation	
Livelihood improvement/ Poverty Alleviation	
Natural Resource Management	
Other (specify)	

8. In which of the following **Sectors** does your organization operate?

Sector	**Tick**
Agriculture	
Industry and trade	
Finance	
Energy	
Other (specify)	

9. Where does your organization implement projects? Tick appropriately

a) Urban areas ☐

b) Rural areas ☐

c) Both urban and rural ☐

PART B: METHODOLOGICAL FACTORS AFFECTING CAPACITY BUILDING IN BDS FACILITATING ORGANIZATIONS IN KENYA

10. Does / have your organization ever had capacity building intervention?

Yes ( ) No ( ) If No SKIP to question 27.

11. If **Yes**, when was the **FIRST** time capacity building was carried out in your organizations

Current ( ) 1-3 years ago ( ) 4-6 years ago ( ) 7-9 years ago ( ) 10 and above years ago

12. Capacity building interventions/ activities (tick as applicable):

- Was part/ component of another project with a different objective ☐
- Was a deliberate and standalone project to improve organization's capacity ☐

13. If **yes,** was/ is the capacity building intended to achieve the following as **Ultimate objective?**

Ultimate Objective of Capacity Building in the Organization	**Yes**	**No**
Improving Technical Capacity		
Improving Operational Capacity		
Improving Financial management and Profitability		
Improving fundraising/ Funds availability		
Enhancing Leadership and Decision making		
Enhancing organizational capacities		
Enhancing Civic/ Stakeholder Participation		
Improving service delivery to clients		
Improving project / program design, implementation and completion		
Building networks and partnerships		
Enhancing ability to learn and adopt/ Knowledge Management.		
Others (specify)		

14. If **YES**, **identify** the **Key strategies and approaches** used during capacity building in your organization? **RANK** as 1, 2, 3, 4, 5……. in order of importance **where applicable**.

Strategies and Approaches	**Rank**
Financial support	
Infrastructural and technical support	
Education, Training and Skills Development	
Performance evaluation & feedback	
Action research	
Legal service support	
Information sharing and critical reflection	
Organizational, leadership and HR development	
Coalition and partnership development	
Policy development and advocacy	
Quality Assurance/ quality management	
Media, Communications and Public relations management	
Product and Service Development	
Information technology support	
Fundraising and Resource Mobilization	
Project and Program design and monitoring	
Research and Innovation Development Support	
Gender analysis and mainstreaming	
Others, specify	

15. Where 1 is the lowest and 5 for the highest rate (the performance of) the type of **approaches** used during capacity building in your organization based on the following indicators

Parameter/ indicator	**1**	**2**	**3**	**4**	**5**
Objectiveness					
Customized to the organization					
Comprehensive & integrative					
Collaborative					
Sustainable					
Encouraged stakeholder participation and consultation					
Flexible					
Enhanced supervision during implementation					
Alignment of Capacity Building to the ongoing initiatives					

16a. If **Yes**, on a scale of 0 for none, 1 very low, 2 low, 3 moderate, 4 high and 5 very high, rate the frequency of application of the following Capacity Building **METHODS** during capacity building in your organization.

Method	**0**	**1**	**2**	**3**	**4**	**5**
Information provision & awareness creation						
Training						
Infrastructural /Technological support						
Financing						
Expert advice and (organizational) consultation						
Lobbying and advocacy						
Exposure visits/ Study tours						
Formal and Informal analytical and advisory activities						
IT equipment and support						
Dialogue and supervision						
Peer reviews						
Mentoring						
Use of experiential learning opportunities						
Networking and linkages						

16b. If **Yes,** which **ONES** of the above **METHODS** was/are the ***THREE MOST COMMONLY*** used during capacity building in your organization. List 1 to 3 in order of priority.

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……

17. Starting with 1 for the most important rank the **critical factors** that determined the choice of capacity building **Method** in order of priority – **Rank 1, 2, 3……..** as applicable.

Factor	**Rank where applicable**
Type of organization	
Goal of the organization	
Relevance, Benefit and Problem to be addressed by the intervention	
Context/ environment in which the organization operates	
Existing organization capacity- competencies, technology	
Ease of implementation of the intervention	
Top Management level decision	
Cost of implementation	
Others (Specify)	

18. Capacity building intervention in your organization involved the following **STEPS**. Rate as

1- Strongly disagree, 2 Disagree, 3 Neither agree nor disagree, 4 Agree, and 5 Strongly agree.

Step	**1**	**2**	**3**	**4**	**5**
Awareness raising					
Needs assessment					
Skills/knowledge audit for the organization					
Development of a capacity building plan & budget					
Developing and implementing strategies and work plans					
Holding stakeholders/ feedback forums					
Monitoring and evaluation					

19. Did/ do you consider the following **processes** or features of capacity building to have been **effective** during capacity building process in your organization.

Capacity building features/ process	**Yes**	**No**
Analysis of environmental context		
Development of an effective strategy, goal, action plan and delivery method		
Assessing clients capacity to implement at project entry		
Identify short & long term capacity building outcomes and objectives		
Identification of change champion/s		
Establishing networks and partnerships		
High Quality of beneficiary consultation- degree of representativeness		
Establishment of monitoring & evaluation and beneficiary feedback mechanism		
Appropriateness, flexibility and adaptability of the intervention strategies, approaches and instruments		

20. If **Yes**, List (Specific) Actual Capacity Building **Activities** that were/is undertaken **IN** your organization (to improve its performance). *Kindly write specific activities carried out in your organization to enhance its ability and not activities implemented by your organization.*

1……..

2…….....

3 …….....**.....**

4 …….

5 ……

21. Indicate whether the following monitoring and evaluation **PRACTICES** existed in your organization during capacity building exercise.

Attributes of M & E System	**Yes**	**No**
Guiding principles, framework, mechanisms and work plan for M&E		
Existence of well-defined measures of success, targets and areas of improvement		
Ongoing monitoring by key stakeholders- leadership, sponsors and facilitators		
Communication and feedback from sponsors and key stakeholders		
Planning evaluation at the inception of the project and sticking with it.		
Establish baseline data and project records.		
Build valid comparisons into the analysis (e.g. through benchmarking).		
Use multiple methods to cross-reference analysis.		
Commit the requisite resources for monitoring & evaluation.		

22. Rate the performance of the following variables **DURING capacity building** in your organization using 1 for very low, 2 low, 3 moderate, 4 high and 5 very high.

Variable	**1**	**2**	**3**	**4**	**5**
Adequacy of resource (input) to provide response to identified capacity needs					
Adequacy of strategy, instrument, product and service in addressing needs					
Outputs produced met the needs, targets set and are sustainable					
Effective and participatory monitoring and evaluation					
Cost of delivery of Capacity Building interventions					
Appropriateness, depth, quality and utility of CB intervention/s					
Appropriateness of the design, tools and methods used in capacity building					
Level of beneficiary participation and inclusiveness in needs assessment and in design and implementation & evaluation processes of capacity building					

Give Reasons for your ratings

……

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……

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23. On a scale of 1-5, where 1 is very low and 5 very high rate the level of practice, existence or performance of the following (attributes) during capacity building in your organization.

Attribute	**1**	**2**	**3**	**4**	**5**
Skills and experience					
Stakeholders and clients feedback and market surveys					
Creativity –rate of change in product and service improvement design					
Adopting learning by doing approach					
Regularity of and level of stakeholder involvement in needs assessment					
Adaptation and Adoption of scientific and technological changes					
Adoption of new ideas on governance and productivity relating to organizational and managerial principles and experiences					
Access to relevant information and knowledge					
Access to internet services					
Regularity of staff training					
Participation in international knowledge and information sharing forums					
Leveraging the organization knowledge					
Rate of disbursement of project resources					
Extent of utilization of products and services of the CB project					

24. To what extent did/ has the **interventions** met project **objectives** or addressed the capacity needs identified.

Very Satisfactory ( ) Satisfactory ( ) Less Satisfactory ( ) Not Satisfactory ( ) Don't know ( )

Give Reasons for your answer

.. ……

……

……

……

PART C: ORGANIZATION FACTORS AFFECTING CAPACITY BUILDING

25. Where 1 is for lowest and 5 for highest, rate the following organization factors during the capacity building in your organization.

Organization Factors	**1**	**2**	**3**	**4**	**5**
Existence of organization mission, vision and performance goals					
Existence of Leadership support and accountability					
Appropriateness of organization structure, values and norms					
Adequacy of finance and financial management practices					
Existence of quality assurance practices and sharing of best practices					
Alignment to global and country development priorities- activities					
Adequacy of Technology, infrastructure & physical facilities					
Supportive Research, monitoring and evaluation practices					
Effectiveness of resource mobilization & efforts coordination					
Level and effectiveness of communication					
Existence of the culture of learning & knowledge management programs					
Level of community mobilization & stakeholder participation					
Adequacy and competencies of staff available					
Level of staff motivation					
Rate of staff turnover and personnel changes					
Alignment of internal functions, policy and budget					

PART D: ENVIRONMENTAL FACTORS AFFECTING CAPACITY BUILDING

26. Using 1 for very low, 2 low, 3 moderate, 4 high, 5 very high, rate the following Environmental factors in the country/community during capacity building in your organization.

Environmental factor	**1**	**2**	**3**	**4**	**5**
Level and effectiveness of NGO & BDS coordination in the country					
Level of enforcement of institutional and legal framework guiding BDS sector					
Level and effectiveness of donor coordination					
Level of multi-sectoral and inter-organizational partnerships/ networking					
Supportive policies to the development of BDS facilitators & framework					
Appropriateness of global and country development priorities					
Appropriateness of BDS sector strategy and plan					
Appropriateness and adequacy of HR and management capacities/practices					
Availability of funds for BDS capacity building in the country/ globally					
Adequacy of Infrastructure- information and communication systems					
Favourability of History, culture and community values					
Favourable National leadership and governance					
Level of citizen participation- civic, development					

PART E: EVALUATION OF THE PERFORMANCE OF BDS FACILITATING ORGANIZATIONS IN KENYA

27. In a scale where 1 is very low, 2 low, 3 moderate, 4 high and 5 is very high rate the **performance** of following elements of organizational success (in your organization).

Organization Element	**1**	**2**	**3**	**4**	**5**
Accountability and transparency					
Organizational integrity; reputation for delivering high quality & high impact programmes and project completion					
Funding, fundraising and resource mobilization					
Staff capacity, skills, aptitude, synergy and awareness					
Infrastructural / technical capacity- appropriateness					
Regularity of education and community mobilization activities					
Participation in national policy making, legislation and regulations					
Consensus building, teamwork and Staff motivation					
Project and program design, implementation and monitoring					
Partnership building- strength in networking, collaboration & coordination					
Management of change and thematic issues - ability to learn, predict and cope with environmental changes.					
Level of stakeholder/ community involvement					
Quality control and service cost effectiveness					
Gender mainstreaming (practices)- analysis					

28. Indicate whether the following elements of organizational success currently **exist** in your organization.

Organization Element	**Yes**	**No**
Clear organization purpose and identity shared by staff and key stakeholders		
Leadership development plan		
Effective organization policies, regulations and strategies		
Operations and strategic management/ planning systems		
Functional & efficient service delivery systems		
Functional & effective financial management systems		
Participatory, democratic and measurable control systems		
Effective human resource management system		
Two way communication between members and management		
Risk mitigation mechanism or plan		
Financial resources that meets the needs of the organization		
Participation in international knowledge and information sharing conferences		
Guiding principles, framework and mechanisms of monitoring and evaluation		
Well defined measures of success and areas of improvement		
Research and knowledge management system		
Ongoing monitoring and feedback by key stakeholders- leaders, sponsors and facilitators		

Comment on the above answers…….

……

……

……

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29. Does your organization have/ keep the following documents?

Documents	**Yes**	**No**	**Don't Know**
Governing Documents and Charters			
Board Code of Conduct/ Charter			
Strategic Plan			
Written Mission and Vision Statement			
Financial Policy			
HR policy			
Fundraising Plan			
Information and Communication Policy			
Specific program and project documents			
Organization Monitoring and Evaluation framework/system			

30a. What is the current proportion of financial contribution by your organization to the following activities, as a percentage of the total funds requirement? (Tick appropriately)

Organization's Financial contribution	**0**	**1-25**	**26-50**	**51-75**	**76-100**
• Capacity building					
• Programmes/ projects					
• Administrative budget					
• Total funding requirement					

30b. What is the current proportion of technical contribution by your organization to the following activities, as a percentage of the total technical requirement? (Tick)

Organization's Technical contribution	**0**	**1-25**	**26-50**	**51-75**	**76-100**
• Capacity building					
• Programmes/ projects design & implementation & M &E					
• Policy design					
• Policy implementation					
• Needs assessment (for CB)					

30c. On a scale of 1- very poor, 2- poor, 3- fair, 4- good and 5- very good, rate the performance of your organization's financial sufficiency or adequacy……

……

30d. Where else does your organization get financial/ technical support as per the above issues

…….....

……

……

31. Based on whether your organization perform the following BDS activities/ services, **rate its performance in achieving the following among its beneficiaries** using not applicable, 1 for completely ineffective, 2 ineffective, 3 fairly effective, 4 effective, 5 very effective.

Type of service/ activity (by your organization)	**N/A**	**1**	**2**	**3**	**4**	**5**
Feasibility studies						
Marketing services; Assessing demand, linkages						
Input supply services						
Developing new products and services						
Training and technical assistance; training suppliers						
Infrastructure and technological support						
Policy and advocacy						
Financing/ financial services- facilitating access to finance						
Facilitating compliance (with regulations)						
(External) impact evaluation						
Promotion of best practices						
Quality assurance & facilitating certification- audit						
Improving information environment and provision						
Support for attendance at trade fairs and exhibitions						
Support for learning visits to SMEs in different locations						
Production and distribution of printed information,						
Business Plan development, business start up & business advice						
Leadership development- mentoring						
Procurement and tendering advice						

32. On a scale of 1 for very poor, 2 poor, 3 fair, 4 good and 5 for very good assess the **efficacy** of **your BDS facilitating services** based on the following indicators of performance

Indicators of organization performance	**1**	**2**	**3**	**4**	**5**
Services offered are responsive to clients' demands.					
BDS programs or service packages stimulate demand for and supply of business support services					
Organization have realistic plans/ strategies for dealing with the business aspects of service delivery, scale and coverage of operations, income requirements and expenses to ensure financial viability or sustainability					
BDS Programs produce positive (social) impact in addition to serving particular sets of clients.					
Strengthening Important Types of Business Linkages.					
Stimulate Increased Learning and More Rapid Diffusion of Innovations					
Staff/Partners/ beneficiaries have developed the requisite capacities for effective performance					
Quality and level of utilization of capacity built of the BDS recipients-relevance of present work schedule to acquired capacity					
Behavior change among staff and the beneficiaries					
Positive Change in the income levels and living standards of beneficiaries					

33. On a scale of 1for very poor, 2 poor, 3 fair, 4 good, and 5 very good, rate the performance of the **BDS SECTOR** in general on the following issues

Indicator of SECTOR performance	**1**	**2**	**3**	**4**	**5**
Effectiveness of policy & regulations in the BDS sector					
Formal and informal partnerships & collaboration					
Sector wide strategy on BDS, capacity building & thematic issues					
Local financing and resource mobilization					
Public engagement in NGO financing & philanthropic activities					
Personnel with BDS capacity building competencies					
Coordinated donor interventions on BDS					
Analysis & dissemination of relevant information to stakeholders					
Accountability and Transparency in BDS sector					
Capacity to manage change in the BDS sector					
Financial Self reliance among BDS facilitating organizations					
Service delivery and responsiveness to clients					
Quality control in the BDS Sector					
Resource allocation by BDS organizations- efficiency/appropriateness					
Documentation and Sharing of best practices					
Strong pool of BDS providers in Kenya					

34. **IF YES FOR capacity building**, on a scale of 0 for none, 1 very small extent, 2 small extent, 3 some extent, 4 large extent, 5 very large extent, **indicate how capacity building has improved** the following in your organization.

Effectiveness and Efficiency of capacity building in your organization	***0***	***1***	***2***	***3***	***4***	***5***
Ability of the organization to fulfil its mission						
Organization leadership and governance practices						
Result based management practices with sound monitoring & evaluation system						
Increased quantity and quality of output- products/ services						
Financial resource utilization						
Time management						
Human resource utilization						
Access, application of new information, knowledge and technology						
Organization's influence on the key organization policy and programmes						
Relevance, ownership and Beneficiaries participation in capacity building	***0***	***1***	***2***	***3***	***4***	***5***
Consultation by stakeholder for professional opinion on development issues, policies and programmes						
Current level of beneficiaries support and motivation						
Originality and use of locally owned capacity to develop and implement policy, program and strategies						
Impact of capacity building in the organization	**0**	**1**	**2**	**3**	**4**	**5**
Entrepreneurial and revenue capacity of the organization						
Effective organization culture and behavior						
Social movement induced, established or strengthened						
Level of participation in national activities, agenda, debate enhanced						
Sustainability of capacity building in your organization	**0**	**1**	**2**	**3**	**4**	**5**
Regularity of staff training						
Level of beneficiary participation - decision making, feedback, resources						
Relevance of present work schedule to acquired capacity						
Application of knowledge management programs, processes, critical reflection and continuous improvement practices						
Ability of the beneficiaries to engage with the organization on:						
	Utilization of services						
	Compliance with policies and rules						

35. How is the performance of your organization compared to other similar organizations?

1) Worse than 2) Average 3) Better than

PART F: Challenges Facing Capacity Building in BBS Facilitating Organizations in Kenya

36. What are some of the challenges experienced by your organization **during** capacity building?

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……..

37. What are some of the challenges facing your organization with respect to capacity?

……

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……

38. Suggest possible solutions to the challenges mentioned above

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……...

7.2 APPENDIX II: ORGANIZATIONS THAT PARTICIPATED IN THE STUDY

	Name of the Respondents Organization	Frequency
1	ABS TCM LTD	3
2	AFRICAN CONSERVATION TILLAGE NETWORK	3
3	ACTS- PACT	3
4	ADRA	3
5	AFRICA SEED TRADE ASSOCIATION	3
6	AGRA	3
7	AGRICULTURAL DEVELOPMENT CORPORATION	3
8	AGRICULTURAL INFORMATION RESOURCE CENTRE- AIRC	3
9	AGRITRACE KENYA LTD	3
10	BUILD AFRICA KENYA	3
11	CABI	3
12	CENTRE FOR HUMAN DEVELOPMENT	3
13	CONCERN WORLDWIDE	3
14	CRS KENYA	3
15	CUTS CITEE	3
16	DEVELOPMENT ALTERNATIVES	3
17	EMACK-Agakhan foundation	3
18	ETC EAST AFRICA	3
19	FADHILI COMMUNITY	3
20	FAIR TRADE ORGANIZATION OF KENYA	3
21	FARM AFRICA	3
22	FARM CONCERN INTERNATIONAL	3
23	FARMING SYSTEM KENYA	3
24	FORUM SYD	3
25	GOAL	3
26	GROWTH AFRICA	3
27	HEIFER INTERNATIONAL	3
28	HUEMMA MICRO FINANCE	3
29	INSTUTUTE FOR EDUCATION IN DEMOCRACY-IED	3
30	IFAD- International Fund for Agricultural Development	3
31	IIRR (International Institute of Rural Reconstruction)	3
32	ISLAMIC RELIEF KENYA	3
33	KACE- Kenya Agricultural Commodity Exchange	3
34	KADET (Kenya Agency for Development Enterprise Technology) Ltd	3
35	KANCO	3
36	KENYA COMMUNITY DEVELOPMENT TRUST FUND	3
37	KENYA MARKET TRUST	3
38	KICKSTART INC	3
39	LAND O LAKES	3
40	LFW	3
41	MICRO AFRICA LTD	3
42	MICROSAVE CONULTANCY LTD	3
43	MUSONI MICRO FINANCE	3
44	NORWEGIAN CHURCH AID	3
45	OXFAM	3
46	PARTNER AFRICA	3
47	PRIMUS AFRICA LTD	3
48	REAL IPM LTD	3
49	ROOT CAPITAL INCORPORATION	3
50	SCC- VI-AGROFORESTRY	3
51	SCOPE INSIGHT	3
52	SITE ENTREPRISE	3
53	SNV	3
54	TECHNOSERVE	3
55	TROCAIRE	3
56	UFADHILI TRUST	3
57	VSO Jitolee	3
58	WINROCK INTERNATIONAL	3
59	WOODLEY WEAVERS (UNDP)	3
60	WORLD NEIGHBORS	3
61	YOUTH ALIVE KENYA	3
	Total	**183**