



Addis Ababa University

College of Business and Economics

Department of Public Administration and Development Management

**Imperative of Capacity Building for Sustainable Local Economic Development: A Case of Bole
Sub-City, Addis Ababa City Government**

A Thesis Submitted to the School of Graduate Studies of Addis Ababa University

In Partial Fulfillment of the Requirements for the Degree of Master of arts

In Public Management and Policy, Specialization in Development Management.

Mesele Chane

Advisor: - Fanta Mandefro (PhD)

June , 2015

Addis Ababa

Addis Ababa
University
(Since 1950)



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By

Mesele Chane

Advisor

Fanta Mandefro(PhD)

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Acknowledgements

This thesis would not have been possible without the guidance and help of several individuals and organizations who in one way or another way contributed and extended their valuable assistance to its preparation and completion.

I would like to express my utmost gratitude to my research supervisor Dr. FantaMandefero for his immense role in providing me with constructive comments, and relentless support and guidance for the effective realization of the study.

I would also like to express my deep and sincere gratitude to employee of Bole Sub city Capacity Building and managers, for their support and encouragement to make this study a reality.

I would also like to thank Daniel Solomon who was my key resource person through availing the necessary documents, articles and giving comments during this thesis preparation. I also appreciate the cooperation of my group members who inspired me, shared their invaluable insights and steadily helped to be successful at the end the end of the day.

I would like to warmly thank all the participants in the research project who allocated their valuable time and effort in providing me with relevant information. Their kind support has been of great value in this study, indeed.

Last but not least, I would like to extend many thanks to my beloved wife fufias well as my families for their kind concern and encouragement. **Above all I would like to thank the Almighty God.**

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Acronyms

ACBF	African Capacity Building foundation
MCB	Ministry of Capacity Building
PSCP	Public Sector Capacity Building Program
CSR	Civil Service Reform Program
NCBP	National Capacity Building Program
GTZ	German Technical Cooperation Agency
WB	World Bank
LED	Local Economic Development
UNDP	United Nation Development Program
MDG	Millennium Development Program
CB	Capacity Building
ECDPM	European Center for Development Policy Management
NGO	Non-Governmental Organization
OED	Operation Evaluation Department
FDRE	Federal Democratic Republic of Ethiopia
FGD	Focus Group Discussion
KII	Key Informant Interview
DAC	Development Assistance Committee
MCB	Ministry of Capacity Building
SDPRP	Sustainable Development and Poverty Reduction Program
MOFED	Ministry Of Finance and Economic Development
NCBP	National Capacity Building Program

Abstract

Increasingly economic development is becoming a localized phenomenon and with it there is a shift in the locus of responsibility for economic development from national to local levels. Thus, local governments should have adequate capacity and capacity building has been deployed as means to accelerate economic development, reduce poverty, and improves service delivery. Along with this theoretical framework; the theories, principles, and practices of Public Sector capacity Buildings underpin the study.

The objective of the study was to assess the current practices of capacity building conducted by Bole Sub City in light of the theories and principle of Capacity Building. In order to achieve the stated objective, six factors/indicators were used. These were capacity need assessment, Leadership and Management, level of Capacity Building, Availability of resource, Stakeholder Participation, and M & E.

Primary data were collected through questionnaires, interview, and focus group discussion; whereas secondary data were collected through document review. The statistical method used to analyze the quantitative data was percentage.

The major findings of the study were capacity need assessment was conducting prior to capacity building, citizens were involved in capacity gap identification, and evaluation of capacity building was conducted. In addition, the leadership and management were supportive and committed. The findings also indicated some problems, for instance non state actors were not involved in capacity need assessment, capacity building was not conducted at three levels in an integrated manner to address the human, organizational and institutional changes needed for improved capacity, capacity building interventions mainly focused on individual training, and there was shortage of budget to carry out training & staff development.

Generally, the findings indicated that the office has made encouraging progress in practicing some of the factors/indicators of capacity building; however, many works need to be done to translate the theory of capacity building into practice. Examining capacity building from the broader environment, involving non-state actors, adopting integrated and holistic capacity building frameworks, among others, need immediate actions by the sub city. Therefore, conducting capacity need assessment at the institutional level, involving non state actors, enhancing the technical capacities of technical experts, employee, integrating capacity building activities at various levels, deploying sufficient budge for training, designing frameworks for capacity need assessment are recommended.

Chapter One: Introduction

1.1 Background

One of the root causes of economic crisis facing Africa has been the lack of capacity in governments and institutions to respond quickly and decisively to a rapidly changing global economic environment .Therefore, African countries must improve the performance of their public sectors if they are to achieve their goals of reducing poverty, accelerating economic growth and providing better services to their citizens and achievement of such improved performance will require countries to complement reforms with sustained capacity building. (World Bank1991:6)

In recognition of the multifaceted problems facing the country, the Government of Ethiopia launched fourteen national public sector capacity building programs (NCBP) in 1998. These programs focus on strengthening the institutional, human capital and system of the public institutions. As the national capacity building program is one of the strategies for the long term state transformation agenda, due attention is also given to support and strengthen the democratization process and economic development. As indicated in the poverty reduction strategy document (MOFED; 2003), Capacity building across the public, private, civil society and higher education constitute a key pillar of Ethiopia's poverty reduction strategy. Among these fourteen national capacity building programs, six of them directly involved in public sector which has got attention to rapidly scale up under a consolidated five year federal program called public sector capacity building program / PSCAP/.

Ministry of Capacity Buildingis established in 2002 to take care of capacity building activities that had been taking place in fragmented way; and to give centralized leadership and directives to government organizations at various levels (Mesfin, 2009). The ministry was later merged with Federal Civil Service Agency in 2010, and named Ministry of Civil Service (MoFED, 2012). The GTP document highlighted the importance of addressing the three pillars of public sector capacity building in an integrated and holistic manner. While the three pillars comprise human

resources, institutional development and systems and processes, interventions in building capacity should be comprehensive. This means capacity building interventions should be multi-sectoral and multi-dimensional so as to create a critical mass of skill, technical and institutional capability needed for the economy to go beyond mere marginal change. (MOFED, 2010)

Capacity building program encompasses skill gap analyses, design and planning, implementation and evaluating impact of capacity building. Its effort is toward enhancing the professionalism and ethical values and image of the civil service, rethinking the state for socio-economic development, creating an enabling environment for private sector development, promoting an enabling environment for sound governance and strengthening government capacity in mobilization, management and accountability of financial resources (African Management Development Institutes' Network, 2008).

According to (Blagescu and Young, 2006), capacity building is a systematic and multidimensional approach which refers to the concepts of multi-level and inter-related systems, where every scheme and division is linked to one another.

An OED evaluation of the World Bank (2005) identified that absence of capacity need assessment was the cause of serious delay or failure in implementing the planned capacity building measures. For example, a project focused on capacity building for decentralized service delivery in Ethiopia did not include a comprehensive capacity needs assessment. Moreover Capacity building initiatives lacks fully articulated framework for assessing capacity needs, designing and sequencing appropriate interventions and determining results. According to the World bank, traditional focus on creating or reorganizing government units and building individual skills cannot—by itself—foster improved public sector performance, the institutional context in which organizations and individuals operate is critical to ensuring for improved public sector performance. And because human capacity, organizational processes, and institutional frameworks closely interrelated and are not change quickly, capacity building efforts must necessarily be long-term and systemic. (<http://www.worldbank.org/oed>).

In Ethiopia, the capacity of local government in administrative, oversight and planning functions is very limited (Diskovick and Tegengne, 2010). Similarly (Yilmaz and Venugopal 2008) also

acknowledged that there is a lack of capacity on the part of councilors and mayors at local level to review the planning, budgeting and service delivery functions. Various studies indicate that there are severe capacity gaps in running and managing different functions under decentralized governance system. In the area of providing economic service delivery, local governments have limited capacities (UNDP, 2010).

To sum-up, capacity building is commonly accepted both in theory and practice as a means to ensure local economic development, good governance and effective public service delivery, enhancing professional ethics, rethinking the state for socio-economic development, creating an enabling environment for private sector development, promoting an enabling environment for sound civil service governance and intensify government capacity to mobilize, manage and accountability of financial resource (World Bank, 2003).

Therefore this paper tries to explore the concept in theory and evaluate the process and practices of capacity building by taking boles sub city as case study.

1.2Statement of the Problem

Capacity building as policy prescription and imperatives has been widely recognized by the international community. In Ethiopia, capacity building constitutes an essential building block for attaining sustainable economic growth and poverty reduction. Capacity building aims at a comprehensive development of human resources, institutions/organizations, systems and processes as means for achieving the country's overall development goal. (MCB, 2002).

The GTP documents also highlighted the need for an integrated and a holistic approach to capacity building, the importance of building the capacities of capacity building institution, and increasing the implementation capacity of all development stakeholders such as governmental, private and development organization, integrated human resource development, organizational development and operational systems, and the broader institutional environment in which individuals and organizations operate. (MOFED, 2010)

Many authors and organizations acknowledge the importance of treating capacity building in holistic and integrated manner. For example Ogiogio (2005: 2) asserts that capacity building is

essentially technical process, which involves capacity need assessment and project identification, development, appraisal, approval, monitoring, and evaluation. Similarly GTZ (1993:3) stated that capacity building must take place on three levels: individual; organizational and institutional level.

Therefore, capacity building becomes fruitful if it is conducted based on the underlying principles/ success factors and with complete understanding of the different levels and actors involved in capacity building. It should then be designed and implemented in an integrated manner to address the human, institutional and organizational changes needed to improve the performance of the public sector.

Even though a lot of researches have been done with respect to capacity building, as far as the knowledge of this researcher is concerned no comprehensive research have been conducted towards assessing the practices of public sector capacity building in light of established principles and theories. This means that there was no study made so far towards gauging /tracking the process and practices of public sector capacity building by establishing factors/indicators that came out from empirical studies and literatures. This study is, therefore, the first of its kind made so far to evaluate the current practices of capacity building against six factors/ indicators namely; capacity need assessment, leadership and management, adequate resource, levels of capacity, stakeholder participation, and monitoring and evaluation.

Studies conducted so far have focused on simple evaluation or assessment of one component of public sector capacity building such as assessment of civil service reform, assessment of the effectiveness of reform tools such as BPR, BSC, citizen's charter, professionalism, and training need assessment etc. Therefore this study fills this research gap.

1.3 Research questions

Based on the statement of the problem and objectives, the study sought to give answers to the following research questions.

- To what extent are the indicators being applied?
- Are there adequate and clear policies, frameworks, and tools to guide capacity building?

- Who are the stakeholders involved during capacity building process?
- Are there adequate resources to implement the different capacity building programs?
- Are success factors for capacity building present?
- What are the major constraints/challenges facing in capacity building?
- What are the contemporary thinking in capacity building from a global perspective?

1.4 Objectives of the Study

The objective of the study was to assess the current practices of capacity building in light of the theories and principles and to make recommendations that help improve capacity building efforts by taking Bole Sub city capacity building office of Addis Ababa as case study.

The Specific Objectives of the study are listed as follows:

- To assesses the current practices of capacity building conducted in Bole Sub City Capacity building office;
- To identify stakeholders involved in capacity building;
- To identify challenges of capacity building activities;
- To identify success factors in public sector capacity building program;
- To recommend ways of improving capacity building activities.

1.5 Significance of the Study

The researcher hopes that agencies at federal, regional and local levels may benefit from the research as it helps them in the formulation of an integrated and holistic capacity building interventions. In addition to this, the finding of this document will also help a number of organizations; research and development organizations, councilors, and experts to organize and frame their capacity building strategies and actions. The significance of the study would also be its contribution of reducing the knowledge gap in the area of public sector capacity building through how capacity building should be designed, implemented and evaluated.

In addition, the researched organization could use the findings and recommendations of the study as a feedback to improve its capacity building activities. Last, this study could potentially be used as the foundation for future research.

1.6 Scope and Delimitation of the Study

Although the term capacity building is conceptually broad, open-ended and difficult to frame, it is based on a number of generally accepted principles. This means, the design and implementation of capacity building activities are based on fundamental principles. Thus, the scope of this research was limited to assessing of the fundamental principles public sector capacity building. More specifically the paper is confined to assessing the principles in light of the six indicators/ themes. This paper is not about assessing capacity building practices of NOGs, Private, and central governments. Rather the study is confined to assessing the practices of capacity building at local government level (Sub City), and it is confined to assessing the current process and practice of Bole sub city capacity building office. So the institutions covered is one, as result it may not apply to another capacity building office in a given sub city. The sample size may not representative, since each sub city has different opportunity and challenge

With respect to limitations, Lack of relevant studies and textbook were one of the major challenges in this research. In addition limited availability of higher officials and process owners has forced the researcher to cancel lots of appointments and took longer than expected time and cost.

1.7 Organization of the thesis

This paper is organized into five chapters. The first chapter highlights background and articulates the problem statement. Moreover research objectives and questions are stated followed by the scope and significance of the study. Chapter two presents the theoretical Framework and the Literature Review. Chapter three discusses the methodology of the research. This is a detailed explanation of the research approach and design used to address the research objectives of the study. Chapter Four presents and discusses the results of the research. The final chapter presents the conclusions as well as the recommendations made based on the findings.

Chapter Two. Review of Literature

This chapter is dedicated to Review of literature covering the theoretical framework underpinning the study (capacity building) such as the emergence, definition, dimensions, levels, and characteristics of capacity building pertain to the study. Finally, it addresses the challenges of public sector capacity building coupled with the empirical evidence.

2.1 Emergence and Definition of capacity building with the development discourse

Capacity building is one of the defining ideas within contemporary international development. This stems from the conviction and experience that addressing social, economic, and environmental issues call for greater capacities everywhere in society: in individual, human capital, groups in communities, organizations, institutions and sectors. (Capacity development in practice book by SNV, 2010). The concept of capacity building is not new, going back as early as the 1950s and 1960s where donors and academics focused on public sector institution building through human resource development (DAC, 2006). A traditional approach of building capacity has been the transfer of knowledge from North to South using Technical Cooperation (TC); however it became increasingly criticized due to poor results in many countries and very low returns (DAC, 2006; MIWA, 2008; ODI, 2009). Many felt that it failed to enable developing countries to create their own sustainable capacities (Nair, 2003). In the early 1990s UNDP and Berg (1993) led an in-depth review of TC and found that despite some successes, the sustainability of efforts has been questioned:

"While technical cooperation (TC) has undoubtedly contributed to very significant development successes around the world, it also continues to perpetuate many counterproductive practices" (UNDP, 2009b).

According to Land (2000), Kaplan (1999, 2001 and 2003), and Postma (2003:81) CB is a slippery and elusive concept, which remains rather obscure and used interchangeably with similar concepts such as 'institution building', 'capacity development' and 'institution development'. GTA advised that Capacity building must take place at three levels; individual, organizational, and institutional and the overall system level (economic, political, legal and administrative

frameworks). Peltenburg (1996:9); Olowu (1998:1) and Grindle (1997:5) viewed capacity as the ability to perform appropriate tasks and fulfill roles effectively, efficiently and sustainably.

Capacity building has been at the center of development efforts for the last decades. Pieterse (2002:1) argued that this is fuelled by similar international discourse that valorizes the local as a site of strategic defense against powerful globalizing currents and as the frontline in the war against poverty.

Within the realm of local economic development, capacity building received interest because of experience of policy prescription under structural adjustments in the 1980s. In 'rolling back the state' Lemon (2002:21) observed that central governments passed on the cost of providing public goods and services to local government without sufficient adjustments of either state fiscal transfers to local levels or the revenue raising powers of local government.

Bentley (2013) argued that capacity building embraces all forms of planned learning experiences towards effect performance and behavioral changes through the attainment of new knowledge, skill, value, beliefs and attitudes in the public service.

According to the ECDPM (1998) capacity depends on the presence of viable institution, leadership and vision, financial and material resources, skilled manpower and effective work practices –systems, procedures, and appropriate incentives.

This shows that although the term capacity has several meanings and applications in various contexts, its success embraces some fundamental principles. As a result several organizations have started to develop and implement frameworks for capacity need assessment and development, among others.

Table 1: Predecessors of Capacity Development/knowledge networks

Term	Decade	Capacity-building approaches
Institution building.	1950s and 1960s.	Provide public sector institutions; Focus on and design individual functioning organizations; Models transplanted from the North; Training in Northern universities.
Institutional strengthening and Development.	1960s and 1970s.	Shift to strengthening rather than establishing; Provide tools to improve performance; Focus still on individual organizations and training in the North.
Development Management and administration.	1970s	Reach target groups previously neglected; Focus on improving delivery systems and public programmes to reach target groups.
Human resource Development	1970s and 1980s	Development is about people; emergence of people-centered development; Key sectors to target are: education, health and population.
New Institutionalism	1980s and 1990s	Capacity building broadened to sector level; (government, NGO and private) Focus on networks and external environment; Attention to shaping national economic behavior; Emergence of issues of sustainability and move away from focus on projects.
Capacity Development	Late 1980s and 1990s	Reassessment of the notion of technical cooperation (TC); Stressed importance of local ownership and process; Participatory approaches as the key; Seen as 'the way to do development'
Capacity	2000s	Increased participation in capacity building;

development/ knowledge networks		Emphasis on continuous learning and adaptation; Balancing results-based management and long-term sustainability; Systems approach and emerging talk of complex systems Emphasis on needs assessment/analysis; Spread of ICT-based knowledge networks; Increased donor coordination;
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Sources: Adapted from Lusthaus et al (1995) and Whyte (2004)

A fundamental issue in capacity building is how we define capacity: what we are trying to build, capacity to do what? Organizations and experts sought to redefine capacity and capacity building throughout the 1990s, resulting in a mix of conceptual and operational definitions. Consequently, there are a multitude of projects and programmes in the name of capacity building, which are based on quite different concepts, assumptions and expectations of results (ECDPM, 2000).

Among the most widely applied definitions is the one used by UNDP (1998). It lies between the broadest view that equates capacity with development and the narrowest perspective that equates capacity with training. An important addition of the term "appropriateness" in the definition of capacity emphasizes that the functions have to be specified and defined in each case and they have to be appropriate on the basis of some criteria (Hilderbrand and Grindle 1997). In practice, appropriateness of functions is operationalized to mean that capacity should be related to defined core tasks and functions of a job, team, organization or a system. Essential in the current thinking is the link with strategic management: hence functions are considered to be appropriate if they contribute to the achievement of the mission and strategic objectives of a team, an organization or a system. However, emphasizing the need to define core tasks and functions should not mean that less attention is given to the need to adapt capacities to new needs and challenges. Hence most of the current definitions and capacity building actions are based on the fundamental concepts of strategic management.

Looking up on the wide ranged scope about the very vague terms, the definitions scattered around poverty reduction, economic growth and bringing sustainable change:-

- Capacity building is an approach to development not separate from it. It is a response from it. It is a response to the multidimensional process of change, not a set of discrete or pre-packaged technical interventions intended to bring about a pre-defined outcomes (Eade, 2000:4). Capacity building is the sustainable creation, retention and utilization of capacity in order to reduce poverty, enhance self-reliance and improve people's lives (World Bank, 2005:6).
- Capacity building is a process that increases the ability of persons, organizations or systems to meet its stated purposes and objectives (Brown et.al.2001, cited in GTZ-SfDM (2005:11). Capacity building like capacity is task specific and while there may be common tools and instruments to be applied, capacity building programs have to be tailored to the specific situation (Milen, 2001, cited in GTZ-SfDM (2005:11).

Generally capacity building is a task specific approach and multidimensional process to development and change. It has focused on sustainable creation in order to reduce poverty, accelerate economic development, enhance self-reliance, and improve people's lives. It is also a process of increasing the ability of individual organizations to analyse environment, identify problems, needs, issues and opportunities, formulate strategies, and design a plan of action as well as to learn lessons. Thus unequivocally, capacity building to be effective and sustainable, it must include three different levels according to GTZ-SfDM (2005:12).

- The system (or institutional) level, like e.g. the regulatory framework, policies and frame conditions that support or hamper the achievements of certain policy objectives.
- The organizational (or entity) level i.e. the structure of organizations, the decision making processes within organizations, procedures and working mechanisms, management instruments, the relationships and networks between organizations.
- The individual level, i.e. individual skills and qualifications, knowledge, attitude, work ethics and motivations of the people working in organizations.

According to the World Bank (2005:7) Capacity Building to be effective it must cover the three levels i.e. the individual, the institution and the system. The first one is human capacity to build individuals capacity with skills to analyze development needs, design and implement strategies, policies and program. The other is organization capacity in order to create group of individuals bound by a common purpose with clear objectives and the internal structures, process, systems, staffing and other resources to achieve them. The last but not the least institutional capacity to establish the formal "rules of the game" and informal norms-for examples in collecting taxes, reporting on the use of public resources, or regulating on private business that provide the frame work of goals and incentives with in which organizations and people operates .

For the purpose of this research the definition by the UNDP (1997) and the OECD development assistance committee is used: Capacity building is the process by which individuals, groups, organizations, institutions and societies increase their abilities to:-

- Perform core functions, solve problems ,define and achieve objectives
- Understand and deal with their development needs in a broad context and in a sustainable manner.

According to the above definition it is important to note that capacity building is broader than organizational development since it includes an emphasis on the overall system, environment or context within which individuals, organizations and societies operate and interact.

2.2 Dimension and Characteristics of Capacity

It has been argued that capacity building remains a concept characterized by vagueness and generality (Morgan, 1998). However, all recent definitions share three aspects, centered on the understanding that capacity-building efforts need to be considered from a systems perspective that recognizes the dynamics and connections among various actors and issues at the different levels, as part of a broader unit rather than as loosely connected factors (Baser, 2000):

- The importance of understanding the context in which the capacity-building efforts take place;

- That capacity building encompasses a hierarchy of levels (individual, organizational, network/sectoral and the overall enabling environment); and
- That to be successful, capacity-building efforts must respond to the relationship among these levels, all of which are systemically interlinked.

According to Brinkerhoff (1995), capacity is part of a continuing dynamic process and thus capacity of an individual, organization or system is never complete or in steady state but requires continuous renewal and investment. Capacity doesn't exist on its own, but is linked with performance: Capacity is an instrument for an individual, team, organization, sector or system to achieve objectives. It can be characterized by complexity, which reflects the understanding that organizations are embedded in intricate, overlapping environments composed of political, bureaucratic, economic, social and cultural factors that interact in only partially predictable ways to influence how organizations and their people behave.

The experience of experts has found that there are no quick fixes or set solutions in public sector Capacity building that fit all circumstances (DAC, 2006; ODI, 2009; La fontaine, 2000). As each approach must be tailored to the specific needs and the context, it should not be rushed. CD is therefore not an 'add on' solution or as UNDP (2009) put it: an ineffective 'afterthought'. It requires combining different activities (more than training alone) developed with a long-term vision (JICA, 2006). Some Northern NGOs resort to it as a convenient exit strategy when they want to take away support from a partner but cannot leave it to fall apart. Instead they use it while looking for alternative sources of funding for the partner, which is not what CD is about (James, 1994).

It is relevant to note that, since no overall theory of capacity building exists, organization's that engage in this type of work base their approach on theories of change borrowed from the social sciences. Inevitably, this triggers the interchangeable use of terms like capacity building, capacity enhancement and capacity development. The first two seem currently to be preferred, perhaps because 'capacity building' came into use earlier and still carries connotations of earlier approaches to capacity building, such as training courses in the North and technology transfer (Whyte, 2004).

Just capacity is not static but requires continuous renewal, so is capacity building a continuous process of improvement within an individual, organization or institution, not a one-time event. It is essentially an internal process, which only may be enhanced or accelerated by outside assistance, for instance by donors. Capacity building emphasizes the need to build on what exists, to utilize and strengthen existing capacities, rather than arbitrarily thinking of starting from the scratch. However, in some situations radical and extensive changes may be needed. Human-centered development strategies emphasize that besides a means to an end, i.e. improvement of organizational performance, capacity building has intrinsic value on its own in fostering job satisfaction and self-esteem. In a fast changing, globalizing world, an essential aspect of capacity building should be to build to cope with change and inculcate more integrated and holistic approach rather than traditional, sectoralised ways of thinking in addressing problems at hand. Capacity also contributes to sustainability: it is the ability of individuals, organizations or societies to set and implement development objectives on a sustainable basis.

According to (Ogiogio, 2005:2) there are four elements that are fundamentally important in the concepts of capacity building process. These are building, utilization, Retention and Nurturing. The first of these elements – building – is essentially a technical process which involves capacity needs assessment and project identification, development, appraisal, approval, implementation, monitoring and evaluation. The other three elements do not spontaneously or necessarily result from the first. There is nothing inherently compelling in the process that capacity built must be utilized, retained and nurtured, just as these determine the utility of the capacity. The utilization, retention and nurturing of capacity requires complementary institutional reforms to change or improve environmental incentives for these processes to apply. Utilization and retention are important for capacity to respond to the purpose for which it is built, while nurturing of capacity connotes the need for continuous improvement in the quality of such capacity to avoid decay, irrelevance and non-suitability for modern needs that are rapidly changing and becoming more complex. Capacity that produces capacity or regenerative capacity must not only be built, utilized and retained; it must be adequately

nurtured to ensure that its growth is consistent with changing development needs and complexities of the development environment.

Kaplan (1999 and 2000) argued that 'features of organizational life' (i.e context and conceptual framework; vision; strategy; culture; structure; skills; and material resources) incorporate a panorama of factors that affect the ability of organizations to achieve specified goals. The dimensions are interactive and dynamic. Although various authors and institutions described the dimension of capacity differently, there is basic similarities in describing the dimensions of capacity. Hence for the purpose of this study the five dimension of capacity put forward by (Hildebrand, Grindle 1997) will be discussed as it better takes into account the complex environment in the public sector. These dimensions discuss capacity with regards to central and local government departments and ministries.

Action Environment:-Other methodologies refer to this level also as situation, market or system. It sets the economic, political and social milieu in which governments carry out their activities. Issues that are likely to have an impact on public sector capacities include e.g international economic relations, policy values in the country, role of public and private sectors, labor market, political stability, leadership support, overall human resource development, social conflict etc.

Institutional Context of the Public Sector:-This is broader than the organizational level and includes such factors as rules and procedures set for the government operations, resources (human, financial, information) and structures of formal and informal influence on public sector functions. This context can constrain or facilitate the accomplishment of particular task.

Task Network (or a system):-Task network refers to the set of organizations involved in accomplishing any given task, for example the local development system. How well the system achieves its goals, or performs, depends on inter-relationships, interdependencies and interactions amongst the entities within the system, all influenced by the flow of information, formal and informal networks of people etc. as well as by the performance of each individual organization. Network may include also the private sector and NGOs.

Organization:-Traditional capacity development and organizational strengthening focus their development resources almost entirely on human resources, processes and organizational structuring matters. The modern approach examines all the dimensions of capacity at the entity level (mission, strategy, management styles, culture, structures, human resources, finances, information resources, infrastructures) including inter-actions within the broader system, usually with other entities, stakeholders and clients. These factors affect how the organization establishes goals, structures its work, defines authority relations and provides incentive structures. They promote or constrain performance, because they affect organizational output and shape behavior of those who work within them.

Human Resources or Individual level:-This dimension focuses on how people in an organization are educated, how their current knowledge and skills fit with the needs of a task or a job. The focus is on technical, professional, managerial and communication and networking knowledge skills. It also deals with attracting people to the public sector, utilization of their knowledge and skills and retention of individuals.

Thus, Public sector capacity building is a systematic and multidimensional approach which refers to the concepts of multi-level and inter-related systems, where every scheme and division is linked to one another. This approach put forwards that capacity building should build on what exists in order to improve it rather than necessarily build new systems. This becomes a dynamic process through which networks of actors seek to enhance their abilities to perform, through both their own initiative and outsider support (Blagescu and Young, 2006).

Hence, capacity building is abroad concept, which overlaps with and includes human resource development and various management issues and trends such as strategic management, change management, quality management, organizational re-engineering, knowledge management, information management etc. The relationships between the “ parts-to-be-improved and the “whole” within a country and international frameworks are often lost. Capacity development is an attempt to see that “whole” (Qualman and Bolger, 1996).

A synthesis of the aforementioned literature reveal that capacity building is essentially an internal process, requires strong leadership, its development is be based on need assessment, needs viable institution, requires adequate financial, human and material resources, it is continuous process that requires time and investment, it is multi-dimensional and multi sectoral occurring at various levels, requires an integrated approach, needs to be examined with in the broader environment, and has to be linked with defined performance and task.

2.3 Levels and Cycles of Capacity Building

Capacity needs to be built at every level and across all fields of activity. The question is which one comes first. This can bring the dilemma of priority because in every situation there are priorities due to reasons of urgency or deficiency, take precedent over others in their need for attention and resources. In this regard capacities at different levels are summarized below (Atsushi, 2006:5).

Capacity at the Individual Level: -Capacity at the individual level is the most fundamental element of capacity. It becomes the foundation for organizational capacity and refers to the will and ability of an individual to set objectives and to achieve using one's own knowledge and skills (JICA, 2004). Capacity at the individual level includes knowledge, skills, value, attitude, health, awareness, etc. It can be developed through various ways such as formal, non- formal and/or informal education, training, on- the- job- training, independent reading, etc. In the context of organizational development, it is also referred to as human resources development.

Capacity at the Organization Level: - Capacity at the organization level will determine how individual capacities are utilized and strengthened. It refers to anything that will influence an organization's performance (JICA, 2004) and includes: human resources (capacities of individuals in the organization); physical resources (facilities, equalities, materials, etc); intellectual resources(organization strategy, strategic planning, management, business know-how, production technology, program management, process management (e.g., problem solving skills, decision-making process, communications, etc.); inter-institutional linkage (network, partnership, etc.); incentive and reward systems; organizational culture and leadership of managers.

Capacity at the Environment Level: - Capacity at the environment level refers to the environment and conditions necessary for demonstrating capacity at the individual and organizational levels (JICA, 2004). This includes systems and frameworks necessary for the formation or implementation of policies and strategies beyond an individual level. There are various dimensions on environment such as administrative, legal, technological, political, economic, social, cultural, etc. that impinge on and / or mediate the effectiveness and sustainability of capacity building efforts. Elements on which capacity is based on at the environment level include formal institutions (laws, policies, decrees, ordinances, membership rules etc) informal institutions (customs, cultures, norms, etc.), social capital and social infrastructure, and capacities of individuals and organizations under the environment.

With respect to the cycles of capacity building, GTZ-SfDM (2005:21) designed comprehensive and systematic capacity building guideline to strengthen participatory and inclusive capacity building approach, the guideline (module-A) emphasizes the concept, phases and steps of capacity building cycle. The guideline helps to assess capacity building needs and to formulate capacity building action plans. This capacity building blocks consists of five major steps are summarized below.

Preparation:-The preparatory phase of the capacity building cycle addresses, the establishment of the work processes at regional level, the agreement on objective, and the determination of responsibility, roles and function to be performed by various stakeholders. It further accomplishes the mobilization and allocation of resource required to conduct the capacity building needs assessment.

Analysis:-The analysis phase identifies existing capacity gaps in view of particular regional governance function to be assessed. It adopts specific analytical method and tools for capacity building needs assessment on three capacity levels, i.e. the system, organization, and individual. The final result of this phase is a preliminary list of capacity building needs pertaining to stakeholders involved.

Planning: -The planning and programming phase transforms identified capacity building needs into multi-year capacity development strategies. A Multi-year capacity building action plan and

a medium- term expenditure program provide strategic direction to capacity building interventions, based on established priorities and a sequencing of activities.

Implementation: - The implementation of capacity building activities requires sound planning and programming of interventions. Annual programmer based on priority setting and sequencing of activities comprises the frame for annual budgeting and short-term implementation of capacity building actions. Procurement shall be based on competitive tendering. A continuous monitoring of accomplishments ensures that the capacity building process stays on track and that improved governance related products and services are made available to both stakeholders and regional beneficiaries.

Evaluation:-The final phase deals with the evaluation of outcomes and impacts obtained from capacity building at the regional level. Performance indicators will assess how the organizations or individual improved their performance by utilizing the outputs, and which permanent benefits have been achieved from the enhanced governance performance. Based on that, a re-planning of capacity building action plans shall be done. (Guidelines on capacity Building in the Regions Module-A, 2005).

2.4 The Public Sector and Capacity Building Focus

The public sector in every country plays a major role in the policy process and development management .Indeed, whatever may be the prevailing paradigm or development philosophy, the government under the framework of the public sector plays a critical leadership role in the society's socioeconomic development efforts. And the ability of the state to propel economic growth and productivity, as well as organize its people depends on the degree to which it is able to establish political legitimacy, mobilize popular participation as well as direct and assist its citizens in the pursuit of common national goals (Oshionebo, 2003:40). The civil service and public service at large assist the government in fulfilling these obligations through public policy articulation, development management, and implementation. In specific terms, the public service is expected to be:

- Development –conscious and performance oriented;

- Able to formulate policies and programs and implement government decisions and measures with minimum delay and least cost;
- Heavily dependent on scientific approach in the management of public affairs and operation;
- Staffed with high caliber and well trained personnel with emphasis on professionalism and specialization;
- Responsive and sensitive to the wishes and aspirations of the people and to changing circumstances in the domestic and global environment;
- Constantly up-to-date on the political, economic, social, scientific and strategic developments within and outside the country; and
- Capable of continuously improving its own dynamics.

According (MCB, 2002), public sector needs sustained capacity for an efficient delivery of essential services such as macro-economic management ,maintain law and order ,public infrastructure, basic health and education, etc. that would not otherwise be provided by the private sector .

According to Cohen (1993: 26), public sector capacity building 'seeks to strengthen targeted human resources (managerial, professional and technical), in particular institutions, and to provide those institutions with the means whereby these resources can be marshaled and sustained effectively to perform planning, policy formulation, and implementation tasks throughout government on any Priority topic'.

Within the realm of local government, Berg (1993: 62-3) regards capacity building as characterized by three main activities: 'skill upgrading – both general and job-specific; procedural improvements; and organizational strengthening'. Skill enhancement refers to general education, on-the-job training and professional strengthening of skills such as policy analysis and IT. Procedural improvements refer to context changes or system reforms. Organization strengthening covers the process of institutional development. He concludes that capacity building is '...broader than organizational development in that it includes all types of

skill enhancement and also procedural reforms that extend beyond the boundaries of a single organization’.

North (1992: 6), on the other hand, regards public sector capacity building as synonymous with the term ‘development’ and argues that the concept of capacity building has in recent years taken on a new meaning: as an umbrella term to include institution building and human resource development, which are associated with ‘a developing country’s management of development policies and programmes’. Hilderbrand and Grindle (1994: 9) argue that this suggestion ‘makes operationalizing the concept in a meaningful way almost impossible’.

For Morgan (1998), the core of public sector capacity building is wider and more holistic: there is a close relationship between human resource development and capacity development; there is an evolving relationship between training and capacity development; effective capacity development requires sustained attention over a longer period of time; capacity development attempts to move beyond administrative techniques and beyond projects; and capacity development attempts to accelerate interaction between organizations and their environment. In this sense, capacity development becomes a more complex concept than that of inputs, which is the concept most widely spread in the donor community. It refers to the approaches, strategies and methodologies used by national actors and/or outside interveners to help organizations and/or systems improve their performance (Morgan, 1998).

2.5 Constraints to Effective Public Sector Capacity Building

The road to CB (especially for local government) is winding-Postma (2003:81) compared it to a river which meandered with the contours of the topography. Institutional weaknesses are rarely merely technical problems: as Corkery et al (1998:543) argued they generally reflect systemic problems related to politics and culture, as well as management capacity and performance, and thus it is critical to analyze why weakness exist, as administrative capacities cannot be strengthened unless the political ,social ,economic and cultural contexts are understood. A number of problems or limitations could be encountered. These could include lack of vision, political interference, organization and human resource development problems.

Political Environment:-Peltenburg (1996:13) argued that, in highly politicized environments, the planning and/or implementation of CB interventions may affect. According to the World Bank (WB, 1991:10), the unfavorable political climate has diminished the expressed demand for policy analysis and advice, has lowered morale in government ministries, and has led to the neglect of education, research and statistical institutions.

Poor Governance:-This has been widely fingered as the root causes of capacity problems. According to the report of the African governors of the World Bank on the partnership for capacity building in Africa (1996: Vi):" in most countries, narrow political considerations have taken precedence over the public interest and broader issues of the development, power is personalized rather than imbedded in rules and institutions, patronage and corruption pervade administrative and political culture, and there is no accountability and transparency in the public sector. The failure of governance has resulted the failure capacity building initiatives. Therefore, it is imperative to institute good governance, manifested by the five pillars of accountability, transparency, openness, predictability, and the rule of law. These remain central to successful capacity building efforts.

Similarly the Ministry of capacity building acknowledges that ensuring good governance is central to capacity building. The definition outlined in the capacity building strategy documents of the FDRE ministry of capacity building says that:-

" capacity building may be defined as the exercise of economic, political and administrative authority which can only be sustained with good governance .Both are indivisible, andcapacity building is an exercise in instituting political and administrative authority in the management of both economic and political matters at all levels of the government. Indeed, capacity building for good governance constitutes a primary means of eradicating poverty."

Financial Constraints:-Financial resources for intervention in capacity building activities have been and continue to be grossly inadequate. An inadequate financial resource affects capacity building efforts by decreasing funds available for training, research, institution building and education in general.

Problems of skills Retentions and Utilization:-As the African capacity building foundation (1996:1) has observed:“the retention and intensive utilization of skills has not benefited from the implementation of civil service reforms in a large number of countries .Reforms of civil services has focused more on downsizing of personnel, the merger /restructuring of ministries and changes in the nomenclature of public officials. Performance related reforms such as enhanced salaries and benefits, continuous retraining programmes, professionalization of tasks, institutionalization of performance management and monitoring systems, provision and maintenance of infrastructure, etc have received only scant attention.

Unstable Economic Policy Environment: -This has tended to be prominent in a number of countries with detrimental effects to capacity building efforts. Erratic and discretionary socio-economic development policies do not provide the proper enabling environment for long-term capacity building activities. Under conditions of economic uncertainty, there is a tendency to favor short term gains over long term risks. Therefore, stability in economic polices is pre – requisite for an environment which is conducive to private investment and sustainable growth.

2.6 Public Sector Capacity Building Program in Ethiopia

Since 1991, Ethiopian People Revolutionary Democratic Front (EPRDF) led government embarked on a series of reform programs hinged on the ideological shift happened in the country from centralized command economy to free market economy. In the early 1990s, the government launched Structural Adjustment program consisting Civil Service Reform Program (CSRP) as one of the components. The phased reform measures have been taken by the government, and the first phase of the reform (1991-1996) focused on the restructure of government institutions and retrenchment program. The second phase of CSRP was launched in 1996. The major theme for the change of the civil service system during the post Dergue era is to change and reverse, the pervious arrangements of government machinery which was highly centralized and socialist ideology oriented to the new Decentralized, Federalism and free market oriented system. Looking up this era capacity building process, the EPRDF reform agenda can be classified into three phases, according to Telaye, (2007:16) The First phase (1991-95):- In this phase the EPRDF government undertook several political and

economic measures. Regulating political measures constitutional changes affecting the policy of transition from a single party hegemony to the multiparty democratic system, changing the form of government from unitary to federal, instituting national regional self-government by way of developing tasks and authority to the newly created sub national entities and appointment of the task force were the major ones. Among the economic related measures, changing the centrally planned economic model to the market various, privatization of public enterprise concerns through decentralization and deregulation measures, redeployment and retrenchment of redundant employees, freezing an authorized recruitment of relevant, lifting the on salary increment were also included;

The second phase (1996-2003):- Among the measures taken in this phase, assessment of the civil service system by the task force constituted for this purpose was the major one. According to Tilaye, (2007:17) the task force comments the following gloomy picture of the then civil service system such as lack of clear national service delivery policy, insufficient recognition of citizen rights, lack of accountability, excessively hierarchical organization, erosion of merits etc. Thus the second phase of the reform program launched to build a civil service system that can avoid the above mentioned problems. According to the program the second phase reform intended to bring a new system that capable of promoting democracy, federalism and good governance as well as providing a citizens friendly service and supporting the government in social and economic development policies and private sector development. In line of these, the program focused on five sub-programs. These are top management system reform, human resource management reform, expenditure management and control reform, civil service ethics reform, and public service delivery reform.

The Third Phase (2003):- Taking its lessons from the previous two reform attempts, the government commenced the third phase of its reform agenda in the form of the five year public sector capacity building program /PSCAP/. The program was intended to strengthen working system, improve organizational effectiveness and rapidly develop human resource in public, private, civil society, and higher education sectors. Taking its lesson from the previous reform attempts, the Ministry of Capacity Building has reformulated the objective of CSRP. (Tilaye; 2007:18) PSCAP is six's of the fourteen program or building blocks which directly involved in the

public sector program and one mandatory program support activities. The program is a sector wide approach (SWAP) program. The objective of the SWAP is to improve the scale efficiency and responsiveness of public service delivery at the federal and regional level services to empower citizens to participate more effectively in shaping their own development; and to promote good governance and accountability. These objectives are expected to be achieved by scaling up Ethiopia ongoing capacity building and institutional transformation effort in the above mentioned six priority areas. (PSCAP Program Implementation Plan; 2004:5) Civil Service Reform Program aims to promote the development of an efficient, effective, transparent, accountable, and ethical civil service. The civil service reform program encompasses five major pillars: expenditure management and control, human resource management, service delivery, ethics, and top management system.

The CSRP is the PSCAP flagship, and is central to its success. It is complex, and has a high degree of overlap with other programs, which requires careful planning and integration. The federal and regional programs are also feeling the absence of a national Human Resource Development (HRD) strategy. The CSRP is hampered by a shortage of skilled staff and workload pressure. Much time has been occupied by the close-out of its predecessor program, Capacity Building for Decentralized Service Delivery (CBDSD). This has also meant that little attention has been paid to systematic collection and interpretation of program performance data. Ironically, for a program that promotes strategic planning, the CSRP still lacks its own five-year plan. (PSCAP Mid-term evaluation report; 2007:13).

In 2002, the Ethiopian Government has established the Ministry of Capacity Building (MCB) as the focal point for supervising, coordinating and guiding implementation of national capacity building initiatives. Its establishment is in response to the global call for improving the policy environment for sustainable development and poverty reduction, which has taken the center-stage with shifts in the development paradigm in recent years. But capacity building is also, and perhaps more fundamentally, an issue of sound governance, bureaucratic transparency and accountability. The role of the MCB is to deal with the problems and challenges presented by deficiencies in human and institutional capacity which constituted the weakest link in past

development efforts and economic performance, as well as to ensure good governance by empowering citizens at all levels.

The ministry was later merged with Federal Civil Service Agency in 2010, and named Ministry of Civil Service (Mesfin, 2009; MoFED, 2012). In 2004 PSCAP emerged comprising the first six programs (Civil Service Reform, Tax System Reform, Justice System Reform, and District level Decentralization, Urban management capacity building and Information and communication Technology development) under the umbrella of Capacity Building Strategy. It aimed at improving the scale, efficiency and responsiveness of public service delivery at the federal regional and local level, empower citizens to be participative the course of their own development and promote good governance and accountability (Mesfin, 2009). Later in 2010, establishment of Ministry of Civil Service necessitated revision of Public Sector Capacity Building Program (PSCAP) as per the duties and responsibilities of the ministry (MoFED, 2012).

2.7 Capacity Building and the Development Challenge

For African countries, capacity building must not be seen as an end in itself, but a means to an end, namely, the attainment of respectable socio- economic development or in the context of current imperatives, the attainment of the Millennium Development Goals (MDGs). Therefore, public service capacity building needs to be considered against the background of the development challenges and the associated capacity building requirements. Indeed, a workable capability strategy must be based on a larger vision of economic and social development, and on capacity needs implied by such a vision. This means that capacity building must become an integral part of the development agenda (Obadan; 2005:9).

The various national assessment teams that preceded the establishment of PACT confirmed that in the public sector, the capacity to design and implement policies, manage and monitor the economy, design and implement budgets, mobilize resources, and manage external resources are weak and non- existent . Furthermore, little attention has been paid to staff or skills development in the civil service and the culture of accountability and meritocracy has practically been forsaken in favors of short- term gains and opportunities. While education and training have deteriorated badly across the whole of Africa, the quality and relevance of

education have declined due to many factors (lack of qualified and motivated teachers, poor instructional materials, unsuitable curricula, and poor facilities). While post-secondary and vocational training institutions lack the capacity to provide adequate training, the universities are barely functioning. Besides, judicial, legal, and regulatory capacity has been sorely lacking, a factor at the root of the poor governance that has undermined the development of capacity and the efficient use of existing capacity. (Obadan; 2005:12).

2.8 Review of Empirical studies in Capacity Building

Local governments should have adequate resources – financial, human, and infrastructure–proportionate to their legislative mandates. Capacity building has been deployed to remedy deficits in resources. Capacity building is thus condition for sustainable development. However, capacity building is not just about training people or strengthening organizations but also requires engagement with complex and rather intangible aspects of governance such as norms, values, political culture, social capital and incentives for change (ECDPM, 2003).

Study conducted by UNDP (2009) identified that the capacity of local government in administrative, oversight and planning functions is very limited. Similarly (Yilmaz and Venugopal 2008) also acknowledged that there is a lack of capacity on the part of councilors and mayors at local level to review the planning, budgeting and service delivery functions. Various studies indicated that there are severe capacity gaps in running and managing different functions under decentralized governance system, especially in the area of providing economic service delivery local governments have limited capacities.

A study conducted by David Mandiyanike(2013) showed that capacity building can work if the determinants of capacity are taken into account. The study highlighted that the efforts of the central government build the capacity of rural district council were not successful. This was attributed to various factors such as the design of capacity building was too rigid, derailed by the central government's half-hearted attempts towards decentralization, and failed to allow RDCs to learn-by-doing, and Zimbabwe's politico-economic crisis. Thus CB is unlikely to flourish in such extreme contexts. The paper identified a number of issues that stifled CB efforts, viz, design of the RDCCBP, and political, legal and economic factors. The CB efforts undertaken in an era of crisis can be characterized as 'capacity that never was'.

The study also highlighted the importance of addressing the interdependence and inter-action of all factors and actors involved in capacity building and optimizes synergy. Hence it can be argued that capacity building requires broad-based and integrated interventions so as to create a critical mass of skill, Technical and institutional capability needed for the economy to go beyond mere marginal change.

Olowu (1998: 10) argued that the erosion of public servants' salaries in Africa over the years has resulted in a depressed incentive system, with the 'take home' of many officials barely sufficient for one week's existence. Thus civil servants seek to hold more than one income-earning activity or job, thereby reducing commitment to the main one. At the same time remuneration for skilled contract staff is high which dampens the morale of low-paid public servants. Grindle and Hilderbrand (1995: 443) observed that a large number of CB activities had produced meagre results and that the investment had not paid off in terms of improved organizational and individual performance. This is because key determinants of capacity building were not taken into account. Unequivocally capacity building efforts needs to deal with complex and rather intangible issues, such as norms, values, political and organizational culture, social capital and incentives for change.

For example the world banks study of long-term development prospects for sub-Saharan Africa (from crisis to sustainable growth ,1989) found that the capacity for sound policy design and policy sustainability is in critical short supply in almost every sector of most African countries , and then called for substantially increased investment in indigenous human capital and institutions.

Berg (1993) concluded that the supply-driven nature of TC led to poor local ownership and therefore lack of commitment. It was argued that there was a lack of consideration to the broader political and social context or the 'enabling environment' within which initiatives take place (ODI, 2009; Bolger, 2000; Morgan and Baser, 1993). Instead of adapting to the country and understanding the culture and current circumstances, approaches were externally designed and implemented without real country commitment (DAC, 2006; Lusthaus et al 1999; Bolger, 2000).

The World Bank (2009) states that there is evidence to show that capacity is built faster when the process is endogenous. It is however complex, requiring a multi-level approach and embraces much more than TC. It is a gradual process that must come from within, and so requires time and investment to strengthen existing capacities. As DAC (2005) identify it is: "...the process whereby people, organizations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time" (p.9).

James (1998) states that although training is tangible, and brings in new ideas; it is less effective at getting people out of old ways and avoids taking responsibility of deeper issues that need to be addressed to bring real organizational change. Using a process-orientated approach facilitate organizations to diagnose their own problems and create solutions through sharing of knowledge (Kühl, 2009).

World Bank (2004) stated that the traditional focus on creating or re-organizing government units and building individual skills cannot-by itself-foster improved public sector performance. The institutional context in which organizations and individuals operate is critical to ensuring the necessary incentives and rewards for improved public sector performance. And because human capacity, organizational processes, and institutional frameworks are closely interrelated and don't change quickly, capacity building efforts must necessarily be long term and systemic.

The above stance of the World Bank is outlined in the FDRE capacity building strategy documents as follows " Capacity building requires simultaneous intervention on all key fronts with the aim to attain systemic change and for optimum synergy, as opposed to meeting perceived needs or problems in particular sector or area.

A synthesis of the above empirical studies showed that, capacity building efforts to be successful, there are number of principles to be followed during the design stage, implementation and evaluation stage. Issues such as involving stakeholders, targeting actions in all levels, having strong leadership, and having adequate materials among others have been identified as key determinants/success factors of capacity building. However there is research gap there research gap towards assessing the practices in light of an established theories and principles.

Chapter Three: Research Methodology

3.1 Research Design and Approach

The research design is the general plan of how the researcher goes towards answering the research questions. It basically addresses issues such as: What are the researches questions that the study needs to respond to and what is the unit of analysis and the justification thereof as well as tools used for data collection and analysis and the choice of a research approach is determined by many variables such as the nature of the study, the objectives that the study seeks to achieve, resource availability and time constraints Leedy and Ormrod (2005:133).

The researcher preferred to use descriptive research type, which helps to investigating the current practices of capacity building being conducted in bole sub city. Accordingly, existing practices and challenges of capacity building were examined and evaluated in light of established theories and principles. Mixed approach is employed to get detail and diverse information on the same issue. It is usual for researchers to employ mixed research approach to investigate different aspects of the same phenomena (Sarantakos, 1998). In this study both primary and secondary data were collected to substantiate the issue under study. Questioners, semi structured interview, and focus group discussion, among others were employed to gather both primary and secondary data.

3.2 Study Population and Sample Size

The study population is categorized under three groups. The first groups comprise officials of the sub city, the second group consists of process owner, and the third groups comprises technical experts and support staffs. The researcher selects the above population with the intention that, they have a direct involvement in the design and implementation of capacity building activities. Bole sub city is purposefully selected owing to its large population and massive economic developmental activities. Total of sixty employees were surveyed out of 71 employees as a result sixty questioners were distributed for sixty employees, 56 employees returned the questioner.

Table 2:- Respondent category

No	Targets respondent	Data collection instruments to be applied	Number
1	Technical staff and support staff	Structured questioner	60
2	Core process owner	Interview	4
3	Technical staff, support staff Core process owner and office head	Focus group discussion	5

3.3 Methods of Data Collection

This study has employed a number of data collection methods. To mention but a few; questioner, interviews, focus group discussion and document analysis were used. In this study mixed approach was employed to get detail and diverse information on the same issue. Use of mixed approach also helps to triangulate the reliability of the information which was gathered. Hence Semi-structured interviews, structured interview, focus group discussion and document review were employed.

Primary data were collected using interview, survey and focus group discussion, whereas secondary data were gathered from related books, journal, working papers, plans and reports. In addition, the sub city official statistical documents were used.

a) Semi-Structured interviews

Semi-structured interviews were used to get a great deal of useful and in-depth information on the various issues of capacity building such as the involvement of non-state actors, availability of budget for training, leadership and management, levels of capacity etc. Accordingly, interview were held withfour process owner due to the fact that process owners are more experienced in capacity building .The interview covered important issues in order to adequately capture various elements of capacity building. Maximum attempt has been exerted to make the interview question orderly and logical to facilitate participants' response. The semi structured interview is attached as Appendix A at the end of the research report.

b) Questioners

Here the researcher had developed survey questioners to examine and evaluate the entire process and practices capacity building conducted by the sub city. Accordingly, sixty questioners were distributed to sixty employees. The questioner were designed to gather information on issues pertaining to human resource, organizational, institutional , availability of tools, frameworks, trainings, satisfaction with their management and their knowledge of capacity building etc. . Maximum attempt has been exerted to make the questioner comprehensive so as to assess the multiple dimension nature of capacity building process. The questioner is attached as Appendix B at the end of the research report.

c) Document Analysis

The other technique that was used to collect data is document review, in particular to collect secondary data. The types documents reviewed include policy and strategy documents, project documents, plans, reports and other pertaining documents.

d) Focus Group Discussion

Two focus group discussions were held with process owners and senior experts as one means of data gathering technique. The first discussion was carried out in the presence of Head of Capacity Building Office and a total of five people took part in the first focus group discussion. For the second time the discussion was held in the presence of three senior experts and one process owner. The reasons for doing the second focus discussion were to get deeper understanding of the practices of capacity building being conducted in bole sub city. The researcher selected these participants in consultation with the head of capacity building office taking into account their close involvement of and experience in capacity building.

e) Observation

In considering this study, field observation were conducted to enrich the information gathered, the researcher visited the capacity building office to collect information by preparing checklist focusing on training types, tools, reports (M & E) , and budgets .

3.2 Data Analysis and interpretation

The data collected through semi-structured interview, focus group discussion, and interview and document analysis were grouped in thematic areas namely; Capacity need assessment, leadership and management, levels of capacity, availability of adequate resource, stakeholder participation and monitoring and evaluation. The data collected through questioner were analyzed using micro excel and presented under each thematic areas.

Chapter Four: - Background of Bole Sub City

4.1 Introduction

This chapter presents the description of the background of the sub city in terms of population size, structure, major economic activities, source of revenue and amount of expenditures. According to the 2007 Housing and Population Census of the Central Statistics Agency (CSA), Bole sub city had a total population of 308, 741 with total area of 120.93Km². In terms of economic activities, there is no compiled data. But the major infrastructural and service delivery activities includes health, education, roads, housing, SME, and ICT etc. The major source of the revenue includes tax income and profit tax, service fee, and transfers from the city government. With respect to expenditure, the sub city have primarily been allocating to infrastructure development followed by health and education services.

4.2 Back Ground of Bole Sub city

The Addis Ababa city government has been undertaking fundamental measures to abolish the deep rooted socio-economic problems taking the new city charter as a framework. The following are some of the measures taken by the City government to create fair, responsible, efficient, and transparent civil service through institutional reforms, system development and training.

- a) The introduction of civil service reform program with due attention to service delivery improvements in all-public institutions.
- b) Restructuring of the bureaucratic and administrative echelon of the former four-tire of administration structure to three-tier structure.
- c) Devolution and decentralization of power, resources and responsibilities to the district level (sub-cities and Kebele level) in order to improve accessibility of services closest to the community and decision-making power at lower Administrative unit.
- d) Development of legal framework.

The City of Addis Ababa has been given the right of self-administration by the Addis Ababa constitution article 49 and its residents represented in the house of peoples' representatives

and in their local councils. Proclamation 18/2005 amended the four tier structure into three, and replacing the Kebele structure with Woreda. With this amendment. Addis Ababa has now 10 Sub Cities and 116 Woreda and Bole sub city has 14 woredas.

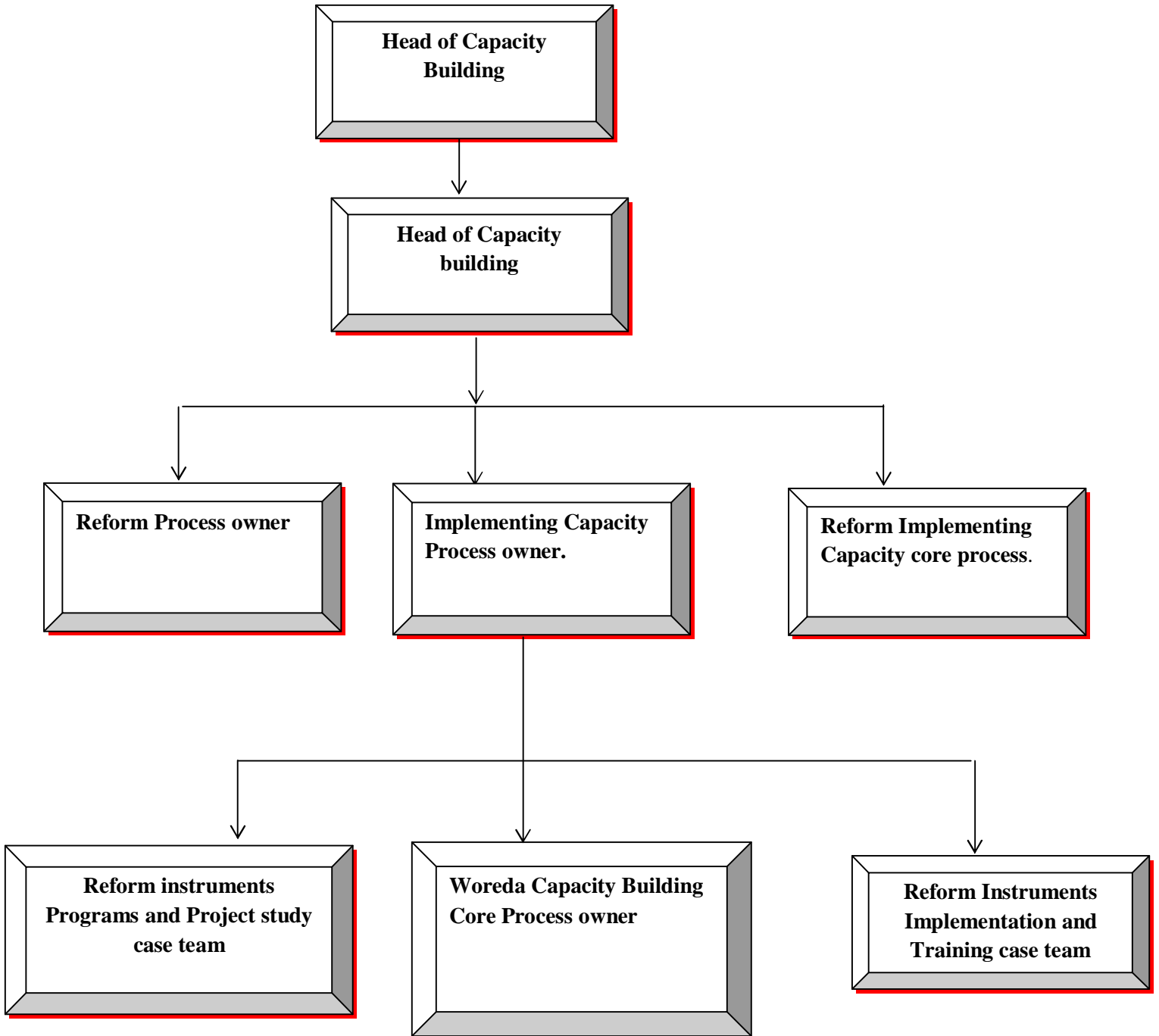
The sub city has assigned jurisdiction, delimited by the City Council, in accordance with the principle of decentralization. It functions as a municipality with the central leadership of the City. It administers Woreda that are within its bounds and are responsible for having law and order observed within their locality. It is accountable to residents of the respective sub city and the city council. (Article 30)

The Sub City council, among other duties, has the responsibility for (article 31)

- a) Approves economic, social development and municipal service plans of the respective sub-city:***
- b) Elect the chief executive and the deputy chief executive of the sub city from among its members recommended by the political party with the majority of seats in the council***
- c) Approve the appointment of members of the standing committee of the respective sub city upon nomination by the chief executive thereof;***
- d) Allocate budget set aside to it by the city council;***
- e) Constitute the committees of the council of the sub city;***
- f) Receive, examine and decide upon the annual and periodic reports from the chief executive of the respective sub city.***

The chief executive of the sub city is accountable to the respective sub city council and to the mayor and heads the respective sub city (article 34). The sub city manager is accountable to the city manager and to the sub city chief executive. He/she is the municipal services executive of the respective sub city.

Bole sub city comprises more than sixteen offices. The capacity building office, being one of the offices, is responsible for the creation of implementing capacity of the various sector offices under the sub city. The office is organized into four core process and five support processes.



Source (Annual report, 2006 E.C)

The capacity building office has the following responsibilities /mandates:-

- a) Conducting capacity need assessment to identify capacity gaps;
- b) Identifying challenges during the implementation of BPR and BSC;
- c) Identifying challenges related to systems ,structures, and work methods;
- d) Identifying challenges related to input ,skill and attitude gap;
- e) Enhancing the implementation capacity of woredas capacity building office;
- f) Ensure the implementation of new system, structures and work process as well as reform;
- g) Provide advisory service and follow up of the implementation of reforms;
- h) Evaluate the impact of capacity building interventions and reforms and provide feedback to the concerned body and individuals as well as sector offices.

As part of its mandate, the office in 2006 EFY has performed the following functions as per its plan.

- a) Organized sub city wide performance assessment meeting to discuss on the achievements and drawbacks of the 2006 EFY. Accordingly capacity gaps were identified and formulated into the 2007 capacity building plan.
- b) Quick win plans were prepared and implemented by key sector offices to solve good governance and service delivery problems.
- c) The office conducted six need assessments to evaluate the implementation of employee skill gap, customer satisfaction, 1 to 5 structure and 7 community participation structures (Youth league, Women's league, Youth Forum, Women's forum, women's cooperatives, Youth cooperatives , citizens forum)
- d) Provided training on service delivery and customer's satisfaction and on leadership skill to 300 senior management leaders and officers.
- e) Organized consultative meeting with more than 7000 community members on different development agendas.
- f) Organized training on good governance and project management.

- g) Customer satisfaction survey was also conducted at service giving public institutions at the sub city, which was reported to show 80 % of the local community being satisfied with the local public institutions service quality.
- h) Conducted six surveys on implementation capacity gap. The survey focused on the assessment of employee's competency, employee's job satisfaction (both at sub city and Woreda level), customer's satisfaction, and the administrative tool of performance management.
- i) For all the sub city office tasks to be supported with ICT, training on BSC and Fax automation was provided to 234 employees of the sub city and the 14 Woreda ICT professions.
- j) For all the institution under the sub city, the human resource statistical data and employee profile was encoded into computer based data base system.

Source (2006E.C, Annual report and interview)

As was indicated in the literature review part of these sections, public sector capacity building essentially involves capacity need assessment, strategy and action design, and monitoring and evaluation. Analysis of the performance of the 20006 year showed that capacity building process is confined to the provision of training and implementations of reform tools to ensure effective and efficient service delivery. Besides capacity building was meant to install new systems, automating some of the work, and organizing various community structures. Although the aforementioned activities contribute to the overall enhancement of capacity, the entire capacity building process has to be improved. The report didn't highlighted the participation of non-stakeholder actors during capacity assessment , importance of taking into account the institutional environment , and capacity related trainings. In addition the report showed that the focus is more on identification of individual capacity challenges despite the importance of addressing the three levels in an integrated and holistic manner. In a nut shell examining the annual report revealed that capacity building practices, evaluated against the six indicators, was not comprehensive as result some critical factors were missed.

Chapter Five:-Result and Discussion

5.1. General Characteristics of the study population

Bole sub city capacity building office has 71 employees, out of these sixty employees were chosen given their relevance for the study and was grouped in to higher official, process owners, and technical and supporting experts. Sixty questionnaires were distributed to sixty employees. Of the total respondents 56 employees filled out the questionnaires properly and returned, while 4 employees were not able to give their response, which resulted in a response rate of 93%.

In addition interview with four processor owner and two FGD in the presence of five people were also carried out. The data obtained by using questionnaires where uploaded and enlarged in to percentages by using micro soft excel. Tables are used to present the data more elaborately in accordance with their importance. Based on the data gathered using different data collection instruments, the analysis were made as follows.

The characteristics of the three groups of respondents were examined in terms of their age, sex, educational back ground, and work experience. Hence, their relevance of to the research is presented here after.

Table 3: Demographic characteristics of the respondents

Category	Sub-category	Technical Staffs		Processor Owner		Office Head	
		N	%	N	%	No	%
Sex	Male	42	75	4	100	1	100
	Female	14	25	0	100	1	100
	Total	56	100	4	0	0	0
Age	Below 25	7	12.5		0	100	100
	26-35 years	32	57.1				
	36-45 years	12	21.4				
	46-55 years	5	9	4			

Category	Sub-category	Technical Staffs		Processor Owner		Office Head	
		N	%	N	%	No	%
	Above 55 years	-	-		100	1	100
	Total	56	100	4			
Education	Below Certificate	-	-				
	Certificate	6	10				
	Diploma	12	21				
	1 st degree	29	51.78	1	25		
	2 nd degree	9	16	3	75	1	100
	PHD	-	-				
	Total	56	100.00	4		1	
Work experience	Below 5 years	21	37.5		100	1	100
	6-10 years	12	21.43				
	11-15 years	9	16.07	2			
	16-20 years	8	14.29	1	50		
	above 20 years	6	10.71	1	25		
	Total	56	100	100	25	1	100

Regarding the age range, majority of the civil servants are relatively young, with 57 % in the 26-35 age group and 21% with the age group of 36-45. This shows employees are young and hence, can serve in public institution for longer years. This ,in turn ,contribute to the successful designing and implementation of capacity building programs since capacity building is long-term process that requires long term commitment as well as investment in human resources.

With respect to the educational level, majority of the employees are degree holder. Whereas only 16 % of the respondents educated to master degree level. This may indicate the educational level of the employee is adequate to shoulder the responsibilities vested in them if they have received the right education and have the right work experience. However further investigation on the relevance and quality of their education and experience revealed that,

some of the employee's education as well as experience are not related to their current position.

Unless the office has deployed the right personnel capable of designing, implementing and evaluating capacity building activities, employees in appropriate to capacity building would challenge the efforts of service delivery and local economic development.

Concerning work experience, the majority of the employees have been on the job for less than five years. The survey results indicated that 37 % of the employees have less than five years of experience, 21 % have 5-10 years of work experience, 16 % have 10-15 years of experience, and 10 % have more than 21 years of work experience .This indicates that the employees in the sub city are more experienced. However some of the employees experience is not directly related to capacity building and hence it is difficult to undertake capacity assessment using standard tools and guidelines which ,in turn ,lead to difficulty to design, and implement holistic and integrated capacity building activities. Focus group discussions reveled that training offered are generally short, ranging from 5- 30 days, and that they are not regularly offered and not based on identified capacity gaps. Thus, the training activities carried out were not need based. This, in a way, shows that the training packages are not demand driven, but rather supply driven.

5.2. Analysis of the Findings of the Study

5.2.1 Issues Regarding CapacityNeed assessment

As was discussed in the literature review part of this paper, capacity need assessment should be an integral component of the capacity building process (UNDP, 1998).This implies that aconsensus seems to exist in conducting capacity need assessment. Hence the researcher assessed the current practices of capacity building in bole sub city with respect to this indicator by preparing questions, and found the following response.

Table 4:- Summary of respondent's response on capacity needs assessment

No	Item	Yes		No		I don't know	
		No	%	No	%	No	%

No	Item	Yes		No		I don't know	
		No	%	No	%	No	%
2.1	Does your office conduct capacity need assessment?	50	89.29	4	7.143	2	3.57143
2.2	Does your office have capacity assessment guidelines, tools and templates to conduct the assessment?	15	26.79	35	62.5	6	10.7143
2.3	Are NGOs and Private sectors involved during capacity need assessment? Is stakeholder analysis done during capacity need assessment?	0	0	50	89.29	6	10.7143
2.4	Do you know the current capacity gap of your organization?	23	41.07	28	50	5	8.92857
2.5	Do you know the desired capacity of your organization?	15	26.79	33	58.93	8	14.2857
2.6	Do you think the education match your job/position? And is it based on need assessment?	25	44.64	30	53.57	1	1.78571
2.7	Do you think the training given to you is relevant?	20	35.71	33	58.93	1	1.78571
2.8	Does your office assess the legal and policy framework?	5	8.9	45	80.35	6	10.7
2.10	Is there capacity need assessment report?	40	71.43	12	21.43	2	3.57143

Source (own survey, Dec 2014)

What is evident from the above data is capacity need assessment were carried out and rated by 89 % of the respondent. However; semi structured, and focus group discussion revealed that the practice of capacity need assessment was not comprehensive and not supported by guidelines and tools.

Basically, the office conducted capacity assessment to identify the following gaps:-

- Skill, input ,attitudes gaps of the employee,
- Customer satisfaction,

- Employee satisfaction,
- Community participation,
- Performance of 1 to 5.

It was also observed that the practice of capacity need assessment was meant/ equated with training need assessment and was not conducted, even not conceived, in light of the elements under the capacity need assessment. For instance when asked whether capacity need assessment includes the legal and policy frame work analysis, includes NGO and other actors , the result revealed that the assessment was conducted without taking these elements in to account. This shows that the sub city failed to examine the broader context in which capacity building activities are to be implemented. This was further evidenced by the distributed questioners. For the aforementioned the items, 16% and 75 of the respondents rated agree to some extent and strongly disagree respectively.

For instance, process owners when asked whether they link capacity with performance, they were not in position to explain this. In addition, process owners when asked as to the importance of participating other actors in capacity need assessment, here again their response were they didn't include NGOs and private sectors during capacity assessment. Furthermore, the assessment didn't take into account the external policy and legal environment. This has an impact/implication on building sustained capacity for local economic development because Local economic development is the process of strategic planning through partnership between local government, the business community and NGOs. In this regard, stakeholders come together to identify the capacity needs and challenges for service delivery and local economic development.

Furthermore focus group discussions revealed that training offered are generally short, ranging from 5- 30 days, and that they are not regularly offered and not based on identified capacity gaps. Thus, the training activities carried out were not need based. This, in a way, shows that the training packages are not demand driven, but rather supply driven.

Thus it can be argued that practice of capacity assessment is not comprehensive and not linked to performance. Moreover it is observed from the need assessment and annual report that

there were no established frame works, guidelines and principles for conducting capacity need assessment.

5.2.2 Issues regarding Levels of Capacity Building

Regarding the levels of capacity building applied by the city, questions were asked to respondents on various issues related to levels of capacity. As briefly discussed in the literature review part of this paper, capacity building for local economic development must be carried out at three levels. These are individual, organizational and system levels. The logic behind is to seek for root causes of low capacity. The conventional approach to identifying capacity constraints has been to focus on individual lack of knowledge, low salaries or poor organizational structures. The new approach implies that the root causes for the identified poor ability to perform have to be searched within the circle and from the outer and inner circles. Hence capacity needs to be built at every level and across all fields of activity.

However the results of the survey and interview showed that, the office has been dealing to address the individual and organizational capacity problems they face without taking into account the institutional context in which individuals and organizations perform and operate.

Moreover, focus group participant revealed that capacity building is done to address problems related to individual and organizational. In general the offices have been working to address the skill, input and attitude such as rent seeking, and corruption. Although the office tried to address the various dimensions and levels of capacity building, the office has yet to integrate capacity building activities at various levels.

The survey result generally indicated that capacity building efforts are not integrated and comprehensive to address the three level of capacity. For example, when asked whether capacity building efforts are conducted at three levels, 28 %, 62 % of the employees responded to "agree some extent" and "disagree" respectively for the question. The rest of the respondents 8 % rated as "strongly disagree" indicating the weakness of the office to address the three levels of capacity building.

What was evident from the discussion is capacity building efforts were done to ensure efficient and effective service delivery and to create change army (YelewtSerawit). Furthermore the FGD revealed that capacity building efforts are targeted to create and roll back/reorganize

organizations without considering the interconnectedness among the three levels of building capacity.

With respect employee's response on whether capacity building is done at three levels, 80 % of the employee responded that capacity assessment is done without considering the legal and policy environment. Moreover the questioner revealed that the many aspects and dimensions of capacity were not considered during assessment.

The response when compared with established and accepted capacity building principles, capacity building efforts of the sub city has to be improved so as to ensure effective service deliver and accelerated local economic development. For instance World Bank (2005) acknowledges the needs to address the three dimension of public sector capacity in an integrated manner. These are human capacity, organizational and institutional capacity. According to this approach, the traditional focus on creating or reorganizing government units and building individual skills cannot-by itself –foster improved public sector capacity. The institutional context in which organizations and individuals operate is critical to ensuring the necessary incentives and rewards for improved public sector performance. And because human capacity, organizational process, and institutional frameworks are closely interrelated and do not change quickly, capacity building efforts must necessarily be long term and systemic.

In this regard, focus group discussion revealed that capacity building activities are focused on training, workshop, staffing and equipping office as well as restructuring government units. While training and office restructuring undoubtedly contribute to improved capacity, the creation and utilization of sustainable capacity for sustainable local economic development needs to be done at three levels. Moreover capacity building activities at one level are not integrated with the other level to create synergy.

Thus, it can be concluded from the above data that majority of the employee are not practicing, even aware of the need to deal with the three levels of capacity building. Despite the importance of treating capacity at three levels, as highlighted in the government strategy documents, the office is not yet addressing the three levels of capacity building in integrated manner .the citizens.

5.2.3 Issues related to Leadership and Management

As indicated in the literature review part of this paper, the relationship between capacity developments and is fundamental one; fostering good leadership maximizes and protects investments in capacities within the enabling environment, as well as at the organizational and individual levels. Successful leadership results in enhanced understanding, improved relationship, and greater collective effectiveness among working teams and their partners.

To assess the leadership and management requirement of capacity building a sequence of logically framed questions were forwarded to the respondents. In order to get information about the leaders competency, employees were asked to rate their leaders competency on various aspects using Likert scale (Very High, high, medium, low, very low).

Among capacities assessed in this category were the leader's abilities to define vision; innovativeness and creativity; communicate and give direction; motivate and inspire employee; setting clear goals and standards; clear system of rewards and incentives etc.

With respect to innovativeness and creativity of their leaders, the survey result indicates that employees rated medium and low .With respect to availability of incentives and clear reward system, 41 %, 25 % and 16 % of the employee responded to medium, low and very low to the questions. From the above result it can be concluded that leaders are less innovative and creative. This affects the ability of the leaders to adapt and respond to the rapidly changing environment in which capacity building is taking place.

Similarly employees when asked whether their leaders built shared vision for the employees 27%, 21 % and 30 % of the employees responded to very high, high and medium to the question respectively. Only 16 % and 5 % of the employees said 'low ' and "very low " respectively indicating a weakness by the management to build shared vision across the entire employee. As for their leader's efforts to set standards, goals and objectives of expected performance, 32 % and 21 % of respondents replied to medium and high. With regard to collaboration, 44 % of respondents rated as high while 21 of the respondents rated as medium.

The survey revealed that the leaders and managers do have high level of commitment with 57 % and 36 % of employee responded to high and very respectively. From this it can be concluded

that leaders and managers are committed to their work. Another question raised was whether leaders practiced appropriate delegation of authority and responsibilities to their subordinates. For this item, 23 % and 16 % of the respondents rated the leaders as medium and high respectively.

What is evident from the survey was; while managers demonstrated high level of commitment their lack of creativity and innovativeness and inability to put in place appropriate incentive and reward system were seen as challenges to build sustained capacity. Furthermore in terms of creating shared vision, making evidence based decision, clear communication etc. were rated as modest to high. Even if the leaders were rated as medium and high in the aforementioned elements, improvements are needed to fully demonstrate those elements. In other words efforts to change the very culture of their work place are rated as medium. As a result the capacity building is weakened, with little incentive for staff to innovate.

It is widely recognized fact that successful capacity building is often associated with strong leadership, either from individuals or institutions. Leaders are typically people committed to a local area, perceived as having a high degree of influence and able to cultivate interactions between and among public, private as well as CSO. In line with this, based on the information obtained through the interviews and focus group discussion, the existing form of leadership in bole sub city has to be strengthened to demonstrate and embrace the strong leadership requirement of building sustained capacity. The city leadership has arranged two days to hear the voice and complaints of its citizens.

Table 5:-Summary of respondent's response on Leadership and Management

No	Issues	VH		H		M		L		VL	
		No	%	No	%	No	%	No	%	No	%
1	Shared vision by all employees	15	26.79	12	21.43	17	30.36	9	16.07	3	5.36
2	Internalized values	8	14.29	13	23.21	14	25.00	11	19.64	10	17.86
3	Evidence based decision	6	10.71	12	21.43	18	32.14	14	25.00	6	10.71
4	Clear goals and standards	13	23.21	12	21.43	18	32.14	8	14.29	5	8.93

No	Issues	VH		H		M		L		VL	
		No	%	No	%	No	%	No	%	No	%
5	Delegation of authority	5	8.93	9	16.07	23	41.07	16	28.57	3	5.36
6	Encourage Team Work	11	19.64	15	26.79	18	32.14	7	12.50	5	8.93
7	High level of commitment	20	35.71	32	57.14	4	7.14	0	-	0	-
8	Collaborative	6	10.71	25	44.64	12	21.43	6	10.71	7	12.50
9	Innovative and creative	4	7.14	8	14.29	20	35.71	15	26.79	9	16.07
10	Inspiring and motivating	6	10.71	10	17.86	18	32.14	12	21.43	10	17.86
11	Clear communication	7	12.50	13	23.21	14	25.00	8	14.29	14	25.00
12	Governance(transparency and accountability)	10	17.86	19	33.93	13	23.21	8	14.29	6	10.71
13	Availability of incentives and rewards system	4	7.14	6	10.71	23	41.07	14	25.00	9	16.07
14	Availability of rules, directives.	7	12.50	8	14.29	25	44.64	12	21.43	4	7.14
15	Organization culture (command, hierarchical)	4	7.14	6	10.71	7	12.50	23	41.07	16	28.57

Source (own survey, Dec 2014)

(Key: VH= Very high H=High M=Medium L=Low VL=Very low)

5.2.4 Issues on the availability Financial, Human, and Material resources

Exercising capacity is based on a commensurate resource endowment. Thus availability of adequate human and other resource is the most fundamental element in capacity building. While human resources are central to capacity building, financial and material resources are also needed to nurture and sustain the human element. Hence successful capacity building initiatives are more likely in the presence of adequate human, financial and material resources among other. To this end, questions were forwarded to the three target groups and the results were listed in the table form as follows.

Table 6:- Summary of respondent's response on Availability of Resources for Capacity Building:-

No	Item	Yes		No	
		No	%	No	Yes
5.1	Does your office has adequate manpower to discharge its mandate?	42	75	14	25
5.2	Is your work experience and qualification matching your current position?	50	89.29	6	10.71
5.3	Is there a vacant position which should have been filled, but now vacant?	45	80.36	11	19.64
5.4	Do you receive relevant training?	31	55.36	25	44.64
5.5	Do you work extra hours because of shortage of manpower?	14	25	42	75.00
5.6	Are budget for training and capacity building adequate?	15	26.79	45	80.36
5.7	Are office equipment and materials adequate to discharge your duty?	35	62.5	21	37.50
5.8	Do you experience budget cut for training?	22	39.29	34	60.71
5.9	Do you experience budget shortage for office equipment and materials?	23	41.07	33	58.93

Source (own survey, Dec 2014)

Analysis and synthesis of the above data showed that the office has shortage budget and materials resources. With respect to human resource, information gathered through semi structured interview revealed that there was shortage of human resource both in quantity and quality. Out of the established positions, only 80 % of them are filled, while the rest are vacant.

Under such circumstances, it becomes difficult to plan, implement and coordinate capacity building initiatives. Thus, unless the office takes measures to capacitate their human resources, the situation may impinge on the process of building sustained capacity.

What is evident from the above data is the office has shortage of money for training and staff development. For this item only 41 % of the respondent said yes while the rest 59 % responded that No. Thus it can be concluded that the office doesn't have adequate budget for capacity building. This has implication is capacity building as capacity building needs qualified personnel in the field who has received relevant on the job formal trainings.

Focus group discussion revealed that budget cuts have been made for maintenance, equipment, supplies, training and staff development. Report obtained from the sub city coupled with the key informant interview and FGD showed that the sub city have shortage of budget for capacity building and training. The interviews made with officials also reveal that the office could not generate sufficient revenue from local resources due to inadequate administrative and human resources capacity to collect and administer taxes.

Thus, with respect availability of human and financial resources, the sub city did not have adequate resource to design and implement capacity building activities. This was revealed during interview, FGD and reports. Such phenomena would jeopardize capacity building activity.

5.2.5 Issues on Stakeholders Participation

In the traditional approaches to public administration, it was assumed that development should be the sole responsibility of the state. In practice, however, due to the rapid rate and level of urbanization, resource deficiencies, and poor urban management governments alone could not be able to provide, operate and maintain development activities to meet the demands of the people. This resulted in radical reforms that advocated the involvement of multiple non-state actors including private providers (both formal and informal) and civil society institutions in the development of locality.

A stakeholder analysis could be carried out to determine who should be involved, their roles, accountabilities and responsibilities and magnitude of involvement in capacity building. There

are a number of techniques, tools and methods available, in addition to using common sense (UNDP 1998).

Because of the crucial role of the private sector, civil society and non-governmental organizations in capacity building, Ethiopia's national capacity building programmes embrace not only the public sector but also the non-state sector.

Thus, local government needs to involve in capacity assessment and development. This fact may be obvious. But, when planning for capacity building, it is easily overlooked.

With the above understanding the researcher tried to analyze the current practices of stakeholder engagement in capacity assessment and development by forwarding questions related to this theme.

Table 7: Summary of respondent's response on stakeholders participation .

No	Item	Yes		No	
		No	%	No	%
6.1	Does your office involve private sectors during designing and implementation of capacity building?	3	5	53	94.64
6.2	Does your office involve NGOs during designing and implementation of capacity building?	3	5	53	94.64
6.3	Does your office involve citizens during designing and implementation of capacity building?	54	96.43	2	4
6.4	Does your office have guidelines and tools to involve as much stakeholders as possible during capacity building ?	3	5	53	94.64
6.5	Do you think involving non-state actors in capacity building relevant ?	35	62.5	20	35.71
6.6	Are NGOs and Private sector represented in committee or other structure under your office?	3	5	53	94.64

Source (own survey, Dec 2014)

What was evident from the above data is majority of the respondents said that capacity building efforts were not involving the private sectors and NGOs. The survey result showed that

there is no mechanisms put in place to involve the private and CSO during capacity assessment, implementation and evaluation.

Focus group discussants also said that the office have not been involving the private sectors and non-governmental organizations. With respect to the relevance of non-state actors in capacity building, respondents replied mixed result with 35 % and 65 % of the employees replied No and yes to the question respectively.

Generally, involving non state actors in capacity building was not practiced despite these make up the broader environment in which capacity building activities are designed and implemented.

4.4.6 Issues related to Monitoring and Evaluation.

As outlined in the literature review part of this paper, conducting monitoring and evaluation activities are integral parts of the capacity assessment and development. Until recently, the capacity-building activities have not been monitored. What types of capacity-building interventions are most effective and what is the causal link between capacity building and outcomes are two questions that still have to be addressed. Monitoring and evaluation capacity building efforts have very often been neglected.

Regarding monitoring and evaluation, the finding indicates that monitoring and evaluation is exercised even though considerable amounts of respondents said no to the questions on the availability of guidelines, formats and systems while conducting monitoring and evaluation.

Regarding the mechanism of the M &E system used, interview and observation revealed that checklist, survey, assessment, public opinions, reporting were practiced. When asked whether the monitoring and evaluation is regular/periodic exercise; the finding indicated that, 80 % of the respondent said " yes" and 19.7 % said "no". Thus it can be concluded that monitoring and evaluation is a regular exercise.

Table 8:- Summary of respondent'sresponse on Monitoring and Evaluation

No	Item	Yes		No	
		No	%	No	%
7.1	Does your office conduct monitoring and	50	89.29	6	10.71

No	Item	Yes		No	
		No	%	No	%
	evaluation of capacity building?				
7.2	Does your office have framework and or format for monitoring and evaluation of capacity building?	32	57.14	24	42.86
7.3	Is monitoring and evaluation important for capacity building?	56	100.00	0	-
7.4	Does your office identify key performance gap using monitoring and evaluation system?	45	80.36	11	19.64
7.5	Is M &E conducted periodically to assess capacity building activities?	45	80.36	11	19.64
7.6	Is M & E conducted periodically?	45	80.36	11	19.64
7.7	Is M & E report available and shared across the employee?	30	53.57	25	44.64

Source (own survey, Dec 2014)

When asked the purpose of monitoring and evaluation interview revealed that M & E is done to ensure accountability and identify weakness and strengths which is in congruent with the very essence of doing M & E. However as to promoting learning, participation of M & E, the interview revealed that M&E were not done to promote learning and no mechanism to ensure accountability in the use of resource and result. Moreover the monitoring and evaluation practices were not systematic and not backed by guidelines and formats. Thus in terms of monitoring and evaluating capacity building activities, the sub city is practicing M &E. However much need to be done to implement the appropriate monitoring and evaluation system for capacity building .Weakness ranging from lack of understanding of the term monitoring and evaluation to lack of monitoring and evaluation guideline, among others. This calls for the

designing and implementation of consistent and coherent framework for monitoring and evaluating capacity building activities.

Chapter 6: Findings, Conclusions and Recommendation

This chapter provides the summary of the major findings of the study; it draws conclusions and forwards recommendations by the researcher.

6.1 Summary of the major Findings

The objective of the study was to evaluate and critically examine the process and practices of capacity building in light of the principles and theories by taking the Bole Sub City as case study with particular reference to the key indicators / of capacity building. In order to achieve the stated objective six indicators/core issues used namely; Capacity need assessment, Leadership & Management, Level of Capacity, Availability of resource, Stakeholder Participation, and Monitoring & Evaluation. Based on these issues the followings are the major findings:-

With Respect to Capacity need assessment, the finding showed that Capacity need assessment, though practiced to some extent, was not comprehensive and not supported by frameworks and tools. The study showed that need assessment was done to identify skill, organizational and attitudinal challenge with little or no emphasis on other dimensions of capacity such as the institutional context within in which initiatives are taking place. Moreover during capacity need assessment non state actors were not involved. The study also indicated that a wide range of training courses were offered that are not related to capacity building. Hence the relevance of the training provided to employees and process owners lacks relevance /is questioned.

With Respect to Levels of Capacity, the study revealed that the office has not been working towards addressing the three levels of capacity building in an integrated manner. More often the office tried to address individual and organizational capacity without taking into account the institutional context in which individuals and organizations perform and operate. Although addressing individual and organizational capacity has been the most widely used method in capacity building for decade, searching root causes for poor performance may not result from

the knowledge gaps of individuals and organization. Hence the sub city failed to design and implement capacity building programs to address the institutional and human resource changes required for improved performance of the public sector. This has been witnessed during focus group discussion in addition to the administered questioners.

With respect to Leadership and Management, the study findings showed that leaders have to some extent played a constructive role in creating sustained capacity; however, as a visionary leader and organizer, leader were not demonstrated the requisite leadership quality needed for the design and implementation of capacity building programs. The data still showed that the leadership has not created the right culture and incentive mechanisms for employees to discharge their responsibilities, among others. The findings showed that leaders have showed high level of commitment to implement the principles and practices of capacity building. However, the data also indicated that even if the commitment of the leadership and management is high it is not reached at the required level to put in the principles and theories in practice as evidenced by failure of the leadership to engage private and NGOs sectors in capacity building. Last , the finding showed that leaders prepare and implement of strategic and annual plan, undertaking trainings and building capacity, hear customer complaints , delegate decision making power for subordinates and evaluates their performance every month etc .These indicates that the managements to some extent had supportive to creating capacity.

With respect to Availability of Adequate manpower, finance and material resource, the study showed that there was a shortage of skilled manpower ,some positions are vacant and training is provided without assessing the needs of the experts. The finding has also identified that there is shortage of finance for carrying out essential trainings. As observed in the financial report, the majority of the budget is for recurrent budgets such as salaries and administrative and operational costs, rather than on education and training. With respect to material availability the study found that the office has adequate materials. However there are times in which employees are constrained by photocopier, printer partly due to the length procurement process and partly due to shortage of finance.

With respect to Stakeholder participation, the findings showed that non-state actors such as NGOs and private sectors were not participated in the designing and implementation of capacity building. However the sub city has put in place mechanisms to ensure the involvement of citizens in capacity building as well as in developmental issues.

With respect to Monitoring and Evaluation, the finding indicates that although monitoring and evaluation is exercised , it is not systematic and supported by of guidelines, formats and the mechanism of the M &E system used includes checklist, survey, assessment, public opinions, reporting were practiced. However as observed during the focus group discussion and interview were not done to promote learning. This showed that monitoring and evaluation practices were not systematic and not backed by guidelines and formats.

6.2 Conclusions

Capacity building can work if the core issues of capacity are taken into account .The study tried to assess the practices of capacity building in light of the theories and principles of capacity building. From the findings of the study, it can be concluded that, although the sub city has made good progress towards practicing the theory and principles of capacity building, the data has also indicated there are problems and shortcomings in applying and practicing the theory and principles of capacity building when compared to the theoretical and empirical frameworks. Lack of stake holder involvement, shortage of finance and human resources, lack of capacity building assessment framework, and narrow approach to capacity building are the major weakness observed by this study. Furthermore the paper identified that capacity building efforts undertaken by the sub city was not integrated to address capacity at three levels.

The leadership and management has showed supportive environment for capacity building and has dedicated to listen to citizens through various mechanisms. It can then be concluded that citizen participation in the design and implementation of capacity building activities were practiced.

6.3 Recommendation:-

Based on the findings and conclusions drawn from this study the following are recommended:-

- As part of the capacity building effort, providing training without assessing the needs of the offices and or sectors results in wastage of resource. Therefore training needs analysis should be undertaken before conducting training activities and the training has to be linked with performance.
- Capacity created and developed would imply a huge waste of resources if it is not effectively utilized. Brain drain is often the byproduct of non-capacity utilization. Ensuring the capacity utilization of capacity is recommended.
- Involving non state actors during capacity need assessment and development is recommended.
- Formulating local government capacity building framework is recommended.
- Understanding the context specificity of capacity and its development is recommended.
- Examining capacities in a context of systems and strategic management is recommended.
- Exercising the process thinking in all phases of capacity building: setting objectives, planning strategies, taking actions and evaluating results.
- Deploying adequate budget for capacity building s recommended
- Leaders need to create motivating and encouraging environment to ensure sustained capacity is to be developed.
- Leadership has to be strengthened since capacity building is imperative and an agenda in the international development discourse; without deep understanding of its theory, principles, approaches, and strategies leaders cannot lead strategically.
- Special attention needs to be paid to institutional capacity assessment whose coexistence or no existence may significantly influence the ability to ensure economic development.
- Based on the current framework of levels, discussed earlier, any capacity activity, be it focused on an individual, team, organization or system, should involve the other levels as well. Capacity building should occur at three levels.
- Enabling and hindering factors for good performance should be examined at lower and higher levels also. The logic behind extending the capacity analysis beyond the primary

focus is to seek for root causes for poor performance and/or ensure that other capacities in the environment enable a good performance.

- Designing capacity monitoring and evaluation framework at the outset of capacity assessment is recommended.

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Addis Ababa University
College of business and Economics
Department of Public administration and development management
Questioner to be filled by management and employee of Bole-Sub city

Dear respondent,

I am a student at Addis Ababa University. As partial fulfillment of the Master in Public management and policy courses, preparation of thesis report is required.

To this end, I am conducting a research on the imperatives of capacity building for sustainable local economic development. The objective of my paper is to analyze the practices and process of public sector capacity building for sustainable local economic development by taking the Bole sub city at Addis Ababa as a case study and seek ways what a successful capacity building looks like. The paper specifically examines whether the determinants of capacity building are taken into account i.e. holistic and integrated approach.

It will also examine the gaps that are present in the current capacity building effort. Finally, based on the findings, the study will recommend key factors for successful capacity building.

As part of this research, I kindly request you to be the research participant considering your valuable knowledge about the capacity building effort. Your answers will be kept strictly confidential and will be used only for the stated/academic purpose.

Thank you for your time and effort!

Note:-

- **Don't write your name**
- **Please make tick (✓) where you feel correct and write your explanations/opinions when you are requested on the space provided, make it clear and precise.**

Mesele Chane Tel. No. 0911-1969315 Email:-sameagri@yahoo.com

Part one. Personal information

Please tick in the box.

1. Gender

Male Female

2. Age category

below 25 26-35 years 36-45 years 46-55 years above 55 years

3. What is your Educational background?

Diploma 1st degree 2nd degree PHD certificate

4. Total Work experience

Below 10 year 11- 20 years 21-30 years 31-40 years above 40
years

5. How long have you been in capacity building areas? This includes previous work experience in Capacity building?

< 1year 1- 2 years 2-3 years 3-4 years 4-5 years > 5
years

Annex 1:- Questioner

Part 2: - Questions to Assess Capacity Need assessment

No	Item	Yes	No	Other
2.1	Does your office conduct capacity need assessment?			
2.2	Does your office have capacity assessment Guidelines, tools and templates to conduct the assessment?			
2.3	Are NGOs and Private sectors involved during capacity need assessment? Is stakeholder analysis done during capacity need assessment?			
2.4	Do you know the current capacity gap of your organization?			
2.5	Do you know the desired capacity of your organization?			
2.6	Are the guidelines and tools address the various dimensions of capacity at each level of capacity?			
2.7	Do you think the training given to you match your job/position?			
2.8	Do you think the training given to you is relevant?			
2.9	Is there capacity need assessment report?			

Part 3:- Question to assess Leadership and Management in Capacity Building

No	Issues	VH		H		M		L		VL	
		No	%	No	%	No	%	No	%	No	%
3.1	Shared vision by all employees										
3.2	Internalized values										
3.3	Evidence based decision										
3.4	Clear goals and standards										
3.5	Delegation of authority										
3.6	Team promoting										

3.7	High level of commitment											
3.8	Collaborative											
3.9	Innovative and creative											
3.10	Inspiring and motivating											
3.11	Clear communication											
3.12	Governance(transparency and accountability)											
3.13	Availability of incentives and rewards system											
3.14	Availability of rules, directives.											
3.15	Organization culture (command, hierarchical)											

Part 4. Questions to assess the Levels of Capacity Building

4.1. In your opinion which of the following best describes capacity building ?

- Capacity building involves only human and organizational development.
- Capacity building involves training, manual development and organizing workshop.
- Capacity building involves equipping an office /sector with computers and facilities.
- Capacity building should involve human and organizational development as well as systems, processes, rules and procedures enhancing performance
- any other specify.

4.2. Do you think capacity building process in your office are comprehensive and practiced simultaneously so as to create critical mass of skill, technical and institutional capability?

- Strongly dis agree disagree agree to some extent agree strongly agree

4.3. Which core sub programs of the public sector capacity building program is **Central /critical** to successful capacity building for achieving sustainable local economic development.

- District –level decentralized service delivery
- Justice system reform
- Tax system reform
- Urban management
- Civil service reform
- Information and communications technology
- All

4.4. Do you think addressing the aforementioned six core sub programs of public sector capacity building singly or in isolation as individual component is **effective**?

- Strongly dis agree disagree agree to some extent agree strongly agree

4.5. Do your office rely more on expatriate technical assistance instead of utilizing local expertise?

- Strongly dis agree disagree agree to some extent agree strongly agree

4.6. Does your office involve non state actors in the designing and implementation of capacity building initiatives?

- Strongly dis agree disagree agree to some extent agree strongly agree

4.7. Does your office implemented Multi- sector projects aimed at addressing human, organizational and institutional capacity challenges?

- Strongly dis agree disagree agree to some extent agree strongly agree

4.8. If your answer is yes would you specify the name of the project and its outcome/success?

4.9. Do you agree institutions hinder or facilitate capacity building efforts at local level?

- Strongly dis agree disagree agree to some extent agree strongly agree

4.10. Do you think capacity building efforts in your office are integrated and holistic both-in scale---nationwide and complexity--- multi-dimensional and multi sectorial?

- Strongly dis agree disagree agree to some extent agree strongly agree

Part 5: - Questions related to Financial, Human and material resource

No	Item	Yes	No	Other
5.1	Do you think your office has adequate manpower to discharge its mandate?			
5.2	Is your work experience match yours qualification?			
5.3	Are there a vacant position which should have been filled?			
5.4	Do you receive relevant training?			
5.5	Do you work extra hours because of shortage of manpower?			
5.6	Are budget for training and capacity building adequate?			
5.7	Are office equipment and materials adequate to discharge your duty?			
5.8	Do you experience budget cut for training?			
5.9	Do you experience budget shortage for office equipment and materials?			

Part 6: - Questions related to Stakeholder Participation in Capacity Building

No	Item	Yes	No	Other
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6.1	Does your office involve private sectors during designing and implementation of capacity building?			
6.2	Does your office involve NGOs during designing and implementation of capacity building?			
6.3	Does your office involve citizens during designing and implementation of capacity building?			
6.4	Does your office have guidelines and tools for to involve as much stakeholders as possible during capacity building ?			
6.5	Is involving non-state actors in capacity building relevant ?			
6.6	What mechanism is put in place to involve private and NGOs?			

Part 7: - Questions to Assess Monitoring and Evaluation in Capacity Building

No	Item	Yes	No	Other
7.1	Does your office conduct monitoring and evaluation of capacity building?			
7.2	Do your office have framework for monitoring and evaluation of capacity building?			
7.3	Is monitoring and evaluation important for capacity building?			
7.4	Does your office identify key performance gap using monitoring and evaluation system?			
7.5	Is M &E conducted periodically to assess capacity building activities?			
7.6	Is M & E report available and shared across the employee?			
7.7	Are the purpose of M & E to promote learning and Ensure accountability?			
7.8	Do you practice survey, checklist, Reporting and public opinion as mechanism for M &E ?			

Part 8: - Structured Questioner to assess the levels and dimensions of public sector capacity

building 1= strongly dis agree 2= dis agree 3= agree to some extent 4= agree 5= strongly agree

No	Questions	1	2	3	4	5
1. Human resource development						
1	Are you receiving relevant training timely?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Are you satisfied with your current salary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Do you have an adequate office facility?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Are you looking for another job?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Do establish smooth work relationship with your supervisor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Do you agree merit based incentive systems are put in place?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Do you agree public sector capacity building should be complex and cut across all sectors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Do you have the basic entry level requirements in line with your positions? (i.e. BA/ BSC/MA etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Are you qualified for your job?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Do you have the required experience for the job?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Do you agree there is an effective mechanism in place for skills and knowledge transfer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Do you meet /respect deadlines and commitments of your institution?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	Are you result oriented towards your job?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Organizational development (consideration of organizational elements while dealing with capacity building)						

14	Is the vision and mission of your office clear, communicated and internalized?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15	Do your office have adequate budget for training and research?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16	Are you satisfied with the current leadership and management style of your office?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17	Does your office consider capacity utilization in addition to capacity building?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18	Do you agree an enabling environment is important for capacity building and utilization?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19	Have you observed underutilization or misallocation of capacity in office?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20	Do you rely on research output for policy formulation and management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21	Do you agree recruitment and promotion is based on personal connection rather than merit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22	Do you agree the right work structure and process are put in place?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23	Do you agree there is problem of skills retention and utilization?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24	Do you agree your office established clear system for accountability and result orientation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25	Does your office have a clear strategic plan (derived from its vision and mission) to achieve its priority actions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26	Does your strategic plan have a Results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Monitoring Framework?					
27	Does the current organizational structure match with the mandate of the institution to facilitate delivery of policy priority actions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28	Is the division of tasks and responsibilities clear and understood by all units and staff in your institution?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29	Is there sufficient vertical and horizontal communication between departments/units?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30	Does your institution have the following systems formally in place: HR, Financial, M&E, Knowledge management ,information management etc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31	Do your office implement appropriate performance management system (target setting, meeting etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Institutional Development (consideration of policy and institutional factors while dealing with public sector capacity building)						
32	Are there any challenges that need to be addressed in the current legal framework for public sector capacity building?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33	Do you have any challenges with your current institutional set-up in delivering your policy actions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34	Do you consider the policy environment while dealing with capacity building?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35	Is the appropriate legal frame work is put in place for local economic development?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

36	Do your sub-city have adequate mandates to discharge its responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37	Are your office granted adequate revenue source?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38	Is the national civil servant hiring, firing and promotion practices are responsive to local capacity building practices?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39	Is the national civil service salary scale and grade are competitive as compared to non-state actors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40	Do you consider brain-drain in capacity building? i.e Emigration of skilled manpower.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
42	Do you agree capacity building initiatives of your office are gender sensitive?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43	Does capacity building initiatives of your office foster the development of indigenous knowledge?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44	Dose Capacity building efforts of your office encourages local participation and empowerment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
45	Do you agree the current operations of capacity building at local level need change?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Thanks for your cooperation!!!!

Annex 2: Interview Guide

Name:-.....
Position:-.....
Education qualification:-.....
Gender:-.....

1) What is meant by public sector capacity building? Are Private sector and CSO are considered in capacity building?

2) Do your office allocate adequate budget for capacity building?

3) Do you conduct capacity need assessment and have frameworks to design and prioritize?

4) What are the key success factors capacity building?

5) How do you describe the role of leadership in capacity building?

6) Do your office conduct monitoring and evaluation of capacity building programs? Do you have report on M & E?

Annex 3: Focus Group Discussion Guide

Name of participant:-.....
Name of interviewer:.....
Education qualification:-.....
Gender:-.....

1) What is your understanding of public sector capacity building? Are Private sector and CSO are considered in capacity building? Do you consider the multiple actors and dimensions of capacity building? Is capacity building goal or means ?

2) What are the major challenges and barriers in Public sector capacity building?

3) How can these challenges and barriers be addressed?

4. Capacity created and developed would imply a huge waste of resource if it is not effectively utilized. What is your opinion in this regard? Do you thin brain-drain is often the by –product of non-capacity utilization?

5. Do you think the success factors in capacity building such as need assessment, addressing the different levels, involving stakeholders, having adequate finical and material resource etc.prevail in your office ?Are these important and relevant for public sector capacity building for local economic development ?

6. Any issues raised by the participant and relevant to the study?

Thank you for your cooperation!!

Addis Ababa University

College of Business and Economics

Department of Public Administration and Development Management

This is to certify that the thesis prepared by Mesele Chane entitled “ Imperatives of Capacity Building for Sustainable Local Economic Development”, which is submitted in partial fulfillment of the requirements for the degree of Master in Public Management and Policy, complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

Approved by Board of Examiners:

_____ Signature _____ Date _____

Advisor

_____ Signature _____ Date _____

Internal Examiner

_____ Signature _____ Date _____

External Examiner

_____ Signature _____ Date _____

Chair of Department or Graduate Programs Coordinator