## **Abstract**

The study assessed effectiveness of internal organizational capacity in managing civil society organizations (CSOs) in Tanzania. The study has used a descriptive research design using 16 CSOs in Dares Salaam and Tanga regions to collect primary data using administered questionnaires and an interview guide. The primary data were then analysed to assess the extent that the local CSOs are shaped and challenged by the various internal capacity indicators of their organizational context, characteristics and knowledge management. In general, the research has found a majority of the studied CSOs had less than 10 members with more female (58.6%) aged between 21 and 40 years, with nearly 68% of the members having less than an advanced level certificate of education. The study has also found 73.3 % of the respondents obtaining knowledge about the organization's core function from the founders and principal employees while 20% comes from various training programs and 6.7% through networking with other CSOs. Accordingly, further study should test whether there is a relationship between their performance and the combination of the knowledge transferred and initial funding. Based on the study findings, it is recommended that, CSOs should be involved in decisionmaking, support financial capability through affordable loans, social networks, trainings, and marketing strategies for their products and services in a bid to strengthen internal organisational capacity.