Terms of reference (ToR) for the procurement of services below the EU threshold

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

CONFIDENTIAL

Review of the Performance Management Package for the Public Service in Zambia	**Project number/ cost centre: G-012050-001** **Tender number 10065692**

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0. List of abbreviations

ACR	Annual Confidential Report
GRZ	Government of the Republic of Zambia
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HR	Human Resource
HRMC	Human Resource Management Committee
KPI	Key Performance Indicator
KPIs	Key Performance Indicators
MDA	Ministry, Department and Agency
MDAs	Ministries, Departments and Agencies
MDD	Management Development Division
MDU	Ministerial Delivery Unit
PBC	Performance-Based Contract
PhD	Doctor of Philosophy
PMP	Performance Management Package
PSMD	Public Service Management Division
PSRP	Public Service Reform Programme
ToRs	Terms of Reference
ZPSCMF	Zambia Public Service Change Management Framework

1. Context

1.1. Brief information on the project

The project “Strengthening Good Financial Governance in Zambia IV” (GFG IV) is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Union. The Project started on 01.07.2023 and is due to run until 30.06.2027.

GFG IV aims to support the Government of the Republic of Zambia (GRZ) to implement its planned public financial management (PFM) reforms aimed at restoring fiscal sustainability and improving efficiency and effectiveness of public resource allocation, and spending, for better public service delivery. The objective of the project is to strengthen PFM in Zambia. To achieve this objective, the project focuses on 3 main intervention areas – (1) improving budget credibility, (2) strengthening domestic resource mobilization, including tax policy and tax administration, as well as (3) increasing GRZ’s capability to steer and implement comprehensive cross-cutting PFM reforms and processes, and promote human resource capacity development in the public service.

The lead executing agency for the programme on the side of the GRZ is the Ministry of Finance and National Planning (MoFNP), with other core partners being the Zambia Revenue Authority, Zambia Public Procurement Authority and Cabinet Office, along with a host of other implementation partners.

More information about the project can be found on the GIZ website.

1.2. Background

The Zambian Public Service has been implementing the Performance Management Package (PMP) since 1997 as a key component of the Public Service Reform Programme (PSRP) launched in 1993. The Package is a collection of work planning and performance review tools and procedures. Prior to the introduction of the PMP, performance appraisals were conducted using the Annual Confidential Report (ACR). However, performance appraisals using the ACR were not based on work planning, and the system was prone to subjectivity as appraisals were influenced by personal perceptions of supervising officers. Further, the ACR did not provide for feedback from the appraisee thus resulting in a lack of transparency during the appraisal process. As a result, the PMP was introduced with the principal objective of introducing a culture of work planning and a transparent performance appraisal system.

The Zambian Public Service Performance Management Process is a structured system that links national development goals to institutional, operational, and individual performance. It involves active participation from stakeholders at all levels and consists of four interconnected stages of planning, monitoring, and evaluation. At the national level, the focus is on achieving long-term development goals and measuring their impact on beneficiaries. These goals are then translated into five-year institutional strategic plans, where performance is assessed through sector outcomes and achievements.

At the operational level, strategic objectives are converted into measurable targets, outputs, and resource requirements that are monitored regularly, usually on a quarterly basis. At the departmental and individual level, specific activities and staff performance targets are developed to support operational objectives. Individual performance is monitored and assessed through the Annual Performance Appraisal System (APAS), with quarterly reviews feeding into operational performance assessments and a final evaluation conducted annually.

Significant milestones in the PMP's evolution include the introduction of Performance-Based Contracts (PBCs) for Permanent Secretaries in 2016 and for Directors/Assistant Directors in 2020. While these advancements represent progress, challenges remain in effectively aligning individual performance with overarching organisational strategic goals, ensuring robust accountability mechanisms, and maximizing the utilization of performance data for informed decision-making and continuous improvement in service delivery.

Currently, Government is developing a performance management rewards and sanctions framework, which represents a renewed effort by Government to strengthen performance culture across public institutions and restore professionalism, meritocracy, and public trust.

With regards to institutional arrangements, The **Public Service Management Division (PSMD)** is responsible for institutionalising, managing, mainstreaming, and monitoring performance systems at the individual employee level to enhance overall performance in the Public Service. Its key functions include rolling out the Performance Management Programme (PMP), providing technical support, offering feedback on implementation progress, promoting the sharing of best practices among institutions, and producing and disseminating monitoring and evaluation reports to stakeholders.

The **Management Development Division (MDD)** is responsible for developing performance systems and monitoring performance at the institutional level. It oversees the design, review, and continuous improvement of the PMP within the Public Service. Additionally, MDD builds the capacity of PSMD staff and Ministries, Provinces, and Agencies (MPAs), supports the development and review of strategic plans, organisational structures, and job descriptions, and monitors the implementation of strategic plans to ensure organisational effectiveness and alignment with public service objectives.

In order to optimise the PMP's impact, the GFG IV programme, on behalf of the Government of the Republic of Zambia (GRZ), seeks the services of a suitably qualified and experienced consultant team to carry out a comprehensive review of the existing performance management system, which includes the performance management assessment tools, within the scope of the interconnected planning levels. This review aims to identify areas for strengthening, incorporating global best practices, and leveraging innovative tools to enhance professionalism, promote meritocracy, and ultimately improve the quality and efficiency of public service delivery to the citizens of Zambia.

2. Tasks to be performed by the contractor

The specific objectives of this consultancy are to:

i) Undertake a comprehensive review of the existing PMP and provide recommendations for improvement; and

ii) Co-create with the relevant government institutions a robust implementation roadmap for the recommended changes to the PMP, including timelines, resource implications, and develop a monitoring and evaluation framework with key performance indicators (KPIs) to monitor progress. The implementation roadmap is to be aligned to the Zambia Public Service Change Management Framework (ZPSCMF) to ensure the successful adoption and sustainability of the revised performance management system across the Public Service. ZPSCMF can be accessed at ZPSCMF3 – cabinet office.

The contractor is responsible for providing the following services:

a) Inception Phase:

i) Conduct an inception meeting with MDD, PSMD and other key stakeholders to present the proposed approach to achieving the objectives of the assignment and agree on the scope, methodology, and timelines;

ii) Develop a detailed work plan, including timelines and deliverables, for approval by GFG and GRZ;

iii) Undertake a comprehensive desk review of relevant GRZ policy documents, legal frameworks, strategic plans, and existing PMP guidelines and reports; and

iv) Undertake a literature review to identify global best practices and innovative tools in public sector performance management that could be adapted and implemented within the Zambian context.

Deliverable(s): *Inception report and detailed workplan*

b) Assessment and Analysis Phase:

i) Conduct a thorough assessment of the current PMP from workplanning, monitoring and performance assessments, within the Zambian Public Service;

ii) Analyse the implementation of the current PMP system, tools, processes and practices across different Government Institutions, considering variations in application and effectiveness;

iii) Conduct consultations with Government institutions such as Ministry of Finance and National Planning, Ministry of Health, Ministry of Education, Ministry of Agriculture and at least two (2) local authorities identified by MDD and PSMD and consultations with key stakeholders, which will include senior government officials, Permanent Secretaries, Directors, Assistant Directors, human resource practitioners, public service employees at various levels, and relevant trade unions. This will involve interviews, focus group discussions, and surveys as appropriate;

iv) Analyse the enforcement of recommendations from performance appraisals that are already predetermined in the APAS and mechanisms that would help ensure that the recommendations on the forms are taken into consideration. This would involve engagements with Human Resource in the select institutions and review of M&E performance reports provided by PSMD;

v) Analyse the alignment of the current PMP with the strategic goals highlighted in the strategic plans of various government ministries, departments, and agencies (MDAs) as well as the National Development Plan;

vi) Review the interface between the PMP and Ministerial Delivery Units, and Cluster Committees in monitoring institutional performance – taking into consideration the implementation of presidential priorities and their tracking;

vii) Review the draft Rewards and Sanctions Framework, including the effectiveness of any performance-related incentives and their impact on employee motivation and performance. Assess the framework against current international best practices and provide recommendations for improvement;

viii) Evaluate the effectiveness of the current performance appraisal processes, feedback mechanisms, and performance improvement plans;

ix) Assess the impact of Performance-Based Contracts on the performance and accountability of senior management;

x) Examine the current system for administering performance-based incentives and sanctions including managing underperformance and implementing disciplinary measures;

xi) Analyse the management of performance information and its utilisation in making management decisions including in administering incentives and sanctions;

xii) Analyse the utilisation of technology and digital tools in the current PMP; and

xiii) Present suitable comparative examples of performance management systems and best practices from other public sector organisations regionally and internationally.

Deliverable(s): *Assessment report*

c) Recommendations and Reporting Phase:

i) Develop a set of clear, practical, and evidence-based recommendations for strengthening the PMP, addressing the identified weaknesses and building on existing strengths;

ii) Propose specific measures to improve the alignment of individual performance with organisational strategic goals;

iii) Recommend strategies for enhancing accountability for performance at all levels of the Public Service, namely institutional, departmental and individual;

iv) Develop proposals for leveraging performance data more effectively for decision-making, planning, and continuous improvement;

v) Outline options for integrating innovative tools and technologies to streamline and enhance the performance management system;

vi) Develop a detailed implementation roadmap for the recommended changes, including timelines, responsible parties, and resource requirements;

vii) Co-create a comprehensive change management strategy aligned to the Zambia Public Service change management framework (ZPSCMF) to facilitate the successful adoption and sustainability of the revised Performance management system; and

viii) Develop a framework for monitoring and evaluating the effectiveness of the revised Performance management system, including relevant KPIs.

Deliverable(s): *Final report including recommendations (iii) Concise summary report*

Certain milestones, as laid out in the table below, are to be achieved during the contract term:

Milestones/process steps/partial services	**Deadline/place/person responsible**
Kick off meeting with Government partners and GFG	11th January 2027/Lusaka/Consultant
Inception report with a presentation of the detailed work plan and timelines	18th January 2027/Lusaka/Consultant
Assessment Report outlining the findings of the review of the current PMP	18th April 2027/Lusaka-Remote/Consultant
Draft Final Report detailing proposed improvements, implementation roadmap, and a change management strategy	18th May 2027/Lusaka-Remote/Consultant
Revised Final Report incorporating feedback from the GRZ including	18th June 2027/Lusaka-Remote/Consultant

submission of all data collection instruments, analysis files, and other relevant documentation	
Concise Summary Report of the key findings and recommendations	30th June 2027/Lusaka-Remote/Consultant

Presentation of findings and recommendations to key stakeholders at designated stages.

Period of assignment: from **11th January 2027 to 31st August 2027**

3. Concept

In the tender, the tenderer is required to show *how* the objectives defined in Chapter 2 (Tasks to be performed) are to be achieved, if applicable under consideration of further method-related requirements (technical-methodological concept). In addition, the tenderer must describe the project management system for service provision.

Note: The numbers in parentheses correspond to the lines of the technical assessment grid.

Technical-methodological concept

Strategy (1.1): The tenderer is required to consider the tasks to be performed with reference to the objectives of the services put out to tender (see Chapter 1 Context) (1.1.1). Following this, the tenderer presents and justifies the explicit strategy with which it intends to provide the services for which it is responsible (see Chapter 2 Tasks to be performed) (1.1.2).

The tenderer is required to present the actors relevant for the services for which it is responsible and describe the cooperation (1.2) with them.

The tenderer is required to present and explain its approach to **steering** the measures with the project partners (1.3.1).

The tenderer is required to describe the key **processes** for the services for which it is responsible and create an **operational plan** or schedule (1.4.1) that describes how the services according to Chapter 2 (Tasks to be performed by the contractor) are to be provided. In particular, the tenderer is required to describe the necessary work steps and, if applicable, take account of the milestones and **contributions** of other actors (partner contributions) in accordance with Chapter 2 (Tasks to be performed) (1.4.2).

Project management of the contractor (1.6)

The tenderer is required to explain its approach for coordination with the GIZ project. In particular, the project management requirements specified in Chapter 2 (Tasks to be performed by the contractor) must be explained in detail.

The tenderer is required to draw up a **personnel assignment plan** with explanatory notes that lists all the experts proposed in the tender; the plan includes information on assignment

dates (duration and expert days) and locations of the individual members of the team complete with the allocation of work steps as set out in the schedule.

4. Personnel concept

The tenderer is required to provide personnel who are suited to filling the two positions described, on the basis of their CVs (see Chapter 7), the range of tasks involved and the required qualifications.

The below specified qualifications represent the requirements to reach the maximum number of points in the technical assessment.

Team leader

Tasks of the team leader

- Overall responsibility for the execution of the assignment (quality and deadlines)
- Coordinating and ensuring communication with GIZ, partners and others involved in the assignment
- Undertake a comprehensive review of the existing PMP, including policies, frameworks, guidelines, procedures and reporting tools
- Lead high-level consultations, interviews, focus group discussions and validation sessions with key stakeholders
- Lead the development of recommendations for the revision to the PMP ensuring that recommendations are practical, coherent, legally/policy aligned and implementable within the Zambian public Service
- Conduct technical validation workshops, incorporate stakeholder feedback, quality-assure the final consultancy report and present final recommendations to the Steering Committee

Qualifications of the team leader

Education/training (2.1.1): Advanced degree (Masters) in Human Resource Management, Public Administration, or Organisational Development

Language (2.1.2): C2-level language proficiency in English

General professional experience (2.1.3): 7 years of demonstrable professional experience in designing, implementing, and reviewing performance management systems

Specific professional experience (2.1.4): 5 years in performance management, conducting organisational assessments and developing strategic recommendations in the public sector

Leadership/management experience (2.1.5): 5 years of management/leadership experience as project team leader

Regional experience (2.1.6): 5 years of experience in consulting projects in Africa within the public sector

Development cooperation (DC) experience (2.1.7): 2 years of experience in DC projects

Other (2.2.8): 2 years' experience of working directly with/advising senior government officials on public sector reforms

Key expert 1

Tasks of key expert 1

- Support stakeholder consultations, interviews, workshops and validation sessions
- Undertake the collection and analysis of data
- Support the review of existing PMP, with particular focus on M&E, performance measurement and reporting components
- Provide technical input on proposed improvements to performance monitoring tools, templates and processes
- Contribute to the preparation and quality assurance of all consultancy reports

Qualifications of key expert 1

Education/training (2.2.1): Bachelor's degree in Public Administration, Monitoring and Evaluation (M&E) or Social Sciences

Language (2.2.2): C2 -level language proficiency in English

General professional experience (2.2.3): 5 years in Monitoring and Evaluation

Specific professional experience (2.2.4): 3 years in organisational performance assessment

Regional experience (2.2.6): 2 years of experience in consulting projects in Africa within the public sector

Soft skills of team members

In addition to their specialist qualifications, team members are expected to have the following competencies:

- Team skills
- Initiative
- Communication skills
- Socio-cultural skills
- Efficient, partner- and client-focused working methods
- Interdisciplinary thinking

5. Costing requirements

Assignment of personnel and travel expenses

Per diem allowances are reimbursed as a lump sum up to the maximum amounts permissible under tax law for each country as set out in the country table in the circular from the German Federal Ministry of Finance on travel expense remuneration (downloadable from the German Federal Ministry of Finance – tax treatment of travel expenses and allowances for international business travel as of 1 January 2026 (GERMAN ONLY)).

Accommodation allowances are reimbursed as detailed in the specification of inputs below.

With special justification, additional Accommodation costs up to a reasonable amount can be reimbursed against evidence.

All business travel must be agreed in advance by the officer responsible for the project

Sustainability aspects for travel

GIZ has undertaken an obligation to reduce greenhouse gas emissions (CO_2 emissions) caused by travel. When preparing your tender, please incorporate options for reducing emissions, such as selecting the lowest-emission booking class (economy) and using means

of transport, airlines and flight routes with a higher CO_2 efficiency. For short distances, travel by train (second class) or e-mobility should be the preferred option.

CO_2 emissions caused by air travel must be offset. GIZ specifies a budget for this, through which the carbon offsets can be settled against evidence.

There are many different providers in the market for emissions certificates, and they have different climate impact ambitions. The Development and Climate Alliance (German only) has published a list of standards (German only). GIZ recommends using the standards specified there.

Specification of inputs

Fee days	**Number of experts**	**Number of days per expert**	**Total**	**Comments**
Team Leader	1		33	
M&E Expert	1		27	
Travel expenses	**Quantity**	**Number per expert**	**Total**	**Comments**
Per-diem allowance in country of assignment If an on-site assignment takes place over the weekend, per diem allowances for weekends can be reimbursed between the fee days.	Team Leader M&E Expert	26 26	52	
Overnight allowance in country of assignment If an on-site assignment takes place over the weekend, overnight allowances for weekends can be reimbursed between the fee days.	Team Leader M&E Expert	26 26	52	Provision made against evidence
Transport	**Quantity**	**Number per expert**	**Total**	**Comments**
International flights Zambia	Team Leader	2 return flights	2 return flights	Travel to the place of service delivery (Lusaka)

	M&E Expert	2 return flights	2 return flights	
Domestic flights	Team Leader M&E Expert			N/A
CO_2 compensation for air travel on setting the budget.	Team Leader M&E Expert	2 return flights 2 return flights	70 Euros	280 Euros
Travel expenses (train, car)	Team Leader M&E Expert	8 8	16 trips	Shuttle services and airport transfer from home country and country of assignment
Other travel expenses	Team Leader M&E Expert	37.5 37.5	75	Against evidence (e.g. visa costs) Transportation within country of assignment provided by GIZ/partners
Other costs	**Number**	**Price**	**Total**	**Comments**
Flexible remuneration			5,774.10	A budget of EUR 5,774.10 is foreseen for flexible remuneration. Please incorporate this budget into the price schedule. Use of the flexible remuneration item requires prior written approval from GIZ.

Workshops, events and trainings

The service provider is not responsible for workshop costs, these will be covered by GIZ/partners.

6. Inputs of GIZ or other actors

GIZ and/or other actors are expected to make the following available:

- The Permanent Secretaries MDD and PSMD respectively will designate coordinators to support the consultants in their work and logistics
- A Steering Committee (SC) comprising of representatives from MDD, PSMD and GIZ-GFG for technical discussions, provision of guidance and monitoring and reporting will meet regularly.

7. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToR. In particular, the detailed structure of the concept (Chapter 3) should be organised in accordance with the positively weighted criteria in the assessment grid (not with zero). The tender must be legible (font size 11 or larger) and clearly formulated. It must be drawn up in English.

The complete tender must not exceed 10 pages (excluding CVs). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered.

The CVs of the personnel proposed in accordance with Chapter 4 of the ToRs must be submitted using the format specified in the terms and conditions for application. The CVs shall not exceed 4 pages each. They must clearly show the position and job the proposed person held in the reference project and for how long. The CVs can also be submitted in English.

Please calculate your financial tender based exactly on the parameters specified in Chapter 5 Quantitative requirements. The contractor is not contractually entitled to use up the days, trips, workshops or budgets in full. The number of days, trips and workshops and the budgets will be contractually agreed as maximum limits. The specifications for pricing are defined in the price schedule.