

Ref. no.:

Date:

June 04, 2007

## **Terms of Reference**

### **Strategy and Capacity Building for Providing User-oriented Services in the Area of e-Government**

#### **1 BACKGROUND**

##### **1.1 Information about Institution, Body or other**

Financial Agency - FINA is a services company for financial transactions in the state ownership. Under its present name it exists since 2002. It actually, however, keeps an institutional memory of about 50 years, in which it developed from the State service for Social Accounting in socialist era to the Institute for Financial Transactions (1993-2002). The institutional development that it went through was accompanied with a change of the position in the market. Before the transition, it was the only institution entitled to carry out the financial transactions. In 1993, following transformation into the Institute for Financial Transactions, the Agency still kept the monopolist position. Since 2002, however, it is in the open market as a financial transactions service provider for the private sector.

In its relation to the state and the financial transactions run by the state, it is still the main provider of the services in public finances and information support to the state administrative bodies. The Law on Financial Agency (NN 117/01) nominated FINA as the institution responsible for implementing the information-communication infrastructure, for providing support to the system of state and public finances, registers and information services for state administration bodies and regional and local self-government bodies. In the contract between the Government of the Republic of Croatia and the Financial Agency of 23 October 2003, FINA was entrusted with the tasks related to the development and support to the application services and the e-Government solutions. In the Government Conclusion of 15 October 2004 FINA was entrusted with the development of State Administration Bodies Private Communication Network (in *Croat. HITRONET*).

## **1.2 Information about the department**

FINA is one of the major implementers of the HITRO.hr Programme (One Stop Shop Programme). Strategy of the HITRO.hr Programme was adopted by the Government Conclusion of 15 October 2004. Central State Administrative Office for e-Croatia (CSAOeC), Central State Administrative Office for Public Administration (CSAOPA), Ministry of Justice and FINA were tasked with coordination of the Programme. HITRO.hr Programme Management Unit was established jointly by FINA and the Central State Administrative Office for e-Croatia and comprises 3 members from FINA and one member from CSAOeC staff. Office space and administrative support are provided by the CSAOeC. The PMU's legal status is to be defined in the course of 2007. It is entrusted with the task of coordinating the implementation of the HITRO.hr Programme. This task involves coordination of all institutions in defining priorities and preparing implementation documents, planning and introduction of new HITRO.hr Offices and services and project management. In that sense the PMU should not only coordinate the central administration institutions responsible for policy making in the sector (such as CSAOeC, CSAOPA, Ministry of Justice, Government Public Procurement Office, etc) but also the 24 regional branches (with the total of 55 staff employed) that implement the project through direct provision of the one-stop-shop services. The PMU should also prepare project proposals for appropriate international funding (EC IPA, World Bank, EBRD etc.) and manage such projects.

PMU's address is:

Central State Administrative Office for e-Croatia,  
HITRO.hr Programme Management Unit  
Gajeva 4  
10 000 Zagreb  
Croatia

## **1.3 Country of cooperation**

Republic of Croatia

## **1.4 Co-operation partner**

Financial Agency -FINA  
Koturaška 43  
10000 Zagreb  
Croatia

## 1.5 Programme/Project overview

Since 2004 Croatian Government has initiated an e-Government programme (*One-Stop-Shop Programme: HITRO.hr* with e-services such as e-Regos, e-VAT etc.) as part of the implementation of the e-Croatia 2007 Programme and in line with e-Europe agenda and i2010 Initiative. The Government therefore adopted the Strategy of the Programme One Stop Shop in December 2004.

HITRO.hr programme is aimed at providing the efficient, simple and fast administrative services to businesses and citizens. The implementation of e-Croatia 2007 and HITRO.hr programmes depends to a great extent on creating the secure communication network of State Administration Bodies (named HITRONet). Government Decree has entrusted the Financial Agency (FINA) to finance and build the HITRONET network as a secure private network that will connect the state administrative bodies. FINA is also obliged to provide services of the network operating centre (NOC), secure Internet gateway and remote access services, help-desk.

FINA communicates on a daily basis with the Central State Administrative Office for e-Croatia and the Central State Administrative Office for Public Administration on all the issues concerning the coordination and implementation of HITRO.hr. The development of the HITRONET is underway, but it is a process that will last until the end of 2007. In addition to infrastructural demands, which will be tackled first, a number of interoperability preconditions at all levels (technical, semantic and process) will need to be met in order to achieve the needed level of interactivity of public services and full back-office integration.

The process requires a strong strategic approach to all the necessary reforms. FINA therefore aims to strengthen its capacity to support the development of e-Government services efficiently and effectively.

Technical assistance (services) under this project is therefore expected to achieve the following objectives:

- 1) Develop an internal strategy and action plan for FINA's role in HITRO.hr and other e-Government related services
- 2) Build FINA's capacity to act as the running engine of e-Government development, as well as an efficient centre for its support once HITRO.hr is fully established

## 1.6 Relevant country background

After consolidating itself as an independent nation in 1991, a new state administration was established in Croatia. This implied, as in most of the transition countries, a necessity to make a change from the nomenclature system towards a modern civil service capable of facilitating Croatia's democratisation process and its transition to a market economy. In

addition to these challenges already present in the 1990s, Croatia presently faces the combined challenge of structural reform and preparing for European integration as a new Candidate Country.

With an ongoing legislative reform of the administration and administrative procedures, Croatian government aims at increasing the efficiency and transparency of the state administration through strong promotion of the e-Government and One-Stop-Shop system. As ICT access and computer literacy in Croatia are above average for the Europe & Central Asia (World Bank Data state 115 Internet users per 1.000 people in relation to a 115 Europe & Central Asia average), e-Government promises to substantially contribute to the public administration reform in terms of enhancing its user-orientation. However, general orientation of the HITRO.hr Programme is to provide public administration services through variety of communication channels (not only on-line, but also mobile, phone, and face-to-face in HITRO.hr offices) supported by the Government network HITRONET and G2G e-services.

### **1.7 Current state of affairs in the relevant sector**

Government of the Republic of Croatia has been implementing the e-Europe agenda and the following i2010 Initiative through initiating a series of activities and implementation of targeted measures in Croatian public services and state administration. In 2003 Government adopted e-Croatia 2007 Programme, in line with eEurope 2005 Action Plan as well as the i2010 Initiative. The purpose of the programme is to encourage development of the information society in Croatia through the innovative use of information and communication technology in and restructuring of state administration, fulfilling the basic preconditions for increased competitiveness of Croatian businesses and increasing the efficiency and effectiveness as well as quality of services the administration provides for the citizens and businesses. The final objective of the programme is to interconnect all the state-administrative IT resources, which would allow the citizens and businesses to run any of their businesses with the state or public authorities through electronic communications.

The Programme focuses on five priority areas:

- e-Government,
- e-Judiciary,
- e-Learning,
- e-Health and
- e-Business.

Implementation of the Programme is coordinated through Operational Action Plan for 2004 which was implemented in 2004 and 2005, and the Operational Action Plan for 2006 whose implementation is underway. Operational Action Plan for 2007 is in the preparation phase at the

moment of drafting this Project Fiche. The Operational Plans set the framework for the implementation, monitoring and evaluation of the Programme at the level of specific projects, measures and activities. Central State Administrative Office for e-Croatia is entrusted with the coordination of all the programme activities.

Since 2004 Croatian Government has adopted specific programmes in the areas of information security (National Programme for Information Security in the Republic of Croatia) and the e-Government (*One-Stop-Shop Programme: HITRO.hr*) as part of the implementation of the e-Croatia 2007 Programme. HITRO.hr Programme aims at providing the efficient and effective, simple and fast administrative services to businesses and citizens. One of the first projects to be successfully implemented through HITRO.hr was the simplification of the business-registration procedures for Limited Liability Companies.

## 1.8 Related programmes and other donor activities

**Phare 2006 “Enhancing Capacity of the Croatian State and Public Administration for Providing User-Oriented Service”** is a € 2.525.000 project consisting of one €2.000.000 services contract and €525.000 supplies contract for IT equipment. The overall objective of the project is to support the Croatian state and public administration in becoming an efficient, accountable and user-oriented service in line with the EU requirements and best practice. The specific objective is to improve legal, organisational and technical environment and horizontal integration of administrative procedures for delivery of public services to citizens and business entities, in line with the e-Europe Programme and the Croatian One-Stop-Shop Programme (in the areas such as VAT, income taxes, personal document issuance or e-procurement). Project beneficiaries are Central State Administrative Office for e-Croatia, FINA, Central State Administrative Office for Public Administration, HIDRA (Croatian Document Referral Agency) and Government Public Procurement Office. The project is expected to commence in early 2007. Close cooperation between the project teams will be necessary.

**World Bank Pension System Investment Project (PSIP)**, focused on supporting establishment and developing capacity of Agency for Supervision of Pension Funds and Pension Insurance (HAGENA) and Central Registry of Affiliates (REGOS), modernization and reorganization of the Pension Institute (HZMO), strengthening reporting capacity and primary debt market in the Ministry of Finance and determined institutional role and business strategy of FINA in the new system of contribution and data reporting flows. PSIP has been providing financing for FINA's services to REGOS, but also for the development of the new business strategy and organizational model for FINA. The Consultant is expected to consult the Strategy in work in line with the objectives and measures proposed within it.

**CARDS 2002 “Improvement of Business Climate in Croatia”** is in the implementation phase at the time of writing this ToR. It aims at increasing transparency of public institutions and developing capital markets, and will focus on strengthening the institutional capacity of the government organizations responsible for investment promotion, removal of legal and administrative barriers and application of best practice examples for investor facilitation in 3 pilot regions.

The main target groups of the project are:

- Ministry of Economy, Labour and Entrepreneurship
- Trade and Investment Promotion Agency (TIPA)
- Selected regional government (county) investment promotion agencies
- HITRO.hr programme with ‘One Stop Shop’ in FINA.

One of the key components of the project is to assist the Government in addressing administrative and regulatory barriers to business in Croatia. The Consultant should liaise with the project team and follow up on their activities.

## **1.9 Budget**

7 man/months are expected under the project, to be divided between 2 key experts (200 man/days in total). Indicative maximum budget is EUR 150.000,00.

## **2 PROGRAMME/PROJECT DATA**

Overall objective of the project is to support Croatian Financial Agency in efficiently and effectively running the development of e-Government services it is entrusted with by the government. These will indirectly support Croatian state and public administration in becoming an efficient, accountable and user-oriented service in line with the EU requirements and best practice

This project is therefore expected to provide technical assistance in order to:

- 1) Develop an internal strategy and action plan for FINA’s role in HITRO.hr and other e-Government related services
- 2) Build FINA’s capacity to act as the running engine of e-Government development, as well as an efficient centre for its support once HITRO.hr is fully established

### 3 ASSUMPTIONS AND RISKS

#### 3.1 Assumptions underlying the programme/project intervention

##### 3.1.1 General

- Smooth implementation of the Government Conclusion of 15 October 2004 on the endorsement of One-Stop-Shop Programme (*Croat. HITRO.hr Programme*) and One-Stop-Shop Implementation Plan in all relevant state and public administration bodies;

##### 3.1.2 Particular

- An adequate legal status and staffing levels of the HITRO.hr Project Management Unit are reached by mid 2007
- The Parliamentary Elections in 2007 will not affect the political will to implement the HITRO.hr programme

#### 3.2 Risks

Output	Risk	Impact <i>Low/Medium/ High</i>	Probability <i>Low/Medium/ High</i>
1. Stage of development analysis	-		
2. Strategy for administrative business-processes redesign	The Parliamentary Elections in 2007 will affect the political will to implement the HITRO.hr programme	Low	Low
3. Action plan for the implementation of the Strategy	The Parliamentary Elections in 2007 will affect the political will to implement the HITRO.hr programme	Low	Low
1. Training needs analysis 2. At least 10 staff and 8 management trained in i2010 e-Government agenda 3. At least 10 staff and 8 management trained in Change management 4. At least 10 staff trained in PCM 5. At least 5 staff trained	Insufficient staffing levels in HITRO.hr PMU	Medium	Medium

as trainers 6. 25 staff and 8 management have in depth knowledge of the Strategy and Action Plan 7. Manual on operations 8. 25 staff familiar with Manual of Operations			
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## 4 CONTRACT OBJECTIVES

Specific objectives:

- 1) Develop an internal strategy and action plan for FINA's role in HITRO.hr and other e-Government related services. - *Focus on the strategy development is expected in the first half of project implementation.*
- 2) Build FINA's capacity to act as the running engine of e-Government development, as well as an efficient centre for its support once HITRO.hr is fully established. - *Capacity-building activities are expected to be the focus of the second half of the project implementation period.*

## 5 SCOPE OF WORK

### 5.1 General

The Contract will be implemented in Croatia, with the project office in Zagreb, in FINA's premises and/or premises of the Central State Administrative Office for e-Croatia (where HITRO.hr Project Management Unit is located at the moment). Consultant may have to travel to the regional branches of HITRO.hr in order to run the TNA analysis, however, all training and presentation will take place in Zagreb.

The project manager for the TA is Ms Slađana Miočić, Adviser to the Management Board, FINA (Koturaška 43, Zagreb, e-mail: [sladana.miocic@fina.hr](mailto:sladana.miocic@fina.hr)).

Target group of the project are:

HITRO.hr Project Management Unit staff (4 at the moment of writing this ToR, but to be increased in 2007);

HITRO.hr branch offices staff (24 branch offices – one member of staff from each);

Relevant FINA and Central State Administrative Office for e-Croatia management (at least 8 persons).

The Consultant is expected to support the PMU through developing the Strategy and Action Plan for the implementation of HITRO.hr project and to build their capacities to run the project on the basis of the best PCM practices. The PMU staff should, by the end of project implementation, have the capacity to address the management in FINA, as well as the decision-making level in the State Administration, on all the issues related to the project planning and implementation based on the Strategy and Action plan. At the same time, the PMU should be able to coordinate and support the regional branches staff and make sure that the introduction and implementation of the HITRO.hr services runs smoothly.

## **5.2 Tasks**

### **5.2.1 Task 1**

#### **Objective(s):**

Develop an internal strategy and action plan for FINA's role in HITRO.hr and other e-Government related services.

#### **Expected outcomes:**

- FINA has a systematic and strategic approach to change management needed for full establishment of HITRO.hr services
- FINA's internal organisation and its coordination with other relevant actors (such as Central State Administrative Office for e-Croatia and the Central State Administrative Office for Public Administration) meets the demands of the HITRO.hr

#### **Activities:**

- 1.1. Analysis of the stage in which e-Government development is, in relation to the Government Strategy and to the best practices from EU Member States (20 days divided between the two key experts)
- 1.2. Preparing a Strategy for FINA's involvement in the administrative business-processes redesign with recommendations as to: (30 days divided between the two key experts)
  - 1.2.1. FINA's internal structure to support the process
  - 1.2.2. Scope of services to be provided in relation to each of the e-Government procedures and in line with the possible changes in the Law on Administrative Procedure
  - 1.2.3. Change management system – internal, as well as external
  - 1.2.4. Recommendations based on the best practices examples

- 1.3. Action Plan for the implementation of the Strategy (20 days divided between 2 experts)

### **Output**

1. Stage of development analysis
2. Strategy for administrative business-processes redesign
3. Action plan for the implementation of the Strategy

*All written material should be produced in Croatian and English version.*

### **5.2.2 Task 2**

#### **Objective(s):**

Build FINA's capacity to act as the running engine of e-Government development, as well as an efficient centre for its support once HITRO.hr is fully established.

#### **Expected outcomes**

- FINA has sufficient capacity to facilitate the process of HITRO.hr establishment
- FINA has sufficient capacity for providing all the support necessary to the functioning of HITRO.hr

#### **Activities**

2.1. Run a training needs analyses of the relevant staff in FINA (HITRO.hr PMU, HITRO.hr branch offices, FINA HITRONET staff, FINA and CSAOeC management) – 15 man/days

2.2. Training on i2010 Initiative, especially e-Government Action Plan and the best practices in its implementation (one session for Management and one for operational level) – 10 Man/days (2 experts with preparation of materials, 2 days seminar)

2.3. Training on change management (for HITRO.hr PMU and management) – 10 days (2 experts with preparation of materials; 2 day seminar with a workshop)

2.4. Training on PCM (for HITRO.hr PMU) – 15 days (2 experts with preparation of materials; 5 day seminar with workshop)

2.5. Training of trainers on change management and PCM (selected from regional offices and PMU) – 20 days

2.6. Presentation of the Strategy - (one session for Management and one for operational level) – 4 Man/days

2.7. Presentation of the Action Plan – 3 days

2.8. On-the job coaching to staff working on HITRO.hr (for the regional branches and PMU) – 20 days

2.9. Preparation of the internal manual of operation for the staff of HITRO.hr – 20 days

2.10. Presentation of the internal manual of operation for the staff – 3 days

2.11. Other specific training based on TNA and the Strategy demands – 10 days

### Outputs

1. Training needs analysis
2. At least 10 staff and 8 management trained on i2010 Initiative and e-Government Action Plan
3. At least 10 staff and 8 management trained on Change management
4. At least 10 staff trained on PCM
5. At least 5 staff trained as trainers
6. 25 staff and 8 management have in depth knowledge of the Strategy and Action Plan
7. Manual on operations
8. 25 staff familiar with Manual of Operations

*All written material should be produced in Croatian and English version.*

### 5.3 Logistics and timing

Project will be located in Zagreb, in FINA's premises in Koturaška Street. FINA will provide office space (at least 10 m<sup>2</sup> per consultant), telephone and internet connection, printer and fax.

Expected start is September 2007 and expected end is June 2008.

Activity	Month of project implementation												Days
	1	2	3	4	5	6	7	8	9	10	11	12	
1.1 Analysis of the stage of e-Government development and													20



Total number of Man/days	200
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#### **5.4 Gender balance**

Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Specifically in relation to the issue of equality between men and women, Croatia's population (2001 census) constitutes 51.87% women and 48.13% men, with those in active employment (based on Labour Force Survey statistics, conducted in accordance with ILO methodology, for the second half of 2002) divided 45.31% women and 54.69% men.

All contractors shall be requested to provide monitoring data recording the participation of men and women in terms of expert inputs (in days) and of trainees benefiting under the project (in days) as an integral component of project reports.

### **6 ORGANISATION AND CO-OPERATION ARRANGEMENTS**

The direct beneficiary of the project is FINA. The Consultant will have a project office available in FINA or Central State Administrative Office for e-Croatia premises and be in a daily contact with the Project Partner. Responsible person on behalf of the Project Partner is Ms Slađana Miočić, who will act as the Project Manager in FINA. She will receive and approve all the project reports. FINA is responsible of providing the Consultant with all the documents and information relevant for project implementation. Weekly up-date meetings should be organized between the experts and the HITRO.hr PMU staff. FINA will function as a liaison and ensure co-ordination with other relevant institutions, such as the Central State Administrative Office for e-Croatia. It will also provide the Consultant with all required logistical support, organisation and chairing of project progress meetings as well as monitoring of project progress.

### **7 REPORTING AND DOCUMENTATION**

Brief monthly reports must be submitted to the Project Manager in FINA by the 7<sup>th</sup> of the next month.

Inception report – by the end of the second week of the assignment the team leader of the consultant shall identify main findings related to the project and propose the approach used throughout the project with a

simple time-bound work-plan indicating main milestones of the project and usage of resources.

Interim progress report must be prepared within six months of the commencement of the contract. They must be accompanied by a corresponding invoice.

There must be a final progress report and final invoice at the end of the period of execution. The draft final progress report must be submitted at least one month before the end of the period of execution of the contract.

A hard copy and an electronic copy of the reports referred to above must be submitted to the Project Manager identified in FINA. The progress reports must be written in English and Croatian. The Project Manager is responsible for approving the progress reports.

A hard copy and an electronic copy of the reports referred to above must be submitted to the Project Partner to the following address:

Financijska Agencija - FINA  
Koturaška 43  
10000 Zagreb  
Croatia

## **8 PROFILE OF THE CONSULTANT AND STAFFING REQUIREMENTS**

The Consultant is asked to provide an experienced team of international experts. The team will consist of two senior key experts (Business Analyst and Team Analyst). Consultant may propose short term expertise for the specific areas in line with the scope of this Terms of Reference. CVs for experts other than the key experts are not examined prior to the signature of the contract.

### **8.1 Compulsory**

A minimum of 80% of expertise time must be spent in Croatia actively working with the project partners. Longer expert missions are preferred. All experts should hold an excellent command of written and spoken English and be computer literate.

All written material should be produced in Croatian and English version and in line with HITRO.hr visibility policy.

## 8.2 Requests

### **Expert I: Business analyst (Team Leader)**

#### *Professional experience*

- At least 10 years of relevant professional experience, of which at least 4 years experience in providing advice to public administration
- Extensive knowledge and experience in business processes analysis
- Extensive knowledge of the EU *acquis* related issues in the area of Information Society and Media and all the relevant EU Strategies for e-Government and e-Business.
- Proven experience of advising or working with the Member States governments in preparing the e-Government and/or One-Stop-Shop Programmes in at least one new and one old EU Member State
- Proven experience in change management and/or organisational development

### **Expert II: System Analyst**

#### *Professional experience*

- At least 10 years of relevant professional experience, of which at least 4 years experience in providing advice to public administration
- Extensive knowledge and experience in business processes analysis
- Extensive knowledge the EU *acquis* related issues in the area of Information Society and Media and all the relevant EU Strategies for e-Government and e-Business
- Proven experience of working with the Member States' governments in preparing the e-Government and/or One-Stop-Shop Programmes

## 9 REIMBURSABLE COSTS

<b>Reimbursable costs</b>	<b>Included in the Tender (yes or no)</b>	<b>Assessed in the financial evaluation (yes or no)</b>
Daily allowance and accommodation	Yes	Yes
Travel costs	Yes	No
Communications and postage	Yes	No
Allowance and furnished housing	No	No
Installation and repatriation allowances	No	No
School fees	No	No
Office accommodation	No	No
Local personnel	No	No

## **10 OTHER COSTS**

The Project Partner will ensure adequate office space, with internet and phone connections. The Project Partner will also provide premises and equipment for all the trainings, seminars, presentations and meetings.

The Consultant should provide translation of all the relevant materials from the contract.

## **11 QUALITY ASSURANCE AND QUALITY CONTROL**

All written material should be produced in Croatian and English version and in line with HITRO.hr visibility policy.