

STANDARD TWINNING PROJECT FICHE

1. Basic Information

- 1.1 Publication reference number: EuropeAid/ 136-722/IH/ACT/HR
- 1.2 Programme: Transition Facility IPA/2013/24986 (*Annex of C(2013) 8057 final*)
- 1.3 Twinning Number: HR 14 IB FI 01
- 1.4 Title: Croatian Tax Administration Information System applications development supervision (CRO TAXIT)
- 1.5 Sector: Public Finance - Taxation / Finance
- 1.6 Beneficiary country: Republic of Croatia

2. Objectives

- 2.1 Overall objective:

Capacity of the Croatian Tax Administration (CTA) in relation to functioning of the information technology (IT) services and control systems strengthened and further enforcement of EU legislation in the field of taxation in the Republic of Croatia ensured.

- 2.2 Project purpose:

Recommendations for further development of CTA IT system, including e-services for taxpayers, produced and supervision of development of new CTA IT system applications performed.

- 2.3 Contribution to Accession Treaty / Relevant National Documents:

Croatia has fulfilled all pre-accession obligations, including harmonization of its tax legislation, and following the signature of **Accession Treaty** on 9 December 2011 and its ratification procedure in the Member States, Croatia has joined the European Union on 1 July 2013.

Government Programmes Strategy for the period 2013-2015 outlines that stability of public finances is ensured, among other, through just and effective collection of tax revenues. Defined methods for achievement of this goal include technological development through IT application development and improvement, expansion of e-services, data networking, automatic and real-time updates.

Strategy of the Tax Administration for the period 2011-2015 highlights further development of CTA IT system as one of its strategic goals with the following characteristics:

- IT system development is to be harmonized with the business strategy by means of the IT System Development Strategy¹;
- Maturity of the IT system is to be increased by applying an integral IT system management framework (Cobit v.4.1 framework).

¹ IT System Development Strategy is currently being drafted and it is planned to be prepared by July 2015.

This Twinning project will directly contribute to achievement of two results stipulated in the above Strategy which are related to improved business processes and improved IT support to business processes. The achievement of these two results related to CTA IT and business processes efficiency will further lead to achievement of other strategic results mentioned in the Strategy, thus increasing of CTA efficiency in general for enforcement of EU legislation in the field of taxation.

3. Description

3.1 Background and justification:

Rapid development in modern technologies is changing business processes. The impact of the changes is quite comprehensive and includes all business processes, from financial management to communication with clients and business partners. In such environment information technology (IT) is used as an inevitable tool to speed-up back office processing in both private and public sector.

Modern companies in private sector need to accelerate their back office processes, in order to keep the pace with rapidly developing markets. Public sector is also following this trend by establishing e-services for clients and by developing Government to Business (G2B) services in order to improve communication with public sector and enhance quality of public sector services.

Croatian Tax Administration (CTA) has the goal to be one of the best European tax administrations in terms of quality and efficiency and therefore, it is also joining in the tendency to use newly developed modern technologies through continuous improvement of its business processes and several projects aiming at upgrading of the current IT services (please refer to the point 3.2 Linked activities).

Further development of CTA IT system is under the responsibility of CTA IT Division which is established within CTA Head Office. Due to complexity of CTA infrastructure, high volume of transactions and amount of work on maintenance and further development of IT applications, CTA has outsourced most of its IT work to Information Systems and Information Technology Support Agency (APIS-IT).

Information system of tax administration (ISTA) was developed by APIS-IT based on functional specifications and user requirements defined in cooperation between CTA and APIS-IT. The existing CTA Information System – ISTA has been used by CTA for more than 16 years and needs to be upgraded in order to improve CTA efficiency.

ISTA is based on IBM zSeries 10 using CTS (CICSX) as transaction server and MS IIS, WebSphere Application Server (WAS) with Data Base 2 (DB2), IBM Information Management System (IMS) and Oracle databases. Part of the current applications was developed using Service Oriented Architecture (SOA) and Event Driven Architecture (EDA) with portal technologies as the strategic platform for the future development.

The consolidation and enhancement of the CTA IT system to be achieved through assistance of this Twinning project will result in higher efficiency of CTA as a whole, decreasing tax officials workload, increasing efficiency in tax payer data management and improving tax collection and more efficient fight against tax fraud.

In relation to this Twinning project, it is important to highlight that CTA has the plan to modernise **8 applications of ISTA**² with new functionalities, and fully connect them with other parts of ISTA and CTA IT system as a whole. The mentioned applications will be developed and upgraded through Technical Assistance component of the overall project (please refer to the point 3.2 Linked activities), while this Twinning project will provide preliminary recommendations necessary for development of the applications and will closely monitor their development throughout the whole process (design, development, implementation and testing), supervise the work performed by Technical Assistance experts and propose corrective measures if needed.

Besides the above described interconnection between the Twinning and Technical assistance projects, the upgrading of some of the ISTA application will be also done in relation to two linked projects as follows:

- IPA 2013 Service project “Strengthening of the CTA's Government to Business (G2B) capacities through consolidation of IT systems“ which foresees setting up of an Internet portal in a one-stop-shop manner, which will cover wide-range of services that CTA provides for companies in Croatia.

Currently e-services are available to taxpayers within the application *ePorezna*, developed and hosted by APIS-IT. The application provides taxpayers (at the moment only legal entities) possibility to submit tax forms electronically and to monitor their obligations and debts. The application uses PKI technology (Public Key Infrastructure) for user identification and digital signing of tax forms. It is based on web technology and offers simple solution for sending messages to application users. Further improvements are needed to establish two-way communication with digital documents and expansion of services to natural persons in order to strengthen CTA’s G2B capacities.

All of 8 ISTA applications and their usage will go through G2B Single Tax Administration Portal to be developed through IPA 2013 project.

- RAMP project “Compliance Risk Management System (CRMS)” which aim is to develop the application for risk management.

ISTA application which is specifically related to the above RAMP project is *Application for Risk Analysis*.

Please find below further information on ISTA applications that will be developed by the support of the Twinning and Technical Assistance components of the overall project:

1. Application for Document Management

Document management in CTA is done manually with all the records kept in paper form which leads to massive amounts of paperwork that is difficult to access after archiving. The current *Application for Document Management*, which is a part of ISTA, enables only manual tracking of a document by its official number and assigned tax official.

The new *Application for Document Management* should enable electronic creation and manipulation of official documents, submission and registration of documents in file register.

² 8 applications of ISTA related to this Twinning project will be based on Service Oriented Architecture (SOA) principles and will use Business Process Execution Language (BPEL) language.

File register should enable tracking, reviewing and managing the documents in all phases, archiving, comparing, tracking of ownership of documents throughout their lifecycle and should provide possibilities of searching by multiple criteria. The application should also provide possibility for quality business reporting through different kinds of standardized reports and statistics. It is important that this application ensures importing the data from the existing system into new system for future tracking, browsing and reviewing of the existing archive documents. One of the main features of this application will be authorization system which will enable performing all the above mentioned functionalities and approach to documents according to authorization structure and needs of CTA.

Further development of *Application for Document Management* will be achieved with the support of the Twinning and Technical Assistance projects as previously described.

2. Application for Tax Violations Department

Within CTA there are 20 Regional Tax Violations Departments. The current ISTA application allows for the use of application only at the beginning of the document lifecycle while the rest of the process is done manually using MS Windows Office applications.

The newly developed application should enable tax officials in all Tax Violations Departments to open, manage, view and track documents on individual case level, establishing a joint registry on the level of CTA. This should enhance coordination of Tax Violation Departments and minimize nonfunctional workload.

The application needs to be integrated with the other ISTA applications: *Application for Document Management*, *Audit Application* and *Application for Tax Accounting*. It should enable interconnectivity with other organizational units within the CTA, especially other regional offices, permitting digital exchange of documentation.

The functionalities of the new application should include, but should not be limited to: alerting capabilities, document digitalization capabilities, enabling e-delivery of documentation typical to the tax violation procedure (e.g. official decisions, enforcement documentation), web services, automatic creation of documents, forms and payment slips, creating of the database of taxpayers with searching and statistical options. Other functionalities are to be determined through the Twinning and Technical Assistance projects.

3. Application for Risk Analysis (legal entities and natural persons)

Risk analysis is currently being conducted by using manual search through ISTA applications, while data analysis is conducted by using excel tables.

The new *Application for Risk Analysis* will be developed through RAMP project “Compliance Risk Management System (CRMS)” by the end of November 2015 (please refer to the point 3.2 Linked activities). This Twinning project should conduct analysis of the CRMS system and provide recommendations which need to be taken into account in order to enhance and upgrade the functionalities of the system.

However, specific areas of risk analysis will not be covered by RAMP project such as: risk analysis related to VAT, possible influences of economic crisis on tax administration, risk of cross border trade (including methods for identification of taxpayers involved in cross border activities), risks connected to virtual businesses, distance services, free movement of goods, people and services, new computer services such as “cloud computing” and new services in

energy industry. Moreover, the risk management system should be enhanced with statistical functions (including creation of reports). The above mentioned functionalities should be developed by the Technical Assistance with the support by the Twinning project.

4. Application for Unique Taxpayer Database

The existing *Taxpayer Registry Application* (Croatian name: Registar Poreznih Obveznika – RPO) within ISTA enables viewing and changing of information on taxpayers. The application is inadequately inter-connected to other CTA applications and external systems, which causes unnecessary workload for tax officials.

Upgrading and expanding of the current *Taxpayer Registry Application* through the support of the Twinning and Technical Assistance projects should result with the new *Application for Unique Taxpayer Database* with at least the following functionalities:

- Interconnectivity with other systems, especially integration of RPO with Central Crafts Register and their incorporation into RPO data updating process;
- Interconnectivity with other ISTA applications, such as *Taxpayer Accounting Application Module, Tax Certificate Issuing Module, Audit Application, Enforcement Application*;
- Filtering and searching the data by various criteria and enabling statistical functions;
- Alerting options (e.g. alerting related to the changes of status of taxpayers and related to the VAT record system);
- Enabling taxpayers to register and review their data in RPO through *ePorezna*.
- Interconnectivity with databases for taxpayers business units from Croatian Bureau of Statistics (DZS)
- Interconnectivity with databases for the first registered employee and last unregistered employee from Croatian Pension Insurance Institute (HZMO).

5. Tax Certificate Issuing Module

Currently all tax certificates are issued by using the ISTA application for issuing tax certificates. The process requires physical presence of the taxpayer at the local tax office.

The new *Tax Certificate Issuing Module* will be developed through IPA 2013 project “Strengthening of the CTA's Government to Business (G2B) capacities through consolidation of IT systems“ by June 2016 (please refer to the point 3.2 Linked activities). This application will encompass all of the current tax certificates available through the ISTA tax certificate application.

However, some of the needed functionalities will not be covered by the IPA 2013 project such as: control system for issued certificates that will prevent issuing of duplicate certificates, filtering and statistical options, prevention of manipulation and other functionalities to be determined and developed with the support of the Twinning and Technical Assistance projects.

6. Database of Resident and Non-Resident VAT Taxpayers

VAT Refund System Application and Database includes resident and non-resident VAT taxpayer information and is being operated by tax officials in Zagreb Regional Office. It was developed as a part of Croatian pre-accession obligations and its use started after Croatia's accession to the EU. It is mainly a communication application and has limited monitoring and statistical capabilities.

VAT Refund System Application and Database should be analyzed through the Twinning project, and based on the analysis results expanded with new functionalities through the Technical Assistance project which should include, but should not be limited to: searching, indexing and manipulating of the data, producing modular reports, capabilities of creating separate databases (e.g. Registry of Fictitious Companies), tracking of requests and alerting capabilities. It should be also interconnected with other systems in the CTA, especially with *Application for Risk Analysis*.

7. Taxpayer Accounting Application Module

The current *Taxpayer Accounting Application Module* is a part of ISTA, and enables tax officials to review all due obligations and payments of particular taxpayers with automatic annual interest rate calculation. This module is also available to the taxpayers through *ePorezna*.

By the support of the Twinning and Technical Assistance projects *Taxpayer Accounting Application Module* will be modernized with the new visual identity and expanded with new functionalities and enhanced interconnectivity with other relevant ISTA applications as follows:

- Introducing web service for reaching PKK data;
- Enabling automatic entries of due payments (booking);
- Simplified data presentation with additional details;
- Enhancing of functionalities of the accounting application.

8. Application for Tax Enforcement

The business processes of the Enforced Collection Procedure Division within CTA are complex and include: administrative and other professional tasks related to collection and processing of data, monitoring and analysing the results, producing instructions (public revenue collection, General Tax Law and Enforcement Law), coordinating the implementation of the enforcement proceedings. The work of the Division is also interconnected with other processes and organizational units through cooperation with the commercial courts and other national authorities, coordinating the work of CTA field offices related to submission of a claim in bankruptcy and liquidation proceedings and deciding on approval of plans for financial restructuring procedures in the pre-bankruptcy settlements. Currently alerts for tax payments are sent manually by tax officials (MS Office applications) with limited statistical and search capabilities.

Twinning and Technical assistance projects should provide support in developing of *Application for Tax Enforcement* that will increase efficiency of working processes within the field of enforced collection. The new functionalities of the current ISTA application should enable automatic creation, sending and reviewing of reminders. Additionally, the application should have alert functionalities enabling better tracking of taxpayers and automatic or partly automatic creation of official decisions. It should also have statistical capabilities and should be integrated with the other CTA applications and with government and administrative bodies through possible web services.

3.2 Linked activities:

a) Directly linked projects

Transition Facility “New Croatian Tax Administration Information System Applications”, Technical Assistance and Supply component of the overall project

This Twinning project is part of the overall project which consists of the Twinning, Technical Assistance and Supply projects and which main objective is further enforcement of EU legislation in the field of taxation through strengthening and upgrading of CTA IT and control functions, while its specific purpose is to develop and implement new CTA Information System applications for creation of new functionalities and upgrading of e-services for taxpayers.

Through the Technical Assistance project 8 ISTA applications will be developed: *Application for Document Management, Application for Tax Violations Department, Application for Risk Analysis, Application for Unique Taxpayer Database, Tax Certificate Issuing Module, Database of Resident and Non-Resident VAT Taxpayers, Taxpayer Accounting Application Module and Application for Tax Enforcement*. Moreover, through Technical Assistance project user and training manuals will be prepared and trainings will be conducted, related to each of 8 ISTA applications.

Twinning project is envisaged to start one month before the Technical Assistance project, due to the fact that Technical Assistance project component should design, develop and upgrade ISTA applications based on the analyses and recommendations prepared through the Twinning project.

Further on the two projects are expected run in parallel until the end of the implementation of Twinning project taking into account that MS Twinning partners also need to supervise development, implementation and testing of applications during the implementation of Technical Assistance project.

Through the Supply project the application *Virtual Tax Advisor* will be purchased. The Supply project is independent from implementation of the Twinning and Technical Assistance component of the overall project.

IPA 2013 “Strengthening of the Croatian Tax Administration’s Government to Business (G2B) capacities through consolidation of IT systems”

Start of implementation of this Service project is envisaged for the third quarter of 2015 and the expected duration of the project is 14 months. Overall objective of the project is further alignment of Croatian Tax Administration (CTA) with EU best practice through strengthening of IT and control functions. Expected benefits from the project include: Single Tax Administration Portal with information and data on taxpayers adjustable by CTA personnel (taxpayer content management), providing wide range of e-services for Croatian companies in one-stop-shop manner, web services for direct G2B connection, which will provide possibility for companies to connect their software to CTA IT systems, increasing security of portal to PKI level, including digital certificates for authentication and digital signing of submitted documents and declarations. The mentioned benefits will provide for much more efficient business processes and further development of two-way communication with taxpayers.

Through IPA 2013 project G2B system will be developed taking into account the latest developments of Service Oriented Architecture (SOA) principles, Service Oriented Modeling and Architecture (SOMA) methodology, describing business processes using Business Process Execution Language (BPEL) and using JAVA technology.

The same technological features will be used in development of 8 ISTA applications which are subject of this Twinning project. The access to the upgraded ISTA applications and their usage will go through G2B Single Tax Administration Portal and therefore, it is important for the Twinning project to take into account the expected outputs of IPA 2013 project. Moreover, it is expected that the new *Tax Certificate Issuing Module* will be developed through IPA 2013 project by June 2016 and upgraded with additional functionalities through the overall Transition facility project.

IPA 2010 FFRAC “Supporting the capacity of CTA for further development of EU information exchange systems”

This Twinning light project (HR/2010/IB/FI/02TL) was implemented from January 2014 to July 2014 with Austria as MS Twinning partner. The purpose of the project was further development of EU information exchange systems through improving relevant procedures, establishing more efficient monitoring and managing system and strengthening capacity of relevant CTA employees. Project results were as follows:

- Recommendations for further development of EU information exchange systems and further improvement of related business processes (from IT aspect) produced;
- More efficient monitoring and management of EU information exchange systems proposed through preparation of recommendations, design of the Service Desk and development of the Operational Guidelines;
- Monitoring support related to conformance testing and/or transition into production provided;
- Service Level Agreements (SLA) documents with all relevant stakeholders produced;
- Capacity of CTA officials regarding monitoring and management of EU information exchange systems strengthened.

IPA 2010 “Enhancement of the CTA administrative and institutional capacity in the field of application of VAT EU common system”

The Twinning project (HR/10/IB/FI/01) started in June 2012 and ended in April 2014 with the Netherlands as MS Twinning partner. The purpose of the project was to strengthen the administrative and organizational capacities of the CTA in order to provide successful implementation of VAT regulations concerning EU common market. The project results included:

- Recommendations for further alignment of national VAT legislation with EU legislation in the field of EU VAT common system prepared;
- Working processes and procedures in relation to the new VAT legislation (based on Council Directive 2008/8/EC and Council Directive 2008/9/EC) improved;
- Recommendations for improvement of efficiency of VIES system and procedures connected with VIES system elaborated and presented to the CTA senior management;
- CTA organizational structure in relation to VAT related tasks analysed and recommendations for organizational changes prepared and presented to the CTA senior management;
- Capacity of the CTA in the field of VAT legislation, working processes and procedures in relation to the EU VAT common system enhanced through targeted training;

- Communication and education strategy for taxpayers regarding VAT procedures on EU common market developed and educational materials for taxpayers prepared and disseminated.

IPA 2010 FFRAC “Strengthening the administrative capacity of CTA on mutual cooperation in the field of taxation”

This Twinning light project (HR/2010/IB/FI/01TL) started in October 2012 and ended in April 2013 with Austria as MS Twinning partner. The purpose of the project was to strengthen the administrative capacity of the CTA in order to successfully prepare Central Liaison Office (CLO) staff for implementation of tasks concerning the administrative cooperation and mutual assistance in the field of taxation. Results achieved by this project included:

- New legal acts and/or amendments to the existing national legislation which regulate administrative cooperation in the field of taxation drafted;
- Guidelines regarding procedures and working processes in CLO in accordance with EU legislation and best practice updated;
- Existing Training Manual and Training Program that are related to administrative cooperation in the field of taxation adjusted and updated;
- Tax Administration officials trained and educated on administrative cooperation in the field of taxation through training of trainers and training courses.

Revenue Administration Modernization Project (RAMP)

This Revenue Administration Modernization Project (RAMP) co-funded by the World Bank loan started in January 2008 and it is envisaged to end in December 2015. Through one of the component of the RAMP project (Component C: Technological modernization of services, data management system and the implementation of a personal identification number – PIN) CTA will obtain e-audit tools and improve business processes.

Through RAMP project Compliance Risk Management System will be developed and after the Compliance Risk Management System development completion it is planned that *Application for Risk Analysis* will be developed, at the latest by November 2015. The specific areas of risk analysis not covered by RAMP project will be included in the upgraded application developed through the Transition Facility “New Croatian Tax Administration Information System Applications” overall project.

IPA 2008 FPP RAC “Strengthening the capacity of Croatian Tax Administration in the field of exchange of information related to the Savings Directive”

The Twinning light project (HR/2008/IB/FI/01TL) started in November 2010 and ended in June 2011 with France as MS Twinning partner. The purpose of the project was to develop system for exchange of information on savings income with a purpose of battling tax fraud. Results achieved by this project were:

- Current conditions of administrative capacities of CTA in the field of national (internal) and international exchange of information analyzed;
- Guidelines for methods, techniques in the field of exchange of information concerning savings income prepared;
- Manual on procedures for exchange of information concerning savings income for the needs of paying agents and administrative capacities of CTA prepared;
- By-law for exchange of information on savings income prepared; staff trained for exchange of information on savings income.

b) Other linked projects

IPA 2008 FPP RAC “Development of IT solution for exchange of information related to the Savings Directive”

The aim of this project (Framework Contract) was to develop an IT solution for effective exchange of information on savings income in the form of interest payments, according to the Directive 2003/48/EC. The project started in July 2012 and ended in March 2013. Developed system is a part of EU information exchange systems.

IPA 2008 FPP RAC “Strengthening the capacity of Croatian Tax Administration in the field of exchange of information related to the Savings Directive”

The Twinning light project (HR/2008/IB/FI/01TL) started in November 2010 and ended in June 2011 with France as the Twinning partner. The purpose of the project was to develop system for exchange of information on savings income with a purpose of battling tax fraud. Achieved results of the project were:

1. Current conditions of administrative capacities of CTA in the field of national (internal) and international exchange of information analysed;
2. Prepared Guidelines for methods, techniques in the field of exchange of information concerning savings income;
3. Prepared Manual on procedures for exchange of information concerning savings income for the needs of paying agents and administrative capacities of CTA;
4. Prepared by-law for exchange of information on savings income;
5. Trained staff for exchange of information on savings income.

PHARE 2006 “Strengthening and Enhancement of the Croatian Tax Administration IT function to achieve the EU Standards in the VAT field“

The project started in December 2008 and ended in November 2010. The project purpose was to establish functional enhanced VIES2 modules including the VES (VAT on e-services) system in order to achieve effective communication with IT systems in other EU Member States. Project was divided into two sub-projects:

1. Project Management – Twinning (HR/2006/IB/FI/01; MS Twinning partner: Austria)
The project primarily covered IT project management support for software developments for enhanced VIES, but also provided assistance to the CLO by developing Training Manual and Training Programme.
2. VIES Enhancements + VES Development – Service contract
The project covered the functioning VIES Enhancement and VES development IT systems for data processing and exchanging of relevant information. During the project activities following modules were developed: VAT refund, VES, One Stop Shop, Exchange of Forms and VIES enhancements. Also VIES User Guide and VIES training manual were made as a result of project activities.

PHARE 2005 “Assistance to the Croatian Tax Administration in development of activities proceeding from the Fiscal Blueprints”

The project started in November 2007 and ended in May 2009. The purpose of this project was to create preconditions for the introduction and effective management of the VIES, interfacing the existing National VAT Information System. This was achieved through implementation of two interrelated sub-projects:

1. VIES Effective Management and Business Support – Twinning (HR/2005/IB/FI/02; MS Twinning partner: Austria)

The project covered IT project management support for the software developments for VIES including support to the management of all business and functional aspects of system implementation. In the part of administrative cooperation a Guide for individual operational procedures in the Croatian CLO was drafted, notably for the verification of VAT identification numbers, exchange of VAT information, exchange of information on direct taxes and mutual assistance procedures in recovery of foreign claims.

2. VIES Mandatory Developments – Software Development Service Contract

The project covered the software design, development and implementation of VIES as well as the training of users and the production of all necessary documentation including user requirements, software installation, system administration and user manuals.

CARDS 2004 “Strengthening the Taxation System in the VAT field to prepare the development of the VIES IT interconnectivity system”

The Twinning project (HR/2004/IB/FI/01) started in January 2006 and ended in October 2007 with Austria as the Twinning partner. The purpose of the project was to bring the existing VAT system (legislation and business processes) further in line with the acquis and to develop capacity to set up VAT Information Exchange System (VIES). The project may be summarized in the three components:

- a. Component 1: Administrative capacity building in the VAT field
- b. Component 2: Establishment of the Central Liaison Office (CLO)
- c. Component 3: Foundation for VIES development

Main results of the project were: Draft of VAT strategy, draft of the new Croatian VAT law, Training Manual in regard with VAT and VIES, draft law amendments of General Tax Act, provisional defining of the CLO organizational structures and functions, provisional draft of working procedures for CLO, Project Quality Plan and User requirement for VIES development. On the basis of the results of the project, CTA has formally established Central Liaison Office (CLO) and made the indicative list of activities that will be done in Croatian CLO.

3.3 Results:

1. Recommendations for development of CTA IT system applications (*Application for Document Management, Application for Tax Violations Department, Application for Risk Analysis, Application for Unique Taxpayer Database, Tax Certificate Issuing Module, Database of Resident and Non-Resident VAT Taxpayers, Taxpayer Accounting Application Module, Application for Tax Enforcement*) prepared.

Indicators of achievement:

- Analysis of the current business processes (from IT aspect) as well as IT system requirements for development of CTA IT system applications conducted and analysis report prepared; analysis will include business processes and system requirements related to development of the following CTA IT system applications:
 - *Application for Document Management*
 - *Application for Tax Violations Department*
 - *Application for Risk Analysis*
 - *Application for Unique Taxpayer Database*
 - *Tax Certificate Issuing Module*
 - *Database of Resident and Non-Resident VAT Taxpayers*
 - *Taxpayer Accounting Application Module*
 - *Application for Tax Enforcement*
- Recommendations for development of CTA IT system applications prepared that will cover:
 - *Application for Document Management*
 - *Application for Tax Violations Department*
 - *Application for Risk Analysis*
 - *Application for Unique Taxpayer Database*
 - *Tax Certificate Issuing Module*
 - *Database of Resident and Non-Resident VAT Taxpayers*
 - *Taxpayer Accounting Application Module*
 - *Application for Tax Enforcement*

2. Supervision of development of *Application for Document Management* performed.

Indicators of achievement:

- Supervision of development of *Application for Document Management* performed and monthly supervision reports prepared.
- Upon the end of supervision, final recommendations for future development and implementation of *Application for Document Management* prepared.

3. Supervision of development of *Application for Tax Violations Department* performed.

Indicators of achievement:

- Supervision of development of *Application for Tax Violations Department* performed and monthly supervision reports prepared.
- Upon the end of supervision, final recommendations for future development and implementation of *Application for Tax Violations Department* prepared.

4. Supervision of development of *Application for Risk Analysis* performed.

Indicators of achievement:

- Supervision of development of *Application for Risk Analysis* performed and monthly supervision reports prepared.
- Upon the end of supervision, final recommendations for future development and implementation of *Application for Risk Analysis* prepared.

5. Supervision of development of *Application for Unique Taxpayer Database* performed.

Indicators of achievement:

- Supervision of development of *Application for Unique Taxpayer Database* performed and monthly supervision reports prepared.
- Upon the end of supervision, final recommendations for future development and implementation of *Application for Unique Taxpayer Database* prepared.

6. Supervision of development of *Tax Certificate Issuing Module* performed.

Indicators of achievement:

- Supervision of development of *Tax Certificate Issuing Module* performed and monthly supervision reports prepared.
- Upon the end of supervision, final recommendations for future development and implementation of *Tax Certificate Issuing Module* prepared.

7. Supervision of development of *Database of Resident and Non-Resident VAT Taxpayers* performed.

Indicators of achievement:

- Supervision of development of *Database of Resident and Non-Resident VAT Taxpayers* performed and monthly supervision reports prepared.
- Upon the end of supervision, final recommendations for future development and implementation of *Database of Resident and Non-Resident VAT Taxpayers* prepared.

8. Supervision of development of *Taxpayer Accounting Application Module* performed.

Indicators of achievement:

- Supervision of development of *Taxpayer Accounting Application Module* performed and monthly supervision reports prepared.
- Upon the end of supervision, final recommendations for future development and implementation of *Taxpayer Accounting Application Module* prepared.

9. Supervision of development of *Application for Tax Enforcement* performed.

Indicators of achievement:

- Supervision of development of *Application for Tax Enforcement* performed and monthly supervision reports prepared.
- Upon the end of supervision, final recommendations for future development and implementation of *Application for Tax Enforcement* prepared.

3.4 Activities:

The activities listed below represent the minimum activities to be implemented in the course of the Twinning project. Member State(s) may propose additional activities in line with the methodology elaborated in its proposal.

1.1. Conducting analysis of the current business processes (from IT aspect) as well as IT system requirements for development of CTA applications and preparing analysis report; analysis will include business processes and system requirements related to development of the following CTA applications:

- *Application for Document Management*
- *Application for Tax Violations Department*
- *Application for Risk Analysis*
- *Application for Unique Taxpayer Database*
- *Tax Certificate Issuing Module*
- *Database of Resident and Non-Resident VAT Taxpayers*
- *Taxpayer Accounting Application Module*
- *Application for Tax Enforcement*

1.2. Based on the analysis of business processes and IT system requirements, preparing recommendations for development of the CTA applications that will cover:

- *Application for Document Management*
- *Application for Tax Violations Department*
- *Application for Risk Analysis*
- *Application for Unique Taxpayer Database*
- *Tax Certificate Issuing Module*
- *Database of Resident and Non-Resident VAT Taxpayers*
- *Taxpayer Accounting Application Module*
- *Application for Tax Enforcement*

2.1. Performing supervision of development of *Application for Document Management* and preparing monthly supervision reports.

2.2. Upon the end of supervision, preparing final recommendations for future development and implementation of *Application for Document Management*.

3.1. Performing supervision of development of *Application for Tax Violations Department* and preparing monthly supervision reports.

3.2. Upon the end of supervision, preparing final recommendations for future development and implementation of *Application for Tax Violations Department*.

4.1. Performing supervision of development of *Application for Risk Analysis* and preparing monthly supervision reports.

4.2. Upon the end of supervision, preparing final recommendations for future development and implementation of *Application for Risk Analysis*.

5.1. Performing supervision of development of *Application for Unique Taxpayer Database* and preparing monthly supervision reports.

5.2. Upon the end of supervision, preparing final recommendations for future development and implementation of *Application for Unique Taxpayer Database*.

6.1. Performing supervision of development of *Tax Certificate Issuing Module* and preparing monthly supervision reports.

6.2. Upon the end of supervision, preparing final recommendations for future development and implementation of *Tax Certificate Issuing Module*.

7.1. Performing supervision of development of *Database of Resident and Non-Resident VAT Taxpayers* and preparing monthly supervision reports.

7.2. Upon the end of supervision, preparing final recommendations for future development and implementation of *Database of Resident and Non-Resident VAT Taxpayers*.

8.1. Performing supervision of development of *Taxpayer Accounting Application Module* and preparing monthly supervision reports.

8.2. Upon the end of supervision, preparing final recommendations for future development and implementation of *Taxpayer Accounting Application Module*.

9.1. Performing supervision of development of *Application for Tax Enforcement* and preparing monthly supervision reports.

9.2. Upon the end of supervision, preparing final recommendations for future development and implementation of *Application for Tax Enforcement*.

Two visibility events will be organized in the course of the implementation of the project; Kick-off meeting at the start of the implementation and the Final meeting at the end of the implementation of the project activities.

3.5 Means/ Input from the MS Partner Administration:

MS Project Leader may participate in the project also as the short-term expert (STE) and in case the MS Project Leader should satisfy requirements stipulated in the fiche for both the Project Leader and the relevant STE profile.

3.5.1 Profile and tasks of the Project Leader

Profile of the Project Leader

Requirements:

- University level education or equivalent professional experience of 10 years in the taxation field
- Minimum 6 years of experience in the taxation field
- High - ranking official
- Working level of English language
- Proven contractual relation to public administration or mandated body, as defined under Twinning manual 5.4.5

- Computer literacy
- Experience in project management

Assets:

- Experience in supervising or managing projects in the field of information technology (IT)
- Experience in development of IT applications in the taxation field
- Experience in business process analysis in the taxation field

Tasks of the Project Leader:

- Overall coordination and co-managing the implementation of the project in cooperation with the BC Project Leader
- Ensuring sound implementation of the envisaged activities and, if necessary, proposing remedial actions
- Coordinating the MS experts' work and availability
- Ensuring backstopping and financial management of the project in the MS
- Providing efficient leadership of the project
- Participation in Steering Committee meetings
- Project reporting

3.5.2 Profile and tasks of the RTA

Profile of the Resident Twinning Adviser

Requirements:

- University level education or equivalent professional experience of 10 years in the taxation field
- Minimum 5 years of experience in the taxation field
- Experience in development of IT system applications or business process analysis in the taxation field
- Working level of English language
- Proven contractual relation to public administration or mandated body as defined under Twinning manual 5.4.5.
- Computer literacy
- Experience in project management

Assets:

- Current experience in development of IT system applications
- Current experience in business process analysis

Tasks of Resident Twinning Adviser:

- Support and coordination of all activities in the BC
- Day to day management of the project in the beneficiary institution
- Coordination of the short-term experts activities
- Monitoring project implementation and proposing corrective actions, if required
- Organization of visibility events (kick-off and final event)
- Providing technical advice on EU policies and best practices, and assisting Croatian administration in the context of project work plan
- Executing administrative issues (e.g. assisting in reporting)
- Organization of PIU and Steering Committee meetings

- Networking with stakeholders of the project in Croatia and in MS

The duration of the RTA secondment is 18 months.

3.5.3 Profile and tasks of the short-term experts

For each of the proposed experts in the submitted proposal the Member state(s) is kindly requested to indicate the expert's profile.

Profile of the Short-term expert 1 (STE 1)

Requirements:

- University level education or equivalent professional experience of 8 years in the field of IT
- Minimum 3 years of experience in IT system applications development
- Working level of English language
- Proven contractual relation to public administration or mandated body, as defined under Twinning Manual 5.4.5

Assets:

- Experience in IT system application development in the taxation field
- Experience in development of IT Document Management System (DMS)
- Experience in development of IT Content Management System (CMS)
- Experience in development of IT Risk Management System (RMS)
- Experience in IT system application development related to Service Oriented Architecture (SOA) principles

Tasks of the Short-term expert 1:

- Close cooperation with the Croatian experts in undertaking all activities
- Advance preparation and familiarization with relevant documentation
- Participating in all activities under the scope of the project:
 - Analysing CTA current business processes (from IT aspect) as well as IT system requirements for development of CTA applications and preparing analysis report
 - Preparing recommendations for development of CTA applications (Application for Document Management, Application for Tax Violations Department, Application for Risk Analysis, Application for Unique Taxpayer Database, Tax Certificate Issuing Module, Database of Resident and Non-Resident VAT Taxpayers, Taxpayer Accounting Application Module, Application for Tax Enforcement)
 - Supervising development of CTA applications (Application for Document Management, Application for Tax Violations Department, Application for Risk Analysis, Application for Unique Taxpayer Database, Tax Certificate Issuing Module, Database of Resident and Non-Resident VAT Taxpayers, Taxpayer Accounting Application Module, Application for Tax Enforcement)
 - Preparing monthly supervisory reports and preparing final recommendations for future development and implementation of CTA applications

Profile of the Short-term expert 2 (STE 2)

Requirements:

- University level education or equivalent professional experience of 8 years in the taxation field

- Minimum 3 years of experience in the taxation core business³
- Experience in business process analysis in the taxation field
- Working level of English language
- Proven contractual relation to public administration or mandated body, as defined under Twinning Manual 5.4.5
- Computer literacy

Assets:

- Experience in preparing user requirements for development of IT applications
- Experience in business processes related to Document Management System (DMS)
- Experience in business processes related to Risk Management System (RMS)
- Experience in business processes related to connecting taxpayers databases
- Experience in procedures on combating tax violations
- Experience in taxpayer accounting
- Experience in VAT refund processes

Tasks of the Short-term expert 2:

- Close cooperation with the Croatian experts in undertaking all activities
- Advance preparation and familiarization with relevant documentation
- Participating in all activities under the scope of the project:
 - Analysing CTA current business processes (from IT aspect) as well as IT system requirements for development of CTA applications and preparing analysis report
 - Preparing recommendations for development of CTA applications (Application for Document Management, Application for Tax Violations Department, Application for Risk Analysis, Application for Unique Taxpayer Database, Tax Certificate Issuing Module, Database of Resident and Non-Resident VAT Taxpayers, Taxpayer Accounting Application Module, Application for Tax Enforcement)
 - Supervising development of CTA applications (Application for Document Management, Application for Tax Violations Department, Application for Risk Analysis, Application for Unique Taxpayer Database, Tax Certificate Issuing Module, Database of Resident and Non-Resident VAT Taxpayers, Taxpayer Accounting Application Module, Application for Tax Enforcement)
 - Preparing monthly supervisory reports and preparing final recommendations for future development and implementation of CTA applications

Note:

The pool of experts should include:

- At least one short-term expert who in addition to the respective profile requirements has experience in development of IT Document Management System (DMS).
- At least one short-term expert who in addition to the respective profile requirements has experience in development of IT Risk Management System (RMS).
- At least one short-term expert who in addition to the respective profile requirements has experience in development of IT Content Management System (CMS).

³ Taxation core business understands the following main activities of the tax administration: receiving tax returns, entering tax liabilities in tax accounts, collecting and refunding taxes, establishing tax base and tax liability, carrying out inspection supervision etc.

4. Institutional Framework

The Croatian Tax Administration (CTA) is an administrative organization within the Ministry of Finance of the Republic of Croatia. It is organized at three levels: the Head Office located in Zagreb, 6 Regional Tax Offices, Office for Large Taxpayers, and 55 Local Offices, which represent the constituent part of Regional Offices. CTA has 4262 employees in total.

The Head Office is responsible for execution of tax policy, determination of standards and organisation of the implementation of regulations. The Regional Offices are in charge of organizing immediate determination, monitoring and collection of taxes. They are also responsible for direct implementation of regulations regarding external audit, offence procedure and enforced collection of taxes. Local Offices are responsible for implementation of defined tax liabilities, monitoring and collection of taxes.

The Head Office is organised in 8 Divisions (Tax System Division; Division for European Affairs and International cooperation; Information system (IT) Division; Audit Division; Division for Tax Enforce Collection; Division for Human resources management, Legal and Financial Affairs, Division for Strategy and Development, Division for Large Taxpayers).

CTA Information System (IT) Division is the main beneficiary of this project. IT Division is located in Zagreb. It consists of 8 departments, employing altogether 66 staff members and covering the entire Croatia through a help desk support.

Due to complexity of CTA infrastructure, high volume of transactions and amount of work on maintenance and further development of IT applications, CTA has outsourced most of its IT work to Information Systems and Information Technology Support Agency (APIS-IT).

APIS-IT was founded at the end of 2005 by the contract between the Government of the Republic of Croatia and the City of Zagreb in order to perform tasks of development and maintenance of the crucial Croatian information systems. APIS-IT develops applicative services and keeps the necessary information databases as the basis for the modern functioning of the electronically supported Government. In creation of the information society in Croatia the role of APIS-IT is to develop and trace the implementation of the directions, norms and politics in eGovernment, give support to the bodies of the government administration in the development of its own strategy in eBusiness, develop and support common ICT infrastructure, promote the best practices in developing information systems, including the protection of the personal data, developing common electronic services and access to the information resources of the government administration with corresponding authorization and authentication.

This Twinning project will be coordinated by the beneficiary institution through the project team composed of members from the medium and executive managerial level of CTA IT Division, Division for Strategy and Development and Division for European Affairs and International cooperation.

The project will not lead to changes in the institutional framework as described.

The beneficiary institution will dedicate all necessary human and financial resources in order to guarantee an effective implementation of the respective project. In particular, the beneficiary institution will ensure the availability of the following provisions:

- Adequately equipped office space for the RTA and the RTA assistant for the entire duration of their secondment (in particular a desk, a telephone line, PC with e-mail account and internet access, possibility to use fax & copy services);
- Adequate conditions for the STEs to perform their work while on mission to the BC;
- Training and conference venues as well as presentation and interpretation equipment;
- Costs for travel by BC participants from their capitals to a MS or between MS (study visits);
- Its active involvement in preparation of the PIU and Steering Committee meetings and participation of its members on the same;
- The availability of the BC human resources (BC experts) during the implementation of the activities.

5. Budget

Croatian Tax Administration Information System applications development supervision (CRO TAXIT)	Transition Facility Community Contribution	National Co-financing	TOTAL
Twinning contract	95 % 665.000,00 EUR	5% 35.000,00 EUR	700.000,00 EUR

The total amounts of the Transition Facility Community Contribution and National Co-financing stipulated in the above table represent the total maximum amounts and therefore, they may be reduced at the level of the Twinning contract, while the relevant ratio (percentages) should be maintained as fixed.

The co-financing requirement foreseen under Transition Facility will be considered fulfilled according to the provision of the relevant Financing Agreement.

Interpretation costs will be reimbursed from the budget only for the purpose of workshops and seminars, up to 7% of the Contract amount can be used for translation and interpretation purposes.

6. Implementation Arrangements

6.1 Implementing Agency responsible for tendering, contracting and accounting:

Central Finance and Contracting Agency (CFCA)

Ulica grada Vukovara 284

10000 Zagreb, Croatia

Ms Nataša Mikuš Žigman, Director

Phone: + 385 1 4591 245

Fax: +385 1 4591 075

E-mail: procurement@safu.hr

Twinning Administrative Office

Central Finance and Contracting Agency

Ulica grada Vukovara 284

10000 Zagreb, Croatia

Ms Nirvana Sokolovski, Twinning NCP

Phone: +385 1 4591 245

Fax: + 385 1 4591 075

E-mail: twinning@safu.hr

6.2 Main counterpart in the BC:

Senior Programme Officer (SPO)

Ms Vladimira Ivandić
Head of Sector for EU
Ministry of Finance
Katančićeva 5
10000 Zagreb, Croatia
Phone: + 385 1 4591 258
Fax: + 385 1 4922 598
E-mail: vladimira.ivandic@mfin.hr

BC Project Leader

Ms Dubravka Sekulić Grgić
Assistant CTA Director General
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Boškovićeve 5
10000 Zagreb, Croatia
Phone: + 385 1 4809 240
Fax: + 385 1 4809 242
E-mail: dubravka.sekulic@porezna-uprava.hr

RTA counterpart

Mr Jurica Piskač
Head of IT Solution Development Department
Boškovićeve 5
10000 Zagreb, Croatia
Phone: + 385 1 4809 119
Fax: + 385 1 4809 135
E-mail: jurica.piskac@porezna-uprava.hr

Contact person

Mr Igor Piplović
Senior Expert Advisor for European Affairs
Sector for European affairs and International cooperation
Boškovićeve 5
10 000 Zagreb, Croatia
Phone: + 385 1 4809 403
Fax: + 385 1 4809 242
E-mail: igor.piplovic@porezna-uprava.hr

6.3 Contracts

It is envisaged that this Project will be implemented through one Twinning contract with the maximum amount of 700.000,00 EUR.

7. Implementation Schedule (indicative)

- 7.1 Launching of the call for proposals: 1Q 2015⁴
- 7.2 Start of project activities: 4Q 2015
- 7.3 Project completion: 2Q 2017
- 7.4 Duration of the execution period (number of months): 21 month; the execution period will end 3 months after the implementation period of the Action (work plan), which will take 18 months.

8. Sustainability

The Twinning project will give all necessary analyses and recommendations for development and modernization of 8 applications of ISTA which will be used in the course of development of the application through the Technical Assistance component of the overall project.

After successful implementation of this project and modernisation of CTA IT systems, CTA will be able to provide better support and new or faster services to taxpayers and citizens of Croatia. Consolidated CTA IT systems will resolve the issue of miscommunication and incompatibility which could happen with different IT systems and will enable easier maintenance and further development of CTA IT systems in the future. Furthermore, project results will set basis for more efficient tax collection and tax compliance and reduced costs of tax collection.

9. Crosscutting issues

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.

10. Conditionality and sequencing

a) Conditionality

n/a

b) Sequencing

- Given the complexity of the overall project “New Croatian Tax Administration Information System Applications” that is divided into three components (Twinning, Technical Assistance and Supply) the **Twinning component is envisaged to start one month before the Technical Assistance component** due to the fact that the Technical Assistance component should design, develop and upgrade applications based on the analyses and recommendations prepared through the Twinning component.

Twinning partners also need to supervise development, implementation and testing of applications during the implementation of Technical Assistance project.

⁴ Member States submitting proposals for Twinning projects implemented in Croatia, as well as the beneficiary institutions, will be requested to finalise drafting of the contracts in maximum four months regardless of the period of the year during which the drafting will take place.

Supply component of the overall project is independent from implementation of the Twinning and Technical Assistance projects.

- Twinning partners should also establish contact with IPA 2013 project “Strengthening of the Croatian Tax Administration’s Government to Business (G2B) capacities through consolidation of IT systems” (hereinafter: IPA 2013 G2B) to ensure cooperation and exchange of information due to complexity and required connection between the IPA 2013 G2B project and this Twinning project.

Moreover, through IPA 2013 G2B project *Tax Certificate Issuing Module* should be developed at the latest three months before the end of the Twinning project implementation in order to allow achievement of Result 6 of the Twinning project referring to supervision of development of *Tax Certificate Issuing Module*.

- Through Revenue Administration Modernization Project (RAMP), co-funded by the World Bank loan, *Application for Risk Analysis* should be developed at the latest three months before the end of the Twinning project implementation in order to allow achievement of Result 4 of the Twinning project referring to supervision of development of *Application for Risk Analysis*.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)

Annex 1. Logical framework matrix in standard format

Croatian Tax Administration Information System applications development supervision		Program name and number: Transition Facility	
Ministry of Finance - Croatian Tax Administration (CTA)		Contracting period expires: 3 years from the day on which the Commission notifies the Republic of Croatia that all of its internal procedures necessary for the adoption of this Decision have been fulfilled	Disbursement period expires: 4 years following the expiration of the contracting deadline
		Total budget: 700.000 EUR	TF financing: 95% (665.000 EUR) National co-financing: 5% (35.000 EUR) ⁵
Overall objective	Objectively Verifiable Indicators	Sources of Verification	
Capacity of the Croatian Tax Administration (CTA) in relation to functioning of the information technology (IT) services and control systems strengthened and further enforcement of EU legislation in the field of taxation in the Republic of Croatia ensured.	<ul style="list-style-type: none"> • Capability of CTA to speed up IT business processes increased for 10% after the end of the overall project • Set of new IT functionalities and services introduced to tax payers • Increased amount of taxes calculated and collected by 5% in the period of three years after the end of the Twinning project in comparison to the baseline data of 2014 (taking into account all the relevant depending variables such as the gross domestic income). • Increased number of identified and successfully prevented cases of attempts of tax fraud for 10% in the period of three years after the end of the Twinning 	<ul style="list-style-type: none"> • Annual Peer Base Missions Report • Relevant EC reports • Relevant National Reports • CTA statistical reports • MoF annual reports 	

⁵ The total amounts of the IPA Community Contribution and National Co-financing 8 stipulated in the above table represent the total maximum amounts and therefore, they may be reduced at the level of the Twinning light contract, while the relevant ratio (percentages) should be maintained as fixed. The co-financing requirement foreseen under IPA will be considered fulfilled according to the provision of the relevant Financing Agreement.

	project.		
Project purpose	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Recommendations for further development of CTA IT system, including e-services for taxpayers, produced and supervision of development of new CTA IT system applications performed.	<ul style="list-style-type: none"> • Recommendations for development of the 8 CTA office applications prepared. • Supervision of development and implementation of 8 CTA office applications performed and reports on supervision prepared. • Recommendations on each of the supervised application prepared. 	<ul style="list-style-type: none"> • Twinning project reports • Twinning project documentation • Monthly supervisory reports • Recommendations for development and implementation of CTA IT applications 	<ul style="list-style-type: none"> • Support by the CTA highest management • Adequate cooperation among relevant CTA departments and other stakeholders • Adequate BC experts appointed to participate in work groups established • Adequate coordination with related Technical Assistance project • Adequate coordination with the related projects: RAMP project, IPA 2013 G2B project and Technical assistance component of the overall project
Results	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Result 1: Recommendations for development of CTA IT system applications (<i>Application for Document Management, Application for Tax Violations Department, Application for Risk Analysis, Application for Unique Taxpayer Database, Tax Certificate Issuing Module, Database of Resident and Non-Resident VAT Taxpayers, Taxpayer Accounting Application Module, Application for Tax Enforcement</i>) prepared.	<ul style="list-style-type: none"> • Analysis of the current business processes (from IT aspect) as well as IT system requirements for development of CTA IT system applications conducted and analysis report prepared; analysis will include business processes and system requirements related to development of the following CTA IT system applications: <ul style="list-style-type: none"> - <i>Application for Document Management</i> - <i>Application for Tax Violations Department</i> - <i>Application for Risk Analysis</i> - <i>Application for Unique Taxpayer Database</i> - <i>Tax Certificate Issuing Module</i> - <i>Database of Resident and Non-Resident VAT Taxpayers</i> - <i>Taxpayer Accounting Application Module</i> - <i>Application for Tax Enforcement</i> 	<ul style="list-style-type: none"> Project Progress Reports Final Project Report User Acceptance Testing Report 	<ul style="list-style-type: none"> • Support by the CTA highest management • Adequate cooperation among relevant CTA departments and other stakeholders • Adequate BC experts appointed to participate in work groups established • Adequate coordination with the related projects: RAMP project, IPA 2013 G2B project and Technical assistance component of the overall project

<p>Result 2: Supervision of development of <i>Application for Document Management</i> performed.</p> <p>Result 3: Supervision of development of <i>Application for Tax Violations Department</i> performed.</p> <p>Result 4: Supervision of development of <i>Application for Risk Analysis</i> performed.</p>	<ul style="list-style-type: none"> • Recommendations for development of CTA IT system applications prepared that will cover: <ul style="list-style-type: none"> - <i>Application for Document Management</i> - <i>Application for Tax Violations Department</i> - <i>Application for Risk Analysis</i> - <i>Application for Unique Taxpayer Database</i> - <i>Tax Certificate Issuing Module</i> - <i>Database of Resident and Non-Resident VAT Taxpayers</i> - <i>Taxpayer Accounting Application Module</i> - <i>Application for Tax Enforcement</i> • Supervision of development of <i>Application for Document Management</i> performed and monthly supervision reports prepared. • Upon the end of supervision, final recommendations for future development and implementation of <i>Application for Document Management</i> prepared. • Supervision of development of <i>Application for Tax Violations Department</i> performed and monthly supervision reports prepared. • Upon the end of supervision, final recommendations for future development and implementation of <i>Application for Tax Violations Department</i> prepared. • Supervision of development of <i>Application for Risk Analysis</i> performed and monthly supervision reports 	
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<p>Result 5: Supervision of development of <i>Application for Unique Taxpayer Database</i> performed.</p>	<p>prepared.</p> <ul style="list-style-type: none"> • Upon the end of supervision, final recommendations for future development and implementation of <i>Application for Risk Analysis</i> prepared. • Supervision of development of <i>Application for Unique Taxpayer Database</i> performed and monthly supervision reports prepared. • Upon the end of supervision, final recommendations for future development and implementation of <i>Application for Unique Taxpayer Database</i> prepared. 	
<p>Result 6: Supervision of development of <i>Tax Certificate Issuing Module</i> performed.</p>	<ul style="list-style-type: none"> • Supervision of development of <i>Tax Certificate Issuing Module</i> performed and monthly supervision reports prepared. • Upon the end of supervision, final recommendations for future development and implementation of <i>Tax Certificate Issuing Module</i> prepared. 	
<p>Result 7: Supervision of development of <i>Database of Resident and Non-Resident VAT Taxpayers</i> performed.</p>	<ul style="list-style-type: none"> • Supervision of development of <i>Database of Resident and Non-Resident VAT Taxpayers</i> performed and monthly supervision reports prepared. • Upon the end of supervision, final recommendations for future development and implementation of <i>Database of Resident and Non-Resident VAT Taxpayers</i> prepared. 	
<p>Result 8: Supervision of development of <i>Taxpayer Accounting Application Module</i> performed.</p>	<ul style="list-style-type: none"> • Supervision of development of <i>Taxpayer Accounting Application Module</i> performed and monthly supervision reports prepared. 	

<p>Result 9: Supervision of development of <i>Application for Tax Enforcement</i> performed.</p>	<ul style="list-style-type: none"> • Upon the end of supervision, final recommendations for future development and implementation of <i>Taxpayer Accounting Application Module</i> prepared. • Supervision of development of <i>Application for Tax Enforcement</i> performed and monthly supervision reports prepared. • Upon the end of supervision, final recommendations for future development and implementation of <i>Application for Tax Enforcement</i> prepared. 		
Activities	Means	Specification of costs	Assumptions
<p>The activities listed below represent the minimum activities to be implemented in the course of the Twinning project. Member State(s) may propose additional activities in line with the methodology elaborated in its proposal.</p> <p>Activity 1.1: Conducting analysis of the current business processes (from IT aspect) as well as IT system requirements for development of CTA applications and preparing analysis report; analysis will include business processes and system requirements related to development of the following CTA applications:</p> <ul style="list-style-type: none"> - <i>Application for Document Management</i> - <i>Application for Tax Violations Department</i> - <i>Application for Risk Analysis</i> - <i>Application for Unique Taxpayer Database</i> 	<p>Analysis, Preparation of documentation, Consultations, Round table discussions</p>	<p>700.000,00 EUR</p>	<ul style="list-style-type: none"> • Support by the CTA highest management • Adequate cooperation among relevant CTA departments and other stakeholders • Adequate BC experts appointed to participate in work groups established • Adequate coordination with the related projects: RAMP project, IPA 2013 G2B project and Technical assistance component of the overall project

<ul style="list-style-type: none"> - <i>Tax Certificate Issuing Module</i> - <i>Database of Resident and Non-Resident VAT Taxpayers</i> - <i>Taxpayer Accounting Application Module</i> - <i>Application for Tax Enforcement</i> <p>Activity 1.2: Based on the analysis of business processes and IT system requirements, preparing recommendations for development of the CTA applications that will cover:</p> <ul style="list-style-type: none"> - <i>Application for Document Management</i> - <i>Application for Tax Violations Department</i> - <i>Application for Risk Analysis</i> - <i>Application for Unique Taxpayer Database</i> - <i>Tax Certificate Issuing Module</i> - <i>Database of Resident and Non-Resident VAT Taxpayers</i> - <i>Taxpayer Accounting Application Module</i> - <i>Application for Tax Enforcement</i> <p>Activity 2.1: Performing supervision of development of <i>Application for Document Management</i> and preparing monthly supervision reports.</p> <p>Activity 2.2: Upon the end of supervision, preparing final recommendations for future development and implementation of <i>Application for Document Management</i>.</p> <p>Activity 3.1: Performing supervision of development of <i>Application for Tax Violations Department</i> and preparing</p>	<p>Consultations, Round table discussions, Preparation of documentation</p> <p>Supervision, Consultations, Preparation of documentation</p> <p>Consultations, Round table discussions Preparation of documentation</p> <p>Supervision, Consultations, Preparation of documentation</p>		
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<p>monthly supervision reports.</p> <p>Activity 3.2: Upon the end of supervision, preparing final recommendations for future development and implementation of <i>Application for Tax Violations Department</i>.</p> <p>Activity 4.1: Performing supervision of development of <i>Application for Risk Analysis</i> and preparing monthly supervision reports.</p> <p>Activity 4.2: Upon the end of supervision, preparing final recommendations for future development and implementation of <i>Application for Risk Analysis</i>.</p> <p>Activity 5.1: Performing supervision of development of <i>Application for Unique Taxpayer Database</i> and preparing monthly supervision reports.</p> <p>Activity 5.2: Upon the end of supervision, preparing final recommendations for future development and implementation of <i>Application for Unique Taxpayer Database</i>.</p> <p>Activity 6.1: Performing supervision of development of <i>Tax Certificate Issuing Module</i> and preparing monthly supervision reports.</p> <p>Activity 6.2: Upon the end of supervision, preparing final recommendations for future development and implementation of <i>Tax Certificate Issuing Module</i>.</p>	<p>Consultations, Round table discussions Preparation of documentation</p> <p>Supervision, Consultations, Preparation of documentation</p> <p>Consultations, Round table discussions Preparation of documentation</p> <p>Supervision, Consultations, Preparation of documentation</p> <p>Consultations, Round table discussions Preparation of documentation</p> <p>Supervision, Consultations, Preparation of documentation</p> <p>Consultations, Round table discussions Preparation of documentation</p>		
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<p>Activity 7.1: Performing supervision of development of <i>Database of Resident and Non-Resident VAT Taxpayers</i> and preparing monthly supervision reports.</p> <p>Activity 7.2: Upon the end of supervision, preparing final recommendations for future development and implementation of <i>Database of Resident and Non-Resident VAT Taxpayers</i>.</p> <p>Activity 8.1: Performing supervision of development of <i>Taxpayer Accounting Application Module</i> and preparing monthly supervision reports.</p> <p>Activity 8.2: Upon the end of supervision, preparing final recommendations for future development and implementation of <i>Taxpayer Accounting Application Module</i>.</p> <p>Activity 9.1: Performing supervision of development of <i>Application for Tax Enforcement</i> and preparing monthly supervision reports.</p> <p>Activity 9.2: Upon the end of supervision, preparing final recommendations for future development and implementation of <i>Application for Tax Enforcement</i>.</p>	<p>Supervision, Consultations, Preparation of documentation</p> <p>Consultations, Round table discussions Preparation of documentation</p> <p>Supervision, Consultations, Preparation of documentation</p> <p>Consultations, Round table discussions Preparation of documentation</p> <p>Supervision, Consultations, Preparation of documentation</p> <p>Consultations, Round table discussions Preparation of documentation</p>		
			<p>Preconditions:</p> <p>n/a</p>

Annex 2. Detailed implementation chart

Croatian Tax Administration Information System applications development supervision (CRO TAXIT)	2015												2016												2017						
Month	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
Twining	T	T	T	T	C	C	C	C	C	C	A/I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	R	R	R

T – Call for proposals and evaluation

C – Contracting

A/I – Arrival of the RTA/ Start of the implementation of activities

I – Implementation of activities

R – Report

Annex 3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)

Croatian Tax Administration Information System applications development supervision (CRO TAXIT)	Cumulative contracting schedule by quarters in EUR (provisional)			
	2015			
	I	II	III	IV
Twining				700.000,00
TOTAL (EUR):				700.000,00

Croatian Tax Administration Information System applications development supervision (CRO TAXIT)	Cumulative disbursement schedule by quarters in EUR (provisional)											
	2015				2016				2017			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Twining				455.285,00				174.715,00				70.000,00
TOTAL (EUR):				455.285,00				630.000,00				700.000,00