



Public Administration in Estonia

Positively transforming



Foreword

Dear reader,

This booklet provides you an introduction to the current initiatives in Estonian public administration. It also gives a short retrospective to the reforms that have been carried out since Estonia regained its independence in 1991, after fifty years of Soviet occupation. In 2004 Estonia became a member of NATO and the European Union. After building up the modern public administration system our current challenge is to bring it in line with the European principles of good governance.

Modernisation of Estonian public administration started at the beginning of the nineties and mainly focused on the decentralisation and delegation of public functions to the private sector. Today, Estonia has one of the most successful privatisation histories in the post-communist space. Estonia eliminated all tariffs, constitutionally mandated a balanced budget, established the first flat-rate income tax in Europe and eliminated the corporate income tax.

You can read about the promotion of quality management tools in Estonian central government and the dissemination of the CAF model that has become one of the most frequently used quality management tools. An important focus of public administration modernisation has been the promotion of ICT usage in the public sector. In order to catch up with the developed countries, we had to identify and follow the most promising trends of growth in the emerging information society. You can read about the current e-Governance initiatives in Estonia, where 52% of the population are Internet users. A good example is the introduction of new ID cards equipped with microchips, making it possible to implement the digital signature and create a basis for further expansion of IT services. By July 2004, 543 000 ID cards were already issued. This is a remarkable figure as the whole population of Estonia is only 1.4 million. One of our next challenges is the introduction of an e-voting programme, giving citizens an opportunity to vote electronically.

Our task is also to enhance the overall administrative capacity in Estonia and to promote ethical principles in the public service. An important development has been the adoption of a long-term anti-corruption strategy "Honest State", approved by the Government in February 2004. Recent public service modernisation initiatives include the provision of greater flexibility in management, working out a competency framework for top civil servants and the implementation of a performance-related remuneration system in the public service.

Estonia is positively transforming. I hope you will find this booklet informative and stimulating.

Welcome to Estonia!

Marten Kokk

Director General
State Chancellery of the Republic of Estonia

Contents

1. Overview of the Estonian state institutions	6
1.1. Central Government	7
1.2. Local Government	8
2. Estonian public service system	9
2.1. Structure and size of the public service	9
2.2. Management of the public service	10
3. Modernisation of Estonian public administration	12
3.1. Reform programmes of 1990s	12
3.2. Current initiatives	14
3.2.1. Public service development	14
3.2.2. Quality management in the Estonian public sector	16
3.2.3. Estonian information policy and E-government	19
Useful websites	25

1. Overview of the Estonian state institutions

The institutional structure of the Estonian state is set out by the Constitution adopted in 1992. Estonia is a parliamentary democracy with *Riigikogu*, Estonian Parliament exercising supreme legislative power, the President of the Republic acting as the Head of the State and the Government of the Republic exercising the executive power. By Constitution, municipalities enjoy autonomy from the central government.

As a rule, 2-3 coalition partners who usually constitute the majority in the Parliament form the Government. The Cabinet contains up to 15 members, including one minister without portfolio, the Minister of Population Affairs. There are 11 ministries altogether, each headed by a Minister who collectively form the Government (the Cabinet). The Head of the Government is the Prime Minister who is not *primus inter pares*, but rather a mediator between coalition partners.

The Ministry of Interior is headed by two ministers - the Minister of Interior and the Minister for Regional Affairs. Two ministries also have the position of an Assistant Minister. However, there is no special minister responsible for public administration. The State Chancellery, led by the State Secretary who is the highest civil servant in the state, assists the Government and the Prime Minister in the carrying out of their constitutional and legal functions.

There are two main institutions supervising the functioning of the executive: the State Audit Office (SAO) and the Legal Chancellor. The State Auditor is the head of the SAO and is elected by the Parliament. The SAO has the responsibility for the supervision over the economic use of public resources and the effectiveness of the activities of institutions using those resources. It also performs value for money audits. The SAO also deals with the financial statements of the Government and gives its evaluation to the Parliament. The responsibility of the Legal Chancellor is to review the conformity of the legislation of the legislative and executive powers and of local governments with the Constitution and the laws, as well as the adherence to the principle of good governance in public administration. The Legal Chancellor also performs the function of an Ombudsman in Estonia.

1.1. Central government

Estonian public administration system includes central government and one-tier local government. Central government consists of ministries, boards, inspectorates and county governments. Ministries have a policy-making role, with a few exceptions in the case of which they are also directly involved in policy implementation. Subordinate agencies to the ministries such as boards and inspectorates (33) also have some policy advisory functions but their main task is to implement policy. In addition, there are 283 agencies subordinated to the ministries which provide services directly either to the citizens or to other government institutions.

Table 1. Administrative structure of a ministry

- Minister - responsible for policy direction of a Ministry
- Assistant Minister - two ministries have the position of an assistant minister in their structure
- Secretary General - administrative head of a Ministry
- Deputy Secretary General - 2-6 top managers responsible for different policy areas
- Head of Department - line manager responsible for managing the main structural units
- Head of Division/Bureau/Section - line manager responsible for managing the subunits of departments
- Other civil servants - e.g. advisers, specialists, experts

Administrative division at the regional level includes 15 counties with administrations supporting the County Governors. They represent the central government in regions and are appointed by the Government but are subordinated to the Minister of Regional Affairs. County Governors exercise supervisory function over local government legislation but more than that their role is to promote balanced regional development. In that capacity regional administrations work closely together with local governments and their associations. County governments also participate in business development, being the founders of regional Enterprise Development Centres. The agencies are free to organise their regional units, however, there is a tendency to concentrate into 4-6 units in bigger cities.

In addition, the functions of the state are carried out in the form of foundations (e.g. Enterprise Estonia, Estonian Science Foundation), bodies governed by the public law (e.g. universities, Estonian Health Insurance Fund), and a few state owned enterprises (e.g. Estonian Post, State Property, airports).

1.2. Local government

There are 241 local government units in Estonia, including 202 rural municipalities and 39 cities. Their size varies from the capital city of Tallinn with around 400 000 inhabitants to a small island Ruhnu with only 69 inhabitants. However, the functions of municipalities are the same by the law and they are primarily responsible for education, public works, housing, local road maintenance and primary level health care. Local government units are financially heavily dependent on the central government as only about 20 of them manage without any central government subsidies. The size of the grants from central government to local government equals to one third of income earned by the municipalities themselves.

Regional level cooperation between municipalities is undertaken in the form of local government associations. There are also national representative organisations of municipalities, such as the Association of Estonian Cities and Association of Municipalities of Estonia, who are involved in negotiations with the Government over central government transfers.

The present government intends to review the functions performed by local governments with an aim to delegate them some state functions and to promote co-operation at the local level.

2. Estonian public service system

Estonian public service is an open, position-based system. The status of Estonian public servants is defined by the Public Service Act that has been in force since 1996. Public servants are the staff employed by:

- central government (ministries, administrative agencies, boards and inspectorates, constitutional institutions, county governments) and
- municipalities (local governments).

There is also special legislation for specific groups of public servants including the diplomatic corps, the police, the judiciary and the military.

Public Service Code of Ethics in Estonia was adopted by the *Riigikogu* in 1999 and forms an appendix to the Public Service Act.

2.1. Structure and size of the public service

Central Government institutions, referred to as the civil service (18 998 as of 31 December 2003) include:

- 11 Ministries (2593)
- 33 Administrative agencies, Boards and Inspectorates (14 790)
- 6 Constitutional Institutions (805)
- 15 County Governments (810)
- Other institutions (National Archives, Prosecutor's Office etc.)

There are 241 local government authorities employing about 4500 public servants.

As defined by the Public Service Act and the Civil Servants' Official Titles and Salary Scale Act, the positions of state public servants are divided into three main grades:

- Higher/senior civil service (State Secretary, secretaries general, deputy secretaries general, directors, managers, heads of units and advisers)
- Middle-grade civil service (analysts, experts, consultants, specialists etc.)
- Junior civil service (assistants, clerks, specialists etc.)

- Estonian civil service is relatively young, with over 50% of civil servants aged under 40 and one-third aged under 30
- 42 % of civil servants are male and 58% female
- 49 % of civil servants have a degree in higher education

2.2. Management of the public service

Management and staffing in the Estonian public service is in general decentralised to each individual ministry or institution and therefore varies in practice. There is no ministry at the central government level with single powers to coordinate human resources policy in the public service, four institutions deal with its different aspects (see Table 2).

The Department of Public Service at the State Chancellery has the main responsibility for coordinating HR policy in the Estonian public service. The Department develops centrally agreed personnel management principles for the public service, promotes cooperation between the personnel and training managers in individual organisations, provides guidelines and best practice information as well as formulates national training priorities for the public service.

The Ministry of Finance, Department of Public Governance is mainly responsible for determining public service remuneration policy. It also analyses the pay structures and salary levels of individual agencies. The ministry participates in negotiations with the trade unions of state employees, led by the Minister of Social Affairs. It is likewise responsible for the elaboration and implementation of the principles of performance management and quality management that have broader influence on the public service system.

The Ministry of Justice deals with drafting legislation concerning the Estonian public service and the Ministry of Internal Affairs is responsible for coordinating local government policy, including several HR issues related to the local government public service.

The general framework and the main principles for public personnel management are provided by the Public Service Act as well as by national priorities and centrally set advisory guidelines regarding public service development. However, excluding top civil servants who are appointed, evaluated and promoted centrally, there is still room for decision-making at individual agency level. Ministries, boards, inspectorates as well as county governments and local governments are responsible for developing their own HR policies and practices, taking into account both the central regulations and the specific needs of their organisations.

Table 2. Division of responsibilities for public administration development

State Chancellery	<ul style="list-style-type: none"> • Coordination of public service human resource management, including recruitment and selection, training and development, performance evaluation, implementation of public service Code of Ethics. • Development of Government decision-making procedures and E-government • Quality assurance of Government legal acts • Development of electronic records management and archiving
Ministry of Finance	<ul style="list-style-type: none"> • Promotion of quality development, organiser of Pilot Public Sector Quality Award competition • Development of remuneration policy in the civil service, participating in pay negotiations (led by the Minister of Social Affairs) • Development of strategic planning system for the central government, reform of budgetary procedures and financial management • Responsible for setting internal audit standards and promoting good practices
Ministry of Interior, Minister for Regional Affairs	<ul style="list-style-type: none"> • Development of regional and local administration
Ministry of Justice	<ul style="list-style-type: none"> • Public service legislation, general public law development
Ministry of Economic Affairs and Communications	<ul style="list-style-type: none"> • Development of state information systems, IT infrastructure at regional and municipal level, digital signature and its applications

3. Modernisation of Estonian public administration

Since the beginning of 1990s until 1996 the main challenge of Estonian public administration development has been the building up of basic structures and systems of the state. One of the tendencies has been to restructure and downsize the public administration system. A number of ministries were joined and parallel to administrative reorganisations many state-owned enterprises were privatised. It has been noted that the adoption of the Public Service Law in 1995 (came into force in 1996) signified the end of that period. From then onwards successive governments adopted a more holistic and complex view on public administration modernisation.

3.1. Reform programmes of 1990s

The first Public Administration Development Concept (PADC) Paper was adopted by the Government in 1999. This document represented a comprehensive effort to develop a reform strategy involving a broad range of experts from different parts of the administration. The PADC covered a broad agenda and addressed the main goals and objectives of public administration reform such as the increased productivity of the public sector, cost-effective use of budget resources and improved service delivery. In the context of EU accession this also meant effective implementation of international standards and requirements through an efficient public administration with adequate institutions, resources and skills.

The PADC stressed the need to clearly define the role of different government institutions and to make them more efficient and outcome/goal oriented. It placed great emphasis on decentralisation and delegation of functions to lower levels of government, to the private sector and the civil society. The paper also highlighted the lack of coordination between different parts of the administration, overlapping of functions, the lack of transparency and internal controls, deficiencies in the implementation of legislation and weakness of human resource management. The Office of Public Administration within the State Chancellery was set up to provide leadership for the reform and assist the Government in formulating public administration policy and its implementation. As the parliamentary elections in March 1999 drew close, the Programme remained implemented.

After the 1999 elections the public administration reform gained a prominent position on the Government agenda. The chapter „The State for

the People“ of the Coalition Agreement outlined the main features of the desirable state of public administration, mentioning among others the need for providing quality public services, achieving greater responsiveness to the needs of citizens and customers, the need for stronger local government units as well as more flexible, competitive and well managed civil service.

The Government Public Administration Reform Programme of 2001 was formulated on the basis of the above objectives. The Programme largely picked up from where the previous one ended, however, it more clearly established five strategic areas in which outcomes were most expected:

- Clear definition of managerial roles within and between ministries and their subordinate agencies as well as improved co-operation;
- citizen-oriented public administration;
- reform of the budgetary process and financial management, development of internal audit;
- civil service reform with an aim to make it more flexible, bringing the terms of service more similar to those on the labour market;
- administrative reform of local government and regional institutions.

The use of information technology in public administration gained prominence during the course of Programme implementation. However, in public opinion the public administration reform became mainly associated with the unification of local government units, which also affected the political discourse and action. The toughest nut to be cracked appeared to be the very issue of joining local government units, of whether it could be forced by the central government or only implemented if the local decision-makers so decided. Disagreement about this issue eventually led to the premature change of government in 2002.

Since 2002 the previous approach to public administration reform as centrally co-ordinated set of activities has been replaced by public administration modernisation as an everyday task of ministries and the State Chancellery (see Table 2). The so-called temporary government called into office before the 2003 *Riigikogu* elections did not consider it appropriate to aggressively pursue changes that were initiated by the previous government.

In summary, during the 1990s the Estonian public administration development has gradually shifted from basic systems development towards fine-tuning. While the basic public administration systems were built up by the middle of the 1990s, recent approaches towards modernisation have become more complex and selective.

3.2. Current initiatives

3.2.1. Public service development

The coalition agreement concluded in March 2003 after the last elections includes several initiatives regarding public administration development, but apart from the intentions of previous governments a comprehensive reform programme is not foreseen. The Framework Document for Public Service Development was elaborated in 2004, a broad strategy outlining the following main principles for public service development in Estonia:

- Flexibility in management - heads of government agencies should be delegated more authority and responsibility in managing resources and performance of individual organisations. Performance contracts will be introduced, constituting an agreement between the minister and the head of a government agency (incl. Secretary General) about the targets set to be achieved during their term of employment.
- Competent public servants - qualification standards, effective evaluation and development mechanisms should be developed in order to provide good governance, achieve accountability, impartiality and professional competence in the public service;
- Performance-related remuneration system - public service management and remuneration system should focus more on the competences and performance of individual public servants; where applicable, performance related pay is possible;
- Deregulation - employment in the public service should be less strictly regulated, providing closer integration with general labour law and employment relations.

Following the agreement on the main principles set out in the Framework Document, a new Public Service Act will be drafted and adopted, expectedly in 2005.

Another important development is the promotion of ethical principles and anti-corruption measures in the public service. Anti-Corruption Strategy "Honest State" was approved by the Government in February 2004 with the main measures foreseen including:

- the establishment of a Public Service Council of Ethics by the State Chancellery;

- further promotion of the Code of Ethics and raising of awareness about ethical principles in the public service;
- integration of ethics modules into public service training programmes;
- working out new training initiatives and guidelines for practical implementation of codes of ethics in public sector organisations.

One of the major developments in Estonian public administration in the upcoming years will be the implementation of strategic planning in public administration. The Ministry of Finance has prepared a draft of government regulation on the development of ministry strategic plans. On one hand - strategic planning should become a cornerstone of forethought common within the whole state, the way state agencies plan and assess their activities, and on the other it should form the basis for the state budgeting process. As such, its objective is to create premises that state budget supports execution of the priorities the government defined for the medium-term perspective, and the use of budgetary means would be purposeful and effective. According to the regulation, ministries should complete the drafting of their strategic plans by 1 March 2005.

The preparation of the state budget strategy for 2004-2007, the key framework for the annual budget, was for the first time in 2003 based on the principle of ministries describing their areas of governance as the Key Result Areas (KRA-s) and identifying strategic objectives for each. The estimated costs of KRA-s would function as highly aggregated programmes in the state budget. In the future, cost accounting should allow specifying the costs first by KRA-s and later by measures. This change also serves as a premise of gradually delegating the right to make decisions concerning the use of resources from ministers to secretary-generals and heads of government agencies (see previous page on "flexible management").

Developments at the local government level include the government plan to continue with the unification of local government units with an aim of promoting voluntary mergers. According to the law adopted in June 2004, local governments that decide to merge will receive a time-limited grant from the state budget.

With the help of the EU structural funds, developing administrative capacity in Estonia is one of the European Social Fund measures in 2004-2007, consisting of three main components:

- Development of the state and particularly local government administrative capacity primarily through training;
- Development of the public service training and development system;
- Promotion of the quality of management in the public service by funding management development projects of individual public sector organisations

3.2.2. Quality management in the Estonian public sector

Main counterparts

The Ministry of Finance, Department of Public Governance has a significant role in promoting quality management in Estonian central government. The role of the department is on one hand to elaborate policies and proposals for the implementation of quality management at the central government level, and on the other hand to implement these policies and proposals. Introduction of quality management serves as one measure to enhance public administration efficiency and its use facilitates the implementation of strategic planning through the creation of a well-established management system and continuous improvement of management quality.

Among other tasks the Department is also responsible for the dissemination of the CAF-model in Estonia and for conducting training and different projects for promoting its use. The department is likewise responsible for coordinating the process of elaboration and implementation of public service standards (Estonian version of the Citizen Charters). In addition, the Ministry of Finance takes part in the activities of the EU Public Administration Network Innovative Public Services Group and participates actively in the further development of the CAF-model at EU-level.

In promoting quality work in the Estonian public sector the Department of Public Governance also co-operates with the Ministry of Economic Affairs and Communications (responsible for promoting quality management in the private sector), Enterprise Estonia (responsible for implementation of respective policy in the private sector), Estonian Quality Association (provides some of the leading experts in the field), the Centre for Public Service Training and Development (provides public service in-service training in quality management) and other actors.

So far the quality initiatives have been carried out mostly at the central government level (Public Sector Quality Award Pilot Project 2003), or sector-specifically (Vocational Training Institutions Quality Award Pilot Project 2003). Local governments in general are yet not interested or capable (with a few exceptions, such as the capital city Tallinn) in implementing quality management principles.

Promotion of quality in public administration

Promotion of quality management in Estonia started only in 2001. Its underpinnings lie in the Government Public Administration Reform Programme of 2001 that among other strategic areas also contained a strategy for developing citizen-oriented public administration. The aim of the strategy was to improve the performance and quality of the management of public organisations, using modern efficient management methods, as well as to provide high-quality public services to the citizens involving them in the service delivery processes.

The strategy stressed such principles and tools as customer-friendly public administration, the system of public service standards, integrated service provision (one stop shops), quality awards and prizes.

Public Administration Reform Programme envisaged the following measures for achieving high quality public services:

- Public sector managers' increased awareness of quality issues
- Use of public service standards in order to provide more transparent and citizen-oriented service
- Development of effective consultation mechanisms with citizens
- Integration of service provision
- Widespread usage of information and communication technology
- Introduction of quality awards

However, the approach that the Cabinet of that time took towards improvement of public services provision was rather hands-off. The models and methods regarding quality management could be chosen by all public organizations themselves.

Quality initiatives and tools

Although the period of promoting quality management tools in Estonian public administration has been quite short, there are a few cases worthwhile mentioning.

According to the survey carried out by the Ministry of Finance in 2002, there is a variety of different quality methods used at the central government level, including citizen's charters, ISO9000 standards and

the EFQM-model (for self-assessment). However, the survey showed that the number of state agencies involved in quality management is very small and quality improvement initiatives have only been introduced very recently.

The most frequently used quality management model in the Estonian public sector is the CAF model as approximately 15 public sector organizations have reported to use it.

Quality awards

Public administration organisations are free to take part in the Estonian Quality Award competition organised by Enterprise Estonia, although there is no special category for public sector organisations. So far, a few public sector organizations have taken part in the competition. The criterion for the Estonian Quality Award is the EFQM-model. There is also a more focused quality award for the vocational schools. At the local government level the capital city of Tallinn has carried out a quality award contest for schools and kindergartens.

In 2003 the Ministry of Finance organised the Public Sector Quality Award Pilot Project based on the CAF 2002 model. 10 state agencies took part in the pilot project although the interest in the pilot phase was even higher. No winner was announced this time. The objectives of the project were to stimulate organisational analyses by self-assessment using the CAF model with an aim to:

- raise the awareness about quality management;
- conduct an evaluation of strengths and weaknesses of an organization;
- compare an organisation with other organisations, adding the external assessment component to self-assessment;
- provide public recognition for state agencies and their staff.

Overall, the Ministry of Finance, the participants and assessors considered the process very useful in informing state agencies about the benefits of self-evaluation and quality management, and thus promoting new ideas and thinking in public administration.

Citizen charters

Two decisions of the government (2000 and 2001) form the basis of an extensive use of service charters in Estonian public administration. An initial objective was that citizen charters for all public services should be elaborated by the beginning of 2005. The main and far-reaching aim of this instrument is to link budget costs with real outputs and create some measurable indicators for the evaluation of performance of state

agencies. Another main aim is to promote client-orientation in the public sector and to create service agreements between citizens as customers of a particular service and public sector organisations on the other hand. According to recent data from a survey, this task has been approached differently by different public sector organisations due to insufficient coordination from the centre. Local governments have not shown much interest in implementing service standards voluntarily.

National Benchmarking/Best Practices

The method of benchmarking is relatively little known in the Estonian public sector. There have been attempts by some organisations like regional governments to launch such initiatives, but these have not yet provided any significant results.

Like benchmarking, the method of best practices is not generally used in Estonia. The Public Sector Quality Award Pilot Project of 2003 and the selection process of best practice cases for presentation at the 3rd Quality Conference for Public Administrations in the EU can be considered as the first attempts in the field.

Training in Quality Management

Quality management is one of the Government approved Public Service Training Priorities for the year 2004. The Centre for Public Service Training and Development is the main institution to provide training according to these lines. However, since the Estonian public service training system is decentralised, each public organisation is free to buy training and consultancy from various training providers.

The Ministry of Finance also conducts seminars and in-house training events for organisations interested in implementing the CAF model and citizen charters. One of the most effective training courses was provided during the course of the Public Sector Quality Award Pilot Project 2003, in cooperation with the private TQM consultancy company. Approximately 40 assessors both from the public and private sectors as well as representatives from 10 participating organisations were trained.

3.2.3. Estonian information policy and E-government

Main actors

An institution responsible for developing Estonian information policy is the Ministry of Economic Affairs and Communications. The Ministry's main tasks in this field are to coordinate the development of state information systems and to develop state information policy and strategy in the field of informatics. Another important developer at the state level is the Estonian Informatics Centre subordinate to the Ministry.

The goals and priorities stated in the Principles of Estonian Information Policy, approved by the *Riigikogu* in 1998, specific political decisions made by the government and *Riigikogu* as well as EU information society development documents (eEurope 2005) are used in formulating the state information policy. There is fruitful cooperation between the state, the private sector and the NGO-s in the development of information society, especially a common infrastructure for the promotion of digital signature.

Five Estonian universities, a number of technical educational institutions and many training companies provide basic and specialized education in IT and IT management. The E-governance academy was established in 2002 as a non-profit organization for the development and analysis of e-governance and e-democracy, with the aim to transfer knowledge to top policy-makers and government information and communication technologies specialists in EU candidate countries and developing nations.

Policy Framework

One of the government priorities since 1999 has been the promotion of a use of information and communication technology in public administration with the objective to make communication between a citizen and the state, as well as between state institutions themselves, easier and more cost-effective. IT solutions are also directly connected with the integration of service portals in the Internet. Information technology was seen as playing an important role in the attempt of making Estonian public administration more open, transparent, accessible and flexible. An objective has been to create the state that would function 24 hours per day, 7 days a week.

Information society development priorities for 2004-2006, stated in the document amending the Principles of Estonian Information Policy are:

- development of e-services for citizens, business sector and public administration;
- analysis and provision of IT-solutions promoting the development of eDemocracy (e.g. creating an operational electronic voting system);
- increase of the effectiveness of the public sector (integration of state registers, new finance and statistical information system);
- increase of the computer literacy of population, eEducation;
- development of the Information Technology Security Policy, eSecurity, sustaining international reputation of Estonia as a well developing information and communication technology nation;
- increasing opportunities for the society to use IT and digital solutions.

E-Government and E-Democracy

Developments in the area of ICT in public administration are very much project based. Three most significant cases are the Internet broadband infrastructure, establishment of the data exchange layer of national databases X-Road, and the national ID-card.

Data communication infrastructure in Estonia has mainly been developed through two large projects: *PeaTee* (Main Road) and *KülaTee* (Village Road). The former is a backbone network, launched in 1998, which connects all Estonian country centres and several nodes in the capital city Tallinn. *PeaTee* is a public network financed centrally from the state budget. Every state and local government agency has a right to use it. It has to pay only for access to the backbone network, its use is free of charge. As a follow-on project to *PeaTee*, a target programme *KülaTee* was carried out in 1999-2001. The aim of the programme was to provide data communication services for local government agencies, schools and libraries. Infrastructure was built in rural areas for providing data communication and permanent Internet connections. It is estimated that 99,4 % of government work places now have Internet connection.

X-road is a programme for modernising national databases with the aim to turn them into a common, public, service-rendering resource. This would allow agencies, legal entities and the public to search data from national databases over the Internet, provided they are entitled to do so. Every citizen can use the system via the citizen portal (see eCitizen project below). The use of services presumes authentication that can be done either with the Estonian ID card or by using Internet bank authentication codes.

E-Citizen is a nation-wide project for developing co-operation between Estonian citizens and the public sector using the Internet. It started with the aim of creating a citizen portal in the Internet, but is now developing into a unique solution enabling citizens to participate in the information society. Every citizen will have his/her own information system (virtual office), which he or she can access with the ID card. The citizen communicates with all other information systems in the state via this personal information system, while these systems have an obligation to communicate with the citizen's office and reflect the state of processing his/her affairs to that office. The citizen no longer needs to search for services, but has the opportunity to order services and follow the processing of these without leaving his/her "office".

Since 2002 the Citizenship and Migration Board has been issuing a new primary domestic identification document the ID card, which is a chipcard carrying the digital signature. What is the strength of the

digital signature in Estonia is that a document digitally signed is legally equivalent to a paper document manually signed. Therefore, no special services are needed to be discovered with which digital signature can be used. For example, the courts already accept documents digitally signed and have trained the officials to do so. By July 2004, already 543 000 ID-cards were issued.

In 2000 the Government of Estonia changed its Cabinet meetings to paperless sessions using a web-based document system. The objective of the new web-based system is to automate the preparation process and the proceedings of Cabinet meetings, which includes preparing as many materials as possible digitally. Ministers peruse draft bills and regulations, make comments and suggestions and vote entirely online at computer terminals. The system has increased the speed of decision-making in regard to issues producing no disagreement, hence leaving more time for substantive policy discussions.

In 1998 an Internet portal called the Estonian State Web Centre was created, containing links to the websites of all governmental institutions and giving access to nearly all the official documents. Current election laws include an e-voting option beginning with the 2005 elections. In order to vote electronically, a citizen needs to have the digital signature certificate and electronic voting would take place only on advance polling days. Electronic voting does not eliminate traditional voting but it provides a convenient alternative for paper voting.

In 2001 the Government created a web page "*Täna Otsustan Mina*", "Today I Make Decisions". Ministries upload all their draft bills and amendments there, allowing people to review, comment on and make proposals on the legislative process as well as propose amendments to existing legislation. Proposals made through the web page are forwarded to responsible ministries for compulsory response.

ICT joint projects

A number of private companies together with the public sector launched a project, called Look @ the World, as a result of which the percentage of Internet users in Estonia should increase from the present numbers to over 90% or exceed Finland's corresponding indicator within three years. The project focuses on further improvement of access to the Internet in Estonia by establishing public access points and has provided basic Internet user training for 100,000 inhabitants around the country.

Facts about Internet use in Estonia:

- 52 per cent of the population are Internet users (June 2004)
- All Estonian schools are connected to the Internet
- There are over 700 Public Internet Access Points in Estonia, 51 per 100 000 people
- Expenditures made by the government can be followed on the Internet in real-time
- 62 per cent of Estonian Internet users conduct their everyday banking via Internet

Useful websites

Estonian state web centre - www.riik.ee/en/

Office of the Prime Minister of Estonia - www.peaminister.ee

Government of the Republic of Estonia - www.riik.ee/en/valitsus/

President of the Republic of Estonia - www.president.ee

The State Chancellery - www.riigikantselei.ee

Ministry of Finance - www.fin.ee

Ministry of Foreign Affairs - www.vm.ee

Ministry of Justice - www.just.ee

Ministry of Economic Affairs and Communications - www.mkm.ee

Ministry of the Interior - www.sisemin.gov.ee

Information about Estonian state and society - www.vm.ee/estonia

Estonian Institute - www.einst.ee

Web encyclopaedia on all aspects of Estonia - www.estonica.org

Department of State Information Systems - www.riso.ee/en

IT in Estonian Public Administration - www.ria.ee/english/2003/

Estonian Information Society in Facts and Figures - www.esis.ee

Web portal "Today I Make Decisions" - <http://tom.riik.ee/>

Look @ the World Foundation - www.vaatamaailma.ee

E - Citizen - www.eesti.ee/eng

The E-Governance Academy - www.ega.ee

Tallinn
September 2004

Published by the State Chancellery of the Republic of Estonia in cooperation with the Ministry of Finance. With credits to the Ministry of Foreign Affairs for the information provided.

Contacts:

State Chancellery
Stenbock House, Rahukohtu 3
15161 Tallinn
Estonia

Phone: +372 693 5887
Fax: + 372 693 5916
E-mail: annika.anton@riigikantselei.ee
www.riigikantselei.ee

Ministry of Finance
Suur-Ameerika 1
15006 Tallinn
Estonia

Phone + 372 611 3532
Fax: + 372 696 6810
E-mail: karin.narep@fin.ee
www.fin.ee