Committee on the Internal Market and Consumer Protection

1.6.2017

NOTICE TO MEMBERS

(0004/2017)

Subject: **Report on the IMCO mission to Tallinn, Estonia on 19 - 21 April 2017**

<u>Introduction</u>

On 19-21 April, an IMCO delegation was on a mission to Tallinn, Estonia. Organised against the background of IMCO's intense work on the Digital Single Market and Single Market Strategies, the aim of the mission was to discuss with Estonian authorities and stakeholders the solutions to the key obstacles of the development of the DSM & Single Market. The programme included start-ups, SMEs, young entrepreneurs and technological leaders, business community, consumer organisations, members of the Estonian Parliament and representatives of Ministry of the Economy.

Topics discussed included digitalisation as the means for growth and examples for creating an environment for movement of data, facilitating start-up environment, e-Estonia, positive experiences, challenges and risks in data protection in e-Estonia, digitalisation as a merit for growth and innovation, Tallinn University of Technology, Tehnopol and Cybernetica's role in innovation, digitalisation and e-solutions developed and under development for better economic environment. Consumer protection in digital Estonia and the forthcoming Estonian Presidency priorities were also addressed.

Led by Inese VAIDERE (EPP, LV), the delegation was composed of Marc TARABELLA (S&D, BE), Maria GRAPINI (S&D, RO), Anneleen VAN BOSSUYT (ECR, BE) and Morten LOKKEGAARD (ALDE, DA).

<u>Summary report</u>

Wednesday, 19 April 2017

(1) The delegation visit started in the afternoon of Wednesday, 19 April with an introductory briefing at the **EP Information Office** in Tallinn. The participants learned about politics, economics and labour in Estonia. Speaking about politics, they learned that the government coalition is composed of: Estonian Centre Party (ALDE), Social Democratic Party (S&D) and Pro Patria and Res Publica Union (EPP). The Prime Minister is Jüri Ratas (Estonian Centre Party), in office since 23 November 2016. The opposition is composed of: Estonian Reform Party (ALDE), Conservative People's Party of Estonia and Estonian Free Party. President of Estonia is Kersti Kaljulaid, in office since 10 October 2016. Latest national poll results on voting intention, published on 18 April, show the lead of the Estonian Centre Party (ALDE) with 30%, followed by the Estonian Reform Party (ALDE) with 20%. The municipal elections will be held on 15 October 2017. The government coalition agreement for period 2016-2019 sets out to: (1) alter the current taxation system by, e.g. increasing tax-exempt minimum for individuals (package seen as introducing progressive taxation), reducing income tax for corporations, introducing bank tax, raising excise duties on alcohol, tobacco, introducing tax for sugared drinks; and (2) keep fundamentally balanced state budget when using an earlier structural surplus, the deficit of the budget must not exceed 0.5% of GDP per year. All in all, the government refers to the new tax package as "entrepreneur-friendly".

Speaking about economics, it was said that the Estonian GDP per capita is 15 884 EUR. In 2016, GDP increased 1.6% compared to 2015 and the annual growth forecast for the next few years is 2.0%-3.3%. Estonia has some of the highest international credit ratings in the region. It has a balanced budget without any deficit (lower than 0.5%) and the overall public debt stands at 10% of GDP.

In respect of the labour situation in Estonia, it was said that, in 2016, the unemployment rate was 6.8%, the employment rate 65.6% and the labour force participation rate 70.4%. The main threats are declining working-age population; gender pay-cap is one of the widest in Europe (27%); there is not enough of specialised labour (ICT sector), worsened by emigration/brain drain.

One of the goals set by the government is the digitisation of society supported by information and communication technology (ICT). Digital Single Market is the one of priorities of the upcoming Estonian presidency. According to the analysis by the Development Foundation, the economic growth attributable to ICT sector in Estonia, may go up to 0.9–1.3%. Economic activity in ICT sector contributed 6.3 per cent to the GDP in 2016. According to the goal established for 2020, 50% more people than today shall work in the Estonian ICT sector. Furthermore, Estonia's digital public services encompass fields like healthcare, financial services, education, public safety, filing tax returns, e-voting etc. Estonia's next key challenge in is the digitisation of private companies, with questions, such as how to bring together universities and companies; how to support and help the local start-up community; how to bring investors to local region.

(2) At the meeting with the **Estonian Broadband Development Foundation (ELA)**, the CEO Priit Soom talked about digitalisation as a means for growth and about examples of creating an environment for movement of data. It was said that ELA was founded in 2009 at the initiative of the Ministry of Economic Affairs and Communications and by the members of the Estonian Association of Information Technology and Telecommunications (ITL). The main objective of the Foundation is the promotion of fast connectivity throughout Estonia. As such, the task of ELA is to carry out the project of EstWin, the next generation broadband network, and to give all residential houses, businesses and authorities a chance to connect to the next-generation broadband network with a transmission speed up to 100 Mbit/s by 2018. In the scope of the EstWin project, more than 6000 km of fiber-optical cables will be installed and more than 1400 connection points will be constructed. The construction of basic network should provide that 98% of the residential houses, businesses and authorities are located closer than 1.5 km from the basic network. Furthermore, Estonia is working on developing broadband plan for 70% of population on market conditions and for the rest with government support (where there is a market failure) in rural areas for the construction of optical fibre broadband network, which companies may use.

Today the core business of EstWin is to implement and run e-network in rural areas. It is considered as the biggest PPP project in Estonia. The Foundation is a non-profit association. 85% of cost of financing is covered by EU funds and the rest of the network construction costs is self-financed by ELA (covered by loans from private banks). Existing operator sites, mobile masts and public buildings are connected to EstWin which is the backbone network (middle mile). The EstWin network is equally accessible to all operators and public authorities. Currently, the network is used by all major telecom operators as well as by the state authorities. The network is secured by 24/7 monitoring and all faults are repaired within 6 hours. For the big operators it makes sense to invest if they get some time exclusive rights to operate it. In Estonia, the Foundation gets loans and reimburses the operators. The last mile connection is still the most difficult problem to solve, as the government didn't want to intervene there.

(3) The next meeting was at the **Startup Estonia (SE)**, in the building called Lift 99, where the head of SE Mari Vavulski talked about facilitating the start-up environment and the Estonian start-up scene. She explained that Lift 99 is the birthplace of ICT start-up industry in Estonia with 99 places. It's a government supported initiative with the only goal: to have more start-ups in Estonia. They are reorganising themselves as a fund of funds. Startup Estonia has four main goals until 2020: (1) Estonia has a good and collaborative start-up ecosystem; (2) Estonia has 1000 start-ups; (3) legislative environment is clear and gives incentives for start-ups and investors; (4) funding is accessible for start-ups.

Asked by a Member how she sees the ecosystem in Estonia, Mari Vavulski replied that start-ups are struggling to develop as the ecosystem needs to be further expanded. This started thanks to Skype which employed around 400 persons and thanks to which Estonia has many success stories. On the question of scaling-up in Europe, she replied that you need to be close to your customer base so the companies move to other bigger markets. Scaling is tough but some go to the US to do accelerating and then come back to Estonia.

They have asked the government to introduce a fast track visa system to attract talent from

abroad. The Estonian start-up visa is meant for entrepreneurial non-EU nationals who wish to come and be a part of one of the smallest but liveliest start-up communities in Europe as a founder; or an Estonian start-up wanting to recruit abroad. For Estonian start-ups, enriching and growing their company by employing foreign talent is made easier than ever. "Foreigners Act" was modified following suggestions by the association to reduce the cost of the applications for genuine start-up companies or talented individuals. Returning to the Estonian start-up ecosystem, Mari Vavulski explained that it has a growth rate of 5.6, start-up output 300-900; teams are able to raise funding from abroad, and the start-up visa is up-and-running. In respect of the contribution to the economy, she added that the 400 start-up companies employ 3500 people, 5% account for 50% of the jobs.

Finally, asked by Members if there is any start-up legislation in Estonia, whether start-ups attract staff from Estonian Universities and how the Government is supporting the start-up ecosystem, Mari Vavulski replied that there is no specific start-up legislation (the visa programme is under the Foreigners Act). The staff comes from Estonian Universities, but when a start-up grows also from abroad; the Ministry of Economic Affairs and Communications' goal is to have more ICT people working in the sector. Apart from that, she held that the Government should not interfere into the market which is working; there is an open relationship between the Government and the start-up ecosystem.

Thursday, 20 April 2017

(4) Thursday's meetings of the delegation started at the **e-Estonia Showroom** with a joint meeting with **Enterprise Estonia**. e-Estonia Showroom is an executive briefing centre and an innovation hub. Its focus is to introduce decision makers, journalists or entrepreneurs to the success story of e-Estonia. Established as an NGO and industry cooperation project, the e-Estonia Showroom from June 2014 is part of Enterprise Estonia and is operating in 360 sqm facility. The centre has hosted hundreds of high-level delegations from over 120 countries.

It was said that Estonia is a modest country that punches above its weight. Digitalisation started because of the lack of human and financial resources. Today, Estonia has 1.3 million inhabitants but the density of population is very low, its currency is Euro and it's a member of EU, NATO, WTO, OECD and DIGITAL 5. The ICT sector contributes 7% of GDP. Estonia's highest ratings include #1 OECD tax competitiveness, #1 World Economic Forum entrepreneurship and #1 European Commission EU Digital Economy and Society Index. It was said that e-governance saves a lot of money versus a face to face interaction. 99% of public services are available over internet. E-taxes was the first one introduced in 2000. In 2017, people want to be able to do that with a tablet irrespective of the device and from anywhere in the world. Only marriage, divorce and selling your house are not digital yet for legal reasons; the notary needs to determine intention. Many processes can be started over internet but the final act has to have an interaction with a public authority (ID or Passport). Estonia's best secret weapons include: internet is considered a social right; every Estonian resident has an electronic ID; and Estonians trust e-solutions.

Replying to a Member's question of what was the situation in e-procurement in public procurement in Estonia, it was confirmed that all public procurements are digital. This is also

the way to encourage more SMEs to participate but also international companies that can apply without being present in Estonia; the digitalisation process has helped a lot in that area, as well.

Estonia has clear and honest principles: (1) once only for any info that is requested from the government, (2) no-legacy, (3) digital by default. Only the individual has a right to its data granting access to others but the law determines which public authorities have automatic access. Right to be forgotten has its limits, it was said, e.g. residence or birth data. Citizens can see who from the government had access to their data and can constantly monitor their use. The penal code defines that any public officer who mishandles data can be convicted to jail. Data is stored in one registry, so it is easy to monitor their use and keep it accurate. Digitalisation also contributes to the efficiency and biggest savings. Digital signature saves 2% of GDP per year in Estonia: they have 50 times more efficient connected police; 1/3 less queues in hospitals; Estonia is the best tax collector in the world; i-voting is 2.5 times cheaper; and a stack of paper saved each month is 300 meters high.

Replying to a Member's comment that i-voting requires e-literacy and trust of older people, it was said that internet based vote is an option in Estonia, you have the possibility to go to a public office, i-voting was an addition. The elderly are those who use i-vote most, not the young who don't vote (statistics shows that 30% of people who vote, vote over the internet; out of that only 7% are people in the age group 18-24; different projects and programmes focusing on the elderly started already in 1996). You need an electronic ID card, public certificates, pin codes. If you lose it you call a telephone number and you cancel the certificates so it cannot be used. The point to point connection is direct and only made when the exchange happens and is terminated. Security is permanent, each second data is encrypted and linked with previously encrypted data so comparisons can be made instantly.

Digitalisation also brings ease of doing business as it provides the simplest and fastest business environment. The fastest time setting up a company was 18 minutes (Estonia has most start-ups per capita) but you need a legal address in Estonia (e-Residency provides Estonian e-services to every world citizen). And you can set it up with 0 capital at the beginning. Taxation is 20%. If you don't take any money out of the company you don't pay any tax on income. Estonian electronic ID is the strongest identity for life, was said. It's used in id and travel, digital signing, i-voting, business and banking, state and healthcare, public transport, loyalty card. The Estonian X-Road platform is the busiest highway in Estonia. Thanks to X-Road; 99% of state services are online; this means over 2000 services, over 900 connected organisations and databases and over 500 million transactions per year.

To conclude, it was said that no one can do anything by himself, you need collaboration and no one knows what the future will bring so you can try to shape it, by collaborating with the pioneers.

(5) The next meeting was at the **Estonian Tax and Customs Board (ETCB)** which was devoted to e-Estonia, digitalisation and to a brief overview of the e-solutions developed by the ETCB and of their impact on the economic environment. It was said that the first launch of e-environment was in 2000. It is decided by topics so there are different declarations that can be made. Now, there is one reference number and natural person taxes are paid first.

From 2012 all tax documents are sent electronically. Payments scheduling is automatic. Companies can register their employees and all history of messages exchanged are accessible. Over 95% of natural persons declarations are electronic and over 99% for companies. Information is collected automatically on expenditure for education fees, health, mortgage payments and other so it is processed and sent to taxpayer who can make corrections and then file it. Following a Member's question if they have any information on fraud and how do they deal with that, it was said that final clearing for refund or payment is made after risk analysis; if any risks are deceived, they check the declaration and decide if they are going to make a tax return or not.

Income and social tax is processed also for platforms of collaborative economy where natural persons are registered (Uber, Airbnb). The need for physical contact in the offices has decreased from 382 thousand in 2009 to 142 thousand in 2015. Savings on manual labour and office space are made. It has also saved costs for the citizens and companies. Monitoring is made of all transactions which receive a very high rate of approval 95% for natural persons.

The tax board is a great innovator, for instance Uber was not yet recognised but declared everything in one click. VAT fraud, you can establish a company very quickly but also wind it down very quickly to avoid paying it. Carousel schemes were used, and the tax department started monitoring these schemes as the system allowed it to put it in evidence. Secure authenticated platform, where companies' invoices were authenticated and encrypted so tax department cannot read anything else but the main issue of concern. Only for the ones which were picked by risk analysis programmes were the tax authorities alerted so as to perform additional controls. Cross referencing is at the basis of these controls. Personal privacy protection is built into the system.

The X-Road platform is one register where the employer can register information for his employees which can be checked by employees at any time. Established in July 2014 based on the Taxation Act, this is a national register that gathers information about employees into a central system. The application is available in Estonian, Russian and English. The employer can register an employee as well by SMS or in the platform but has to confirm it via the platform within 7 days. Finally, IRIS system for the electronic delivery of administrative acts was mentioned. This implies collaboration with banks, which is important for SMEs as they facilitate tax returns since SMEs only pay the salaries and the bank system sends the info to the TAX offices who calculate the tax.

(6) At the **Estonian Data Protection Inspectorate**, that followed, Director General Viljar Peep explained that this is an agency under the Ministry of Justice such as the Courts or the competition authority but also an independent Commissioner. The High Commissioner cannot be a member of a party, he/she is appointed by an independent committee and cannot be dismissed by the Government; he/she is reporting to a parliamentary committee and parliamentary ombudsman. The data protection law in Estonia is only 11 pages long and the agency has only 18 staff but cooperation with other services is strong. The agency has four competences: data/privacy protection both in public and private sectors, electronic direct marketing - opting-out requirements, freedom of information-action matters (also proactive web disclosure), request-based access to public information, and a supervisory body for public sector registers and data bases. The agency also takes care of the once-only principle.

Different pre-approval permissions to public agencies for establishment or use of a data base are needed.

Issues of exchange of data were raised by Members. Trust and confidence are of paramount importance and one of the building blocks of digital economy and society was said. A new privacy framework is coming next May and there is a new e-privacy regulation under consideration. Trust and confidence is relatively high in Estonia; no exact answer why, was said; when they started building a new statehood and economy, digitalisation started as their choice. You need a public personal ID number to start with such a system. You cannot use the personal number for anything as it is used only for the processing of data. All affiliations to political parties are open to consultation as the aim of a party is to get the power to govern. Limits of privacy, religious or health data. But financial, legal convictions or political affiliations are publicly available for individual consultations.

The principles governing the data protection are very simple and laid down by EU legislation and Council of Europe conventions, was said. The aim of data processing is to offer a tool, i.e. to get money or administrative documents. Antitrust, consumer protection and data protection are interlinked. Legitimate interest has to be balanced against economic interests, was said.

(7) At the **Ministry of Economic Affairs and Communications**, the delegation met Minister of Economic Affairs and Infrastructure Kadri Simson and her team. The Presidency came 0.5 year earlier but Estonia feels motivated and feels strongly about it, said the Minister. Geoblocking and some other files are expected to be finished under the Maltese Presidency so the biggest topic of the Estonian Presidency will be the Digital Single Market (DSM), in particular free movement of data as a fifth freedom intrinsically linked to the DSM. Three issues that Estonians would like to see as their main priorities include: data localisation (they would like to see as many as possible barriers broken down), digital government (there is a declaration on e-governance in preparation), and data ownership (they would like to start the debate on what effective ownership should look like). Digital as a topic became horizontal, was said, e-commerce is growing fast and that's why it's important that free flow of data is there, in particular because the digital agenda has been important for the industry. Replying to a comment by a Member that part of reason for the success is that Estonia is relatively small; the Minister said that size is important because it gives flexibility but in Estonia, all is outsourced to the private sector which needs to provide solutions. The issue is not so much technology; in addition, the fact that Estonian governance is simple helps change.

While the main priorities of the Estonian Presidency in the Competitiveness Council will include DSM, the internal market and the Energy Union, other files of importance include type-approval and market surveillance of motor vehicles, was said in response to a Member's question; Estonia is already preparing possible dates for trilogues but is waiting for the results of the Maltese Presidency. In addition, Estonia also believes in the services card which is not moving very fast in the Council.

Replying to a question whether Estonia would promote less taxation for companies and increased taxes for citizens, it was said that Estonia is the only EU country without income taxes for companies that invest; for citizens, currently the first 180 EUR is tax free, from now

on it will be up to 500 EUR tax free. Members also raised a question of electronic procedures in public procurement, to which it was replied that this is in place in Estonia and, in addition, innovative procurement has been launched and already have a couple of success stories with that. Finally, it was stressed that free flow of data will be given high importance; people, money and data are linked, was said. Free movement of people has to be as simple and flexible as possible as technology transforms the way government and businesses work.

(8) At the **Tallinn University of Technology (TUT)**, where the delegation was received by rector Jaak Aaviksoo and his team, the main topics of discussion included e-Estonia, digitalisation, innovation through e-solutions and TUT's role in innovation for better economic environment. It was said that Estonia had very early a strong orientation towards innovation and new technologies. In 2000, all Estonian schools had an internet connection. The small size of the country allowed for a fast decision making, which was slowed down after the accession for matters covered by EU law. The TUT brings people together, students, academics, businesses and allow them to experiment. It was said that Tallinn Tech (TT) was involved in the development of Estonia's society and run the e-government project. How did Estonia become a leader in e-government systems? The essence of success was that the people trusted politicians, politicians trusted researchers and the latter had no legacy and had little resources so they needed to be creative. Speaking about TT role, it was said that all IT systems are stored in the cloud so that they can be moved instantly. TT deals, for example, with a monitoring system of data flows in the processing of police, so that management can see where the bottlenecks are. You can expand this to the whole of society and for instance you could check how money is moved in the economy. Furthermore, TUT runs a master's program on e-government, combining public administration, law and ICT. They have students from 23 countries. Speaking about the current state of art, it was said that there is a dramatic shift towards information technology. Law provides that Estonian is the language used except when the academic senate has reasons to decide otherwise.

Members asked whether researchers are leaving Estonia, to which the TUT counterparts confirmed that this is a challenge, however, by and large Estonia has been rather successful in managing brain-drain so that Estonian researches are now coming back. To a question how Estonia manages in getting the youth to take interest in technical studies, it was replied that Estonia has challenges in that area, as well, even though Estonian legacy is in technological and natural sciences and today trends are changing so that they have 23% of students in STEM areas. Finally, in response to a question about funding R&D, it was said that Structural Funds make about half of Estonian spending in R&D. The R&D financing has changed so it is competitive and can attract competent persons. However, the Commission should reconsider their principles of funding. Use of Structural Funds was directed preferentially towards education and R&D. Horizon 2020 and the 9th Framework Program should focus more on R&D and cross border cooperation.

(9) On the way from TUT to the next meeting, the delegation was delivered gifts by a **Starship** parcel robot of the Starship Technologies which has their business headquarters in London and their engineering in Estonia.

(10) Next, the delegation visited **Tehnopol** and met with Toomas Türk, ICT Manager at the Smart City Cluster. It was said that the Tallinn Science Park Tehnopol is the biggest tech hub

in the Baltics. It was founded in 2003 by the Republic of Estonia, City of Tallinn and Tallinn University of Technology to support the development of start-ups and growing companies. It is housing more than 200 companies employing 4000 people, 14.000 students and 1.300 researchers. Their fields of expertise include: ICT, health-tech and green-tech. It's a prototron fund - world's first financial fund to support the prototype development and was established together with Tallinn University of Technology and Sweedbank in 2012. Further, it functions as a start-up incubator with more than 30 start-ups which are 70% successful ("scale fast or fail fast" programme). Finally, they provide business development services to 120 business development clients which have 500 useful contacts.

Around 600 companies are based in Estonia, 200 launched every year. There is however lack of investment and people/talent. For that reason many move elsewhere. Millions are invested in start-ups: 30 million in 2013 to 110 million in 2016. From the 200 annually created, 80 companies apply to the program of start-ups incubator and 40 are selected; out of that 65% are successful and 7% become superstars. Currently, they have 34 companies in portfolio, 180 companies have finished the incubator program. The corporate innovation may be the next big thing, was said.

(11) To conclude the day, the delegation visited **<u>Cybernetica</u>** to talk to Dan Bogdanof, head of the privacy department. Cybernetica is a R&D intensive ICT company that researches, develops and manufactures software solutions, maritime surveillance and radio communications systems; investigates and applies theoretical and practical security solutions. Cybernetica was established as a private limited company in 1997 as the successor of the applied research unit of the Institute of Cybernetics of the Academy of Sciences of Estonia, established in 1960. The applied R&D laboratory of the Institute had an integral role in delivering large scale factory automation projects, but also founding the scientific paradigms for information security and cryptography in Estonia. Today, Cybernetica is known as a key player in several world-renowned e-government projects, such as developing the Estonian X-Road platform or the internet voting software, but also in radio communication solutions for Maritime Authorities. As part of its heritage, Cybernetica still focuses on R&D in information security – its institute of Information Security works in collaboration with top universities from Europe, but also with institutions from the USA and Japan. 10-15 people work on a full-time basis and participate in international R&D and Horizon 2020. Information and security department develops the cryptography and audit the systems/designs.

Asked about internet voting, based on ID card, it was said that it has been controversial but accepted in Estonia. A ballot box vote will nullify the electronic vote. You can have an electronic vote as many times within the period of vote. In the new system you can verify that your vote has been recorded. The biggest risk is not to the system but to confidence (reputation risk), you only need to say that you broke the system's security. You can check after the vote that the registered vote was correct.

Friday, 21 April 2017

(12) Friday's meetings started at the **Estonian Information System Authority** where the delegation met with Director General Taimar Peterkop. It was explained that the Information System Authority (RIA) coordinates the development and administration of the state's information system, organises activities related to information security, and handles the security incidents that have occurred in Estonian computer networks. RIA advises the providers of public services on how to manage their information systems as per requirements and monitors them. In addition, RIA is an implementing entity of the structural assistance of the European Union. RIA is a governmental organisation established in 2011. It is operating in the administrative area of the Ministry of Economic Affairs and Communications. It is responsible for electronic identity and a provider of ISP for the government. It is also a lead agent for system security.

Speaking about RIA's work it was said that trust between government, citizens and businesses is crucial. They have a more effective government thanks to ICT solutions, to compensate also for the lack of resources. The authority supports and manages the system for the electronic vote. It was explained that the X-Road is the backbone of the system and the technology was taken from the Finns. X-Road is the technology allowing the distribution of the data in various modules offering additional security. The various departments manage the content and the authority manages the security and the technical aspects of the system.

Speaking about cyber-threats, it was said that most of them derive from Russia. Individuals can be targeted by organised crime. Activists are not a big threat they are just annoying as they deface some sites. In case of a national threat, the first target is to obtain information, so it is important to pay attention to the use of different passwords and to protect critical infrastructure as it is vital for the functioning of a society. In Russia the military and security services all have cyber attack capabilities. Historically security forces and the organised crime have close ties. Estonia has suffered in 26 April 2007 a cyber attack which highlighted the importance of good defence and maintaining the people's trust. Security by design is their defence.

The internet of things has developed without any security and this requires a global reaction. NIS directive has already been in place since 2009 in Estonia. To be effective you need a strong network of people in critical positions to act in a coordinated way to face the threat/attack, was stressed. To build trust Estonia has reversed the "big brother syndrome" allowing the citizen to see which agency has been using his/her data. The authority does also security testing for private undertakings and advise how they can improve their defences.

(13) At the meeting with the **Estonian Consumer Protection Board (ECPB)** and the **EU Consumer Centre (ECC)** that followed the delegation learned that the ECPB is a government organisation operating under the Ministry of Economic Affairs and Communications. Its budget of 1.8 million and staff of 48 persons. Its main tasks include market supervision and settlement of consumer complaints; the ECPB offers ADR. Speaking about their work, the issue of enforcement challenges in broader sense was taken. It was said that changing business models and changing role of the consumer mean that the decisions

will be made and information obtained differently; also, the wide selection of channels and the speed of information spread was important. To be an efficient authority in the digital environment requires availability of appropriate electronic devices and databases as well as the possibility to reach the products/services. It was said that pre-contractual information is at times difficult to be enforced because of the practice followed by sellers. Some of the problems concern purchase in other countries and, for instance, in Germany the ECC does not have any enforcing powers. This was an issue raised in the CPC Expert group with the European Commission. ODR is operational in Estonia but they have not yet seen any case transferred from ODR to ADR.

(14) Finally, the delegation visited the **Estonian National Parliament** where it was first welcomed by Aivar Kokk, Chairman of the Economic Affairs Committee, and then met with Erik Savisaar, former IT professional and a Member of the Committee where he works on e-Parliament, e-Government and consumer issues.

The discussion started about e-services in Estonia. It was said that they have a long history and that the Parliament has been working on this for 20 years. The big boost for e-services was the introduction of the electronic ID card; next major step was the X-Road platform, i.e. agreement between institutions on how to exchange information. At the moment, thousands of e-services are available, most common are taxation and health. Liked to that some dossiers, such as e-Card and Professional Qualifications were mentioned.

End of 1990's, the process of digitalisation started, first in the banking sector and from there they moved to the electronic ID allowing for the use of electronic authentication of the signature. Now they are thinking of linking X-Road to some other countries. Also they want to synchronise the systems so that we don't have to insert the main data. All private companies can join X-Road platform.

Asked how he felt about i-voting, he replied that he was not a big fan of it. In the last elections a third (30.5%) of votes were electronic. The main concern isn't the technology but sociological as some older persons may write their pin codes on the back of the card which allows its misuse. However, overall the population trusts government and in addition the citizen can monitor who uses his/her personal data.

Finally, asked about the debt level which is very low, whether it allow Estonia to invest in key sectors, it was mentioned that e-residency is offered to non-citizens to match the skills gap and to optimise service to free some people who can then be re-channelled in the IT area.

(15) The mission programme was concluded at the **EU House** in Tallinn where Marc Tarabella (S&D, BE), as the only Member who participated, gave a press briefing to local journalists, highlighting the main insights of the two-day IMCO mission to Estonia.

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