Cross-border Information Exchange and Digital Services Between Governments

Exploratory study

Governance Policy

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Description page

Abstract

The exploratory study forms an overall picture of the extent of current cross-border information ex-change and digital services across borders for Finland and other countries, and needs for future devel-opment. The study is based on the OECD Public Governance review: Estonia and Finland, Fostering Strategic Capacity across Governments and Digital Services across Borders, published in February 2015. In addition to other recommendations, the review includes four recommendations on enhancing cross-border cooperation in order to develop interoperable digital public services in four policy areas in particular: taxation, healthcare, social affairs and private sector development. Although the OECD recommendations related to cross-border information exchange services between Finland and Estonia in particular, the study also charted corresponding services between Finland and other neighbouring countries.

The study was conducted as a survey. The responses received from 19 public sector institutions cov-ered 65 services. Cross-border information exchange and services were grouped into four sub-areas: Services that compile information on multinational statistics and into multinational registries, multina-tional cross-border services for authentication, multinational or cross-European information exchange services and bilateral or Nordic cross-border information exchange services that promote the free movement of both persons and businesses. The vast majority of the services described fell into the first category, but the last-mentioned is the most important for Finland.

The study indicates that more cross-border information exchange occurs than expected. The majority of information exchange concerns multinational registries, the utilisation of which is low in Finland. The large amounts of manual work being done came as a surprise. The agencies surveyed have ex-pressed an interest in developing their services further and the potential for development is high.

It is recommended that development efforts to advance cross-border digital information exchange be carried out within three operating environments: the EU and EEA Member States, the Nordic countries and Estonia. EU-wide and multinational programmes are resource-intensive, but participation is rec-ommended in order to ensure adequate opportunities to influence the end results. It is highly recom-mended that national resources be focussed on services developed with neighbouring countries, as such development efforts yield results faster in practical terms and better meet the needs of Finnish authorities, citizens and businesses.

Executive Summary in English

On the invitation of the Estonian and Finnish governments, the OECD conducted a joint Public Governance Review on Fostering Strategic Capacity across Governments and Digital Services across Borders, which was published in February 2015. The review outlined several recommendations, four of which focused on development of digital government and cross-border cooperation between the two countries. Further discussions among Finnish public sector authorities concluded that further cooperation would be favourable, especially when developed around specific needs to achieve appraised benefits. It was also concluded that at the time of discussion there was no general view available on current cross-border digital services or their utilisation rates. To understand better the starting point for development, the extent of current cross-border information exchange and the need for future development, a study was commissioned.

This study was conducted as a survey of Finnish public sector authorities together with selected in-depth interviews. The survey was sent to 21 public sector authorities, and 5 in-depth interviews were conducted. As a result, 65 current cross-border information services were described, as were specific development requests for these services and for digital cross-border information exchange in general.

The described services have been grouped into four subareas: services compiling information for supranational statistics and into supranational registries; services facilitating supranational management of affairs; information exchange solutions supporting mobility at the EU or supranational level; and bilateral or Nordic cross-border information exchange services promoting mobility of people and businesses.

The vast majority of the services described fall into the first category and compile information for supranational statistics and into supranational registries. The most advanced services, however, are bilateral or Nordic. The Nordic services and cooperation on their development have a particularly long history, no doubt due to the high level of migration between the countries in the past. Although many of the services promote free movement within the EU, the majority of the services are clearly used to reduce fraud and error in the current climate. To truly promote the values and goals linked to free movement, it is recommended that cross-border information exchange services be developed in the future from the citizen's perspective.

The study also identified several supranational development programmes that affect Finland, such as EESSI, and which are linked to delivering the European digital single market. In addition, many of the development requests underlined the possible benefits of further automating processes for information gathering and validation as well as improving

security in sending information across borders. From a population register perspective, the most important development needs are centred around developing the accuracy of cross-border sharing of information on citizens' addresses as well as information in cases of death abroad. The most significant areas of development between Finland and Estonia were identified to be the development of a service similar to the Nordic Moving service to exchange information automatically on migration between the countries as well as the building of viewing rights for selected Finnish government agencies into Estonia's X-Road services.

It is recommended that Finland participate in the supranational development of EU-wide programmes, but also, independently of these, to pursue development of deeper cooperation in cross-border information exchange with its neighbouring countries. In addition to the development areas identified to promote cross-border information exchange, the study also revealed a need for Finnish authorities to share the information obtained via cross-border services.

In general, the study revealed that Finnish institutions currently participate in more cross-border information exchange than was expected. On the other hand, an overwhelming amount of this sharing is the result of, or results in, large amounts of manual work. There is considerable potential for development and the agencies surveyed have expressed interest in developing services further.

Contents

1   Background

The OECD conducted a joint public governance review of Finland and Estonia, which was published in February 2015. The joint public governance review contained two main themes:

1. whole-of-government strategy steering, and

2. development of digital government and cross-border services.

In its report, the OECD gave a total of 14 recommendations on whole-of-government strategy steering and 21 recommendations on development of digital government. Of these, four recommendations relate to increasing Finland and Estonia's cross-border cooperation in order to develop joint digital services and information exchange, particularly in the areas of taxation, healthcare, social welfare and business development and promotion (see recommendations in link[1]).

The strategic objective of the joint public governance review was to support the countries in developing political decision-making as well as policy implementation structures and processes. From the OECD's perspective, allocating the resources of society as effectively as possible requires a better ability to resolve problems across administrative boundaries, and even problems across national boundaries. For desired changes to be achieved through policy in society, it is necessary to work across existing boundaries.

In February 2015, the Ministry of Finance arranged a seminar for Finnish public authorities that engage in significant cross-border cooperation with neighbouring countries. The authorities considered that it would be worthwhile to increase cooperation, but that this should also be based on a clear need and on an assessment of benefits. It was also stated at the seminar that no public authority has a complete picture of what cross-border services or information exchange are in use, even less of their actual levels of use or volumes. Cross-border services or digital information exchange had not been studied previously. At the seminar, it was agreed that the Ministry of Finance would commission a study on the subject. A starting point for the study was the cross-border digital services and well established exchanges of information that had been long in use within the EU as well as plans on the development of modern and new cross-border services.

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1   OECD Public Governance Reviews: Estonia and Finland. Fostering Strategic Capacity Across Governments and Digital Services Across Borders. OECD 2015. The report and its English-language summary are on the Ministry of Finance web page http://vm.fi/hallintopolitiikka/hallintopolitiikan-ennakointi-ja-arvointi/hallintopolitiikan-arvioinnit

The objective of the study was to produce from a Finnish perspective an overall picture of the current situation and development needs of countries' public sector cross-border information exchange and digital services. The results of the study would show what kind of cross-border information exchange and/or cross-border services are already in use and what kind of digital services or information exchange would be needed between Finland and neighbouring countries. Although the OECD's joint public government review and recommendations related particularly to exchange of public sector information and possible digital services between Finland and Estonia, it was decided in the study to identify corresponding services between Finland and surrounding countries.

The study did not address sporadic cooperation or information exchange other than digital exchange nor joint projects in which digital exchange of information or digital services are not developed. Similarly, continuous exchange of information relating to operational control, such as maritime traffic or air traffic control, remained outside the scope of the study.

2   Implementation

The study was conducted as an electronic survey and in-depth interviews with selected target organisations in June and October 2015.

The purpose of the survey (Appendix 1) was primarily and broadly to identify existing cross-border information exchange services and their possible development needs. In addition, the need for new areas of development were explored. The survey was sent to twenty-five (25) recipients in twenty-one (21) public sector organisations on 30 June 2015. The recipients were asked to respond by 21 August 2015. The results of the survey were sent to all invited organisations for review during September and October.

Table 1. Survey target organisations

Administrative branch	Target organisation
Ministry of Transport and Communications	• Transport Safety Agency (Trafi).
Ministry of Agriculture and Forestry	• Food Safety Authority (Evira) • National Land Survey of Finland (MML)
Ministry of the Interior	• Finnish Immigration Service (Migri) • Border Guard • Ministry of the Interior, Police Department
Social welfare and healthcare sector	• Finnish Centre for Pensions (ETK) • Social Insurance Institution of Finland (Kela) • Finnish Medicines Agency (Fimea) • National Supervisory Authority for Welfare and Health (Valvira) • Ministry of Social Affairs and Health (STM). • Radiation and Nuclear Safety Authority (STUK) • National Institute for Health and Welfare (THL).
Ministry of Employment and the Economy	• Finnish Patent and Registration Office (PRH)
Ministry for Foreign Affairs	• Ministry for Foreign Affairs Information Management Unit
Ministry of Finance	• City of Helsinki Register Office • Eastern Finland Regional State Administrative Agency, Development and Steering Unit for Local Register Offices • Statistics Finland • Customs • Tax Administration • Population Register Centre (VRK)
Ministry of the Environment	• Finnish Environment Institute (SYKE)

In connection with the survey, five (5) organisations were identified for in-depth interviews. Telephone interviews were used to acquire more detail on development needs and the effectiveness of existing services.

In-depth interviews	
Finnish Centre for Pensions	• Sari Alanko, Development Manager
Eastern Finland Regional State Administrative Agency, Development and Steering Unit for Local Register Offices	• Merja Koponen, Unit Manager • Maria Lunabba, National HPP Process Developer, Registrar
Ministry of Social Affairs and Health	• Essi Rentola, Director, Insurance Department, Coordination Unit
Tax Administration	• Ann-Sofi Johansson, Senior Auditor
Population Register Centre	• Timo Salovaara, Director, Information Services • Tytti Ronkainen, Director, Information Content

The project group that conducted the study consisted of Juhani Korhonen, Ministerial Advisor, and Olli-Pekka Rissanen, Special Adviser, from the Ministry of Finance, and Maria Sangder, Arto Smolander and Dimitri Huttunen, Consultants, from the management consulting and training company Talent Vectia. Juhani Korhonen from the Ministry of Finance served as Project Manager.

3 Results of the survey

3.1 Services described

Nineteen (19) organisations, covering sixty-five service descriptions, responded to the survey. A comprehensive summary describing every service as well as areas requiring development has been compiled from the responses to the survey (only in Finnish).

From the perspective of the Finnish public sector, private sector or citizen, cross-border information exchanges and services have been grouped in this study into four subgroups (summary in Table 2, justifications for the groupings are given below the table):

1. services compiling information for supranational statistics and into supranational registries

2. services facilitating supranational management of affairs,

3. information exchange solutions supporting mobility at the EU or supranational level, and

4. bilateral or Nordic information exchange services promoting mobility of people and businesses

Table 2: Services described in the survey

Services compiling information for supranational statistics and into supranational registries	
Food Safety Authority (Evira)	The European Food Safety Authority. Food sample & performance data
Finnish Medicines Agency (Fimea)	Common European Submission Platform (CESP) – sending of medicine marketing authorisation application data and regular safety reports
Fimea	Common Repository – database of medicine marketing authorisation application data
Fimea	Electronic Application Form (aAF) – for medicine marketing authorisation applications
Fimea	Databases of European Medicines Agency
Fimea	EudraVigilance – reporting of adverse side effects of medicines
National Police Board	Interpol I 24/7 – secure information network for exchanging crime-related information
National Police Board	Europol SIENA – secure service for exchanging crime-related information
National Police Board	Schengen Information System – secure service for exchanging crime-related information
Finnish Patent and Registration Office (PRH)	European Business Register (EBR) service – official information from each country's national business register
Border Guard	Data transmission system used by coastal states of the Baltic Sea area
Radiation and Nuclear Safety Authority (STUK)	European Radiological Data Exchange Platform (EURDEP) – Member States' external radiation levels
STUK	Radiation data exchange between Baltic Sea area countries
STUK	Radioactivity Environmental Monitoring (REM) – database collecting baseline radiation data
STUK	Delivery to IAEA of declaration in accordance with the Additional Protocol of the Monitoring Agreement
STUK	IAEA Incident and Trafficking Database (ITDB) – information on radiation sources and nuclear material outside regulatory control
Statistics Finland	eDAMIS – transfer of statistical data to Eurostat
Statistics Finland	Transfers of statistical data to international organisations e.g. OECD, UN, ILO
Finnish Transport Safety Agency (Trafi)	Aviation, rail traffic and maritime accidents, incidents and dangerous situations
Trafi	ERRU, RINF, ECVVR, TACHOnet, ERATV, RDD, ERAIL and CBE
Ministry for Foreign Affairs	Immigration information via Schengen central register
Finnish Environment Institute (SYKE)	Boris – oil spill response
SYKE	Reportnet – environmental data to EU
SYKE	Publication service for environmental sector spatial data sets
Services facilitating supranational management of affairs	
Register Office	European Certificate of Succession
Register Office	eApostille authentication service
Information exchange solutions supporting mobility at the EU or supranational level	
Finnish Centre for Pensions (ETK)	Migrant workers' insurance numbers between country of nationality and country of employment
National Institute for Health and Welfare (THL)	eResepti (epSOS) – electronic prescriptions issued in the country of residence are transmitted for delivery to pharmacies in the recipient country and delivery information returned to the country of residence

Tax	KVATI application – basic information is collected from Finland's taxation at source and sent to the country of residence
Population Register Centre (VRK)	Exchange of information on individuals entitled to vote in elections to the European Parliament
Bilateral or Nordic information exchange services promoting mobility of people and businesses	
Finnish Centre for Pensions (ETK) (also Kela)	The institution of a country paying a pension sends change of circumstance enquiries to an institution of the pension recipient's country of residence (Nordic countries, Germany)
ETK (also Kela)	Germany's EOA enquiry service – information on German insurance histories and amounts of pension paid
ETK (also Kela)	Secure email link between Estonia's ENSIB and Sweden's Pensionsmyndigheten & Försäkringskassan and Finland
Register Office	Exchange of data on personal, family and inheritance cases on Finnish citizens living abroad
Ministry of Social Affairs and Health (STM).	Certificates of life and information on death (Estonia, Sweden & other Nordic countries)
Tax	Exchange of tax data between Finland and Estonia
Population Register Centre (VRK)	Basic information on all citizens of the other country who are entered in the population register (VRK & Estonia Ministry of the Interior)
VRK	Information on Finns living in Sweden before national elections

Numerically, most of the services and information exchanges described are related to **maintaining supranational registers and reporting information for the purpose of statistics compilation.** The owners of the registers and services are national institutions, European Union organisations, or supranational organisations, such as the IAEA and Interpol. The operating logic of information exchanges and services is clearly reciprocal: from Finland, information is delivered to registers for the use of others and, in turn, the information of the registers can be used by Finland for its own purposes. Finland has, in practice, the right to view centralised supranational registers and statistics as well as their information. In most information exchanges, reporting of information is partly automated, in which case its collection and reporting does not, except in a few special cases, require significant resources in organisations. There are other services, however, such as the Finnish Environment Institute's Reportnet, that are considered to be very onerous from the perspective of collecting, pre-processing and sending information as well as receiving, authenticating and further processing information. The hope was expressed that more automated interfaces would be adopted in the reporting of such services. These development decisions would probably require, at least in part, the amendment and development of directives at the EU level.

Of cross-border services facilitating supranational management of affairs, the Register Office's eApostille electronic authentication service for Apostille certificates (a document legalisation certificate issued by a public authority of a country party to the Hague Convention) and the European Certificate of Succession, which are electronic implementations of traditional activities, were recognised as a separate entity. With a Register Office European Certificate of Succession, inheritors, executors of wills and administrators of estates can prove their status and authority in matters relating to death estates. Digitalising these documents has not, however, significantly changed or facilitated the processes themselves. As cooperation between two countries deepens, these traditional services may become less significant. For example, under an agreement that came into force on 1 July 2012, population register documents issued in Estonia in the English language no

longer need to be legalised for Finnish authorities, nor do equivalent documents issued in Finland need to be legalised for Estonian authorities. Therefore, in respect of these specific documents, an Apostille certificate is no longer required.

In accordance with the positions outlined in an EU green paper, **information exchanges and services aimed at supporting the mobility of citizens and businesses and associated management of affairs** have been or are planned to be introduced in the EU. *(Green Paper: Less bureaucracy for citizens: promoting free movement of public documents and recognition of the effects of civil status records, 2010.)* In these services, precisely specified information is sent in accordance with pan-European practices from one country to the other EU countries. In return, the same information is received from other EU countries about the countries' citizens/businesses. The conveyed information is not collected into a supranational database; it is utilised in the destination countries.

Such services include:

- The Tax Administration's new KVATI application, through which basic information gathered from Finland's taxation at source is sent to an individual's new country of residence,
- Finnish Centre for Pensions' transfer of migrant workers' insurance numbers between the country of nationality and the country of employment within EU and ETA countries, and
- The Population Register Centre's exchange, with other EU countries, of information on individuals entitled to vote in elections to the European Parliament.

While these services have been developed to support mobility, the authorities use these services primarily for supervision purposes and in an attempt to prevent abuses of the opportunities brought by free movement.

In addition, as part of the EU's epSOS (European Patients Smart Open Services) project, in 2014 Finland and Sweden piloted the eResepti service, by which, through contact points between the two countries, electronic prescriptions issued to a person in the country of residence are transmitted for delivery to pharmacies in the recipient country and delivery information returned to the country of residence.

For Finland, the most significant cross-border information exchanges are **based on bilateral exchanges or exchanges between a few countries, in practice, the Nordic countries.** These services have been developed based on the information needs of the parties and their processes. Information exchange services between the Nordic countries have a long history and, for example, the Population Register Centre's Nordic Moving service has been systematically developed over the years (Nordic Moving = means exchange of population register information of people moving between the Nordic countries). Via the service, the basic personal information of a person moving from one Nordic country to another is transferred automatically to the Nordic countries' population registration authorities. The life and change of circumstance information of pension recipients is also transferred between the Nordic countries' pension institutions. Benefit information is still mainly exchanged between social security institutions on paper forms, but the Social Insurance Institution

of Finland (Kela) and the Finnish Centre for Pensions (ETK) have a secure email link with Estonia and Sweden that is utilised in processing benefits. A corresponding secure email link will also be implemented with the other Nordic countries in the near future. It has also been possible from Finland, via a service provided by Germany, to make enquiries about German insurance history information and amounts of pension paid. As a single exchange of information, the Population Register Centre also orders the information of Finns living in Sweden before national elections.

Local Register Offices also maintain personal, family and inheritance information on Finnish citizens living abroad and uses this information to update Finland's population register. The information is collected via the diplomatic missions of the countries of residence, and in urgent cases it is sent to Finland using a secure email link (normally by courier).

With Estonia, in addition to death information, taxation information can be exchanged through the EU's Common Communication Network (CCN) as well as information for pension and insurance case handling via a secure email link between the Finnish Centre for Pensions and the Estonian National Social Insurance Board (ENSIB). In addition, basic information about all citizens of the country who are entered in the population register are exchanged between Finland's Population Register Centre and Estonia's Ministry of the Interior.

In Finland, the information exchange needs of many organisations are partly overlapping and linked to each other. To illustrate this, an example has been prepared below that describes the maintenance of personal and family information and their connections with different organisations.

EXAMPLE:

During discussions preceding the study, the consulates of Finland and Estonia drew attention to information whose automatic updating into databases would substantially reduce the workload of the consulates. This information includes municipality of residence and change of address notifications, deaths, marriages and divorces as well as, for example, births. A number of interfaces are included in the future automatic updating of the information.

In municipality of residence and change of address situations, there is currently in use an operating model in which information about Estonian citizens who have moved to Finland is sent once a week to Estonia. This function has already been automated in Finland and it has been running for a decade. Corresponding information (about Finnish citizens) has not been requested from Estonia because, according to the Population Register Centre, the Local Register Offices did not have the resources to go through the files. (When contacted, the Local Register Offices did not confirm this. The interviewee was unaware of this possibility and considered that centralised resources could be arranged). In the absence of a legal base, information cannot, moreover, be used automatically in maintaining Finland's Population Information System (VTJ). In March 2015, the Population Register Centre launched an initiative that Finland and Estonia enter into a bilateral intergovernmental agreement similar to the agreement on Nordic population registration and that, for the exchange of information, an information exchange channel corresponding to the Nordic Moving service be established. In the Nordic Moving service, the information of people moving from one Nordic country to another is transferred electronically between the population register authorities of the departure and arrival country. Information comes from the system directly to Finland's interface, from where it is forwarded to the Population Information System and the Local Register Offices. The purpose of the exchange of municipality of residence and changes of address is to ensure that an individual is registered in only one country at a time and to facilitate citizens' everyday lives, as they do not have to remember to notify the country from which they are moving. Keeping information up to date will benefit not only Local Register Offices and the Population Register Centre, but also the City of Helsinki and Statistics Finland (reference: provision on cleaning in the Act on Rehabilitation Services to be Provided by the Social Insurance Institution of Finland).

Exchanging information on deaths has been highlighted in the development need proposals of a number of public authorities. Under the Vienna Convention on Consular Regulations, signed in 1963 http://legal.un.org/ilc/texts/instruments/english/conventions/9_2_1963.pdf article 37), deaths abroad should be notified to the individuals' home country. According to information gathered during the study, in practice systematic activity like this does not, however, take place, except in a few countries, for example between Finland and other countries. The greatest need in Finland would be to receive this information comprehensively from Sweden. Efforts have been made to improve cooperation, but information exchange is complicated by the dual-nationality entries of Sweden's system (when a Finn living in Sweden obtains Swedish nationality, Finnish dual nationality no longer appears in the systems). Individual transfers from Finland are made irregularly (for example to Estonia generally in connection with its elections), but there is no systematic exchange of information. The Finnish Centre for Pensions and the Social Insurance Institution exchange information on deaths with some countries (Germany, Spain, Sweden, Norway and Estonia) in order to avoid fraud and error. This information is not, however, forwarded to the Local Register Offices or updated in the population register.

In the Local Register Offices, exchanges of information also take place with respect to marriages and divorces that take place abroad, in recognitions of paternity, in name changes and generally in personal and family relationships abroad when changes happen to Finnish citizens or to individuals registered in Finland. The information is obtained from diplomatic missions. Exchange of information takes place primarily by post, or by email with scanning, and the information is stored manually in the Local Register Office of West Finland, where expatriate Finn affairs are centralised. The greatest amount of information comes from the Embassy of Finland in Stockholm. A bilateral agreement with Sweden is in force (Intergovernmental agreements 4/40, agreement on implementation 130/40 amended (372/52), on the basis of which civil status information about Finns in Sweden is systematically sent to the Embassy of Finland.

Exchange of information seems to be most advance when the motive is avoidance of fraud and error, such as exchange of information on deaths to avoid overpayment of pensions.

A starting point for the development of both bilateral and Nordic information exchange has been the objective of responding to citizens' and businesses' needs more quickly and more accurately, but also to prevent administrative errors and possible fraud. The emphasis clearly seems to be, however, on the avoidance of fraud and its prevention and control.

These bilateral and Nordic services are the most advanced of all the services of the study and most of the information exchanged is transferred to Finnish registers to supplement their information. In practice, many of these services still rely, even today, on extensive manual work either in the collection of information or in saving the information received in Finnish registers. In most of the services, information is transferred from one public authority to another via a secure email link. An exception is the Nordic Moving service, which is largely automated.

3.2   Development projects and proposals

Development projects under way

Most cross-border information exchange solutions and services have development plans or measures in place. Service developments under way, new services under preparation and hopes for development were outlined in the answers to the survey. Examples include the eCert veterinary certificate database and the free movement of EU official documents as well as the significant EESSI EU-wide information exchange in the social security sector, in which communication in paper format will be replaced by structured electronic documents (EESSI is the Electronic Exchange of Social Security Information project). An extension of the cross-border use of eResepti is also planned.

In addition to these, **individual service extensions** are also under development, such as online enquiries by the Social Insurance Institution of Finland (Kela), the Ministry of Social Affairs and Health and the Finnish Centre for Pensions (ETK) to Sweden's pension and insurance information service (Leverera FörmånsInformation LEFI) and the extension of the secure email link technology and practice with Sweden to Norway, Denmark and Iceland as well as exchange of information on deaths with Spain. Kela also offers its own benefit information service across borders, for example to the social service institutions of Sweden and Estonia.

Development proposals

Wishes were expressed to **reduce the reporting burden** by automating the collection and validation of information in Finland and by delivering information directly into systems (e.g. Statistics Finland, Finnish Environment Institute, and digitalising information transfer in accordance with Article 20 of the Administrative Assistance Agreement in tax matters between the Nordic countries) and to **develop communications links and encryption solutions. A number of larger supranational development projects** were proposed in the survey responses, such as an electronic database for the UN's refugee organisation and a personal data register and information exchange system on integration assistance paid to immigrants returned from Europe.

With respect to the updating of population register information, the most significant development would be to achieve **effective transfer of information on deaths and addresses** and updating this information in the population registers. This has, in practice, proved to be challenging, even in a limited environment between Finland and Sweden. The pressure to resolve this is constantly growing as, due to large movements of labour, many citizens of other countries remain in the country of destination.

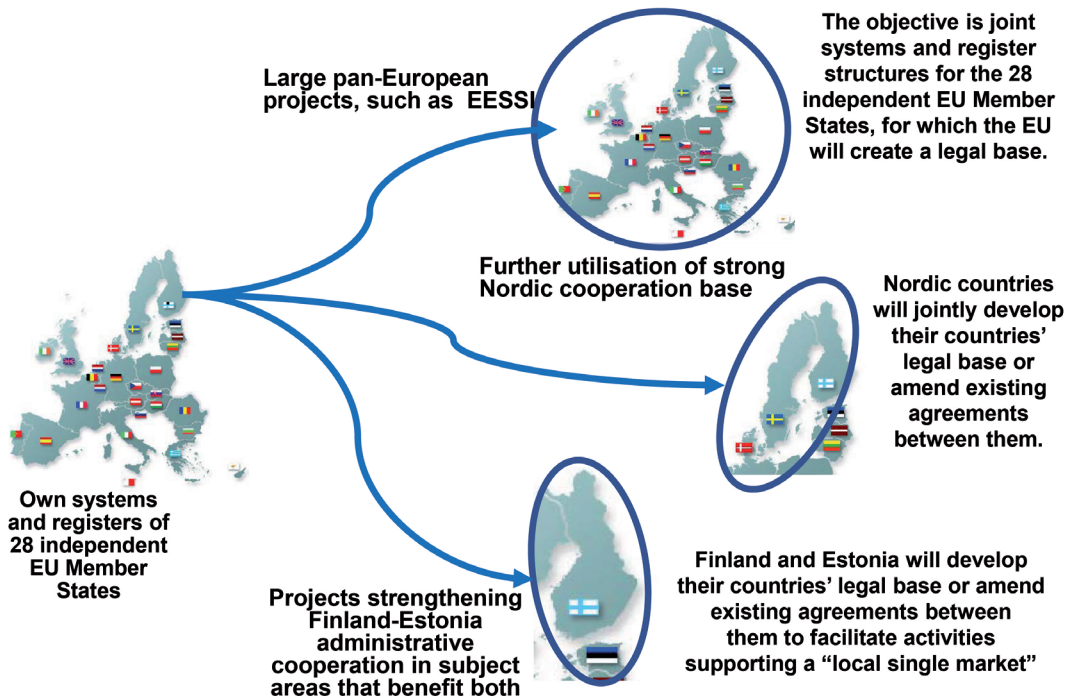**The most significant development proposals for information exchange services between Finland and Estonia** were the development of a service similar to the Nordic Moving service to automatically exchange information on immigration as well as an intergovernmental agreement (initiative launched in March 2015) on the building of viewing rights for Kela, ETK and the Tax Administration into Estonia's X-Road services.

4   Conclusions and recommendations

4.1   Possible development operating environments

At the end of October 2015, the European Commission published its strategy on the next stages of the development of the EU single market. Part of the strategy is to seek solutions for various barriers that prevent the full potential of the single market being realised for citizens and businesses.

Figure 1. Cross-border information exchanges and services will be developed in 3 different operating environments from Finland's perspective

Large pan-European projects, such as EESSI

The objective is joint systems and register structures for the 28 independent EU Member States, for which the EU will create a legal base.

Further utilisation of strong Nordic cooperation base

Nordic countries will jointly develop their countries' legal base or amend existing agreements between them.

Own systems and registers of 28 independent EU Member States

Projects strengthening Finland-Estonia administrative cooperation in subject areas that benefit both

Finland and Estonia will develop their countries' legal base or amend existing agreements between them to facilitate activities supporting a "local single market"

From Finland's perspective, it would be worthwhile to seek development and solutions via the following mutually complementary development operating environments:

1. to participate in EU-organised and other international cooperation projects through which pan-European or supranational level information exchange and operating models are created as well as the joint systems and register structures supporting them. In the EU, the specification of a common legal base strongly related to the above, with the aim of establishing such activity throughout the single market area. On the other hand, the challenge of these large projects is the length of their lead times, and the end result may ultimately be too diffuse. One of the most significant of these in the near future is the EU's EESSI project.

2. to continue and strengthen as well as further develop strong cooperation between the Nordic countries. In the Nordic cooperation area, the new needs and everyday challenges that movement of labour, people and businesses, and integration into another country, which began back in the 1960s, bring to every governmental system will also arise. In these new situations and challenges, we are clearly ahead of the rest of Europe, and on this basis it would be worthwhile to seek solutions in this smaller frame of reference. In addition, the Nordic countries are quick to change their already very cohesive legal base to support joint solutions.

3. to build and strengthen administrative cooperation between Finland and Estonia. The development trend of this cooperation may well be predicted from the development path that Finland's and Sweden's administrations have travelled together in accordance with needs relating to emigration of citizens as well as movement of labour and businesses. In this, one advantage, moreover, is Estonia's size and its capacity to makes change quickly, because its own governmental system is not as strongly cemented in the solutions and operating models of an earlier generation as in Finland. In addition, its legal base is in a number of cases more permissive than Finland's. The purposeful utilisation of this more restricted frame of reference should be emphasised in digitalisation programmes.

On the basis of the work of the study, it is justified to participate actively in developing new services in all three operating environments. Finland's opportunity to exert influence in supranational development projects is limited, but by being active Finland can achieve a role in development projects that is bigger than its size. This would naturally require reasonably significant input of expertise and financial resources. One risk, however, is that the lead times of these projects are long and the end results do not totally fulfil the needs of the public authorities and citizens; to obtain full benefit from them, national development still has to be done.

On the basis of the work of the study, it is recommended that Finland participate in supranational projects, while at the same time taking an active role in services developed with the Nordic countries and Estonia. Because close neighbours Sweden and Estonia account, for example, for approximately 70% of Finland's international social security

decisions, all integrating solutions created between these countries result in more effective administration and benefit to citizens and businesses.

Particularly in projects developed with Estonia, there is also clear potential to deepen the level of digitalisation by extending information exchange services from secure exchange of information to directly viewing information in the other country's databases. Projects of this type that change administrative work processes would clearly support the digitalisation objectives of Finland's Government Programme. In connection with the study, an assessment was made that a viewing link via Estonia's X-Road into local information would, with respect to Kela staff, remove 1-2 enquiry rounds, if they could view information directly in Estonia's systems. No change would be made to decision-making itself; a handling proposal would still be sent to Estonia for decision (the assessment considered a probable example case of a Finnish-Estonian family's residence/employment). A direct viewing link would also facilitate the provision of up-to-date information in customer service situations, for example in tax matters, in which case the service would yield direct benefits to citizens and businesses, not only to administration.

4.2   Cooperation in Finland

The work of the study also identified four development priorities, which will further the development of cross-border information services. It would be worthwhile to develop cross-border information transfer and services relating to cooperation and information exchange between Finnish authorities. A lot of the information transferred using cross-border information exchange services is used by a number organisations in Finland and there might be overlapping projects to obtain information under way. In addition, to some extent certain organisations in Finland already receive cross-border information that would be of significant benefit to other organisations (e.g. death information to Kela). In these cases, where there are no legal barriers to share information, an effort should be made to make the information available to all Finnish public sector organisations.

It is recommended, with respect to cross-border information development projects under way or planned, that there be systematic information exchange between public sector organisations. For example, an annual opportunity to exchange knowledge and experience was considered to be particularly important and also motivating. Ways of implementing this could be, for example, annual round-table meetings in which the participants would be the development staff of the parties exchanging information as well as personnel from development projects' information exchange platforms, via whom ideas, topics of discussion and development project information could be shared.

4.3   Benefits of services developed

When the benefits of current services and services under development are examined, the authorities' primary justification is often the prevention of fraud and error on the part

of citizens and businesses. Therefore supervision and risk prevention play, in practice, a stronger role than supporting free movement. Political will emphasises a second position, namely the EU's new Single Market Strategy, published in October 2015, which aims to further strengthen the free movement of people, goods and services in the single market. **In the future, when selecting development priorities, it is recommended that increased emphasis be given to developing services that genuinely support the free movement of citizens.** Most citizens and businesses want, in principle, to act correctly, and if services are developed primarily to prevent fraud, they will be developed for the needs of the authorities, in which case there will be a risk that the opportunities for the majority to utilise the potential of digitalisation in the single market will be unintentionally restricted or slowed.

4.4   Service development models

When further developing services, the **extension of existing technology or technology already in the introduction phase** as well as its gradual development could be continued, such as increasing secure email links and automating collection and forwarding of information at interfaces or extending or repeating current solutions to cover other countries, such as building a service similar to the Nordic Moving service between Finland and Estonia or concluding an intergovernmental agreement with Estonia similar to the one with Sweden on the exchange of personal and family information. In these cases, the technology would already exist, in which case introduction would only require the conclusion of intergovernmental agreements and investment decisions.

In addition to the wider introduction of existing technology, it is possible to **participate in developing another country's technology** (such as Estonia X-Road data exchange layer) and develop direct reading links in real-time to the other country's databases. In such cases, the country implementing the development project would include cross-border functionality in its own primary project objectives.

Here, too, it is recommended to proceed with both development models. Extending existing solutions is not only recommended, but probably more easily adaptable to different governmental sectors. Direct viewing rights would, however, bring a significant change to working practices while minimising in a new way overlapping work and would promote the advance of actual digitalisation. In both cases, it should be noted that the objective should be to advance on a reciprocal basis, i.e. to offer other countries the same service that Finland would use. If achieving this would significantly slow down the progress of development projects and the other party agrees, it may be possible, however, in the first phase to consider advancing asymmetrically so that in Finland a direct link to Estonia's information would be taken into use first and over time the same service developed for Estonia to Finland's information.

4.5   Recommendations for services between Finland and Estonia

On the basis of the study, **it is recommended to seek harmonisation at least between Finland and Estonia** as well as joint intergovernmental agreements on the exchange of information and on the extension of technology already in use. It is justified to **develop similar solutions with Estonia that Finland now has with the other Nordic countries.** In some cases, where this is possible, it is highly recommended to advance even further in technology solutions than the current situation with Sweden. **Viewing rights to Estonia's X-Road would create an opportunity for a new kind of real-time information exchange,** which could be of benefit not only in preventing fraud and error and reducing the administrative burden, but also in direct customer service situations, in which case they would be of benefit directly in the everyday lives of citizens and support free movement.

   Particularly in the first phase there should be an emphasis on information exchange solutions that promote the mobility of citizens of working age. Services developed expressly for the needs of citizens of working age promote the EU's long-term objective of genuine free movement. **On the basis of the study, the primary projects would be an extension of a service similar to the Nordic Moving service and the conclusion of an intergovernmental agreement with Estonia on personal and family information as well as X-Road viewing rights, at least in tax matters.** In the light of knowledge acquired, it seems that this would also quickly bring credibility to the effectiveness of cross-border development activity, which at this stage is generally perceived to be a slow field of development.

5   Summary and observations

The subject of the study – cross-border services and exchange of information between public authorities – has not been previously researched or studied in Finland. The responses received to the survey conducted in the study came from a wide range of organisations and therefore a wide range of development needs were also expressed. On the basis of the study, there is more cross-border information exchange than was originally assumed. Nevertheless, most information exchange is focused on supranational registers, and real utilisation of information in Finland or adding of information to Finnish registers takes place on a minor scale. **The large amount of manual work done in information exchange also came as a surprise when conducting the study.** There is interest within the public sector authorities for gathering information, and there is great potential in the development of services.

On the basis of the study, it is justified to continue development work in all three operating environments. EU-level and supranational projects will also continue in the future to demand a lot of resources from the participating organisations. In these, it is recommended to participate with a sensible level of resourcing, so that Finland's public authorities can ensure they obtain sufficient opportunities to influence the end result and an up-to-date understanding of the impact of the end result on their own activities. On the basis of the study, it can be more strongly recommended that national resources are focused on services to be developed with close neighbours, where development will lead, in practice, more quickly to results and fulfil more precisely the needs of Finland's authorities and citizens.

Appendices

Appendix 1: Structure of the survey

Survey – Overall structure

1. Information of respondent and organisation
   • Name
   • Position / Job title
   • Telephone number
   • Email address
   • Ministry / Agency / Organisation
   • Unit

   (The survey was structured such that the respondent was able to describe 5 services by going through the following questions 2-13 the required number of times, up to 5 times at most.)

2. Service 1: Basic information
   • Name of the service
   • Description of the service: write a verbal description of the service, or include here a link to a description of the service
   • What are the main benefits of the service. For what purpose is the information exchanged?
   • What parties benefit from the service. What are the parties to the exchange of information?

3. Service 1: What information is exchanged between countries? From where is the information of this service sent and to what country?
   • Multiple choice: from Finland to Estonia / from Estonia to Finland / from Finland to other country, which? (open answer possibility) / From some other country to Finland, which? (open answer possibility)..

4. Service 1: Agreements (Agreement basis of the service)
   • On what agreement is the information exchange based?
   • Has the agreement required legislative changes? What legislative changes or additions has the agreement required?

5. Service 1: How many users of the service are there in Finland?

6. Service 1: How onerous is exchange of information nowadays (estimate of amount of work, person working years)::
   • in terms of the gathering, sending and pre-processing of the information?
   • in terms of receiving, authenticating and further processing the information?

7. Service 1: How much are the annual maintenance costs of the service (euros)?

8. Service 1: How much resources has developing the information exchange of the service required (euros, person working years)?

9. Service 1: Does the service, in your opinion, have significant development needs or limitations? (Yes / No)

10. Service 1: Development needs and limitations
    • What are the service's most important development needs?
    • What are the service's main limitations or regulatory barriers? Write a verbal description of a limitation. If a limitation is based on a law, state the section of the law that applies to the limitation.
    • Is there a need to reduce or remove this limitation? (for example by changing the law)

11. Service 1: Does the service relate to cross-border services developed in an EU Commission programme?
    • Multiple choice: Yes, how? (open answer possibility) / No / Don't know / Other comment (open answer possibility)

12. Service 1: Other information about the service:

13. Are there other services that you wish to tell about? Does the service present issues to consider in terms of the next service? (Yes / No)

    (The survey was structured such that the respondent was able to describe 5 services by going through the above questions 2-13 the required number of times, up to 5 times at most.)

61. New needs for the development of cross-border electronic cooperation
    • Write a verbal description of the service/services (e.g. service that is already in use with some other country)
    • What would be the main benefits of the service? For what purpose would information be exchanged?
    • Are there plans already prepared to develop a cross-border service?
    • What stage is the service at? (e.g. plan, development, introduction date agreed)
    • Is the service (or similar service) already in use with/in some other country? Which?
    • Other information about the service: