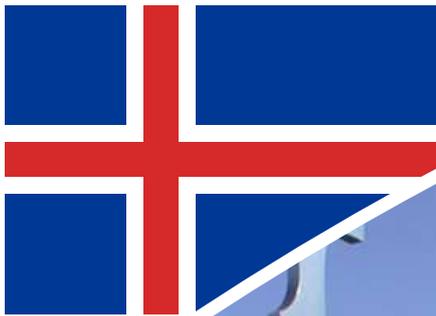# eGovernment in

# Iceland

## Ísland

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**What's Inside**

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# Country Profile

## Basic Data and Indicators

## Basic data...............................................................................................

**Population (1.000):** 299,9 inhabitants (2006)

**GDP at market prices:** 12.938,8 million Euros (2005)

**GDP per inhabitant in PPS (Purchasing Power Standards, EU-25=100):** 129,4 (2005)

**GDP growth rate:** 7,5% (2005)

**Inflation rate:** 4,6% (2005)

**Unemployment rate:** 2,9% (2006)*

**Government debt/GDP:** 36,8% (2004)

**Public balance (government deficit or surplus/GDP):** 0,1% (2004)

*Source: Eurostat*

*\*Source: Statistics Iceland*


**Area:** 103.000 km$^2$ (source: Statistics Iceland)

**Capital city:** Reykjavík

**Language:** Icelandic (source: www.iceland.is)

**Currency:** Icelandic Krona (source: European Central Bank)


## Political Structure................................

Iceland is the most sparsely populated country in Europe with an average of about three inhabitants per square km. Almost four-fifths of the country are uninhabited and mostly uninhabitable, the population being concentrated in a narrow coastal belt, valleys and the southwest corner of the country. Independent for over 300 years, Iceland was subsequently ruled by Norway and Denmark. Limited home rule from Denmark was granted in 1874 and complete independence attained in 1944. Literacy, longevity, income, and social cohesion are first-rate by world standards.

Iceland is a **republic**, has a written constitution and a parliamentary form of government. The President of Iceland is elected by direct popular vote for a term of four years, with no term limit. Most executive power rests with the Government, which is elected separately from the presidential elections every four years.

Iceland boasts the world's oldest functioning legislative assembly, the Althingi, established in 930. The Althingi is a unicameral legislative body (parliament) of 63 members elected for a term of four years by popular vote. Anyone who is eligible to vote, with the exception of the President and the judges of the Supreme Court, can stand for parliament. After every election, the President gives one of the parliamentary

leaders of the political parties the authority to form a cabinet, usually beginning with the leader of the largest party. If he is not successful, the President will ask another political party leader to form a government.

A cabinet of ministers stays in power until the next general election or a new government is formed. The ministers sit in Althingi, but if they have not been elected, they do not have the right to vote in parliament.

Judicial power lies with the Supreme Court or Haestirettur (justices are appointed for life by the Minister of Justice and eight district courts (justices are appointed for life by the Minister of Justice).

There are 8 administrative regions, namely Austurland, Hofudborgarsvaedi, Nordurland Eystra, Nordurland Vestra, Sudurland, Sudurnes, Vestfirdir and Vesturland.

Iceland is a member of the European Free Trade Association (EFTA) and the European Economic Area (EEA).

**Current Head of State:** President Olafur Ragnar Grimsson (since 1 August 1996)

**Current Head of Government:** Prime Minister Geir H. Haarde (since 7 June 2006)

## Information Society indicators.................................................................................

**Percentage of households with Internet access:** 83% (2006)

**Percentage of enterprises with Internet access:** 99% (2006)*

**Percentage of individuals using the Internet at least once a week:** 84% (2006)

**Percentage of households with a broadband connection:** 72% (2006)

**Percentage of enterprises with a broadband connection:** 95% (2006)

**Percentage of individuals having purchased/ordered online in the last three months:** 31% (2006)

**Percentage of enterprises having received orders online within the previous year:** 22% (2006)

**Percentage of individuals using the Internet for interacting with public authorities:**

obtaining information 54,7%, downloading forms 36,5%, returning filled forms 27,4% (2006)

**Percentage of enterprises using the Internet for interacting with public authorities:**

obtaining information 85%, downloading forms 79%, returning filled forms 81% (2006)

*Source: Eurostat*

*\*Source: Statistics Iceland*

# eGovernment History

## Main developments and key milestones (in reverse chronological order)

For the latest developments, see: eGovernment News - Other European countries

## March 2007.......................................

A comprehensive **information and service portal**, island.is was opened in March. Island.is is one of the largest project in the government's policy for the information society 2004-2007. The national portal has three main objectives, better access to information and services, lower cost of both accessing and providing the service and increased quality of the service.

## January 2007...................................

Public administrations of Denmark, Sweden, Norway, Iceland and Finland have formed, with the contribution of the United Kingdom, a cooperation in order to support domestic and cross border electronic trade. The name of the collaboration is **NES (Northern European Subset)** and its aim is to simplify the use of eProcurement for buyers and suppliers, especially among SMEs.

The participating countries have identified the urgent need for an open XML based standard covering the entire procurement process from catalogue to invoice. Such a standard is a prerequisite to reaping the benefits of a full electronic procurement cycle. The open international eProcurement standard UBL 2.0 from OASIS is seen by NES as the standard that can fulfil this at present.

The NES countries have therefore made a northern European implementation of UBL 2.0 in order to create a common platform for eProcurement. Implementation guides, business rules and processes show how the participating countries plan to apply UBL. A description of the implementation has just been made available for public review and can be found at the NES website http://www.nesubl.eu/. The plan is to publish the final versions of the documents in February 2007.

## September 2006.................................

The Prime Minister's Office published an accessibility **policy for public websites** together with guidelines for improvement.

## August 2006......................................

**Guidelines** have been published for those public authorities that want to start a participation forum. The guidelines followed two experimental projects where different methods of communicating with the citizens were explored. The projects were carried out by the Ministry of Social Affairs and the municipality of Garðabær (a town with 7000 inhabitants, close to Reykjavík).

## June 2006........................................

The **Weekly Web Release June 15, 2006** issued by the Ministry of Finance on a weekly basis contains information on:

- A new survey of business prospects
- Outsourcing policy for the central government
- Personal tax credits for the payment of the municipal income tax

## March 2006......................................

The Ministry of Justice and Ecclesiastical Affairs of Iceland has selected US-based supplier Viisage to gather the multi-biometric data required to issue its **new electronic passports**. Iceland is one of the first countries to integrate both finger and face biometrics into their ePassports. The ePassports will contain

ICAO/ISO-compliant biometric data (face, fingerprint, and signature) from all citizens applying for electronic passports at civil registration offices throughout the country. Collecting both face and fingerprint information makes Iceland one of the first countries in Europe to gather live biometric data, rather than relying on paper-based images.

## December 2005.................................

▸ The Prime Minister's Office, in cooperation with The Association of Local Authorities in Iceland, has published a report with an assessment on all public websites, both from central and local government. The main objective was to get an overview over all services provided electronically and also to increase the government's awareness on possibilities and opportunities involved in providing electronic services.

▸ The Ministry of Communications has published a **policy for telecommunications** valid for 2005-2010. Among other issues there are objectives for providing all citizens with the possibility to access high speed Internet, also those in rural and isolated areas.

## September 2005.................................

On September 6th, the Treasury formally sold **Iceland Telecom** to a private investor and was paid 67.7 billion krónur on the same day, 32.2 billion of which was in foreign currency and 32.5 billion in Icelandic krónur. On the same day, the Government announced that the nation's communications network will be strengthened with a 2.5 billion appropriation.

## April 2005.......................................

The minister of finance announces that his ministry is working on a **new law on public procurement** supplementing the existing **Public Procurement Act, No. 94/2001** and incorporating the latest European directives on eProcurement. The new law is set to appear before parliament in January 2006.

## April 2004...........................................

The new Policy of the Government of Iceland on the Information Society for 2004-2007 was published by the Prime Minister's Office under the title: **Resources to Serve Everyone**. Extensive reference is made on the eGovernment policy, which is considered as being in the long term "undoubtedly in the taxpayers" interest, providing them with better service at lower prices".

The Prime Minister's preface to the document admits that in some areas development through the previous project (1996-2003) has been slower than anticipated and that, in many parts of the country, access to high-speed connections through the telecommunications system remains limited and in some instances unavailable. The Prime Minister calls for decisive action to rectify this.

## May 2003.........................................

In a **survey** of the Web sites of 20 local authorities, independent researcher Jon Thorsteinsson found a marked increase in the differences between the sites of more populated areas and those of less densely populated regions in the country. The survey shows that Iceland is failing to make the most of its position as one of the best-placed countries to benefit from eGovernment.

## March 2003.......................................

An **amendment** is approved to **the Public Administration Act, No. 37/1993**, adding a special chapter on the electronic handling of matters by public administration. Through this modification, general obstacles to the development of electronic administration are removed.

## February 2003..................................

The **project towards developing the Icelandic Information Society**, based on the policy formulated in 1996 and directed by the Prime Minister's Office, is formally completed.

## March 2002........................................

**Unbundled access to a local loop** was secured through a regulation from the European Commission, implemented by Iceland in March 2002. This means that users can freely choose the service provider for their fixed telecommunications line.

## April 2001..........................................

Based on a similar EC Directive, **Act No. 28/2001 is passed**. Article 4 of the Act stipulates that fully qualified electronic signatures shall have the same force as handwritten signatures. Furthermore, it is stipulated that other electronic signatures can be legally binding.

## September 2001.................................

A **weekly web release** is initiated by the Ministry of Finance, containing news, recent indices and statistics.

## November 2001.................................

A report entitled **Public Key Infrastructure for eGovernment in Iceland** identifies the need for PKI technology for deploying Iceland's eGovernment applications. It also looks into the approaches that some other countries took in meeting their eGovernment trust and security objectives. Emerging from this is the overall conclusion that further action from the Icelandic government is required.

## 2000 and before.................................

In October 1996 the Government of Iceland published a paper entitled **The Icelandic Government's Vision of the Information Society**, which presented the government strategy regarding issues of the information society. This resulted in the launch of next year's (1997) information society development project covering 1997-2003 and directed by the Prime Minister's office.

In April 2000, a **new work plan** was introduced **for eCommerce and eGovernment**, emphasising experimental projects, increased services at the website of the government ministries, and revision of legislation. In the summer of 2003 the government decided to launch a fresh project to formulate policy in the Information Society. This new policy was expected to be announced at the beginning of 2004.

# eGovernment Strategy

## Main strategic objectives and principles



Iceland is in a very good position to take advantage of ICT. The World Economic Forum's "Global Information Technology Report 2002-2003" ranked Iceland fifth in terms of "networked readiness" - a measure of how prepared an economy is to capture the benefits of technology in order to promote economic growth and productivity. The UN eGovernment Readiness Index (ref: United Nations: "Global eGovernment Readiness Report 2005") for 2005 ranks the country as number 15 among 179 nations, ahead of countries such as Austria (16), Belgium (18) and France (23).

The county's policy on eGovernment was put forward in the plan for 2004-2007, published by the Prime Minister's Office under the title: **Resources to Serve Everyone**. The document is the continuation of the already completed 1997-2003 plan and refers to the overall view for Iceland in the Information Society for 2004-2007.

The future vision on eGovernment is stated as follows: "The introduction of eGovernment takes a long time, calls for huge expenditure and requires considerable administrative re-organisation. In the long term, however, eGovernment is undoubtedly in the taxpayers' interest, providing them with better service at lower prices." The following factors are considered important for success:

▸ **Opportunity**. Individuals and companies shall be provided with increased opportunities for exchanging and seeking knowledge, communicating, and conducting business wherever and whenever they wish.

▸ **Responsibility**. Leaders in every area of society must shoulder responsibility and cooperate so that information technology will be used for the benefit of citizens and so that diverse individuals will be able to benefit from it.

▸ **Security**. Citizens and companies shall be guaranteed access to a secure, reliable, high-speed network at competitive prices. The security of information and the protection of personal privacy shall be guiding principles in developing the information society.

▸ **Quality of Life**. Added quality of life and a richer society shall be supported by exploiting the potential of information technology in education, culture and health, along with other community sectors.

The most important project and the largest project carried out under this policy is the development of the information and service portal **www.island.is**, set to play a key role in providing information and services to individuals and companies communicating with government organisations. The objective is to facilitate access to public services in such a way that the user will not need to know in advance which organisation provides the service he or she requires.

Many other projects will be carried out as part of the portal and the 2004-2007 plan. They concern development of new sophisticated services and also further development of existing ones. Selected projects are:

▸ Centralisation of the electoral roll, resulting in voters attending any polling station for elections, aided by IT. It is suggested that the Ministry of Justice and the Ministry of Social Affairs conduct a joint experimental project in this field during the next municipal elections in 2006. Responsibility:

Ministry of Justice and Ecclesiastical Affairs and Ministry of Social Affairs.

▸ Public purchases of operating supplies to operate electronically. Responsibility: Ministry of Finance / State Trading Centre.

▸ Introduction and increasing use of international standards. The process is to start with eGovernment, as a pilot for constructing general public administration systems. Responsibility: Prime Minister's Office, Ministries of Industry and Commerce.

## Strategy planning for 2007 and beyond

The Government's of Iceland ongoing policy for the Information society 2004-2007, ("Resources to serve everyone") includes most of the targets for European "i2010 – A European Information Society for growth and employment initiative". Related to the policy the Division for the Information Society located at the Prime Minister's Office has a special fund every year to finance IT projects. For 2007 it is planned to start working on a new policy, focusing on further implementation of the i2010 targets. In the budget for 2007 there is a strong focus of prioritizing IT projects which could be proved to increase efficiency and lower cost for citizens and businesses. A tool to measure savings for the customers of the projected applications has been developed and provided to all ministries and institutions."

eProcurement is one of the biggest projects in the IT budget for 2007. A strong focus will be on open standards and interoperability. The goal is that all public administrations will be able to carry out 100% of their procurement by 2009.

Regarding eIdentification, Government's objective is that every citizen in Iceland will be offered an electronic ID, on a smartcard, already by 2007. The eIDs will be used for government services where authentication and digital signature is required. It is also expected that the eIDs will be used to access the home banks which are used by more than 70% of all Icelandic citizens.

In addition there is an eID project in cooperation with Icelandic banks: The goal is to build up an open and standardized environment for eIDs, compliant to European standards, and at the same time ensure that the content fulfils the requirements of both partners. The plan is to launch the electronic identities on the debit cards already during 2007. The banks plan to renew all the debit cards in the country next year so the cards will be in the hand of all citizens quickly.

Source: Implementation of the i2010 eGovernment Action Plan: National Status and Progress. Preliminary Report

# eGovernment Legal Framework

## Main legal texts impacting on the development of eGovernment

## eGovernment legislation.....................

On 10 March 2003 an **amendment** (No. 51/2003) was approved to the **Public Administration Act, No. 37/1993**, adding a special chapter on the electronic handling of matters by public administration. Through this modification, general obstacles to the development of electronic administration were removed. While formulating the amendment, the committee in question was guided by the concept of equivalent value, and also emphasised the need to maintain technical impartiality. The alteration involved mere permission for the electronic handling of governmental administration cases, but not an obligation.

## Freedom of Information legislation.......

There is the **Access to Information Act** (No. 50/1996). This Act shall apply to state and municipal administration. Furthermore, the Act shall apply to the activities of private parties insofar as they have been entrusted with official power to take decisions regarding people's rights or obligations.

## Data Protection/Privacy legislation.......

**Act on the Protection of Privacy as regards the Processing of Personal Data, No. 77/2000, as amended**

The Act on the Protection of Individuals with Regard to the Processing of Personal Data (No. 77/2000), was passed in 2000 and came into effect on 1.1.2001. The act implements the EC Data Protection Directive and deals with how the protective principle relates to data quality and presented criteria for the legitimacy of data processing. The act applies to any automated processing of personal data and to manual processing of such data if it is, or is intended to become, a part of

a file. It has been amended by Act No. 90/2001, Act No. 30/2002, Act No. 81/2002 and Act no. 46/2003.

## eCommerce legislation........................

In 2002 Parliament passed an **Act relating to eCommerce** and other electronic services (30/2002). In the field of taxation, there are two main acts applying to electronic commerce: the **Income Tax Act, No. 90/2003**, and the **Value Added Tax Act, No. 50/1988**. According to the Income Tax Act, a legal entity is taxable in Iceland if it is domiciled in this country. In Chapter XI of the Value Added Tax Act, No. 50/1988, several special provisions concern imports. A value added tax shall be collected on all imports at the time of customs clearance. Special provisions apply to goods exempt from customs duties, such as works of art, scientific publications and small packages.

## eCommunications legislation................

The **Telecommunications Act No. 107/1999** deregulated the telecommunications sector by terminating the state monopoly. A further aim of the act was to enhance competition and ensure that everyone had access to the basic services in this field. The legislation also provided for the unbundling of local loops under certain conditions. The **Electronic Communications Act in 2003** (No. 81/2003) implemented the latest EU directives in Iceland.

## eSignatures/eIdentity legislation..........

The Government passed a bill on electronic signatures in the spring of 2001, as **Act No. 28/2001**. Based on a similar EC Directive, article 4 of the Act stipulates that fully qualified electronic signatures shall have the same force as handwritten signatures. Furthermore, it is stipulated that other electronic signatures can be

legally binding. Supporting legislation comes through the **Electronic Commerce Act, 2002** and the **Public Administration Act** as amended in 2003.

## eProcurement legislation.....................

The existing **Public Procurement Act, No. 94/2001** does not cover eProcurement. The ministry of finance is working along an action plan leading to a new law to incorporate the latest European directives on eProcurement. A bill for a new legislation was presented in the parliament in October 2006.

## Re-use of public sector information......

Conditions on the re-use of public sector information are partly covered by the **Access to Information Act (No. 50/1996)**. The Act defines public access to information and the restrictions on the right to information. In relation to the European Directive on the re-use of Public Sector Information (PSI Directive) the Act includes almost all items with the exception of access and re-use of information through electronic means such as data bases. A working group is currently dealing with the issue. Other legislative needs include specific acts of some 4-6 institutions (such as Statistics Iceland, the Icelandic Meteorological Office, the National Land Survey of Iceland), which must be changed so as to ensure public access to their data basis through electronic means under certain defined exceptions.

*Source: Europa: PSI Implementation Status.*

# eGovernment Actors

## Main roles and responsibilities



## National eGovernment........................

### Policy/Strategy

The policy and strategy on eGovernment is determined by the **Prime Minister's Office**, which is also responsible for releasing documents such as the plan for 2004-2007 entitled Resources to Serve Everyone, itself a sequel of the previous 1997-2002 plan.

The general organisational approach to eGovernment in Iceland is centralised policy and strategy but decentralised implementation.

### Coordination

The policy is coordinated by a steering group called the "**Information Society Taskforce**", operating under the auspices of the Office of the Prime Minister. This includes assisting public institutions in their efforts towards achieving the main objectives. Related to the policy the **Department for the Information Society** located at the Prime Minister's Office has a special fund every year to finance IT projects.

A special project management team, "**The eGovernment Taskforce**" focuses on eGovernment issues in the policy. Several other committees are operating as well.

### Implementation

Implementation is undertaken by the **Government offices (ministries)** according to their role and subject.

### Data Protection

**Icelandic Data Protection Authority (DPA)**

The Icelandic Data Protection Authority consist of a Board and a Secretariat. A managing director (**Data Protection Commissioner**) is in charge of daily management of the Secretariat. The Icelandic Data Protection Authority exercises surveillance over processing of data to which the **Act on the Protection of Privacy as regards the Processing of Personal Data** applies. With proper identification the staff of the DPA is admitted to any and all premises where personal data is being processed without a court order.The decisions made by the Icelandic Data Protection Authority are final and may not be brought before any other administrative authority. The decisions on the other hand can be taken to the courts, as well as complaints concerning the administration of the Authority can be addressed to The Parliamentary Ombudsman.

## Regional & Local eGovernment............

### Implementation and support

The country is divided into 79 municipalities (local authorities) which are independent but under the supervision of the Ministry of Social Affairs. Their responsibilities lie on social welfare, health, education, cultural matters and infrastructure. The **Association of Local Authorities** in Iceland is the forum for co-operation between the local authorities.

# eGovernment Who's Who

**Main eGovernment decision-makers and executives**

## Minister responsible for eGovernment..............................................................................

**Name:** Geir H. Haarde

**Job title:** Prime minister

**Picture:**



**Contact details:**

The Prime Minister's Office

Stjornarradshusinu

150 Reykjavik

Iceland

Tel.: +354 545 8400

Fax: +354 562 4014

E-mail: postur@for.stjr.is

Source: Prime Minister's Office

## Other eGovernment executives ........................................................................

**Name**: Gudbjorg Sigurdardottir

**Job title**: Director-General, Department of Information Society

**Picture:** No picture available.

**Contact details**:

Prime Minister's Office

Department of Information Society

Tel.: +354 545 8470

Fax: +354 562 3177

E-mail: gudbjorg.sigurdardottir@for.stjr.is

**Name**: Halla Bjorg Baldursdottir

**Job title**: Head of e-Government Task Force, Department of Information Society

**Picture:** No picture available.

**Contact details**:

Prime Minister's Office

Department of Information Society

Tel.: +354 545 8470

Fax: +354 562 3177

E-mail: halla.bjorg.baldursdottir@for.stjr.is

## Other eGovernment executives

# eGovernment Infrastructure

## Main eGovernment infrastructure components

## eGovernment Service Delivery............

Following the UN classification of eServices into five stages, Iceland appears as having the following utilisation rates for 2005 (ref: United Nations: "Global eGovernment Readiness Report 2005"):

| Stage of eService | Percent utilisation (%) |
|---|---|
| I: Emerging | 100 |
| II: Enhanced | 95 |
| III: Interactive | 65 |
| IV: Transactional | 7 |
| V: Networked | 17 |
| **TOTAL** | **57.66** |

These rates amount to a global rank of 34 out of a total of 191 countries, placing it behind countries such as the US (1), Singapore (2), UK (3), Sweden (9), Belgium (23) and Romania (28). The discrepancy seen between the availability of telecommunications infrastructure (2nd in the world, see below) and the eServices delivery is also manifested in the recent (June 2006) "Web-Based Survey on Electronic Public Services " which remarks: "eService developments appear to have stalled in Iceland" (ref: "Online Availability of Public Services: How Is Europe Progressing?", Web Based Survey on Electronic Public Services, Report of the 6th Measurement, Capgemini, funded by the European Commission, June 2006.).

Important infrastructure services implementing eGovernment in the country are:

▶ Electronic tax returns

▶ Electronic customs declarations

▶ Public libraries and free access international journals and reference data-bases

▶ National portal

More details in these and other services can be found in the services section of this factsheet. An important service which is of particular interest to the country is the **Information System on Fishing Quotas and Catches** (http://www.fiskistofa.is/) by the Directorate of Fisheries, which collects and distributes data on fishing quotas and catches of individual fishing vessels. Electronic data on landed catch is received daily from ports of landing in Iceland. Catch data and information on fishing quotas is then made accessible for everybody on the Internet on a real-time basis. The system is a useful tool for controlling utilisation of fishery resources in a transparent and trustworthy way.

## Portal...............................................

The government portal is **www.government.is** and contains information and online facilities for all government departments (ministries, directorates, etc.).

On a more general note, the national information and service portal is **www.island.is**. This portal represents the largest and most important project of the new policy on eGovernment, as put forward in the plan for 2004-2007 (**Resources to Serve Everyone**). The portal plays a key role in providing information and services to individuals and companies which communicate with government organisations. The objective is to facilitate access to public services in such a way that the user will not need to know in advance which organization provides the service he or she requires.

Another portal, **www.iceland.is**, is provided for by the Ministry of Foreign Affairs as an official gateway to Iceland for foreigners. The portal contains a wealth of information on Iceland, its nature, society and people, together with links to hundreds of related web sites.

## Network.............................................

Iceland has a large-scale infrastructure for telecommunications networks and services. Reykjavík offers one of the largest optical-fibre networks

currently available in any capital city and mobile phone penetration is among the highest in the world. The UN Telecommunication Infrastructure Index for 2005 (ref: United Nations: "Global eGovernment Readiness Report 2005") amounts to 0.770, which is worldwide second only to Sweden (0.840) and ahead of countries such as the US (0.749), Singapore (0.645) and Germany (0.623).

Important changes to telecommunications in Iceland is that companies are now allowed to offer services through a local loop, i.e. a line from households/ businesses/institutions to telephone stations, which Iceland Telecom was previously exclusively authorised for. Unbundled access to a local loop was secured through an EC directive, implemented by Iceland in March 2002. Refer to the report IT and Telecom in Iceland (2004) by the Invest in Iceland Agency.

More specialised networks also exist. For example, the FS Net (www.fsnet.is) is a high-speed network linking all upper secondary schools and lifelong education centres in Iceland. FS Net is structured for fast, independent data transport and builds on the IP protocol. All upper secondary schools and continuing education centres are connected through a 100-Mbps link, with branch locations of continuing education centres connected by 2-Mbps links. The network supports multicast and traffic prioritisation and is also connected to the University and Research Network (RH Net). Quality of Service (QoS) mechanisms support seamless transport of multimedia material.

## e-Identification infrastructure..............

There is extensive use of authentication infrastructure in the form of digital certificates and signatures. Various government departments issue digital certificates. For example, the 1996 amendment to the Customs Act, imposed electronic submissions using digital certificates for all import and export companies since 2001. On a similar note, the Directorate of Fisheries issues skippers with digital certificates for signing and encrypting catch reports.

## eProcurement infrastructure...............

Although the possibility of an electronic intake with an official form to tender exists, there is no complete eProcurement infrastructure enabling full electronic handling of the process as yet. This is expected to be developed once the new law on eProcurement becomes operational. An Action Plan on eProcurement is under way at present.

## Knowledge Management infrastructure

Knowledge management infrastructure is centred around the following sites:

▸ **The Educational Gateway**, a portal that provides schools with convenient access to information and services on the Internet. Content is being recorded and linked to courses, academic subjects and curriculum goals. The Educational Gateway is built on a public-private partnership, is run by a private company and intends to integrate the content and services provided by public and private parties.

▸ **Inna**, is an information system designed for secondary schools in Iceland. It is an integrated system for all levels of school administration. Inna covers information on all secondary schools and is a centralized portal for enrolment to secondary education for all pupils in Iceland. The system is accessible to students, teachers, school authorities and parents and covers information on Schedules, Curriculum, Syllabus, Study plans, Attendance, Time tables, Grades, Statistics etc. Inna is a centrally hosted information system accessible from the Internet. Access and access levels are controlled by username and soft passwords. About 85% of the secondary schools are members of Inna.

▸ **Tungutaekni.is** (http://www.tungutaekni.is) is an information website maintained by the Icelandic Centre for Language Technology. For over 1,000 years, Icelandic has served not only as the language of Icelanders, but as the medium by which one of Europe's greatest literary treasures was preserved: the medieval sagas. However, since the advent of computers Icelandic, like many other languages, has found itself under increasing

pressure, particularly from English. One of the main roles of the centre is to collect information on language technology in Iceland and make it available on the Internet to facilitate cooperation among interested parties and the use of available resources.

▶ The **Icelandic Library Consortium** runs a union catalogue for Icelandic libraries, known as Gegnir. The company, which was founded in November 2001, is owned by the Icelandic government and a series of municipalities around the country. Its purpose is to run a central, web-based library system for most of the libraries in Iceland, thus making the best possible use of the country's modest library and information resources. The contract between Ex Libris and the Consortium of Icelandic libraries assumes that the new library system will be used by all or almost all of the approximately 400 libraries in the country, and that legacy data will be added to the new system in steps, based on their existing systems.

▶ **Hvar.is** (www.hvar.is) is the Icelandic countrywide access portal to electronic databases and eJournals. It is the "Iceland Consortia for e-subscriptions" website. Information and access to more than 8.000 full-text journals and 30 databases is provided to every resident of Iceland who is connected to a domestic Internet service provider. This has been realised through contracts signed with the providers of electronic databases and journals. According to the Icelandic government's

point of view, the idea of providing nationwide access to databases of electronic bibliographies and full-text journals unites two lines of thought: satisfying the urgent demand of libraries and their users for a diverse set of databases and journals and applying the adopted government policy of equal access for all Icelanders to the information society.

▶ **UT**-vefur (www.ut.is) is a comprehensive portal with information on IT-issues. The portal is mainly targeted towards people working in IT-departments and managers in public institutions. However the portal is of such a general nature that it can be of use to anyone who is seeking information on Information Technology and eGovernment. The Department of Information Society at the Prime Minister's Office is responsible for the portal. The UT-vefur opened in January 2006.

▶ **Vísindavefur** was established in the year 2000. In contains information on all aspects of science, everything from astronomic science to ancient manuscripts. Visitors can find answers to a wide variety of questions and if something is missing they have direct access to a experts which are responsible for maintaining and updating the web. The Visindavefur plays a central role in discussions in the country and is often being refereed to in press articles and in public debates. The Visindavefur is supported both by public institutions and private companies.

# eGovernment Services for Citizens

## Availability and sophistication of eServices for Citizens

The information in this section is based on the common list of 20 basic public services (12 for citizens, 8 for businesses) adopted by the Council of the EU in March 2001, and on the methodology used to assess their level of online availability and sophistication in the eEurope benchmarking exercises (see: *eGovernment indicators for benchmarking eEurope*).

**The 12 services for citizens are as follows:**

1. Income Tax Declaration

2. Job Searches by labour Offices

3. Social Security Contributions

4. Personal Documents

5. Car Registration

6. Application for Building Permission

7. Declaration to the Police

8. Public Libraries

9. Certificates (birth, marriage) Request and Delivery

10. Enrolment in Higher Education

11. Announcement of moving (change of address)

12. Health-related services (e.g. appointments for hospitals)

For each service, the sophistication stage reached is indicated, with reference to the maximum stage possible for the service.

- Stage 1 - Information: online information about public services

- Stage 2 - Interaction: downloading of forms

- Stage 3 - Two-way interaction: processing of forms, including authentication

- Stage 4 - Transaction: full case handling, decision and delivery (payment)

## 1. Income taxes (declaration, notification of assessment)

**Responsibility:** Central Government, Internal Revenue, Ministry of Finance

**Website:** http://www.rsk.is

**Sophistication stage:** 4/4

**Description:** Business have been allowed to submit electronic tax returns since 1997, and individuals since 1999. In 2006 92% of individuals and 95% of businesses filed their taxes electronically. This system is user-friendly, offers on-line guidance with certain data pre-entered and totals are calculated automatically. Rule-based auditing is also in place. During the declaration period this system is available around the clock. Work on returns can be completed over several sessions since intermediate results are saved until everything is ready for submission. Once the citizen has submitted the information to the tax authorities, an electronic processing system takes over. Tax returns received electronically are audited using an artificial intelligence system and approximately 50% of all tax returns are approved without any manual intervention. It is also possible to get free certified copies of tax returns as digitally signed PDF documents.

## 2. Job search services by labour offices

**Responsibility:** Central Government, Ministry of Social Affairs, Directorate of Labour and its 8 regional employment offices

**Website:** http://www.vinnumalastofnun.is/, http://www.starfatorg.is/

**Sophistication stage:** 3/3

**Description:** Fully functional job search online service with multilingual information on jobs where Icelandic is not needed. Vacancies are automatically published in the European Employment Services (EURES) Job Mobility Portal.

### 3. Social security benefits

#### a. Unemployment benefits

| | |
|---|---|
| **Responsibility:** | Central Government, Ministry of Social Affairs, Directorate of Labour and its 8 regional employment offices |
| **Website:** | http://www.vinnumalastofnun.is |
| **Sophistication stage:** | 3/4 |
| **Description:** | A new law on unemployment insurance was passed by the Althingi in June 2006 and taking effect from 1 June. The main changes are income related benefits for the first three months of the unemployment period. The maximum length of unemployment period is 3 years, instead of 5 years in older legislation. Information and forms to submit electronically. |

#### b. Child allowances

| | |
|---|---|
| **Responsibility:** | Central Government, Ministry of Finance |
| **Website:** | http://www.ministryoffinance.is/ |
| **Sophistication stage:** | Service not relevant |
| **Description:** | Service is handled automatically by the tax authorities, in the sense that no application is necessary to obtain benefits for children. Information is supplied on the web |

#### c. Medical costs (reimbursement or direct settlement)

| | |
|---|---|
| **Responsibility:** | Central Government, Ministry of Health and Social Security, The State Social Security Institute |
| **Website:** | http://www.tr.is/english |
| **Sophistication stage:** | 3/4 |
| **Description:** | Information and forms. |

#### d. Student grants

| | |
|---|---|
| **Responsibility:** | Central Government, Ministry of Education, Science and Culture |
| **Website:** | http://www.menntamalaraduneyti.is |
| **Sophistication stage:** | Service not relevant |
| **Description:** | Services that are available for higher education only propose loans. The only exception is student grants for students at secondary school level, typically in the age of 16-19. This grant can be applied for electronically at the institution for Student Loan Fund, http://www.lin.is. |

### 4. Personal documents (passport and driving licence)

#### a. Passport

| | |
|---|---|
| **Responsibility:** | Central Government, Ministry of Justice and Ecclesiastical Affairs, Directorate of Immigration |
| **Website:** | http://www.utl.is |
| **Sophistication stage:** | 2/3 |
| **Description:** | Information and printable paper forms to be submitted enabling citizens to start the procedure to obtain a passport. |

#### b. Driving license

| | |
|---|---|
| **Responsibility:** | Central Government, Ministry of Communications, Road Traffic Directorate |
| **Website:** | http://www.us.is, http://www.syslumenn.is |
| **Sophistication stage:** | 1/3 |
| **Description:** | Information enabling citizens to start the procedure to obtain a driving licence. |

### 5. Car registration (new, used and imported cars)

| | |
|---|---|
| **Responsibility:** | Central Government, Ministry of Communications, Ministry of Finance, Road Traffic Directorate |
| **Website:** | http://www.us.is, http://www.rsk.is |
| **Sophistication stage:** | 2/4 |
| **Description:** | Information and forms to download, enabling citizens to start the procedure to register a motor vehicle. |

### 6. Application for building/planning permission

| | |
|---|---|
| **Responsibility:** | Local Government, examples below: |
| **Website:** | http://www.gardabaer.is/default.asp?cat_id=80 |
| | http://www3.akureyri.is/auglysingar/rafraent/ |
| | http://www.skipbygg.is |
| | http://www.seltjarnarnes.is/umsoknir-og-eydublod/ |
| **Sophistication stage:** | 1/4 |
| **Description:** | Standard procedure to obtain building or renovation permission for a personal building. Some of the larger municipalities offer forms that can be sent in electronically, i.e. Gardabaer municipality: |
| | http://www.gardabaer.is/default.asp?cat_id=80 (form can be sent in electronically) Akureyri municipality: http://www3.akureyri.is/auglysingar/rafraent/ (form can be sent in electronically), Reykjavik municipality: http://www.skipbygg.is (form available as PDF), Seltjarnarnes municipality: http://www.seltjarnarnes.is/umsoknir-og-eydublod/ (form available as PDF) |

### 7. Declaration to the police (e.g. in case of theft)

| | |
|---|---|
| **Responsibility:** | Central Government, Ministry of Justice and Ecclesiastical Affairs, The Icelandic Police |
| **Website:** | http://www.police.is |
| **Sophistication stage:** | 2/3 |
| **Description:** | The police scans incoming mail or inquiries submitted online through the standard inquiry form and responds either by phone or by visiting a given address. This has to be followed up by a formal written report. |

| 8.    Public libraries (availability of catalogues and search tools) |
|---|

| **Responsibility:** | Central Government and Municipalities forming "The Icelandic Library Consortium", Ministry of Education, Science and Culture |
|---|---|
| **Website:** | http://www.gegnir.is, http://www.hvar.is |
| **Sophistication stage:** | 3/3 |
| **Description:** | Landskerfi bókasafna (the Icelandic Library Consortium) runs a union catalog for Icelandic libraries, known as Gegnir. The company, which was founded in November 2001, is owned by the Icelandic government and a series of municipalities around the country. Its purpose is to run a central, web-based library system for most of the libraries in Iceland. By 2004 100 libraries, which previously used Dobis/Libis, joined the system, which is reaching completion by June 2006. The system provides all users of Icelandic libraries with equal access to resources over the Internet. In addition, all Icelanders have access to a large number of databases and electronic journals through **Hvar.is**, the Icelandic countrywide access portal to electronic databases and eJournals. Run on behalf of the Ministry of Education, Science and Culture, contracts have been signed with the providers of electronic databases and journals, which permit access for every resident of Iceland connected to a domestic Internet service provider. |

| 9.    Certificates (birth, marriage): request and delivery |
|---|

| **Responsibility:** | Central Government, National Population Registry, Ministry of Justice and Ecclesiastical Affairs |
|---|---|
| **Website:** | http://www.thjodskra.is |
| **Sophistication stage:** | 3/3 |
| **Description:** | Request for a certificate can be sent by email. |

| 10.  Enrolment in higher education/university |
|---|

| **Responsibility:** | Central Government, Ministry of Education, Science and Culture |
|---|---|
| **Website:** | http://eng.menntamalaraduneyti.is/ |
| **Sophistication stage:** | 2/4 |
| **Description:** | Provides general information and paper forms for enrolment in higher education and universities. |

### 11. Announcement of moving (change of address)

| | |
|---|---|
| **Responsibility:** | Central Government, National Population Registry, Ministry of Justice and Ecclesiastical Affairs |
| **Website:** | http://www.thjodskra.is |
| **Sophistication stage:** | 2/3 |
| **Description:** | The site offers the possibility to obtain the paper form to start the procedure of new address notification in a non-electronic way (form sent by fax or post) |

### 12. Health related services (interactive advice on the availability of services in different hospitals; appointments for hospitals)

| | |
|---|---|
| **Responsibility:** | Central Government, Ministry of Health and Social Security |
| **Website:** | http://eng.heilbrigdisraduneyti.is/ |
| **Sophistication stage:** | N/A |
| **Description:** | The referral to hospital is made by the patient's general practitioner and not by the patient himself, therefore the service is not considered relevant. |

Source: Sophistication ratings quoted in "Online Availability of Public Services: How Is Europe Progressing?", Web Based Survey on Electronic Public Services, by Capgemini, funded by the European Commission, June 2006.

# eGovernment Services for Businesses

## Availability and sophistication of eServices for Businesses

The information in this section is based on the common list of 20 basic public services (12 for citizens, 8 for businesses) adopted by the Council of the EU in March 2001, and on the methodology used to assess their level of online availability and sophistication in the eEurope benchmarking exercises (see: *eGovernment indicators for benchmarking eEurope*).

**The 8 services for businesses are as follows:**

1. Social security contributions for employees

2. Corporation Tax: declaration, notification

3. VAT: declaration, notification

4. Registration of a new company

5. Submission of data to statistical offices

6. Customs declaration

7. Environment-related permits

8. Public procurement

For each service, the sophistication stage reached is indicated, with reference to the maximum stage possible for the service.

▶ Stage 1 - Information: online information about public services

▶ Stage 2 - Interaction: downloading of forms

▶ Stage 3 - Two-way interaction: processing of forms, including authentication

▶ Stage 4 - Transaction: full case handling, decision and delivery (payment)

### 1.    Social contribution for employees

**Responsibility:**   Central Government, Ministry of Health and Social Security, The State Social Security Institute

**Website:**   http://www.tr.is/

**Sophistication stage:**   4/4

**Description:**   Declaration of social contributions for employees can be processed online.

### 2.    Corporation tax: declaration, notification

**Responsibility:**   Central Government, Internal Revenue, Ministry of Finance

**Website:**   http://www.rsk.is

**Sophistication stage:**   4/4

**Description:**   Business have been allowed to submit electronic tax returns since 1997, and individuals since 1999. A fully interactive system is operational.

### 3.    VAT: declaration, notification

**Responsibility:**   Central Government, Internal Revenue, Ministry of Finance

**Website:**   http://www.rsk.is

**Sophistication stage:**   4/4

**Description:**   The service is fully interactive and provides VAT transactions under the current rate of 24.5% or 14% (reduced).

### 4.    Registration of a new company

| | |
|---|---|
| **Responsibility:** | Central Government, Ministry of Finance, Internal revenue |
| **Website:** | http://www.rsk.is |
| **Sophistication stage:** | 2/4 |
| **Description:** | General information and forms to download to start the procedure to register a company. More information can be obtained in the relevant recent legislation on Establishing a company in Iceland (1 May 2006). |

### 5.    Submission of data to statistical offices

| | |
|---|---|
| **Responsibility:** | Central Government, Statistics Iceland |
| **Website:** | http://www.hagstofa.is/ |
| **Sophistication stage:** | 3/3 |
| **Description:** | Electronic intake with official electronic forms to submit statistical questionnaires. |

### 6.    Customs declarations

| | |
|---|---|
| **Responsibility:** | Central Government, Ministry of Finance, Directorate of Customs |
| **Website:** | http://www.tollur.is/ |
| **Sophistication stage:** | 4/4 |
| **Description:** | An interactive online service which allows users to receive and send answers to customs declarations and use digital signatures as a safety measure. Features include import/export procedures for businesses, fully automated customs procedures (enabling up to 100% of all declarations to become electronic. |

### 7.    Environment-related permits (incl. reporting)

| | |
|---|---|
| **Responsibility:** | Central Government, Ministry for the Environment |
| **Websites:** | http://www.ust.is/ |
| **Sophistication stage:** | 2/4 |
| **Description:** | Information and forms to download. |

| 8.   Public procurement | |
|---|---|
| **Responsibility:** | Central Government, Ministry of Finance |
| **Website:** | http://www.rikiskaup.is |
| **Sophistication stage:** | 3/4 |
| **Description:** | Information and forms to download |

*Source: Sophistication ratings quoted in "Online Availability of Public Services: How Is Europe Progressing?", Web Based Survey on Electronic Public Services, by Capgemini, funded by the European Commission, June 2006.*

European Commission