

## ICA COUNTRY REPORT

### Israel

#### **Identification of strategic and operational goals**

The year 2002 indicates a turning point in the development of IT in the Israel administration. The plan for IT development for the next few years had been approved by the Israel government, the project called "Merkava" - in English translation "carriage" had been started. That project will carry the Israel administration to e-Gov by 2005 allowing people to receive most government services via the internet. First pilot will be initiated in September 2003.

#### ***The new ERP platform for reinventing the Israel Government. - "Merkava"***

Merkava's main goal is to create a government administration that works better and more effective and costs less to the public. The system will serve as a one-stop shop gate for the citizen who wishes to receive government services. It enables the public to obtain general information about all government activities and operations. Merkava's aim is to give the administration the opportunity to adopt best practices, empowering government staff, both managers and employees, to use the appropriate tools, thus utilising better national resources and assets.

Implementation of the project is being executed by horizontal cross-agency guidance and co-ordination of the supporting IT systems, i.e. finance, logistics, HR and real estate, at the same time synchronising the design of other generic processes.

The new policy enables the following:

- Enables the various ministries to concentrate on their unique core processes, which are the essence of each office.
- Enable the government to provide all IT services from a "one-stop shopping" gate for the citizen as a consumer.
- Use "economy of scale" in its relations with suppliers.
- Encourage inter and intra-ministry integration and collaboration in its services.
- Assist in building networks and alliances among disconnected groups in government administration.
- Supply a secured network for the whole government (a project called "Tehila").

Through its three-layer structure of organization, "Merkava" develops a government-wide perspective of its administration and services.

#### **Organising for e-Gov**

##### ***Structural change***

These changes and transformation of IT units affects the structure of government and will bring about a change in the organizational culture of the whole government administration. There are many obstacles such as fear of change, fear of worse service to the citizen from the human point of view and legacy information systems from the technological point of view.

The implementation stage has moved forward and the first two ministries, Ministry of Science and Technology and the Ministry of Finance (including Civil Service Commission, Government Building Agency, Governmental Vehicle Administration) will start using this technology with all its implications as of September 2003.

While the "Merkava" project is being executed, government IT activities must and do continue. We will specify some of this continued process later in this report.

### ***Public Tender***

Public tender policy for the procurement of commodity items remains as was. The annual tenders fall under the policy that calls for a tender about once a year, for items such as printers, PCs, "off the shelf" software, network products and other telecommunication devices. This method of procurement is constantly being reviewed and improvements are routinely being introduced. With the frequent technological changes in commodity items and the changes in prices (usually lower), quotations for many items are sometimes being done three or four times a year. This policy aim is to minimize the bureaucratic procedures that surround the purchasing of small standard products, and at the same time, reduce costs due to "Economy of Scale".

Nevertheless, it should be stated that, for major IT projects, the Israeli Tender Law requires that any office must issue a mandatory bid, unless a special committee exempts the agency from the bid. The law and its procedures are a must in any outsourcing project.

### ***The National Committee of Technology and Information***

The Israel government has established a central IT committee "The national committee of technology and information". The committee includes representatives from the academy, IT providers, industry and the major ministries.

This committee's major role is to function on a national wide basis to harness information technology and communication so as to achieve the social goals of the state of Israel. The committee will determine the recommended solutions goals for the national computation and support developing a more progressive and established society. A society that will introduce new dimensions to the quality of life to the citizens and the Government to ensure individual rights and protecting privacy.

The committee's policy aim is to strengthen the infrastructure that will help all citizens to develop new personal abilities. Allow study, widen horizon, enlarge abilities and achievements and grant the tools to direct his life path and improve its quality. The committee's actions will focus on underprivileged populations, emphasizing the reduction of inequalities, preventing discrimination and producing equal opportunities.

Furthermore the committee will outline a comprehension policy nation wide, and will form a coordinative and consulting body to the political organs that take decisions at different junctions in the life of the state. The committee will advice and develop in other directions, co-ordinate and communicate between the organizations and offices, establishing a constant dialog between these bodies while keeping the policy determined by the government. The committee will upgrade the state standards to those of the advanced countries, and will place Israel among the IT leading countries.

### ***Forum of CIO in Government Administration***

The Forum of CIO in Government Administration is continuing to operate. It acts as a consulting group to the IT policy makers in the Ministry of Finance. The exchange of information among all IT managers is essential and it is also very helpful in learning from one another. The introduction of e-government projects on an inter-ministerial basis requires co-operation and co-ordination between the various offices and the members of the Forum help in this process. In the implementation stages of projects, they act as the essential link in helping to bring these IT programs to a successful conclusion.

### **Funding**

The planned budget for the implementation of the "Merkava" project is 150 million dollars. Another 2.5 million dollars is planned for specific e-Government applications. The sum of 50 million dollars is planned for the year 2003 for that project and 55 million dollars for the year 2004. Some discussions are made during preparations of the 2004 national budget to enlarge the amount to 150 million u.s.\$ in order to urge the assimilation of the projects among more ministries and governmental offices.

The funding of the "Merkava" budget will come from deducting each year 10% from the IT budgets of the various ministries. This amount will be available for each ministry while coming to implement its part of the "Merkava" project.

### **Changing laws, regulations and policies**

#### ***The Committee***

The Civil Division of Advice and Legislation in the Ministry of Justice started back in 1999, enquiring judicial aspects of the electronic trade, including legal adjustments according to the changes in the technological environment. This enquiry was done in collaboration with other ministerial offices. Over time there became the need to execute the work. The Minister of Justice appointed in early 2001, a Committee in order to check the judicial problems accompanying the electronic trade. The Committee was requested to examine the legal problems within the field of the contracts, laws of damages, spiritual assets, the private international law, consumer protection, protection of privacy, means of payment, and problems in other areas that the committee may find concerning the subject.

#### ***Operation of the Committee***

The judicial problems facing electronic trade have two special characteristics: It is a new field throughout the world, and the judicial solutions have international influence, as the electronic trade has no boundaries.

The Committee examined, the possibility of applying the existing legislation in every subject in the areas examined about the electronic trade, directly or by interpretation, or maybe there is a need for special legislation. Since this is a new field, with global characteristics, there was a need to learn about the different law issues in other countries. In the field of electronic trade there is a lot of judicial material to compare, since many countries throughout the world have many laws to properly arrange the different aspects of the subject. In light of the large amount of material, the Committee chose to focus on the European Community law and on the Federal American law, and once in awhile, in special topics, they also examined laws in other European countries, and in Canadian law practice.

The Committee decided to conduct hearings on the subjects as needed in order to find law solutions for problems which arose in everyday life. The committee also took in consideration the "maturity of legislation" of the different aspects of comparison law.

### **Israel's Electronic Signature Act and its implementation**

The advancement of computer technology and academic research has lead development of civilian encryption (as opposed to military confidential encryption) to a level that widespread simple use of technology can supply secure and reliable communication.

Legislators in many countries, including the U.S. and the E.U. have legislated laws that give legal validity to the use of electronic signatures in the context of electronic communication.

Israel also has enacted its Electronic Signature Act in 2001. The law sets the minimum standards for the legal validity of electronic signatures. The law defines a regulatory

framework for the regulation of Certificate Authorities for electronic signatures, the Registrar of Certification Authorities in the Ministry of Justice. The law also defines liability with regard to the person signing an electronic document with an electronic signature, the person relying on the electronic signature, and the Certificate Authority.

"Secure Electronic Signature" is the basic electronic signature, and "Certified Electronic Signature" is the advanced electronic signature. Both signatures are valid and admissible as evidence, but differ in their ability to replace handwritten signatures where those are required by law. The technical difference between these signatures is that the "Certified Electronic Signature" has an electronic certificate issued by an approved Certification Authority.

There is no obligation to be a registered CA, unless the CA wants to issue electronic certificates for use instead of handwritten signatures where those are required by law.

Two Certification Authorities have received a license to issue "Certified Electronic Signatures", which produce electronic signatures that are equal in legal effect to handwritten signatures.

The use of electronic signatures for authentication and non-repudiation enables a variety of government services over the internet, and is a major part of the E- government initiative in Israel.

Recently, Israel's Security Regulation Authority has finalized the legal measures for a project of online electronic filing, using "Certified Electronic Signatures" as the cornerstone of the filing system, enabling full legal status to the electronic reports and signatures. The project is in its first phase of implementation, and when this phase is finished, electronic filings will totally substitute paper filings to the Securities Regulation Authority.

The Israel Government has started a process to issue "smart" identification cards embodying electronic signatures, to facilitate better government to citizen and government to business communications and services.

### **International Cooperation**

As electronic communications are done across borders, it is important that a similar legal framework is in place to support electronic communications and ensure their legal validity. Such an option is available in article 22 of the Israeli act, which empowers the Registrar to give digital certificates issued by a foreign Certificate Authority legal validity. Such an option is also available in article 7 of the European Directive 1999/93/EC of the European Parliament and of the Council of 13 December 1999 on a Community framework for electronic signatures ("the directive"). This section allows mutual recognition of certification services between the EU and other countries. Israel has offered to start cooperation in this area with the EU in the context of the Israel EU association agreement.

### **Identifying and building additional critical infrastructure**

#### ***Information security***

The Ministry of Finance has undertaken to run a national IT security channel project called TEHILA. Its objective is to supply all government employees with a secure internet connection. It enables a secure connection between government offices and also allows the public to access information and prevents any attempt to enter the system illegally. The project is operated and protected by a government secured Internet service provider.

Security procedures for transforming data from one site to another have been provided by the operator of the project. It employs the best protection tools available in the market.

There are many attempts to breach and enter the government's network, however, due to those security tools all attempts failed.

### **Communicating and marketing to the public**

#### ***e-Government in Israel***

The Israeli government's policy for the introduction of e-government is to enable the public to enter freely and draw information and services via the internet by connecting most government sites online. Target date for the "Government Online" project is the end of 2005.

The Freedom of Information Law approved by the Kneset (parliament) requires the government to enable the citizen to access all non-classified information on its activities. All offices must put on their web sites an annual summary report as well as various other public reports.

At present the Israel Government provides access to 150 sites, which include information about all government activities, including connections to the local authorities sites. The sites include data and information about various aspects of the scope, responsibilities and activities of all offices as well as information on the economy and the social aspects of the country.

The following are few examples of the contents included in the sites:

- General information about government departments
- Reports on studies of social and economic value as well as various publications needed by the people
- The annual budget of the Government
- State Comptroller's annual reports on the activities of all government offices
- Investment requirement as well as other commercial and industrial information
- Reports of conclusions and recommendations of government committees
- General economic data on the Israeli economy
- Tax information guide
- Emergency information in the case of mass casualties from terrorist acts
- Pay-Gov system

[www.first.gov.il](http://www.first.gov.il)All information can be accessed via the new internet governmental gate. Information can be reached in both languages Hebrew and English.

Last year there were over 1.5 million requests for information via the internet. More than 50% of all Israeli families have the ability to use online communications to access national government sites. There are over 1.5 million customers

Is already possible for the public to receive forms from many offices; for example, Internal Revenue, Customs, Social Security, Civil Service applications for government jobs. There are over 500 forms available via the internet signed forms still have to be delivered to the specific office as before. However, with the recent passage of the law for electronic signature (ES) recognition, the ability to send certain signed forms via the internet will be implemented soon.

Some of the forms, which do not need signature, can be filled online via the internet and send back for further treatment (request for changing address, the request for birth certificate etc.).

[www.forms.gov.il](http://www.forms.gov.il)All available forms can be reached through the governmental form service

The Government has appointed an Internet Committee to co-ordinate all online activities in the national administration. The policy is based on the idea of avoiding duplication and thus saving funds.

The promotion of the use of online services is guided by the Internet Committee. It brings to the attention of the public the option of getting services online. The Committee steers the implementation of these services by issuing standards for communication and helps establish sites and online services. Seminars and lectures have been and are being given to educate and train both the public and the civil servants.

### **Improving national portals**

An Inter Ministerial Committee has been appointed to check the logical and technological problems in creating a governmental portal.

The committee has started to outline the technological details (characteristics, requirements, standards) of portal products together with gathering the requests of a governmental portal, and at the same time, outlined all government systems. By these preparations the committee is in a position to understand the technology and prepare a basic definition regarding the services to be provided by the portal.

As a result of this process, a Design Document was prepared proposing several applications and uses for a governmental portal, such as defining the work desktop for the manager. The committee suggested the use of the portal as a linkage between all governmental services.

Recently, the Committee has started a process of defining the system that will be introduced soon. It will define the subjects of the first pilot with main emphasis on the managers' work desk.

Decision regarding the technology was made in favor of the SAP-portal.

### **Authentication procedures**

#### ***Biometrics***

The government has appointed an Inter Ministerial Committee to study the logical and technological aspects of the biometrical identification. The biometrical ID is planned to be in the smart cards that will be issued in the future. One of the reasons to this operation is the requirement of the U.S. government that each person who will arrive to the U.S.A. will hold his biometrical characteristic ID.

### **Developing gateways which will process certain applications for all agencies and ministries**

#### ***Pay Government***

As reported last year the Pay Government project is in production. The project enables the citizen to make payments to the government via the Internet. The system includes acceptance of payments for taxes and for buying government publications and other payments for government services. The project is a joint venture of all government offices and is coordinated by an Inter Ministerial Committee, headed by a representative of the Accountant General Office. The Committee includes also a representative of the Ministry of Justice in order to facilitate the changes needed in the laws and by-laws so that the Pay Government system can operate legally and properly.

The sum of 150 millions dollars was collected only in the first half of the year 2003 via the Pay Government system and over 100,000 citizens paid their taxes, police penalties, municipal penalties etc.

A Clearing Office was made via that Internet site which enables payments without any sum limitation. That is being done via the Internet sites of the Israeli commercial banks and with their full co-operation.

#### ***Government Information Gateway***

The Israel Government Information Portal enables to search for Internet addresses of the various government sites and addresses of senior government officials. It also enables one to draw information about government tender bids – from getting the tender, the dates for submission, the final tender as well as the reasons for winning.

More information is available in Hebrew and English languages at the following address:  
[www.itpolicy.gov.il](http://www.itpolicy.gov.il) or [www.info.gov.il](http://www.info.gov.il)

#### **Developing government wide architecture and standards**

##### ***Smart Cards***

With the passing of the Electronic Signature Law (ESL), the pilot project that was initiated in which 1,000 citizens were chosen to participate in an experiment of using ES in their communication with the government, was accomplished. The Inter-Ministerial Committee that was in charge of the pilot came to a conclusion that the experiment was a success one and can be implemented for all government offices.

The bid of smart cards for government employees was accomplished. H.P. was elected to implement this task. The cards will include personal identification and other necessary authorized data.

The bid of smart I.D. cards for the population of Israel accomplished as well. H.P. has won this bid as well. Due to legal claim by EDS, there will be a delay in implementation of this project.

Efforts are being put into modifications and adjusting the applications serving the government employees, to work with smart cards in the near future.

#### **Organizing and managing information for sharing across the government**

The project "MERKAVA" is the most characteristic of cross government sharing information.

Another new example is a project named "MAGAL" - National Geographic Knowledge. This project is an initiative of the National Committee of Technology and Information Knowledge. The plan is intended to exploit the immense potential embodied in geographic knowledge and its use, in order to support the national economy to manage effectively state infrastructure and improve civilians' services. The plan is based on developing a national wide view of knowledge systems in Israel. Another layer in the plan is an organizational move to establish a Magal leading crew, which will combine authorized key men from geographic knowledge consumers and their providers. The third leg will be the planning of a new generation of the needed infrastructure to manage services provision in the highest level, for all the bodies using geographic knowledge.

The initiative of MAGAL is intended to improve planning capabilities, determining a GIS policy of decision making at all government ministries, local authorities and other public organizations (the electric company, water, road, port administration and the Israel Land Administration which is in charge of the management of more than 93% of the land in Israel). The aim of that is to establish standards for creation of a common language between the units, so all users will define the same geographic entity and location, synonymously. In this manner all government ministries can co-ordinate properly the management of the physical,

economical and social entities of the state. Decision makers can perceive wide and integrative picture from different sources, which will bring about generating added value to the over whole national knowledge.

Other aspects of the "Magal" plan:

Executive integration between different authorities.

Combination of geographic location from different organizations will efficiently shorten the efficiently set-up and execution of infrastructure projects.

Improving the preparations to emergency situations.

Setting up of a uniform and coordinated policy for spreading information to the public.

### **Obtaining feedback from the public**

The Israel government's web site [www.info.gov.il](http://www.info.gov.il) contains the section "Contact Us", enabling internet surfers to put in writing their opinions. They have the opportunity to raise suggestions and requests. That is done online by filling a form and sending it by E-mail.

Based on the cumulative data, surveys are done and the conclusions are learned for future notice. The amount of appeals to government sites grew up by 50% during the year 2003 compared to those during 2002. There were over 1,500,000 appeals to government sites during the first half of year 2003.

### **E-governance including E-voting and obtaining comments on proposed laws and regulations**

The Israel Parliament ("Kneset") has its own web site. The site includes all minutes of the plenary and its committees. There is discussion groups set according to subjects - the citizen can express views on the subject including proposed new laws and they will be sent to the proper committee or member of the house.

The citizen can ask questions related to a specific ministry, committee or member and any of them must by law answer the public on the issue raised.

No plans for online voting are foreseen in the near future.

### **What new and/or innovative activity not outlined above is under consideration**

The following are pilot projects dealing with e-Gov:

#### 1. Personal Safe Project.

This project is in the initiation stage. The citizens of Israel will get a smart I.D. card which will enable them to open a virtual safe. The holder of the SC will be able to draw forms via the internet, fill in the details, sign it electronically and send it to the right official who will check the form's validity, sign it electronically and acknowledge its acceptance or even its validity and approval of specific requests. The It is expected that over 1.500.000 private safe boxes will be issued to the public.

#### 2. Digital Gap.

The philosophy behind the aim of narrowing the gap between the "have" and the "have not" countries is becoming more and more of a challenge to the IT countries. There is, however, a digital gap within our own countries. It is the feeling that overcoming this gap can be achieved partly by introducing computerization to the schools and community centers in the required areas.

A very good examples of narrowing the gap in some towns in Israel are: the towns of Maalot-Tarshicha in the north of the country (a mixed Arab – Jewish town), Dalyat El Carmel (a Druze town), Kiryat Malachi ( a mixed new immigration town including immigrants from North Africa, former U.S.S.R. states and Ethiopia).

The project is called “Galileo”. Many families in these towns were given or sold computers and the city administrations (with the help of outside donors) established the network infrastructure connected to a central city server, enabling the citizens to be connected to an internet provider at a very low cost. An interesting result from the first five years’ experience has been a rise in the number of high school graduates in these towns.

3. “Lehava” Project.

The “Lehava” project, initiated last year by the government, is intended to reduce and narrow the gap between low income citizens and the more advanced echelons.

It is a three-year project to introduce advanced technological tools and the necessary budgets for teachers and instructors, and to supply computerized classes to various parts in the country.