



# **IMPLEMENTATION OF BLOCKCHAIN TECHNOLOGIES IN ESTONIAN GOVERNMENT**

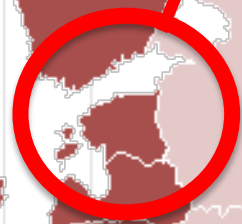
Jaan Priisalu



# Topics

1. Challenge of Estonia
2. History of cyber cooperation
3. What we defend?
4. Government infrastructure
5. Blockchain functions
6. Use cases of blockchain

**ESTONIA**





# Historical milestones

1960 - Institute of Cybernetics

1991 – Independence from Soviet Union

1998 – Cooperation of banks

2000 - Digital Signature Law

2003 – Cybercrime Industry

2005 - E-voting

2006 - CERT-EE

2007 - “Bronze riots”

2008 - NATO CCDCOE

2008 - National Cyber-Security Strategy

2009 - Cyber Defence subunits

2011 - Cyber Defence Unit

2012 – Cabinet level exercise

2014 – New Strategy



# Way of life



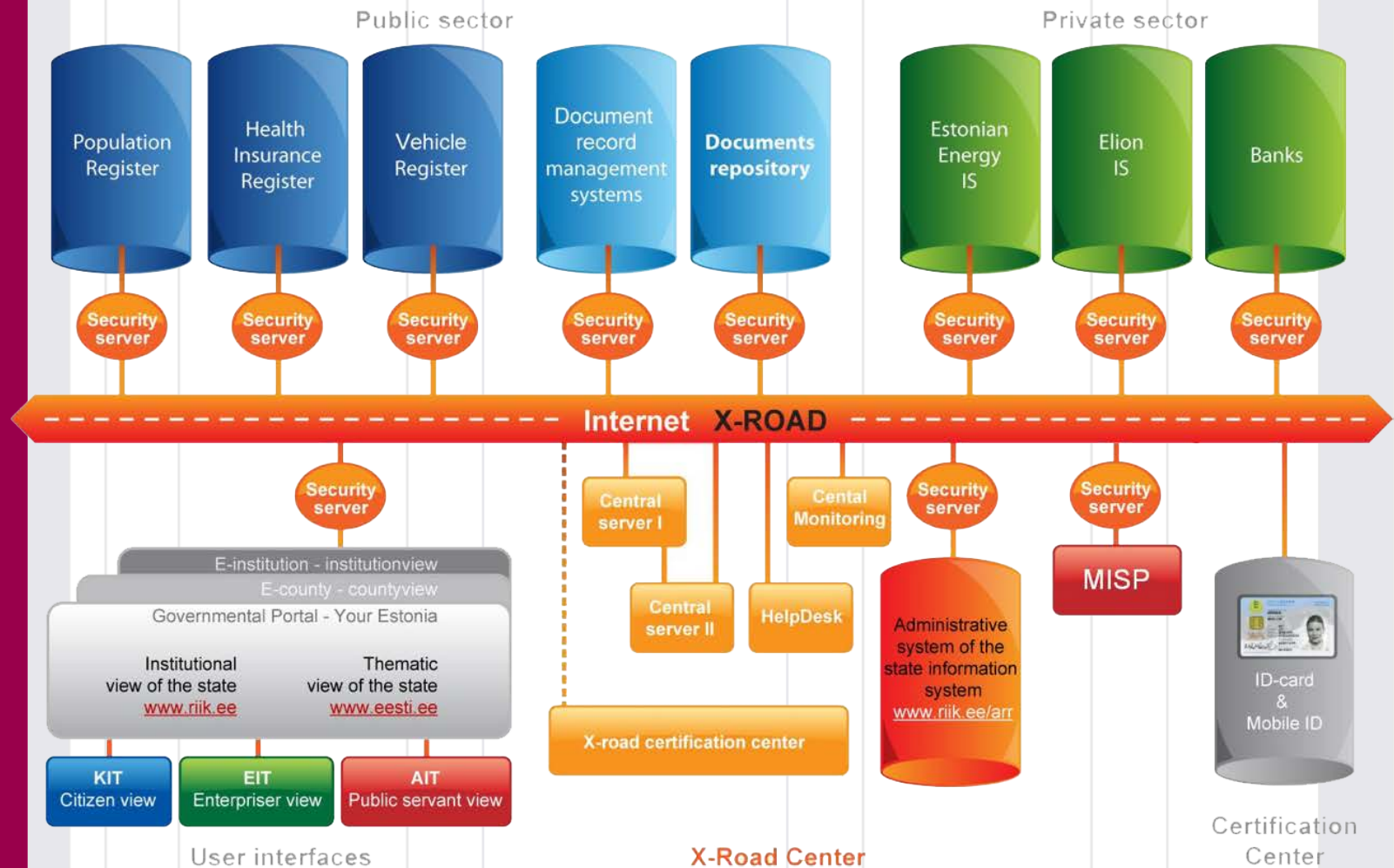


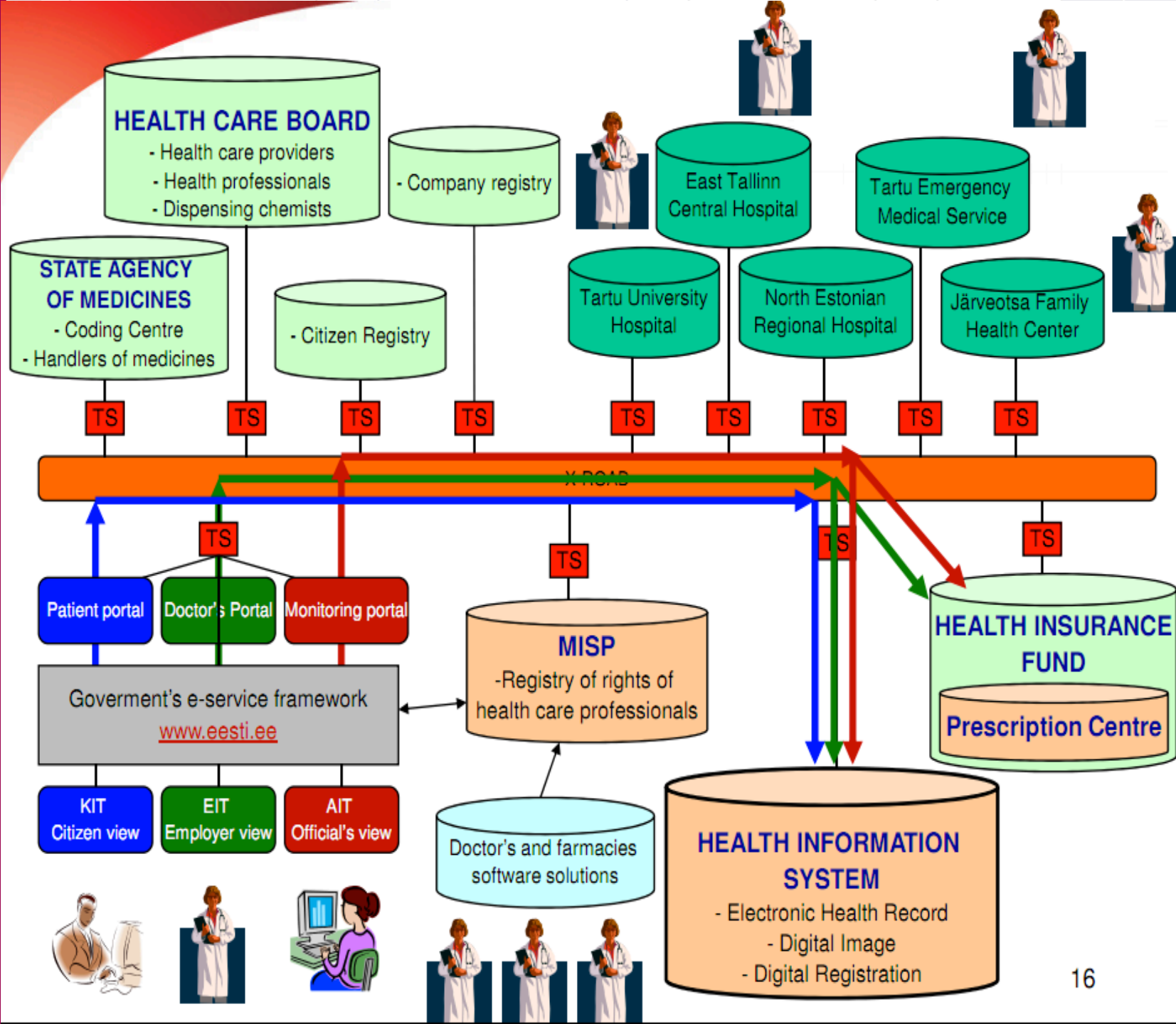
# Defending an e-way of life

- E-stonia – ecosystem
- E-solutions widely in use and dependable
  - 99% of banking transactions are electronic
  - 96% tax declarations are electronic
  - M-parking
  - National ID cards issued
  - Sign and encrypt documents using E-ID
  - E- & M-voting
  - National Electronic Health Records
  - Public transport ID-ticket, ID-fishing licenses etc etc



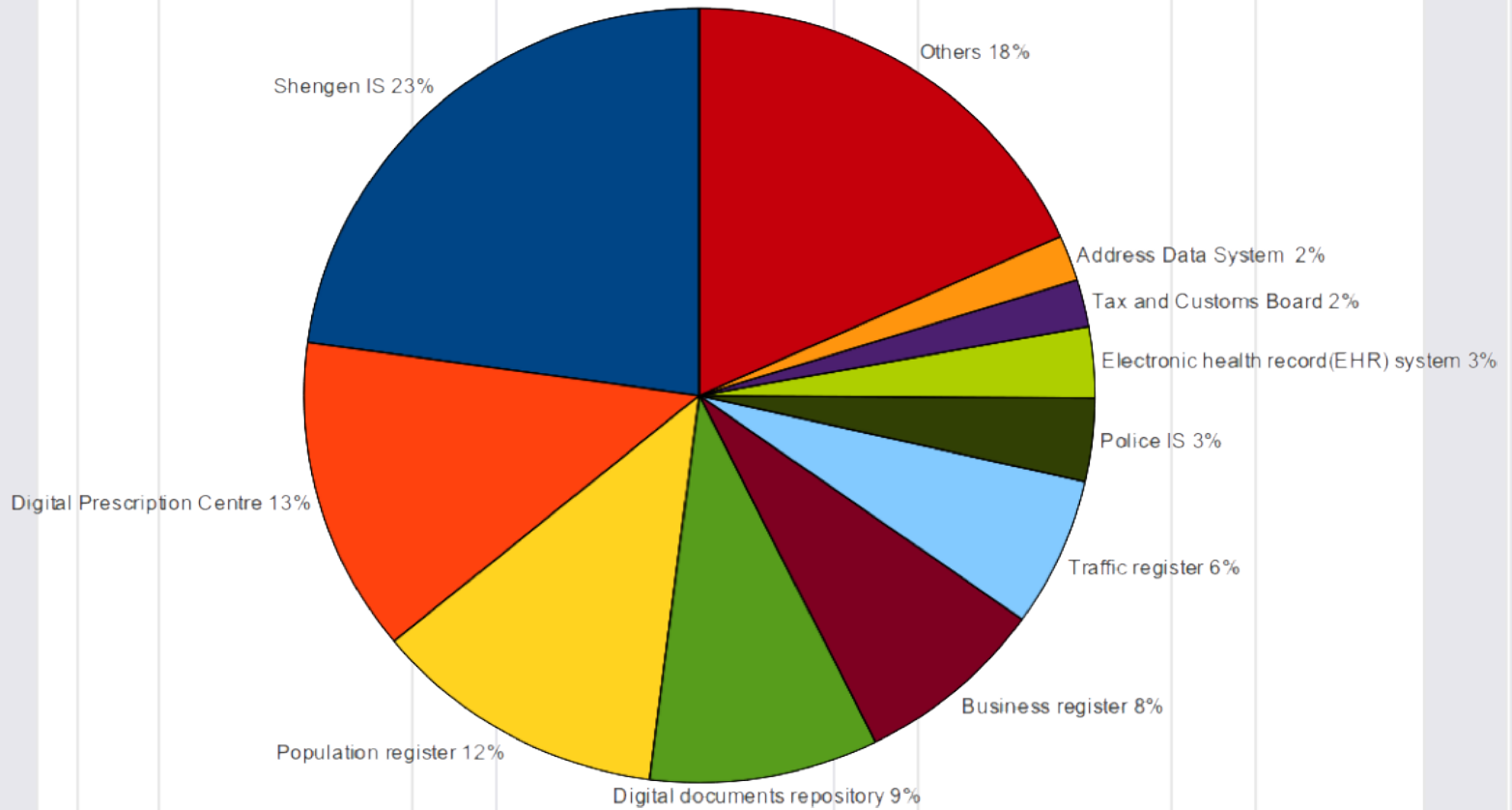
# Estonian information system





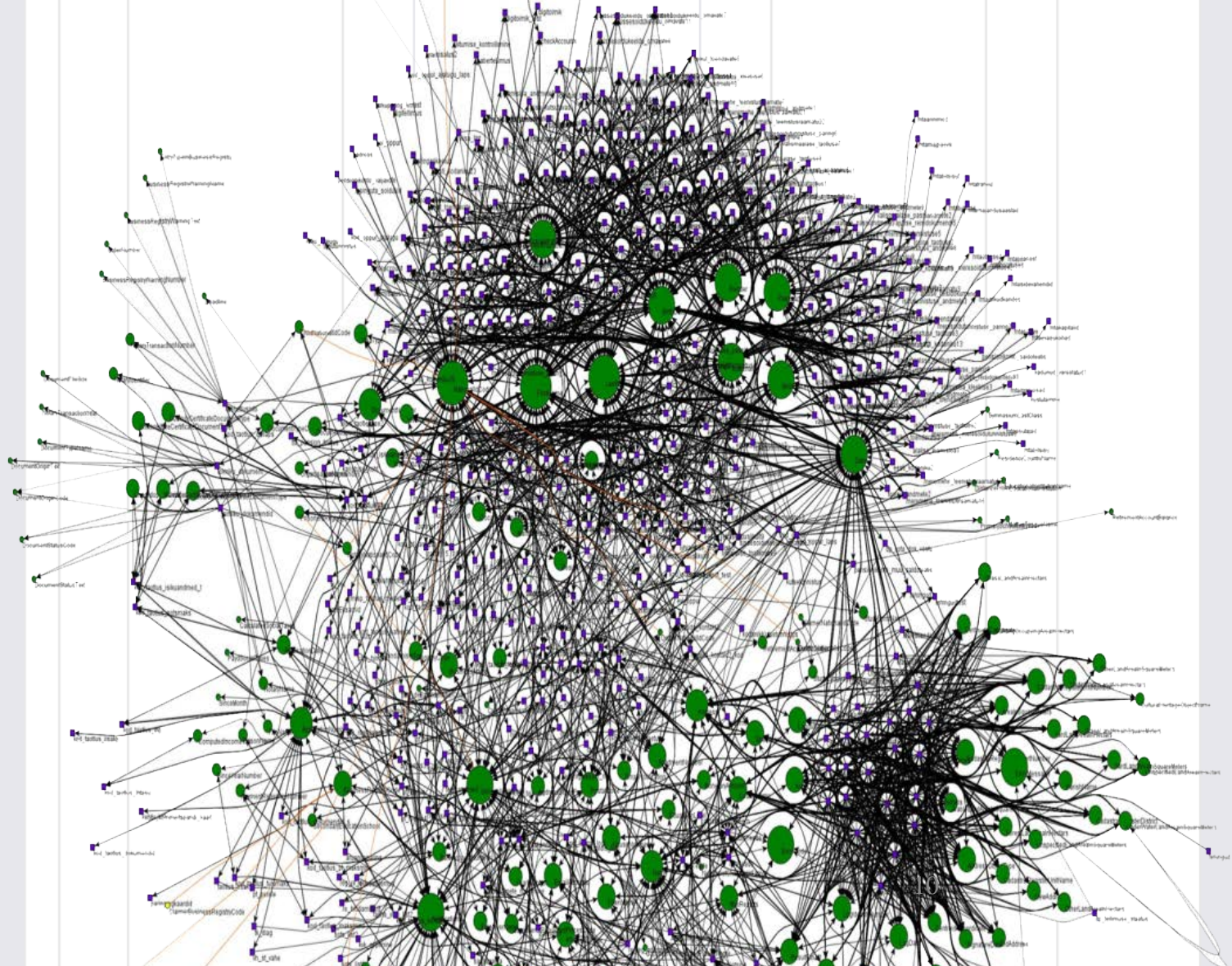


# Service transactions in X-Road by providers



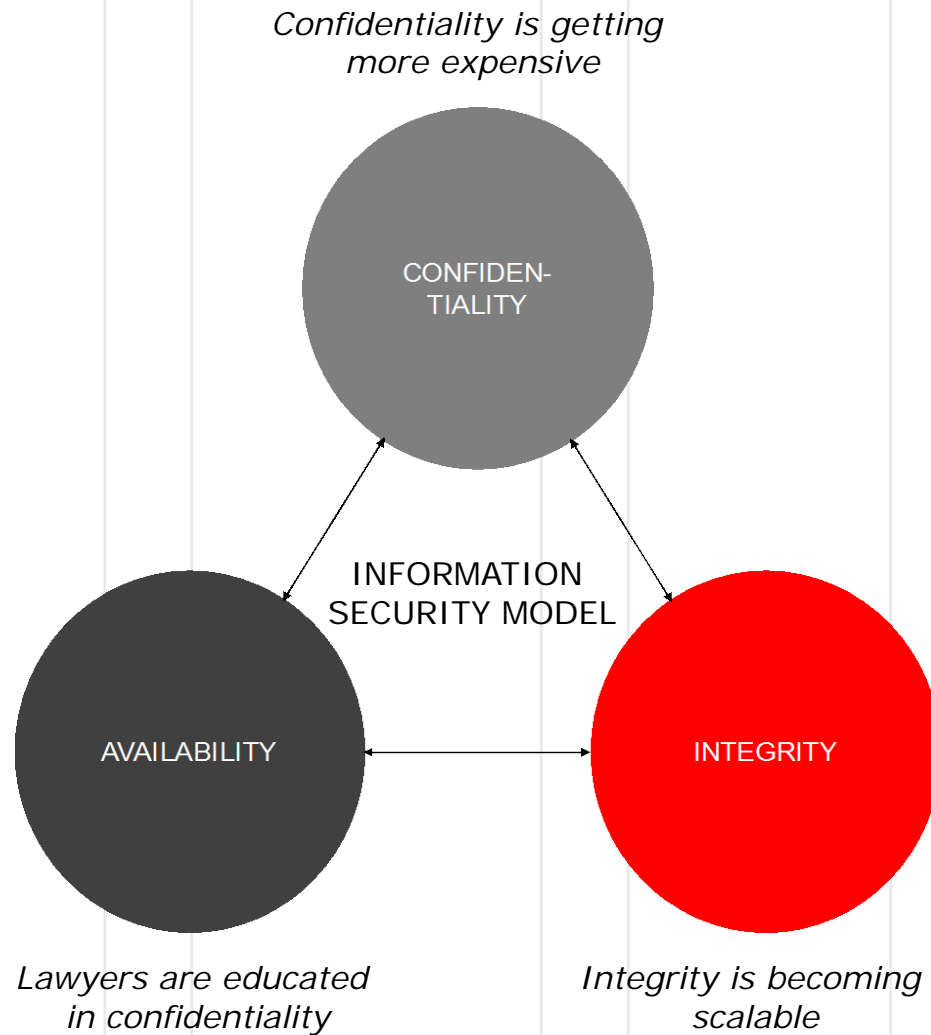


# X-Road has no center





# CIA Triad





# Blockchain

- When considering blockchain we touch components:
  - Time integrity proof
  - Widely witnessed consensus
  - Distributed immutable database
  - Predicate calculation machine
  - Distributed ledger
  - Digital money
- NB! Distributed is not equal to public
- Most interesting for government is **immutable database**



# Digital history

- Estonia has **15 years** of digital history
- Most of documents have **no paper original**
- Government activity **has to be archived**, proof value preserved
- Signature algorithms are amortizing but **proof value** have to be preserved
- Wrapping document into **blockchain preserves** proof value



# Registry integrity

- Registry is **primary source** of rights in Estonia
  - documents are secondary
- **Integrity** of registry entries is vital
- Blockchain provides **immutability**
- Implementation started with
  - Official Announcements
  - Marital property registry



# Activity records

- Investigation needs reliable **activity traces**
- **Source of activity** is not always disputed – PKI mostly redundant
- Implemented on:
  - System logs (syslog servers)
  - X-road transaction logs (upgrade from hashchains)



# Fighting intruders

- It's again all about Integrity!
  - APT – persistent means network device integrity loss
  - Erasing traces is integrity loss
  - Software update has to guarantee code integrity
- IoT is aggravating the problem
- Experimenting with malware means you have to guarantee isolation!



# Virtual country

- There are 3 things not possible in digital channels
- We can continue the state even under occupation
  1. Cold backup somewhere else
  2. Warm backup to continue operations
  3. Digital Embassy to provide network security by Vienna convention
  4. Distributed state in clouds
    - Digital signatures
    - Personal encryption keys
    - Multiparty computation
    - Blockchain to prevent manipulation
- E-citizenship creates backup capacity in foreign states



# Combining technologies

- Blockchain complements PKI
- Signatures need time proofs
- Quantum immune non-PKI signatures could be built on time proofs
- PKI based timestamp and blockchain can be used in parallel



# Summary

- Big distributed digital system must prevent malicious modifications. **It means - provide integrity!**
- The best technology to provide scalable integrity today is blockchain.

Thank you!

