

**Estonian Tax and Customs Board**

**STRATEGIC DEVELOPMENT**

**PLAN 2022**

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Tallinn 2022

## INTRODUCTION

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## OVERVIEW

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The purpose of Estonian Tax and Customs Board (ETCB) is to administer state revenues, implement national tax and customs policy and protect society and legitimate economic activities. The state has placed two main expectations on us: to collect national tax revenues and protect society from the threats of shadow economy.

In order to fulfil these two tasks, we have the vision to increase voluntary tax compliance in Estonian society, aiming at the residents' voluntary fulfilment of their civil duty to pay taxes so as to enable the functioning of the Estonian state. To ensure high tax compliance, we have set **four main strategic directions which help us define** our day-by-day operational activities and lead our organisation towards the desired vision:

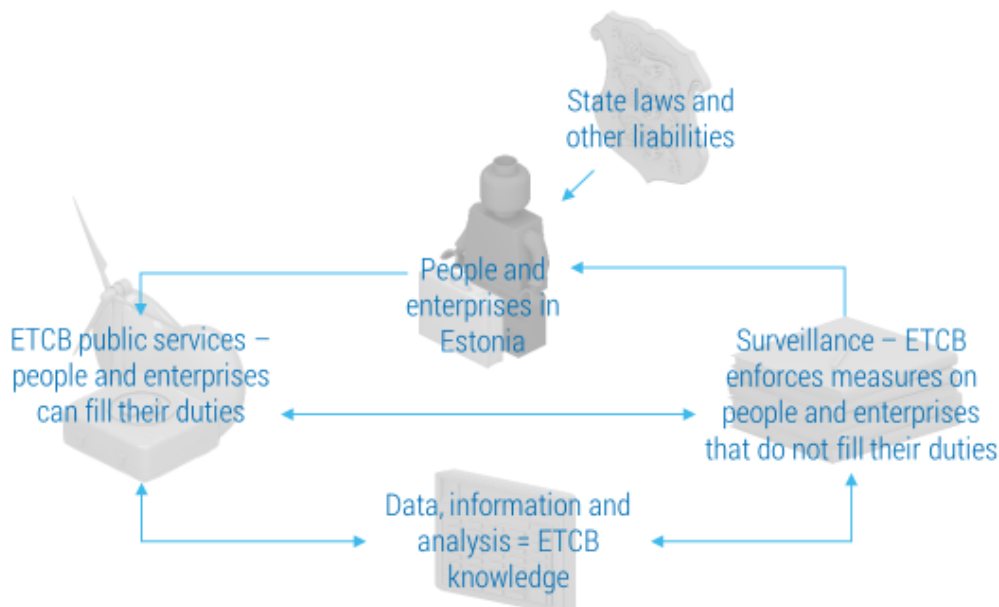
- **Willingness to pay taxes:** we will increase the willingness to pay taxes in **Estonian society** by being a trustworthy cooperation partner to taxpayers.
- **Simple and convenient public services:** we offer **all taxpayers** streamlined means to perform their obligations. Services provided by the ETCB motivate people to comply with their tax and customs obligations in a correct manner.
- **Equal tax competition and protection of society:** surveillance over **problematic taxpayers** is efficient and systematic. Tax evasion and avoidance is complicated, cumbersome and expensive.
- **Pioneering organisation and developing people:** the **people of the ETCB** are committed and professional, collaborating with each other in achieving the organisation's goals.

These **strategic directions** cover the operational objectives of our people and organisation, which are fulfilled through the performance of our day-by-day duties, and contribute to the achievement of the strategic goals of the ETCB.

## ESTONIAN TAX AND CUSTOMS BOARD IN 2022

The strength of the Estonian Tax and Customs Board lies in a capability to fulfil the tasks given by the state, to generate new ideas and successfully implement developments. Our activities are driven by challenges and opportunities emerged with rapid changes in the world as well as by our high ambition and clear principles of action. Therefore, we will ensure convenient and efficient tax collection and the protection of economic environment for the benefit of people, enterprises and Estonian state.

The Estonian state has imposed a number of obligations on people who live here as well as on enterprises that operate here, which ensures the functioning of the state. Public agencies (including the ETCB) enable to fulfil these obligations and, where necessary, remind people the importance of complying them.



*Figure: ETCB's role in society*

Implementing its tax and customs policy, the state has placed two main expectations on us: to collect annual state revenues and to ensure that our economic environment is as fair as possible by reducing the tax gap. The fulfilment of these two tasks ensures the receipt of state revenues so that the state can use taxpayers' money to offer public services.

From our point of view, the ideal is a situation where all people and businesses in Estonia perform their tax and customs obligations voluntarily and there is no need to remind them thereof. For that purpose, the ETCB has developed a vision, i.e. the desired future perspective, according to which Estonia is a state with the highest tax compliance in Europe. In a state where tax compliance is high, residents perform their tax and customs obligations voluntarily, duly and correctly, because paying taxes is a social norm and everybody understands their duty to contribute to the availability of common benefits and the development of Estonia.

Aspiring to the position of a state with the highest tax compliance rate in Europe, we will approach Estonian society by segments of four target groups: Estonian society as a whole, all taxpayers, problematic taxpayers and the people of the ETCB. We have four strategic directions that help us achieve the desired vision, each of which focuses on one of the four strategic target groups. Through these strategic directions we define our day-by-day operational activities.

The largest target group whose knowledge, attitudes and behaviour we wish to influence is **Estonian society**. We abide by the principle that taxes are paid, not collected. This presupposes that the members of society are ready to pay taxes voluntarily and understand the necessity of paying taxes. In the strategic direction **willingness to pay taxes**, on the one hand, we endeavour to increase the willingness to pay taxes so that people would perceive the importance of paying taxes and want to do so. On the other hand, we are working to build a cooperation based on trust, because good relationship between a tax authority and taxpayers is one of the most significant determinants of tax behaviour.

**For all taxpayers**, we are making the process of paying taxes as simple and convenient as possible, because favourable customer-experience is in close correlation with voluntary tax compliance. Paying taxes must be easier than tax avoidance and evasion, therefore one of our main directions is to **offer simple and convenient services** to all taxpayers, which is supported by modern technology, including automation. We are one of the most efficient tax collectors due to the digital solutions developed for this purpose. Our e-services enable us to simplify the performance of tax

obligations whereas automation minimises the risk of errors, which supports the tax compliance of Estonian people.

**For problematic taxpayers** whose actions cause inequality in the economic environment, we have surveillance activities in place and our principal aim is to **guarantee equal tax competition and protection of society**. The main motivation of tax fraud, smuggling and other, in many cases cross-border crimes, is financial gain. Therefore, when dealing with problematic taxpayers we hold the principle that unfair behaviour should be so costly and cumbersome that tax avoidance and breach of law would not pay off. Our strength is the use of wide spectrum of activities - from soft measures (consultations, contacts) to appropriate punishments. In order to achieve the best possible result, surveillance activities must be well targeted, as efficacious as possible and carried out systematically.

The fourth strategic direction of the ETCB mostly focuses on **the organisation and its employees**. It is important that people working in the ETCB be committed and professional, capable of achieving the organisation's objectives in good collaboration. The strategic direction "**pioneering organisation and developing people**" covers, among other things, the constant development of the organisation and support to internal diversity and innovation. We guarantee the working environment where competent and dedicated people want to come and contribute to the development of Estonia and European Union by doing the work that is interesting for them.

## OUR MISSION, VISION AND MANAGEMENT PRINCIPLES

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The mission and vision of the Estonian Tax and Customs Board determine the organisation's strategic orientation and objectives.

**Mission** formulates our role or, in other words, our purpose in Estonian society:

**Convenient and efficient tax collection and protection of economic environment  
for the benefit of people, enterprises and the Estonian state**

We measure the performance of our mission through the fulfilment of the state's expectations: collecting taxes and reducing the tax gap (see page 11).

**Vision** formulates our desired future prospective, which we wish to achieve through strategic activities:

**Estonia is a country with the highest voluntary tax compliance in Europe**

Tax compliance in our interpretation is the rate which expresses taxpayers' compliance with the taxation law and other tax and customs rules. Voluntary tax compliance presumes that taxpayers themselves understand the necessity of paying taxes and obeying rules, and so fulfil their civil duty without the state's interference. Voluntary tax compliance should be considered the ultimate goal of each tax administration, because in a state with high tax compliance there is a strong desire and willingness to pay taxes honestly and, by doing so, to contribute to the common benefits. The ETCB's important role is to lead Estonia to the position of a state with the highest tax compliance. This challenge requires novel ways of thinking, innovative working methods and more efficient solutions.

We are measuring our movement towards our vision by means of two indicators:

- Achievement of the goal of being a state with the highest tax compliance depends on the relations between the tax authority and taxpayers. **By being a trustworthy collaboration partner**, we can ensure people's assurance on tax and customs matters. Today we are among the most trusted institutions in Estonia and we have set the goal of maintaining this level.

- If people fulfil their obligations voluntarily and correctly, the need for using additional resources in tax collection will decrease. That is why we have set the objective of collecting tax revenues **as efficiently as possible**. In 2020 our administrative cost per 100 euro of taxes collected was 53 cents. We also allow our customers to use streamlined modes of performing customs obligations, and here too, efficiency plays an extremely important role. In co-operation with the Police and Border Guard Board (PPA), we perform the activities related to border guard and customs formalities and proceed from the goal that a law-abiding person, when crossing the border, will come into contact with the state only once. In cooperation with the Agriculture and Food Board (PTA), we will extend the one-stop-shop principle to the inspection of goods that require phytosanitary checks. This supports high-level customs compliance.

The **management principles** agreed upon in the ETCB reflect the organisation's main values and are expressed in the management of the organisation, so helping us to perform our mission and reach the desired vision:

**Innovation** The capability to generate novel ideas, upgrade the existing situation and successfully implement the developments is one of the ETCB's strengths. We believe that a good will and clear vision help us succeed in whatever we want to achieve.

**People orientation** creates a working atmosphere that is characterized by trust, employee-friendliness and supporting development. We reckon with employees' needs in every decision in the organisation.

**Collaboration** is revealed in our ability to unite people with different fields of knowledge, competences, experience and age, and make them work towards our common goals. We are convinced that together we are more efficacious.

**Professionalism** means responsibility as well as capability to create value with our work. The mission to serve the Estonian state, offering effective public services and contributing to the provision of fairer environment are all integrated in professionalism.



**Growth-mindedness** is important for us in performing our daily work and reaching new targets. Development is a constant process both for each of us and for the organisation – this means a constant aspiration to become a better version of oneself.

## STATE'S EXPECTATIONS AND MAIN STRATEGIC DIRECTIONS

The strategic picture of 2021 consists of the state's expectations set for the Estonian Tax and Customs Board and four strategic directions.



*Figure: Strategic picture of the Estonian Tax and Customs Board: the state's expectations, main strategic directions and target groups.*

In Estonian society the Estonian Tax and Customs Board has **two principal tasks** arising from the state's expectations and the organisation's role in the implementation of national tax and customs policy: to collect tax revenues and reduce the tax cap.

We fulfil these tasks through **four main strategic directions**, which help us define our daily operational work. Operational objectives are the objectives set for the daily working tasks of our people and organisation, which contribute to the development of the ETCB's strategic directions and so ensure successful fulfilment of our role.

Next, we will give a more detailed overview of the components of our strategic picture and explain how we are going to reach our objectives.

## State's expectations

Estonian Tax and Customs Board implements national tax and customs policy, which aims to ensure the financing of public services. Proceeding from this role the state has imposed two main tasks on us:

- We ensure **expected receipt of tax to the state budget**, so that the state can perform its tasks and allocate financial means as planned. As illustrated in the table below, we successfully fulfilled this objective in the previous years. Similarly, we will make efforts to ensure expected and increasing receipt of taxes to the state budget in the following years.

Measure	Outcome			Target level
	2019	2020	2021	2022
State budget vs receipts	101,3%	104%	102%	100%

Table: Receipt of tax to the state budget according to the projections (aggregated spring/summer projections)

Our second important task is to ensure steady decline in the proportion of shadow economy. For this purpose we will **reduce the tax gap**, i.e. tax revenue not collected which impedes fair competition and decreases state revenue. The tax gap has been constantly diminishing in recent years and we are working every day to ensure that this trend continues. Our target is to keep the share of the tax gap in paid taxes below 5%.

Measure	Outcome				Target level
	2018	2019	2020	2021	2022
Share of tax gap in paid taxes	4,17%	4,91%*	4,58%*	3,61%*	<5%

Table: Trend and projection of the tax gap. Projections are marked with an asterisk.

Beside the tax gap, we also monitor the tax debt-to-collection ratio in order to understand the situation of businesses as a whole and notice possible indications of payment difficulties, which in turn may put pressure on honest economic activity and increase the shadow economy.

Measure	Outcome			Target level
	2019	2020	2021	2022
<b>Debt-to-paid liabilities ratio</b>	3,51%	4,62%	3,64%	<b>Maintaining the level</b>

In order to succeed in fulfilling these two tasks we have worked out four main strategic directions, which help us define our day-by-day operational activities and fulfil the expectations imposed on us in the best possible way.

## **Strategic direction 1: Willingness to pay taxes**

**What is the impact we wish to achieve?** Taxpayers ensure the functioning of Estonian state so that public services can be offered for the sake of us all – be it in the field of education, security, safety, pensions or other. Our target is to increase people's inner motivation to pay taxes voluntarily, to influence their moral duty to behave correctly in their tax and customs matters. This enables the collection of taxes and reduction of the tax gap without using surveillance measures.

**How will we achieve this?** All the activities of our organisation have an effect on reliable cooperation with taxpayers and their motivation to pay taxes accurately and correctly. We have initiated a number of campaigns to influence people's knowledge, attitudes and planned behaviour as well as to shape social norms in relation to tax compliance. It is important for us to strengthen the belief that all Estonian residents pay taxes under the same conditions and tax avoidance is the conduct that is condemnable in society.

We abide these principles in each customer contact and they are essential in boosting the impact of strategically important activities through targeted communication. For us it is important that the Estonian people have sufficient knowledge of the state's taxation system. Such knowledge should include awareness of the necessity of paying taxes, noticing tax-related misbehaviour and information on how the money collected in taxes is used.

Risk perception plays a significant role in the attainment of tax compliance. We aim to spread the understanding that misbehaviour in respect of taxes is followed by a reaction from the Estonian Tax and Customs Board, whether in the form of a contact, fiscal control or another measure. More than ever, we wish to prove that it is not easy to avoid obligations: if there is the will to avoid taxes, there should also be a perceived risk of being caught.

**What is our objective?** The receipt of tax revenues and decrease of shadow economy is best supported by the Estonian people's tax compliance, which we are striving to increase. Tax compliance is the inner motivation of people to pay taxes correctly and act in a responsible way in the economic environment. To evaluate the desired change, we have elaborated an index of willingness to pay taxes, which measures tax behaviour by four determinants: knowledge, attitudes, social norms and perception of behaviour. The index combines these determinants into an integral

and comprehensive indicator, which can be monitored in time and with the help of which we can evaluate the impact of our activities and external factors on people’s tax behaviour.

Measure	Outcome				Target level
	2018	2019	2020	2021	2022
Tax paying willingness index	65 (basic level)	66,5	68,4	69,6	≥69,6

Table: The index of willingness to pay taxes. The value of index is between 0 and 100, where the maximum indicates an ideal situation in which all Estonian residents express their willingness to pay taxes.

The first survey was carried out in 2018, when the tax paying willingness index was 65. Over the next two years, the indicator has significantly increased reaching 68.4 on the basis of the 2020 indicators. We have set the target of keeping the Estonian residents' willingness to pay taxes at least on the level of 68.4.

**Strategic direction 2: Simple and convenient public services**

**What is the impact we wish to achieve?** Our guiding principle in designing public services is to offer law-abiding clients streamlined means of performing their tax and customs obligations. If paying taxes is easier than tax evasion, people’s willingness to pay taxes timely and correctly will increase, which in turn will also increase tax and customs compliance.

**How will we achieve it?** We have set a target that our services offer an excellent customer experience. We guarantee that the public services of the ETCB are upgraded taking into account the customer journey and user experience. Our services have common user logic and look, they are multilingual and usable in different devices. There are a total of 18 public services in the Estonian Tax and Customs Board grouped into three major groups: tax, customs and reporting services.

Our customers expect that they can use e-services everywhere at all times of day. This sets high expectations for the quality and performance of our services. This means that in addition to building up services that take into account our customers’ life-style and habits, we have to manage these services in the way that the high quality and operability of services as well as our capability to promptly react to potential alerts is ensured. Given that Estonia belongs to the common customs

territory, we will increasingly contribute to the drafting of customs legislation, which will enable Estonian entrepreneurs to simplify the customs formalities.

Inside our organisation, we will guarantee that the provision of public services is effective and the development of services abides by the priorities agreed upon. This enables us to allocate available resources for the most important purposes.

**What are our objectives?** For the current period, we have set four objectives which help us to offer simple and convenient services.

**Objective 1: raising client satisfaction.** Simple and convenient services offered by the ETCB form the actual customer experience, which, in turn, influences the income from taxes and shape the attitude of taxpayers and persons crossing the border. Feedback from clients plays a significant role in the development of services, which enables us to find out the needs and expectations of taxpayers and persons crossing the border and promptly react to these.

We measure client satisfaction using the promoter index method and we have set a target to maintain our clients' satisfaction with our services at the "excellent" level.

Measure	Outcome			Target level
	2019	2020	2021	2022
Promoter index	62%	72%	70,5%	70%

*Table: Transaction-based promoter index of all the ETCB services. The results of the promoter index are displayed as the interval from -100% to +100% (excellent level is from +100% to +60%).*

**Objective 2: we will improve the usability of services.** When providing and developing the ETCB services, we are guided by the principle that the use of the service is fast, convenient and user-friendly. The whole service process must be structured in such a way that taxpayers can meet their obligations and perform necessary actions independently or in a single contact.

Just like last year, we have set our goal in 2022 to keep the number of incoming and recurrent contacts at the level of the previous year. This year, a number of changes are under way in our services, which may also lead to a greater need for support and advice for taxpayers.

Measure	Outcome			Target level
	2019	2020	2021	2022
Decrease in the number of incoming contacts	458 thousand contacts (basic level)	405 thousand contacts (decrease - 10%)	473 thousand contacts (increase - 19%)	Maintaining the level
Decrease in the number of repeated contacts	45 580 contacts (basic level)	decrease -4%)	8% of all contacts	Maintaining the level

Table: Measures of the objective “we will improve the usability of services”. Decrease in incoming contacts is monitored by four channels – phone calls, e-mails, communication component, service bureaus. The decrease in recurring contacts by two channels – phone calls and service bureaus.

**Objective 3: e-services are available.** We make it possible for our customers to use public services at the time that is most convenient for them, which means that we also have to ensure operational reliability. This will be achieved through a quality development process, technical capacity building and professional service management. It is important for us to be informed, in good time, of service deficiencies and to find solutions in a way that minimises the impact on customer experience. Reliability is reflected in the Service Level Agreement (SLA) indicator.

Measure	Outcome	Target level
SLA indicator	2021	2022
	99,9%	99,9%
Number of critical incidents	177h	Up to 120h
Number of interruptions within “Service seasonality” deadlines	13 incidents during a year	Up to 10 incidents during a year

Table: Measure of the objective “e-services are available”.

**Objective 4: services increase tax compliance.** In order to achieve the desired effect, our goal is that the use of public services will result in the increase in the number of people fulfilling their obligations duly and correctly. With our new applications, compliance with tax obligations must be



as simple as possible and at the minimum cost to fully support taxpayers' voluntary tax compliance.

We assess the achievement of this objective by the timely payment of claims and the proportion of persons who meet their reporting obligations. In 2022, we want to keep the previous year's level of timely payment of claims and increase the proportion of taxpayers who meet their reporting obligations.

Measure	Outcome		Target level
	2020	2021	2022
Timely payment of claims	85,3%	88,6%	<b>88%</b>
Proportion of persons who comply with reporting requirement	84,4%	87,5%	<b>88%</b>

Table: Measures of the objective "Services increase tax compliance".

### Strategic direction 3: Equal tax competition and protection of society

**What is the impact we wish to achieve?** Our essential task in the Estonian state is to reduce the deficit in tax revenue arising from tax avoidance and tax evasion, to ensure a fairer competition environment and to protect Estonian society from tax and customs fraud. To raise tax compliance among problematic taxpayers, we use surveillance measures at our disposal in the best possible way so that persons looking for unfair methods would understand that the state does not tolerate illegal activity and is ready to take preventive measures. As a result, there will be more people in Estonia who comply with their tax and customs obligations correctly.

**How will we achieve it?** The main motivation of tax fraud, smuggling and other similar crimes is financial gain. Therefore, when dealing with problematic taxpayers we hold the principle that unfair behaviour should be so costly and cumbersome that tax avoidance and breach of law would not pay off.

Our strength is the use of wide spectrum of activities – from soft measures to punishments, if necessary. This enables us to influence offenders as effectively as possible by means of measures based on risk assessment and having the most long-term impact. In order to achieve the best possible result, surveillance activities must be well targeted, as efficacious as possible and carried out systematically.

**What are our objectives?** The tax gap in general shows a falling trend (see page 11), which means that our previous surveillance activities have had a good impact. Nevertheless, ensuring equal tax environment and making tax evasion and avoidance more complicated is still an important challenge for the ETCB, which we aim to solve by means of three major objectives:

**Objective 1: protection of society and increase in customs compliance.** We will reduce safety risks to the society by preventing the spread of prohibited goods and black market. For this purpose, we are carrying out customs checks based on risk assessment inland as well as at the border crossing points of the external border, airport and seaport. We will implement surveillance measures aimed at increasing the customs compliance (prevention of offences and accurate compliance with customs regulations) while performing effectively as an organisation.

Progress towards this objective is monitored primarily through two customs compliance metrics, one of which measures the customs compliance of natural persons and the other of legal persons. The proportion of smuggled cigarettes characterises the protection of the country's external and internal borders and demonstrates the impact of our activities on the fight against black market.

Objective	Measure	Outcome			Target level
		2019	2020	2021	2022
Customs supervision	Compliance at the border (natural persons)	95,3%	96,7%	97,3%	<b>96%</b>
	Declarants' customs compliance (legal persons)	95,3%	88,8%	90%	<b>91%</b>
Decrease in the proportion of smuggled cigarettes	Share of smuggled cigarettes	7,6%	7,8%	7,3%*	<b>7,1%*</b>

*Table: Measures of protection of society and customs compliance. Projections are marked with an asterisk.*

As for the protection of society, we cooperate with other surveillance and security authorities (including the Police and Border Guard Board) to ensure the functioning of the customs border of the European Union and implement restrictive measures through sanctions to prevent terrorism and money laundering and to stop the aggression of the Russian Federation against Ukraine.

**Objective 2: fair tax competition and increase in tax compliance.** Our task is to ensure a fair tax environment for businesses in Estonia through enforcing tax compliance. We will ensure fair conditions for all businesses and the receipt of national taxes through the reduction of infringements and fraud related to income tax, VAT and excise duties. On a more systematic and prioritised basis, we are increasingly influencing tax debtors to meet their obligations.

In order to achieve the desired impact, we aim to have more honest taxpayers as a result of effective, systematic and targeted use of surveillance measures. We assess the achievement of this objective on the basis of an increase in the proportion of honest individuals, i.e. persons with no risk in the eyes of the ETCB. The achievement of this objective is assessed through the increase in the proportion of honest natural and legal persons who do not present any risks in the eyes of the Estonian Tax and Customs Board.

We also monitor the numbers of persons dealt with and the proportion of persons effectively checked and advised. Here, our main focus is on achieving a long-term impact and increasing numbers of people with improved tax behaviour.

Measure	Outcome			Target level
	2019	2020	2021	2022
Proportion of honest legal persons	81,4%	84,8%	92,2%	94%
Proportion of honest natural persons	-	96,7%	97,5%	98%
Proportion of persons effectively checked and advised	81,2%	40,4%*	62%	56%

*Table: Measures of fair tax competition and increase in tax compliance. \* In 2020, we made substantial changes in the methodology for the measure of proportion of persons effectively checked and advised, so the measure is not eligible to one-to-one comparison to the previous year.*

**Objective 3: effective criminal proceedings.** Our aim is to prevent the actions by people who have chosen to gain a competitive advantage in economic activity over honest business in a criminal way: by concealing their tax obligations, increasing their refund claims or handling smuggled goods. Fulfilling our role in combating tax and customs crime requires the annual mapping of criminal threats affecting the tax environment and social protection, as well as the development of our own activities and capabilities.

We must ensure that at least 70% of all criminal proceedings initiated reach the prosecutor’s office in order to complete pre-trial procedures. We will pay particular attention to the recovery of criminal proceeds and international cooperation.

Measure	Outcome			Target level
	2019	2020	2021	2022
Proportion of successfully completed criminal proceedings	69%	68%	77%	70%

*Table: Measure of effective criminal proceedings*

## Strategic direction 4: Pioneering organisation and developing people

**What is the impact we wish to achieve?** The fourth strategic direction of the Estonian Tax and Customs Board focuses on the development of the organisation and its people. We wish to ensure that the employees of the ETCB are dedicated and qualified, collaborating with each other to fulfil the organisation's objectives. Our own people influence the tax compliance in Estonian society every day: succeeding in efficient tax collection and ensuring a fair economic environment and security of the society depends on the commitment, professionalism and competence of our people.

**How will we achieve it?** The aim of people policy is to support the implementation of the ETCB strategy. This requires leadership that creates clarity and promotes cooperation, competent and motivated employees, and an organisational culture that supports development and effectiveness. In order to create the necessary capabilities for our organisation, we consider it important to create working environment that is attractive to both today's and potential employees, where employees wish to contribute to the common goals and where consistent development is ensured.

Employer branding begins with the experience of each employee, which we support with simple and convenient HR services, well-functioning internal communication and the development of physical and technological working environment. We assess the employee experience through satisfaction with the services provided, the employee satisfaction indicators and Net Promoter Score in the employee engagement and satisfaction study.

The quality of leadership and culture (i.e. how we do things) influences the performance of organisation as a whole as well as the achievement of objectives. During the current period, we are focusing on the development of leadership competencies of our managers at different structural

levels and agreeing and modernising the principles of people processes. We provide internal advisory support to managers in matters related to the management of people and drawing up and implementation of development plans.

We consider it essential to create development opportunities for our people, to pass knowledge and generate new knowledge, to ensure succession planning for internal key positions and introduction of novel working methods. Development and training activities should be well-prepared and consistent to enable the achievement of necessary competence level in order to improve the quality of work.

**What are our objectives?** In this strategic direction there are three main objectives.

**Objective 1: organisation aligned by objectives**

Our purpose is to lead the organisation’s units and people towards fulfilling the common goals through knowledgeable planning and communication. To this end, it is important that the employees of the ETCB are able to associate their work contribution with the organisation’s goals and feel that they are supporting the general strategy.

Measure	Outcome			Target level
	2019	2020	2021	2021
Organisation aligned by clear vision and objectives	3,8	4,1	4,2	≥4

*Table: The indicator reflects the employees’ assessments to the statement “The whole organisation aligns by a clear vision and objectives” and in 2021, “I have agreed with my manager on the objectives of the year and how they will be assessed” in the employee engagement survey.*

**Objective 2: we have dedicated and competent people working for the ETCB**

Keeping in mind the desired impact, one of our main objectives is to ensure the engagement of the people working in the Estonian Tax and Customs Board, which means the people’s positive emotional involvement with the organisation and its objectives. Dedicated people are interested in the achievement of excellent results and sustainable development of the organisation. Our aim is to maintain the level of employee engagement above the Estonian labour market average (in 2020, the Estonian average TRI\*M index level was 66).

Measure	Outcome				Target level 2022
	2019		2020	2021	
Employee engagement (TRI*M index)	Spring	Autumn	71	62	>66
	59	62			

Table: Employee engagement in the ETCB.

### Objective 3: high-quality leadership

The ability to move towards a clear and mutually agreed direction with the whole organisation, develop cooperation and create favourable conditions and environment for the fulfilment of objectives requires competent and high-quality leadership. In the current period, we aim to promote leadership quality in the ETCB, which is reflected in our employees' assessments of managers and leadership on the basis of the leadership competencies agreed in the organisation.

Measure	Outcome			Target level
Assessments of leadership (leadership index)	2019	2020	2021	2020
	4,1	4,4	-	>4

Table: The leadership index is derived from the employee engagement survey.