

Parliamentary resolution on a strategic regional plan for the period 2022–2036

Alþingi resolves to task the government with implementing the following 15-year regional development policy and five-year action plan (see the Act on Regional Planning and Regional Plans of Action) and to take this implementation into account when drawing up the annual general budget and in the five-year fiscal plan.

Breakdown of the 2022–2026 fiscal framework	2022	2023	2024	2025	2026	Total
Regional development total	2078	1969	1895	1879	1863	9683
Regional development plan	923	923	857	849	840	4392
<i>Proportion allocated to the action plan</i>	<i>647</i>	<i>661</i>	<i>663</i>	<i>655</i>	<i>644</i>	<i>3270</i>
Regional plans of action	569	465	460	456	451	2401
The Icelandic Regional Development Institute	213	211	209	207	205	1043
Employment consultants in regional Iceland	206	204	202	201	200	1015
Transport cost adjustment	167	167	167	167	167	833

Adjusted to 2022 fiscal plan price levels. In ISK million.

I. VISION FOR THE FUTURE AND MAIN OBJECTIVES

That Iceland will be at the forefront of solid and secure infrastructure, robust municipalities, value creation and cutting-edge services. Technology should connect Iceland and its communities to the rest of the world in harmony with the environment.

There are two main objectives:

- a. Infrastructure is to meet the needs of society.
- b. Communities and municipalities around the country are to become sustainable.

Flourishing communities and robust population centres should be found in all parts of the country, in which improved living standards and freedom of residence are promoted through equal access to basic services, housing and diverse employment opportunities. Basic services should be provided to inhabitants in their immediate community as far as possible. The Reykjavík metropolitan area shall be a centre of public administration and central services to which all people in the country have good access.

Regional affairs shall be integrated with other functions as applicable. Public sector strategy and planning shall be guided by climate change issues and sustainable development and impacts on the development of individual communities and habitation should be examined and assessed.

II. KEY TARGET AREAS

The following five target areas shall be addressed to meet the impending challenges in the field of regional development:

1. Demographic development and basic services.
2. Diverse economic activities.
3. Infrastructure.
4. Environmental and climate change issues.
5. International competitive position and the sustainability of communities.

Strengthening the local government level and gender-equality perspective shall be incorporated while resolving these challenges.

III. OBJECTIVES, PRIORITIES AND METRICS

The government's regional development objectives pursuant to the Act on Regional Planning and Regional Plans of Action are to:

- A. Equalise access to services.
- B. Equalise employment opportunities.
- C. Promote sustainable development of communities throughout the country.

Special emphasis shall be placed on regions suffering from long-term depopulation, unemployment, and lack of industrial diversification.

In the elaboration of all objectives, effort should be made to employ the methodology of universal design, which considers different situations and needs of all people and places.

The following priorities shall lead to direct and designated measures or coordination with activities in other public plans so that the objectives set out above may be achieved.

A. Equalise access to services

a. Basic public services shall be defined by law, as well as the specifics of how the rights of the people of the country to these services can be guaranteed regardless of their place of residence.

b. Public policy shall be coordinated to the extent possible and its impact on residential development in the country evaluated.

c. Innovation and technological development in social and healthcare services shall be supported throughout the country.

d. All legal residences and workplaces in the country shall have the option of high-speed network connectivity through optical fibre or other comparable technology.

e. Official criteria for coverage and quality of mobile telephone and communications networks along the country's road network shall be developed and the necessary improvements made.

f. Household energy costs shall be equalised.

g. Maintenance of retail activities in areas with sparse populations, far from major service hubs, shall be promoted.

h. Public transport by air, land, and sea should strengthen connections within employment and services catchment areas, thus increasing accessibility and equality for the population, including within geographically spread-out municipalities, but also by connecting the more sparsely populated areas to larger central service hubs.

i. Special emphasis shall be put on reinforcing employment and service catchment areas through increased integration of plans when projects under the transport plan are harmonised and service levels defined.

j. Access to infrastructure for eco-friendly vehicles shall be available throughout the country.

k. All opportunities to exploit information technology and telecommunication for learning, teaching, and reinforcing comprehensive education services shall be taken.

l. Immigrants are to have increased opportunities for active participation in society and thus be able to use their talents, knowledge, and experience, including through increased access to Icelandic language teaching and civic education.

m. The country's inhabitants, especially children and young people, are to have access to culture, art, sports, and other recreational activities regardless of their place of residence or economic status.

- n. Access to diverse vocational, trade and technical education throughout the country shall be improved.
- o. Universities are to emphasise broadening the supply of distance and flexible learning and strengthen cooperation among themselves, including through joint courses, joint degrees, and regional solutions.
- p. The safety and quality of emergency and security services shall be increased.
- q. Reliable postal service and distribution of goods shall be guaranteed in areas facing market failure in such services.
- r. Research activities, scientific work and innovation in regional Iceland shall be intensified.

Metrics to be used in evaluating progress towards the objective:

- 1. Discrepancies in household heating costs.
- 2. Percentage of those living within 30 kilometres of healthcare centres, preschools, primary schools, secondary schools, and general grocery shops.
- 3. Proportional school attendance at the secondary school and university levels, in the age groups of 16–24 years and 24 years and older, respectively.

B. Equalise employment opportunities

- a. Emphasis shall be placed on the importance of continued development of infrastructure, both material and social, which shall take into consideration the different status and needs of different groups in society, based on the philosophy of universal design, climate issues and sustainable development.
- b. Opportunities of the Fourth Industrial Revolution shall be utilised, guided by sustainable development.
- c. The innovative capacity of communities and emphasis on entrepreneurial activities and green jobs shall be expanded throughout the country, with an emphasis on strengthening support systems and infrastructure for innovation, digital development, knowledge building and easier access to markets and capital.
- d. The promotion of the circular economy throughout the country shall be supported through focus on green business development, harnessing local strengths, increasing complete processing locally and improving utilisation of resource flows, including energy performance.
- e. Diverse and valuable jobs shall be created throughout the country, promoting equal employment distribution to the extent possible. To support regional development and freedom of residence, central government jobs should not be location specific unless the nature of the job calls for it specifically.
- f. Funds shall be secured for the development and maintenance of tourist attractions throughout the country, striking a balance between commercial use, social benefits, and conservation of nature.
- g. Support shall be given to the development of flight gateways to Iceland through Akureyri and Egilsstaðir airports, thus contributing to a more even distribution of tourists around the country in addition to meeting the country's need for alternate airports.
- h. Regional fishing quotas allocated to smaller fishing communities shall be safeguarded.
- i. Recruitment and changes in agriculture shall be facilitated and demands for improved conditions for livestock met with access to loans at the most favourable terms possible.
- j. To achieve the goals of Iceland's commitment to carbon neutrality, protection and sequestration of carbon in the soil shall be promoted through the restoration of ecosystems, soil reclamation and forestry, and efforts shall be made to stop greenhouse gas emissions from land through the restoration of wetlands and sustainable land use.

k. Efforts to promote the creative sector as a growing economic sector shall continue and the government and local authorities shall create conditions for business activities in the field of arts and culture throughout the country.

l. Development of knowledge activities and other services in the field of Arctic affairs shall support regional development and Iceland's participation in international cooperation.

m. Through cooperation between the government, the economic support system and the regional association of municipalities, an analysis of the strengths of individual regions in regard to economic development will be completed and investment priorities defined, and on the basis of that analyses green investments will be encouraged throughout the country.

n. The security of electricity delivery shall be enhanced and support provided for energy transition at the national level. Emphasis shall be placed on projects that contribute to the best possible use of electricity by integrating production, transmission and use to the extent possible, in alignment with other goals and plans, including sustainable regional development, full energy transition and Iceland's commitment to achieve carbon neutrality before 2040.

Metrics to be used in evaluating progress towards the objective:

1. Participation in employment and average employment incomes.
2. Ratio of government jobs to population/total number of full-time equivalents.
3. Educational level (25–64 years).

C. Promote sustainable development of communities throughout the country

a. Social diversity and demographic factors, such as gender, age and origin, shall be facilitated and the opportunities inherent in the human resources of each rural community shall be utilised.

b. Municipalities shall adopt their own climate policies with defined emission reduction targets and develop plans to ensure that goals are reached, having regard to Iceland's commitment to carbon neutrality before 2040.

c. Existing knowledge of the effects of climate change, risk assessment and impacts on biological diversity shall be considered in policy making, planning and decisions concerning the development of communities, land use and planning on land, sea and in coastal areas.

d. An efficient legal and regulatory framework shall be ensured to respond to intensifying international competition for people and businesses.

e. The strengths of individual regions shall be analysed and supported, with attention to the interplay between urban and rural areas, with the aim of building diverse sustainable regions. This includes formulating a strategy defining, on the one hand, the role of Reykjavík and the capital region, and on the other hand, the role of the Akureyri region within regional development in the country.

f. Methodologies for the regional plans of action and fragile communities shall be strengthened and developed.

g. A sufficient supply of diverse residential housing shall be ensured by increasing the number of dwelling units in areas where lack of suitable housing hinders normal progress and development of local communities and the economy.

h. The operating conditions of the media outside the capital area shall be improved.

i. Research in the field of regional affairs shall be strengthened and active participation in international cooperation in the field of regional affairs and research shall be guaranteed.

j. Appointment to public boards, councils, committees and working groups shall reflect the geographic distribution of residence throughout the country.

k. Cooperation between the national and local authorities shall include efforts to implement the United Nations Convention on the Rights of the Child, the United Nations

Convention on the Rights of Persons with Disabilities, and the World Health Organisation's Age-friendly Cities and Communities framework.

l. Municipalities shall have the financial and professional capacity to support long-term statutory projects, infrastructure development and other tasks that are urgent for the local community, and their financing shall enable efficient organisation at the local government level and effective use of public funds.

m. Cluster collaboration as a tool for regional development shall be supported as the public sector has a role to play in responding to market failures and strengthening innovation infrastructure throughout the country.

n. Possibilities for using economic incentives as a tool in regional development shall be examined, such as making use of the legal authority for concessions provided for in the Act on the Icelandic Student Loan Fund, as regards repayment of student loans granted for certain subjects and areas.

o. The central government and municipalities shall be better capable of responding to the challenges of high population growth in individual regions.

p. Various forms of community and innovation centres in smaller communities shall receive support.

q. Research on the economic and social impacts of culture and arts shall be increased, especially in regional Iceland.

r. The role of sports regions shall be defined and promoted, with the interests of children and young people as the guiding principle.

s. Support for agriculture as a key component of national food security and a fundamental factor in the country's residential pattern shall be increased.

Metrics to be used in evaluating progress towards the objective:

1. Dependency ratio.
2. Demographic vulnerabilities.
3. Municipal climate policies, *cf.* the metrics provided by the climate action plan.

IV. COORDINATION WITH OTHER POLICIES AND PLANS

Alþingi concludes that close consultation between ministries, government agencies, municipalities, the economic sector, non-governmental organisations, and the public is important when implementing regional development policy. This guarantees coordination with other policies and public sector planning. The following should, among other things, be considered in this context:

a. Regular discussions should take place at cabinet level about the status and implementation of the regional development plan and opportunities for coordination.

b. The government's steering group for regional development shall be strengthened and active participation across ministries guaranteed.

c. The professional engagement of the Icelandic Regional Development Institute in the implementation and follow-up of the regional development plan shall be guaranteed, and an assessment of the social impacts and macroeconomic profitability of the plan shall be carried out.

d. A service map shall indicate access for the people of the country to public services and a dashboard shall be made that sheds light on the status and progress of regional development.

e. There should be active consultation with the Icelandic Association of Local Authorities and the regional associations of local authorities.

f. Regular disclosure to Alþingi shall be guaranteed.

g. Systematic dissemination of information, as well as research, education and international comparison shall take place.

Regional development considerations shall be discussed separately during the implementation of the Public Finance Act, in connection with the formulation and presentation of the fiscal framework and the annual budget.

V. ACTION PLAN FOR 2022–2026

Alþingi resolves that work shall be carried out in accordance with the following action plan to ensure progress towards the objectives set out in the regional plan.

Individual ministries shall finance actions as applicable. Funds allocated under the regional development plan shall be used for financing individual actions, either co-financing along with the responsible and implementing parties or fully, as dictated by the budget allocations.

A. Equalise access to services

A.1. High-speed network connectivity

– *Objective:* That all legal domiciles and workplaces shall have the option of optical fibre high-speed network connectivity.

– *Short description:* The state of high-speed internet connectivity at the national level shall be analysed and that analysis used as a basis for pro-competitive actions and the involvement of public bodies in the project, if necessary. Priority should be given to connecting about 50 smaller rural communities with limited access to modern optical fibre high-speed network connectivity. Other acceptable solutions shall be used in cases where optical fibre high-speed network connections are not considered to be the optimal solution.

– *Responsible ministry:* Ministry of Higher Education, Science and Innovation.

– *Implementing body:* Telecommunications operators and municipalities.

– *Examples of collaborating parties:* The Electronic Communications Office of Iceland, the Telecommunications Fund and Ministry of Infrastructure.

– *Period:* 2022–2025.

– *Link to other policies/plans:* Telecommunications plan, innovation policy.

– *Link to the UN Sustainable Development Goals:* Supports goal 9, especially targets 9.1 and 9.4.

– *Proposed funding allocated from the regional development plan:* ISK 172 million.

A.2. Equalisation of energy costs

– *Objective:* To equalise energy costs in rural and urban areas, both in terms of energy distribution and the cost of domestic heating.

– *Short description:* Since the cost of electricity distribution is greater in rural areas than in urban areas and the cost of domestic heating is higher in places where there is no possibility of space heating with geothermal energy, compensatory measures shall be taken. The goal of equalising energy costs country-wide, which is one component of equalising living conditions and employment opportunities, shall be guaranteed through financial compensation and subsidies from the State Treasury. In particular, definitions for distribution utilities in rural and urban areas shall be examined, using the definitions in the general plan as a reference.

– *Responsible ministry:* Ministry of the Environment, Energy and Climate.

– *Implementing body:* The National Energy Authority.

– *Examples of collaborating parties:* The Icelandic Regional Development Institute.

– *Period:* 2022–2026.

– *Link to other policies/plans:* Energy policy.

- *Link to the UN Sustainable Development Goals:* Supports goal 7, especially target 7.1.
- *Proposed funding:* Ministry of the Environment, Energy and Climate.

A.3. Rapid emergency response

- *Objective:* To improve emergency services and increase safety throughout the country.
- *Short description:* The action shall be twofold. On the one hand, to analyse emergency medical services response time and map out the situation to make it possible to shorten response times and increase safety throughout the country. Measuring of police response times and that of other responders shall be coordinated, an analysis shall be made to check if the level of service and safety is comparable throughout the country, and an assessment shall be made of which changes may be necessary and how services and safety may be improved. On the other hand, local communities shall be mobilised to increase the likelihood of good outcomes for emergency response and medical transport services in emergency situations. The framework for coordinated, organised services for field personnel throughout the country, such as rescue services, the Icelandic Red Cross and others within local communities, shall be supported by increasing the number of courses available for field personnel.
- *Responsible ministry:* Ministry of Justice and Ministry of Health.
- *Implementing body:* The National Commissioner of the Icelandic Police, health institutions and healthcare centres.
- *Examples of collaborating parties:* Chiefs of police, municipalities, fire departments, the Icelandic Red Cross, rescue teams, non-governmental organisations, the Emergency Medical Services School and the National Emergency Number.
- *Period:* 2022–2025.
- *Link to other policies/plans:* The law enforcement plan and the operation plan for emergency response and medical transport services.
- *Link to the UN Sustainable Development Goals:* Supports goals 1, 3, 11 and 16, especially targets 1.5, 3.6, 11.5, 11.a and 16.6.
- *Proposed funding allocated from the regional development plan:* ISK 30 million.

A.4. Welfare network

- *Objective:* To reinforce and increase comprehensive services in the fields of social affairs, health and education, thus increasing the benefits for users of government and municipal services.
- *Short description:* Development of experimental projects in multidisciplinary regional teams/welfare networks involved in integration, counselling, quality management and other aspects in the field of social issues, health and education shall continue in the spirit of the Act on Integrating Services in the Interest of Children's Prosperity. A welfare network shall be set up, forming a comprehensive and coordinated service chain for municipalities and the government in the aforementioned fields. Skills shall be developed to provide specialised local and remote counselling to municipal staff, users and parents, *inter alia* with the aim of applying preventive support and counselling at an earlier stage. Projects shall be implemented with the aim to support users and their families in sparsely populated communities through self-help when there is no ready access to specialist services. Emphasis shall be placed on the development of digital solutions in the field of welfare technology. The success of the operation shall, *inter alia*, be measured in terms of the number of welfare centres.
- *Responsible ministry:* Ministry of Social Affairs and Labour in cooperation with Ministry of Health and Ministry of Education and Children.

- *Implementing body:* Government and municipal bodies in the field of social issues, health and education in each area in question.
- *Examples of collaborating parties:* Ministries, municipalities’ regional associations, the Icelandic Association of Local Authorities, representative associations of people with disabilities, public interest groups, and companies developing digital technology solutions in the fields of welfare and education.
- *Period:* 2022–2026.
- *Link to other policies/plans:* Education policy, health strategy, innovation policy, policy for innovation and technology in welfare services, parliamentary resolution on a child-friendly Iceland.
- *Link to the UN Sustainable Development Goals:* Supports goals 1, 3, 4 and 16, especially targets 1.3, 3.5, 3.8, 4.a and 16.1.
- *Proposed funding allocated from the regional development plan:* ISK 25 million.

A.5. Distance health services

- *Objective:* To increase and improve access to healthcare through innovation and utilisation of technology and telecommunications in the implementation of services.
- *Short description:* Efforts shall be made, through the implementation of distance health services, to equalise public access to general and specialist health services, such as doctors, nurses, midwives,

psychologists and speech therapists. At the same time, electronic exchange of healthcare services shall be used to increase access to specialist knowledge and thereby mutual professional advice, consultation and cooperation, thus facilitating teamwork within the healthcare sector. The success of this action shall be measured, *inter alia*, in terms of the number of people who use specialist services via the Internet.

- *Responsible ministry:* Ministry of Health.
- *Implementing body:* The Directorate of Health and healthcare providers.
- *Examples of collaborating parties:* The Development Centre for Primary Healthcare in Iceland, healthcare institutions, healthcare centres, individual municipalities, other providers of health services, and undertakings in the field of digital technology solutions for healthcare.
- *Period:* 2022–2026.
- *Link to other policies/plans:* Health strategy, innovation policy, telecommunications policy.
- *Link to the UN Sustainable Development Goals:* Supports goal 3.
- *Proposed funding allocated from the regional development plan:* ISK 100 million.

A.6. Access to specialist healthcare services

- *Objective:* To equalise access to various specialist services, regardless of place of residence.
- *Short description:* It shall be examined whether it is possible to increase the number of specialists in the field of healthcare services in regional Iceland by making use of the provisions of the Act on the Icelandic Student Loan Fund, which stipulates special relief for specific subjects, as well as special relief for subjects in specific areas. Emphasis shall be placed on the importance of securing various types of specialist services, for example the services of psychiatric nurses, psychologists, speech pathologists and specialist doctors, in regional Iceland.
- *Responsible ministry:* Ministry of Health.
- *Implementing body:* The Icelandic Regional Development Institute.

- *Examples of collaborating parties:* Ministry of Higher Education, Science and Innovation, the Icelandic Association of Local Authorities, municipalities' regional associations, and individual municipalities.

- *Period:* 2022–2023.

- *Link to other policies/plans:* Health strategy and education policy.

- *Link to the UN Sustainable Development Goals:* Supports goal 3.

- *Proposed funding allocated from the regional development plan:* ISK 2 million.

A.7. Proximity services for immigrants

- *Objective:* To improve immigrants' access to public services throughout the country.

- *Short description:* Coordinated work processes/reception programs and multicultural policies shall be formulated at the local level. Information on municipal services shall be made accessible, with special consideration to new immigrants. Ways to make resources and information visible to immigrants seeking employment shall be explored. Electronic educational materials shall be developed for professionals and short educational talks offered by the Multicultural Information Centre. Lifelong learning centres shall receive study materials to conduct more comprehensive courses for their staff. The success of this action shall, *inter alia*, be measured in terms of the number of municipalities that implement multicultural policies and/or reception programs, the number of municipalities that accept invitations for educational talks, and the number of courses organised by lifelong learning centres.

- *Responsible ministry:* Ministry of Social Affairs and Labour.

- *Implementing body:* The Multicultural Information Centre.

- *Examples of collaborating parties:* Ministry of Higher Education, Science and Innovation, Ministry of Education and Children, the Directorate of Labour, lifelong learning centres, the Icelandic Regional Development Institute, the Icelandic Association of Local Authorities, municipalities' regional associations, and individual municipalities.

- *Period:* 2022–2024.

- *Link to other policies/plans:* The implementation strategy on immigration issues (in progress, March 2022) and the innovation policy.

- *Link to the UN Sustainable Development Goals:* Supports goal 10, especially targets 10.2, 10.3, 10.4, and 10.7.

- *Proposed funding allocated from the regional development plan:* ISK 12 million.

A.8. Central government administrative bodies in the regions

- *Objective:* To strengthen regional public services, increase employment opportunities, and improve central government operations.

- *Short description:* The activities of district commissioners' offices throughout the country and regional public services shall be strengthened by better use of infrastructure, including digital technology, housing, and human resources. The success of the operation shall, *inter alia*, be measured in terms of the number of posts in district commissioners' offices and the number of specialists employed there.

- *Responsible ministry:* Ministry of Justice

- *Implementing body:* Ministry of Justice and the board of district commissioners.

- *Examples of collaborating parties:* District commissioners, the Icelandic Association of Local Authorities, municipalities, Digital Iceland, other ministries, and subsidiary organisations.

- *Period:* 2022–2026.

- *Link to other policies/plans:* *District commissioners – Vision for the future; improvements in services and operations*, report by Ministry of Justice (March 2021).

- *Link to the UN Sustainable Development Goals:* Supports goal 11, especially targets 11.a and 11.b.
- *Proposed funding allocated from the regional development plan:* ISK 50 million.

A.9. Retail activities in rural areas

- *Objective:* To provide support for convenience stores in smaller rural communities to maintain important basic services.
- *Short description:* Retail shops in sparsely populated market areas that are facing high transport costs, uneconomic procurement of goods and difficult operating conditions shall be met with financial assistance which shall, *inter alia*, take into consideration transportation distances and turnover. Investment support shall also be offered and assessments made as to how best to organise advisory efforts.
- *Responsible ministry:* Ministry of Infrastructure.
- *Implementing body:* The Icelandic Regional Development Institute.
- *Examples of collaborating parties:* Municipalities' regional associations.
- *Period:* 2022–2026.
- *Link to the UN Sustainable Development Goals:* Supports goals 8, 9, 11 and 12, especially targets 8.9, 9.1, 11.b, 12.3 and 12.b.
- *Proposed funding allocated from the regional development plan:* ISK 75 million.

A.10. Public transport between communities

- *Objective:* To support the continued development of public transport between communities, *inter alia* to connect various special transport services with public transport.
- *Short description:* Analysis of the public transport system shall continue and new solutions developed. An examination shall be made as to whether there is a need for proposing changes to the current legal and regulatory environment so that public transport can deliver the best possible services to the people in the country, thus safeguarding the sparsely populated communities where operating regular public transport is the most challenging. Special consideration shall be given to ideas for joint transport of cargo and passengers and ride sharing in order to ensure and reinforce minimum service in the most sparsely populated communities.
- *Responsible ministry:* Ministry of Infrastructure.
- *Implementing body:* The Icelandic Regional Development Institute.
- *Examples of collaborating parties:* The Icelandic Road and Coastal Administration, municipalities' regional associations, individual municipalities, consultants, universities, and undertakings.
- *Period:* 2022–2026.
- *Link to other policies/plans:* The transport plan and Let's travel together – a comprehensive strategy for public transport between communities.
- *Link to the UN Sustainable Development Goals:* Supports goals 9 and 11, especially targets 9.1 and 11.2.
- *Proposed funding allocated from the regional development plan:* ISK 65 million.

A.11. Integral school services

- *Objective:* To strengthen and develop integral school services at the preschool and primary school levels in regional Iceland, and integrate it with social and health services.
- *Short description:* Integral school services, which involve counselling, guidance and support to school services and staff, shall support school development and teachers' professional development, provide students with general and specific support, and their parents with guidance and advice as needed. Minimum standards for school services shall be

defined and there shall be follow-up to ensure that the service is provided in accordance with the Act on Integrating Services in the Interest of Children's Prosperity. A comprehensive approach shall be ensured by integrating school, health and social services through targeted cooperation between different systems and services, and the best possible access to these services regardless of geographical location and the size of municipalities. The opportunities found in increased cooperation between municipalities, sharing and coordination of expertise, *inter alia* with the help of digital solutions, shall be exploited. Special emphasis shall be placed on increasing support for students whose native language is not Icelandic, as well as formulating and developing integrated school services in those places where the need is most urgent.

- *Responsible ministry*: Ministry of Education and Children.
- *Implementing body*: School operators, municipalities' regional associations, the Directorate of Education, the Icelandic Association of Local Authorities and Grunnur – the association of publicity officers and administrators of central school administrations.
- *Examples of collaborating parties*: Ministry of Social Affairs and Labour, Ministry of Health, Ministry of Higher Education, Science and Innovation, universities, the Multicultural Information Centre, school administrators, and undertakings in the field of welfare and education.
- *Period*: 2022–2024.
- *Link to other policies/plans*: Education policy, parliamentary resolution on a child-friendly Iceland.
- *Link to the UN Sustainable Development Goals*: Supports goal 4, especially targets 4.1, 4.2, 4.7, and 4.a.
- *Proposed funding allocated from the regional development plan*: ISK 26 million.

A.12. Equal access to education

- *Objective*: To increase access to teachers with expertise in certain specialities and certain fields, at primary and secondary school level.
- *Short description*: Students shall have equal access to the expertise of teachers in certain specialities or fields of study, teaching and pedagogical counselling, including in digital format, so as to guarantee their equal access to education regardless of their geographical location to the extent possible. Staffing as regards certain specialities and fields of study in primary and secondary schools shall be mapped out and the need for online teaching and pedagogic counselling assessed.
- *Responsible ministry*: Ministry of Education and Children.
- *Implementing body*: The Directorate of Education, the Icelandic Association of Local Authorities and Grunnur – the association of publicity officers and administrators of central school administrators.
- *Examples of collaborating parties*: Universities, professional associations of school administrators and teachers and undertakings engaged in the digital development of technical solutions in the field of welfare and education.
- *Period*: 2022–2026.
- *Link to other policies/plans*: Education policy, parliamentary resolution on a child-friendly Iceland.
- *Link to the UN Sustainable Development Goals*: Supports goal 4, especially targets 4.1, 4.3, 4.4, 4.5 and 4.7.
- *Proposed funding*: Ministry of Education and Children.

A.13. Professional development of staff at preschool and primary school level

- *Objective:* To establish and institutionalise preschool teacher training at university level in all parts of the country and improve the Icelandic language skills of preschool staff members with a first language other than Icelandic.
- *Short description:* The action shall be twofold. On the one hand, to offer preschool staff members who do not meet admission criteria for university training the opportunity to engage in preparatory studies for preschool teacher training, which would also count as the first steps towards university training, to prevent teacher shortages and increase recruitment. Emphasis shall be placed on the municipalities providing their staff with support at the start of the training. The possibility of establishing practical skills assessment to enable admission to preschool teacher training at university level shall be explored. On the other hand, to aim to offer preschool and primary school staff with a first language other than Icelandic the opportunity to improve their Icelandic skills to reach proficiency level B under the European Framework of Reference for Languages. The program shall be tailored to their needs and it shall be possible to engage in those studies parallel to work, including through distance learning and digital learning materials. The success of this action shall be measured, *inter alia*, in terms of the number of people who attend the programmes.
- *Responsible ministry:* Ministry of Social Affairs and Labour and Ministry of Higher Education, Science and Innovation.
- *Implementing body:* Universities, municipalities and education providers.
- *Examples of collaborating parties:* Ministry of Education and Children, the Icelandic Association of Local Authorities, the Icelandic Teachers' Union, the Multicultural Information Centre and unskilled preschool and primary school staff unions.
- *Period:* 2022–2026.
- *Link to other policies/plans:* Education policy, parliamentary resolution on promoting Icelandic as the official language, parliamentary resolution on a child-friendly Iceland.
- *Link to the UN Sustainable Development Goals:* Supports goal 4.
- *Proposed funding:* Ministry of Social Affairs and Labour and Ministry of Higher Education, Science and Innovation.

A.14. Allocation of funds to primary schools

- *Objective:* To change the rules for the allocation and disposal of funds so that response-oriented support is abandoned and emphasis is instead placed on early support and prevention.
- *Short description:* The results of the pilot project run by Ministry of Education and Culture, the Union of Icelandic Municipalities and twelve municipalities that took place in 2019–2020 shall provide the groundwork. Local government rules on the allocation and disposal of funds for teaching and services in primary schools shall be revised and brought into line with the criteria proposed by the European Agency for Special Needs and Inclusive Education. Municipalities which participated in the pilot project shall continue to cooperate, and the cooperation shall also extend to municipalities throughout the country.
- *Responsible ministry:* Ministry of Education and Children.
- *Implementing body:* Operators of schools and educational activities, the Directorate of Education and the Icelandic Association of Local Authorities.
- *Examples of collaborating parties:* The Icelandic Teachers' Union, the Municipal Equalisation Fund and Grunnur – the association of publicity officers and administrators of central school administrations.
- *Period:* 2022–2026.
- *Link to other policies/plans:* Education policy, parliamentary resolution on a child-friendly Iceland.

- *Link to the UN Sustainable Development Goals:* Supports goal 4.
- *Proposed funding allocated from the regional development plan:* ISK 2 million.

A.15. Basic public services and equalisation of access

– *Objective:* To equalise accessibility and service level of basic public services by way of improved conditions and technical solutions.

– *Short description:* Access to basic public services shall be defined. The minimum service level of basic public services for rural areas shall also be defined where it may be considered too costly to provide the service. At the same time, proposals shall be submitted for technical implementation and equalisation of the cost of accessing individual components of government services.

– *Responsible ministry:* Ministry of Infrastructure.

– *Implementing body:* The Icelandic Regional Development Institute.

– *Examples of collaborating parties:* Ministries and institutions, the Icelandic Association of Local Authorities, municipalities' regional associations and individual municipalities.

- *Period:* 2022–2023.
- *Link to the UN Sustainable Development Goals:* Supports goals 1, 10 and 11, especially targets 1.4, 10.2, 10.3, 10.4, 10.7, 11.1, 11.2, 11.3 and 11.a.
- *Proposed funding allocated from the regional development plan:* ISK 2 million.

A.16. Analysis of the cost of seeking services

– *Objective:* To analyse the total cost of seeking services.

– *Short description:* The total cost of seeking services shall be analysed, including travel and subsistence costs, work loss and other societal costs incurred by different community groups while seeking specific public services over long distances, such as health, education and social services. Actions to equalise access could be founded on total societal cost, irrespective of who incurs the expenses.

- *Responsible ministry:* Ministry of Infrastructure.
- *Implementing body:* The Icelandic Regional Development Institute and others.
- *Examples of collaborating parties:* Ministries, institutions and universities.
- *Period:* 2022–2023.
- *Link to the UN Sustainable Development Goals:* Supports goals 9 and 11, especially targets 9.1, 11.2 and 11.a.
- *Proposed funding allocated from the regional development plan:* ISK 5 million.

B. Equalise employment opportunities

B.1. Three-phasing and adoption of underground cable

– *Objective:* To increase energy delivery security, equalise access to reliable energy on a national level, improve living conditions and strengthen employment opportunities.

– *Short description:* Installing underground cables in the electricity transmission network shall continue in parallel with upgrading to three-phase power. Simplification of the regulatory framework for development projects in the transmission and distribution networks shall also be carried out. This action shall be carried out pursuant to the five-year financial framework for 2021–2025, where ISK 600 million is expected to be allocated from the State budget for a specific effort to complete, for the most part, three-phasing and installation of underground cables in the macro-economically significant part of the electricity distribution network by the year 2025.

- *Responsible ministry:* Ministry of the Environment, Energy and Climate.
- *Implementing body:* RARIK - Iceland State Electricity and the Westfjord Power

Company.

- *Examples of collaborating parties:* The National Energy Authority and the municipalities' regional associations.
- *Period:* 2022–2025.
- *Link to other policies/plans:* Energy policy, innovation policy.
- *Link to the UN Sustainable Development Goals:* Supports goals 7 and 11, especially targets 7.1 and 11.a.
- *Proposed funding allocated from the regional development plan:* ISK 275 million.

B.2. Energy transition and improved energy performance

– *Objective:* To increase national energy security and support energy transition in accordance with the energy policy objective that Iceland shall become independent of fossil fuels by 2040.

– *Short description:* Energy transition, such as electric charging stations, geothermal exploration, domestic fuel production, hydrogen adoption, electrification of ports and the development of sustainable small power plants shall be supported, and grants shall be provided for increasing insulation of buildings and the installation of heat pumps where needed. The success of this action shall be measured in terms of the number of new energy projects and electrification projects in ports, the increase in the number of heat pumps and small power plants and their total power, and the number of geothermal exploration projects and their success rate.

- *Responsible ministry:* Ministry of the Environment, Energy and Climate.
- *Implementing body:* The National Energy Authority and the Icelandic Energy Fund.
- *Examples of collaborating parties:* Municipalities' regional associations.
- *Period:* 2022–2026.
- *Link to other policies/plans:* The energy policy, climate action plan and innovation policy.
- *Link to the UN Sustainable Development Goals:* Supports goals 7 and 13, especially targets 7.1 and 13.2.
- *Proposed funding:* Ministry of the Environment, Energy and Climate.

B.3. Promoting local and regional innovation

– *Objective:* To establish a digital innovation portal for entrepreneurs as well as education providers and innovation supporters throughout the country.

– *Short description:* The innovation portal shall be the first point of contact for entrepreneurs and the innovation support system and serve as a platform for sharing support materials and information. This action shall be carried out in accordance with Article 9 of Act No [25/2021](#) on Public Support for Innovation, which states that a digital innovation portal shall be established for the purpose of providing information on support for innovation. The purpose of the portal will be to share, in one single place, information and support materials from different sources within the innovation support system in Iceland. A needs assessment shall be carried out with respect to the expected users, such as entrepreneurs, educators, and consultants. Consultation shall take place on approach, emphases, and format for the benefit of parties throughout the country. The results of the needs assessment and consultation shall be used as the basis for implementation. The action shall include the design, installation, and operation of the website, as well as the production of support material.

- *Responsible ministry:* Ministry of Higher Education, Science and Innovation.
- *Implementing body:* Ministry of Higher Education, Science and Innovation and the municipalities' regional associations.
- *Examples of collaborating parties:* Ministry of Infrastructure, the Icelandic Regional

Development Institute, the Federation of Icelandic Industries and other knowledge institutions.

- *Period:* 2022–2024.
- *Link to other policies/plans:* Innovation policy, cluster policy.
- *Link to the UN Sustainable Development Goals:* Supports goals 8, 9 and 11, especially targets 8.3, 8.5, 8.9, 9.3, 9.5 and 11.a.
- *Proposed funding allocated from the regional development plan:* ISK 15 million.

B.4. Digital advantage

- *Objective:* For companies to use digital technology for the purpose of growth and resilience in a rapidly changing business environment.
- *Short description:* Companies shall be encouraged to use digital technology to increase the competitiveness and innovation of their operations. At the same time, they shall be encouraged to use digital solutions for advancement in the field of innovation and product development. Access shall be offered to education and expert lectures on the use of digital technology, such as automation, block chain technology, virtual reality and artificial intelligence in daily operations and innovation activities. The success of the operation shall be measured in terms of the number of participating companies.
- *Responsible ministry:* Ministry of Higher Education, Science and Innovation.
- *Implementing body:* Ministry of Higher Education, Science and Innovation and the Federation of Trade and Services.
- *Examples of collaborating parties:* Bifröst University, the Federation of Trade and Services, municipalities' regional associations, destination agencies and continuous learning centres.
- *Period:* 2022–2024.
- *Link to other policies/plans:* Innovation policy, cluster policy.
- *Link to the UN Sustainable Development Goals:* Supports goals 8 and 9, especially targets 8.3, 9.4 and 9.5.
- *Proposed funding allocated from the regional development plan:* ISK 12 million.

B.5. Analysis of work commutes

- *Objective:* To analyse commute routes, i.e. journeys between homes and workplace.
- *Short description:* Workplace addresses shall be defined as well as the frequency of travel between homes and workplaces, since such analysis is the necessary prerequisite for the implementation of economic incentives to develop employment catchment areas. Information shall be sought, *inter alia*, as to how such information is collected in Norway.
- *Responsible ministry:* Ministry of Finance and Economic Affairs.
- *Implementing body:* The Icelandic Regional Development Institute.
- *Examples of collaborating parties:* Prime Minister's Office, Ministry of Infrastructure, the Directorate of Internal Revenue, Registers Iceland and the Iceland Construction Authority.
- *Period:* 2022–2023.
- *Link to the UN Sustainable Development Goals:* Supports goals 9 and 11, especially targets 9.1, 11.2 and 11.a.
- *Proposed funding allocated from the regional development plan:* ISK 2 million.

B.6. Placement of central government jobs

- *Objective:* To equalise the distribution of central government job opportunities and promote diverse economies as widely as possible around the country.
- *Short description:* When new operations begin or there is natural turnover in the civil

service, objective assessments shall be made as to whether the job roles/operations can be situated outside the capital area.

- *Responsible ministry:* Prime Minister’s Office.
- *Implementing body:* Prime Minister’s Office, other ministries and their institutions.
- *Examples of collaborating parties:* The Icelandic Regional Development Institute.
- *Period:* 2022–2026.
- *Link to other policies/plans:* Municipal policy for 2019–2033.
- *Link to the UN Sustainable Development Goals:* Supports goals 9 and 11, especially targets 9.1, 9.4 and 11.a.
- *Proposed funding:* Prime Minister’s Office.

B.7. Non-location specific jobs

– *Objective:* To promote freedom of residence by creating employment opportunities and increasing the variety of jobs in regional Iceland.

– *Short description:* Central government jobs shall not be location-specific unless the nature of the role requires this specifically, so that residence does not affect recruitment. An overview shall be made of the number of facilities/spaces and number of central government roles that are non-location specific. Following that, targets shall be set for increasing the number of workspaces and non-location specific jobs and distributing them as equally as possible around the country. Workplace clusters shall be developed in cooperation between the central government, municipalities, and other bodies, as the case may be, so that good workspaces can be offered as widely as possible around the country. The possibility to provide loans from the Icelandic Regional Development Institute shall be explored. Competition funds shall be set up for the purpose of, respectively, supporting the development of workplace clusters and meeting one-time costs incurred as the result of jobs that will be located in defined workplace clusters or elsewhere beyond the boundaries of work commute routes within the capital area. The results of this action will be evaluated in terms of the number of workspaces and their distribution around the country. Their utilisation rates and job diversity shall be monitored.

- *Responsible ministry:* Ministry of Infrastructure in cooperation with Prime Minister’s Office and Ministry of Finance and Economic Affairs.
- *Implementing body:* The Icelandic Regional Development Institute in cooperation with ministries and governmental institutions in the capital area.
- *Examples of collaborating parties:* Municipalities, their organisations and undertakings.
- *Period:* 2022–2026.
- *Link to other policies/plans:* Municipal policy for 2019–2033.
- *Link to the UN Sustainable Development Goals:* Supports goals 9 and 11, especially targets 9.1, 9.4 and 11.a.
- *Proposed funding allocated from the regional development plan:* ISK 298 million.

B.8. Centre for Arctic Affairs

– *Objective:* To strengthen the position of Akureyri as the country’s centre for Arctic affairs, as well as promoting the cooperation of the many parties involved in this policy area.

– *Short description:* The Icelandic Arctic Cooperation Network shall receive support for digital advancement, development of a cooperative network and participation in international research projects.

- *Responsible ministry:* Ministry for Foreign Affairs.
- *Implementing body:* The Icelandic Arctic Cooperation Network.
- *Examples of collaborating parties:* Other ministries, municipalities’ regional

associations and individual municipalities.

- *Period:* 2022–2024.
- *Link to other policies/plans:* Iceland’s Arctic Policy.
- *Link to the UN Sustainable Development Goals:* Supports goals 9, 13 and 17, especially targets 9.5, 13.2 and 17.16.
- *Proposed funding allocated from the regional development plan:* ISK 9 million.

B.9. Policy-making and the role of cultural institutions

- *Objective:* To reinforce the activities of cultural institutions in regional Iceland.
- *Short description:* Strategic planning and definition of the roles of cultural centres and similar institutions shall be carried out at a national level, in a similar fashion to what has been done in the neighbouring countries. Municipalities’ regional associations shall be tasked with analysing their situation and drafting a policy direction for the future. In particular, integration with the regional plan of action of the respective region shall be considered.
- *Responsible ministry:* Ministry of Culture and Commerce.
- *Implementing body:* Municipalities’ regional associations.
- *Examples of collaborating parties:* Cultural institutions and universities.
- *Period:* 2022–2023.
- *Link to other policies/plans:* Cultural policy, regional plans of action.
- *Link to the UN Sustainable Development Goals:* Supports goal 11, especially target 11.4.
- *Proposed funding allocated from the regional development plan:* ISK 10 million.

B.10. Utilisation of cultural heritage

- *Objective:* To utilise cultural objects to support regional development, especially in areas that are disadvantaged in terms of population density.
- *Short description:* Efforts shall be made to obtain a comprehensive overview of cultural objects to identify opportunities for utilisation and any possibilities of expansion which they may entail. Cultural objects (archaeological remains, structures and houses) shall be mapped out in specific areas and the data used as the basis for project design. The Cultural Heritage Agency of Iceland shall assist the regions in seeking funding for projects that are subsequently launched, for example by indicating appropriate funds, supporting applications and providing professional advice.
- *Responsible ministry:* Ministry of the Environment, Energy and Climate.
- *Implementing body:* The Cultural Heritage Agency of Iceland.
- *Examples of collaborating parties:* The Icelandic Regional Development Institute, the National Museum of Iceland, municipalities’ regional associations, individual municipalities, destination agencies, tourism operators and universities.
- *Period:* 2022–2026.
- *Link to other policies/plans:* Cultural policy.
- *Link to the UN Sustainable Development Goals:* Supports goal 11, especially target 11.4.
- *Proposed funding allocated from the regional development plan:* ISK 12.5 million.

B.11. Flight gateways

- *Objective:* To distribute the tourism load more evenly across the country.
- *Short description:* The Icelandic Route Development Fund shall support the development of new flight routes to Iceland to establish regular international flights through the international airports in Akureyri and Egilsstaðir. Success shall be measured in terms of the number of tourists arriving by air/number of landings.

- *Responsible ministry:* Ministry of Culture and Commerce.
- *Implementing body:* The Icelandic Route Development Fund.
- *Examples of collaborating parties:* Ministry of Infrastructure, Isavia, municipalities' regional associations and destination agencies.
- *Period:* 2022–2026.
- *Link to other policies/plans:* Iceland tourism future vision and guide until 2030 and Iceland's flight policy.
- *Link to the UN Sustainable Development Goals:* Supports goals 8, 9 and 11, especially targets 8.2, 9.1, 9.4 and 11.a.
- *Proposed funding:* Ministry of Culture and Commerce.

C. Promote sustainable development of communities throughout the country

C.1. Specific projects within individual regional plans of action

- *Objective:* To give local people increased responsibilities in the allocation of funds and to link regional plans of action to the national strategic regional plan.
- *Short description:* Municipalities' regional associations shall be able, in cooperation with interested parties, to apply for grants from a competition fund for projects which benefit individual areas or communities within the respective part of the country or the entire region. Projects that are considered to have a lasting impact, create jobs, and encourage innovation shall be given priority. Special emphasis shall be placed on areas experiencing long-term population decline, unemployment and monotonous economic activity, through the conclusion of supplementary agreements in connection with regional plans of action for the respective region for specific projects based on the priorities of the local population.
- *Responsible ministry:* Ministry of Infrastructure.
- *Implementing body:* The Icelandic Regional Development Institute and the municipalities' regional associations.
- *Examples of collaborating parties:* The Government Offices regional affairs steering committee, ministries, the Icelandic Association of Local Authorities, individual municipalities, universities, undertakings and individuals.
- *Period:* 2022–2026.
- *Link to other policies/plans:* Regional plans of action, central government policies/plans affecting regional development.
- *Link to the UN Sustainable Development Goals:* Supports goal 11, especially target 11.a.
- *Proposed funding allocated from the regional development plan:* ISK 700 million.

C.2. Fragile communities

- *Objective:* To halt the ongoing population decline in smaller communities.
- *Short description:* The *Brothættar byggðir* (Fragile Communities) project shall be continued, in order to seek solutions for urgent problems in certain areas due to population decline and economic difficulties in recent years. The success of this project will include being measured in terms of the population development in the participating communities.
- *Responsible ministry:* Ministry of Infrastructure.
- *Implementing body:* The Icelandic Regional Development Institute.
- *Examples of collaborating parties:* Residents of the respective regions, individual municipalities, municipalities' regional associations, ministries and institutions.
- *Period:* 2022–2026.
- *Link to the UN Sustainable Development Goals:* Supports goals 8, 9 and 11, especially targets 8.3, 8.9, 9.4 and 11.a.
- *Proposed funding allocated from the regional development plan:* ISK 600 million.

C.3. Green and smart Iceland

- *Objective:* To use smart and green solutions to strengthen economic activities and communities.
- *Short description:* The development of a future vision for Iceland shall take place in wide-ranging cooperation that shall be characterised by sustainability, equal opportunities and cooperation on projects using smart and green solutions to support economic activities and society. The key projects and green investments necessary to actualise the goal for a Green and Smart Iceland shall be defined. A collaboration team shall be established in connection with the Green and Smart Iceland project, which shall, *inter alia*, coordinate efforts to apply for funding, including from EU funds.
- *Responsible ministry:* Ministry of the Environment, Energy and Climate.
- *Implementing body:* The Icelandic Association of Local Authorities in cooperation with the team that will be established.
- *Examples of collaborating parties:* Ministries, individual municipalities, municipalities' regional associations, Business Iceland, the Icelandic Regional Development Institute, Digital Iceland and universities.
- *Period:* 2022–2026.
- *Link to other policies/plans:* The action plan to promote digital public services, the future vision of the Nordic Council of Ministers, municipal policy, energy policy, innovation policy and cluster policy.
- *Link to the UN Sustainable Development Goals:* Supports goals 7, 9, 12 and 13, especially targets 7.2, 7.3, 9.5, 12.2, 12.5, 12.8 and 13.2.
- *Proposed funding allocated from the regional development plan:* ISK 5 million.

C.4. National urban policy

- *Objective:* To strengthen the largest urban areas and reinforce their competitiveness and role in the country's regional development.
- *Short description:* Policies shall be formulated that on the one hand define the role of Reykjavík as the capital city and contribute to the increased international competitiveness of the capital region, and on the other hand the role and development of Akureyri as a regional city that can offer an increased variety of services, culture and job opportunities. These policies shall take into consideration the efforts of the working group on the development of a capital-city policy and the working group on the regional role of Akureyri. This effort shall be based on the OECD principles on the development and content of national urban policy, as applicable.
- *Responsible ministry:* Ministry of Infrastructure.
- *Implementing body:* Ministry of Infrastructure, The City of Reykjavík, the Association of Municipalities in the Capital Area, the town of Akureyri and the Association of Municipalities in Northeast Iceland.
- *Examples of collaborating parties:* Ministries, the Icelandic Regional Development Institute, the Icelandic National Planning Agency and various interested parties.
- *Period:* 2022–2023.
- *Link to other policies/plans:* The national planning strategy, the transport plan, the regional plan and other municipal growth management plans.
- *Link to the UN Sustainable Development Goals:* Supports goal 11, especially target 11.a.
- *Proposed funding allocated from the regional development plan:* ISK 4 million.

C.5. Housing

– *Objective:* To ensure a sufficient supply of diverse residential housing by increasing the number of dwelling units in areas where lack of suitable housing hinders normal progress and development of local communities and the economy.

– *Short description:* A variety of measures shall be taken to respond to the lack of suitable residential housing, whether for rent or purchase, in areas outside the capital area where the construction of dwelling units has been minimal or there are particular difficulties in obtaining financing in the open market. Such measures could, for example, consist of an additional contribution to public housing (special regional contribution), loans for new construction, cooperation with the residential real estate rental company ‘Leigufélagið Briet’ to supply rental apartments, and support from the Iceland Construction Authority at the design and preparation stage, and be part of the *Tryggð byggð* project. Market failure in different areas shall be analysed, *inter alia* to be able to make the best possible use of housing support, e.g. in the form of supplementary contributions. The success of this action shall be measured, *inter alia*, in terms of the number of dwelling units constructed in the aforementioned areas.

– *Responsible ministry:* Ministry of Infrastructure.

– *Implementing body:* The Iceland Construction Authority.

– *Examples of collaborating parties:* The residential real estate rental company ‘Leigufélagið Briet’, individual municipalities, municipalities’ regional associations, and the Icelandic Regional Development Institute.

– *Period:* 2022–2026.

– *Link to other policies/plans:* Municipal housing and growth management plans, national planning strategy.

– *Link to the UN Sustainable Development Goals:* Supports goal 11, especially target 11.1, 11.3 and 11.a.

– *Proposed funding allocated from the regional development plan:* ISK 12.5 million.

C.6. Municipal housing plans

– *Objective:* For realistic and targeted housing plans to be in effect for all municipalities, in digital form, and revised annually.

– *Short description:* The Iceland Construction Authority shall work towards implementing digital housing plans with the aim of making it easier for municipalities to create and update them and to increase the reliability of the information contained therein. Municipalities shall submit their plans to the Iceland Construction Authority’s planning system. Municipalities shall be encouraged to collaborate on the creation of housing plans, for example at regional associations’ level. A joint needs analysis shall be carried out, *inter alia* in relation to the national planning strategy, regional plans and those aspects of the general plan that relate to the supply and demand for residential housing, especially rental housing. Housing plans shall lay out how the housing needs of different groups will be met, including offering alternative housing options to people with disabilities who live in institutions or shared housing; the status of that project shall be mapped and evaluated during the annual review of the housing plan.

– *Responsible ministry:* Ministry of Infrastructure.

– *Implementing body:* The Iceland Construction Authority.

– *Examples of collaborating parties:* The Association of Icelandic municipalities, municipalities’ regional associations, individual municipalities and the Icelandic National Planning Agency.

– *Period:* 2022–2026.

– *Link to other policies/plans:* Municipal housing and growth management plans.

– *Link to the UN Sustainable Development Goals:* Supports goal 11, especially target

11.1, 11.3 and 11.a.

- *Proposed funding allocated from the regional development plan:* ISK 12.5 million.

C.7. Support for local/regional media

- *Objective:* For strong media throughout the country to become a pillar for democratic debate and diversity in reporting.

- *Short description:* Subsidies shall be given to privately operated local media outside the capital area, as they play an important role in ensuring the public's access to information on cultural and social matters. Their content shall be diverse and intended for the general public within each medium's circulation area, thus supporting democratic participation and cultural activities.

- *Responsible ministry:* Ministry of Culture and Commerce.

- *Implementing body:* Ministry of Culture and Commerce.

- *Examples of collaborating parties:* The Media Committee and The Icelandic Regional Development Institute.

- *Period:* 2022–2026.

- *Link to the UN Sustainable Development Goals:* Supports goals 10, 11 and 16, especially targets 10.2, 10.3, 11.3 and 16.10.

- *Proposed funding allocated from the regional development plan:* ISK 12.5 million.

C.8. Sustainable communities – promoting the circular economy

- *Objective:* To reduce greenhouse gas emissions from waste management, work towards Iceland's carbon neutrality and reduce waste generation. Furthermore, to increase recycling and other reuse, reduce disposal by land-filling and stop land-filling of biodegradable waste.

- *Short description:* Waste generation shall be reduced and waste sorting and recycling increased, with greater coordination at the national level. Municipalities shall be encouraged to use their regional plan for waste management as a control instrument and to integrate appropriate policies and programs to promote circular economy, improve resource utilisation and reduce greenhouse gas emissions. Subsidies shall be given to municipalities to strengthen waste prevention and improve waste management, especially localities with weak economies, highly dispersed settlements or negative regional development.

- *Responsible ministry:* Ministry of the Environment, Energy and Climate.

- *Implementing body:* Municipalities and the municipalities' regional associations.

- *Examples of collaborating parties:* The Environment Agency of Iceland, the Icelandic Association of Local Authorities, the Federation of Icelandic Industries, Fenúr, and waste management undertakings.

- *Period:* 2022–2026.

- *Link to other policies/plans:* The climate action plan, energy policy, cluster policy, *Saman gegn sóun – almenn stefna um úrgangsförvarnir 2016–2027* (United Against Waste – general policy on waste prevention 2016–2027), policy on waste management 2021–2032 and *Matarauðlindin Ísland* – Iceland's national food strategy until 2030.

- *Link to the UN Sustainable Development Goals:* Supports goals 2, 9, 11, 12 and 13, especially targets 2.4, 9.4, 11.6, 12.3, 12.4, 12.5, 12.8, 13.2 and 13.3.

- *Proposed funding allocated from the regional development plan:* ISK 85 million.

C.9. Nature conservation to enhance regional development

- *Objective:* To promote the role of nature conservation in regional development.

- *Short description:* An analysis on the effects of improved nature conservation for regional development shall be conducted, looking at opportunities and benefits of nature

conservation for one or more municipalities. How nature conservation plans align with individual municipal policies shall be examined as well as how best to utilise the opportunities inherent in nature conservation, such as through the development of infrastructure and services.

- *Responsible ministry:* Ministry of the Environment, Energy and Climate.
- *Implementing body:* Individual municipalities, municipalities’ regional associations and the Environment Agency of Iceland.
- *Examples of collaborating parties:* Marketing boards, the Icelandic National Planning Agency, the Icelandic Regional Development Institute and universities.
- *Period:* 2022–2026.
- *Link to other policies/plans:* The nature conservation plan and the conservation and energy utilisation plan (framework), national planning strategy, national plan for infrastructure development, national forestry plan for 2021–2031 (in progress, March 2022) and land reclamation plan for 2021– 2031 (in progress, March 2022).
- *Link to the UN Sustainable Development Goals:* Supports goals 6, 11, 13 and 15, especially target 6.3, 11.3, 11.4, 13.2, 15.1, 15.2, 15.3 and 15.9.
- *Proposed funding allocated from the regional development plan:* ISK 30 million.

C.10. Impacts of climate change and municipalities

– *Objective:* To formulate a comprehensive approach to the adaptation of municipalities to the impacts of climate change.

– *Short description:* Initial steps of formulating a holistic approach towards local climate adaptation planning shall be undertaken on a municipal level. A number of diverse municipalities will serve as case studies, selected based on their distance to shore, population density, vegetation, landscape and commercial activities, with the aim of developing a framework for other Icelandic municipalities to develop local climate adaptation measures and plans. The framework will include guidance for risk analysis, vulnerability assessments and analysis of adaptation needs, serving as a basis for the development of local adaptation plans. The methodology and resulting framework will be based on similar initiatives from abroad, especially those where Icelandic municipalities have participated. The results will also be used in a Nordic collaboration for the development of further projects on the adaptation of smaller communities in the Arctic.

- *Responsible ministry:* Ministry of the Environment, Energy and Climate.
- *Implementing body:* The Icelandic Met Office, the Icelandic National Planning Agency and the Icelandic Regional Development Institute.
- *Examples of collaborating parties:* The Icelandic Association of Local Authorities, individual municipalities, regional associations, ministries, universities and the Nordic Council of Ministers.
- *Period:* 2022–2024.
- *Link to other policies/plans:* Iceland’s strategy on climate adaptation, the national planning strategy and the adaptation strategy (in progress, March 2022).
- *Link to the UN Sustainable Development Goals:* Supports targets 13.1–13.3.
- *Proposed funding:* Ministry of the Environment, Energy and Climate.

C.11. Improved land use in municipalities

– *Objective:* To increase carbon sequestration and reduce greenhouse gas emissions from land through improved land-use.

– *Short description:* Emission reduction opportunities via improved land-use planning within municipalities shall be explored through increased carbon sequestration through forestry and ecosystem restoration, carbon emission reduction through wetland- and eroded

land restoration, or through other changes in land-use planning. An opportunity analysis shall be conducted, which could serve as a basis for a strategy in the municipal master plan.

- *Responsible ministry:* Ministry of Food, Agriculture and Fisheries.
- *Implementing body:* Municipalities and the municipalities' regional associations.
- *Examples of collaborating parties:* The Icelandic Forest Service, the Soil

Conservation Service of Iceland, the Environment Agency of Iceland, the Icelandic National Planning Agency, the National Association of Sheep Farmers and the Farmers' Association of Iceland.

- *Period:* 2022–2026.
- *Link to other policies/plans:* The climate action plan, national forestry plan for 2021–2031 (in progress, March 2022) and land reclamation plan for 2021–2031 (in progress, March 2022) and the national planning strategy.
- *Link to the UN Sustainable Development Goals:* Supports goals 6, 11, 13 and 15, especially targets 6.6, 11.3, 13.2, 15.1 and 15.2.
- *Proposed funding allocated from the regional development plan:* ISK 25 million.

C.12. Set-up and operation of food centres

– *Objective:* To promote innovation and product development within the regions and support food entrepreneurs through improved and more widespread facilities.

– *Short description:* Food centres (food workshops/experimental kitchens) shall be established more widely across the country. These food centres shall be certified processing areas where entrepreneurs and small producers have access to facilities to produce and develop products. At the same time, the position of food representative shall be created, whose role shall be to manage the food centre and have an overview of food production in the area in question. This person will liaise between primary producers, other food producers, tourism operators and restaurateurs in the area. This action should increase consumption of products from the local community, promote product development and make it easier for food entrepreneurs and small producers to develop their ideas for innovation and utilisation of raw materials from the region.

- *Responsible ministry:* Ministry of the Environment, Energy and Climate.
- *Implementing body:* Municipalities' regional associations.
- *Examples of collaborating parties:* Ministry of Higher Education, Science and Innovation, Ministry of Food, Agriculture and Fisheries, Mátis ohf., the Icelandic Association of Local Authorities, individual municipalities and food- and product workshops throughout the country.
- *Period:* 2022–2026.
- *Link to other policies/plans:* *Matarauðlindin Ísland* – Iceland's national food strategy until 2030, innovation policy, cluster policy, proposals from the working group on measures against food waste.
- *Link to the UN Sustainable Development Goals:* Supports goals 2, 8, 9 and 12, especially targets 2.4, 8.2, 8.4, 8.9, 9.1, 9.3, 9.4, 12.2 and 12.3.
- *Proposed funding allocated from the regional development plan:* ISK 20 million.

C.13. Official information in the field of regional affairs

– *Objective:* To strengthen the knowledge base for strategic planning and implementation in the field of regional affairs.

– *Short description:* New knowledge shall be acquired in the field of regional affairs in cooperation with public institutions, including through research and the development of statistical databases where information on factors such as population development, gender, employment participation, income, education and performance in different industries will be

accessible and made compatible with international databases. Statistical metrics based on information on geographical location, demographic factors and economic and social conditions shall be used to evaluate the status of individual regions. This will create a regional/rural index for municipalities which shall be published regularly and used as a performance indicator and in the evaluation of specific regional actions. Information on regional development and the development of urban areas shall be accessible and comparable to information elsewhere in the Nordic countries.

- *Responsible ministry:* Ministry of Infrastructure.
- *Implementing body:* The Icelandic Regional Development Institute.
- *Examples of collaborating parties:* Universities, the Iceland Construction Authority, the Icelandic National Planning Agency, Statistics Iceland, Iceland Revenue and Customs, the Icelandic Association of Local Authorities and municipalities' regional associations.
- *Period:* 2022–2026.
- *Link to the UN Sustainable Development Goals:* Supports goal 11 and 17, especially targets 11.a, 17.13 and 17.17.
- *Proposed funding allocated from the regional development plan:* ISK 125 million.

C.14. Active participation in international cooperation

– *Objective:* To strengthen the knowledge base for policy making and implementation within regional affairs through access to international trends and policies.

– *Short description:* There shall be active participation in international cooperation, such as under the auspices of Nora, Nordregio, Northern Periphery and Arctic Programme, ESPON and OECD, and the knowledge and ideological basis of regional actions shall thus be strengthened and promoted.

- *Responsible ministry:* Ministry of Infrastructure.
- *Implementing body:* Ministry of Infrastructure and the Icelandic Regional Development Institute.
- *Examples of collaborating parties:* Universities, other knowledge and research institutions, municipalities' regional associations, individual municipalities, and the business sector.
- *Period:* 2022–2026.
- *Link to the UN Sustainable Development Goals:* Supports goal 11 and 17, especially targets 11.a, 17.13, 17.14, 17.16 and 17.17.
- *Proposed funding allocated from the regional development plan:* ISK 410 million.

C.15. Art for all

– *Objective:* For all primary school classes to be able to enjoy art projects organised by the project *List fyrir alla* (Art for all).

– *Short description:* Art events shall be selected and distributed throughout the country to give equal access for all children of elementary school age to diverse and quality art events, regardless of place of residence and economic status. The main focus shall be on culture for children and culture with the participation of children. The success of this action shall be measured in terms of the number of schools participating in the project and the number of cohorts of school pupils who are offered participation.

- *Responsible ministry:* Ministry of Culture and Commerce.
- *Implementing body:* *Art for All*
- *Examples of collaborating parties:* Individual municipalities, cultural representatives and primary schools.
- *Period:* 2022–2026.
- *Link to other policies/plans:* Cultural policy.

- *Link to the UN Sustainable Development Goals:* Supports goal 4.
- *Proposed funding allocated from the regional development plan:* ISK 25 million.

C.16. Equality in local governments

– *Objective:* To strengthen local governments and increase their awareness about the importance of diverse points of view.

– *Short description:* It will be encouraged that local governments reflect the diversity of human society so that decision-making with respect to services to the population is as good as possible and in compliance with municipalities' gender-equality plans. Systematic efforts shall be made to maintain an equal gender ratio in local governments and to encourage people with diverse backgrounds, for example those of foreign origin, to participate in the administration of the local community. At the same time, effort shall be made to adapt the working conditions within local governments to people's diverse situations and to support the possibility of harmonising work with family and private life.

- *Responsible ministry:* Prime Minister's Office.
- *Implementing body:* Directorate of Equality.
- *Examples of collaborating parties:* Individual municipalities, the Multicultural Information Centre and the Icelandic Association of Local Authorities.
- *Period:* 2022–2026.
- *Link to other policies/plans:* Municipal policy for 2019–2033.
- *Link to the UN Sustainable Development Goals:* Supports goal 5, especially target 5.5.

- *Proposed funding allocated from the regional development plan:* ISK 3 million.

C.17. Green industrial parks

– *Objective:* To make better use of opportunities for the development of green business activities based on regional strengths.

– *Short description:* Analysis shall be made of how to encourage the development of green industrial parks based on circular economy thinking, other green business activities and investment in innovation in general. Analysis shall be made of what minimum preparatory work and infrastructure development is needed so that the process of developing such green business activities is as efficient as possible and investment shall be encouraged. At the same time, an examination shall be made as to whether the regulatory framework needs to be clarified or, as the case may be, simplified.

- *Responsible ministry:* Ministry of the Environment, Energy and Climate.
- *Implementing body:* Municipalities' regional associations and individual municipalities.
- *Examples of collaborating parties:* Ministry of Higher Education, Science and Innovation, Landsvirkjun, the Innovation Fund, Samorka, energy companies and universities.
- *Period:* 2022–2026.
- *Link to other policies/plans:* Towards a circular economy, Iceland's energy policy and the climate action plan.
- *Link to the UN Sustainable Development Goals:* Supports goal 13 and others.
- *Proposed funding allocated from the regional development plan:* ISK 1 million.

Adopted by Alþingi on 15 June 2022.