



Voluntary National Review

Iceland 2023

Government of Iceland
Prime Minister's Office

Table of contents

1. Opening statement by the Prime Minister	4
2. Highlights	5
3. Introduction	8
4. Methodology and process for the preparation of the review	10
Preparation for the VNR	11
Stakeholder participation	13
Stakeholder consultation	16
5. Policy and enabling environment	18
Ensuring ownership of the Sustainable Development Goals and the VNRs	19
Integration of the Sustainable Development Goals in national frameworks	33
Integration of the economic, social and environmental dimensions and leaving no one behind	39
Institutional mechanisms	42
6. The SDGs in Icelandic municipalities	48
7. Progress on goals and targets	55
8. Recovery after COVID-19 and emerging challenges	92
9. Conclusion and next steps	94



1. Opening statement by the Prime Minister



1. Opening statement by the Prime Minister

Dear reader,

I am very pleased to present you with Iceland's second Voluntary National Review (VNR). We have taken some decisive steps since our first review in 2019. This report captures both where we stand at this very moment from the local and global perspective and how we aim to move forward.

The world we know today is not the same as that we knew in 2019. And, the future we want to build is currently under threat due to multiple overlapping crises. Worldwide, only 12% of the reported Sustainable Development Goals (SDGs) are on track and the number of people living in extreme poverty has increased since 2019, a deeply worrying trend. We are still far from reaching our goals to halt climate change. And, we are witnessing a global backlash against human rights, including against the rights of the LGBTI+ community, and gender equality. Iceland, for instance, still faces many challenges in eliminating discrimination against women in all of the group's diversity despite being a frontrunner in SDG 5 for gender equality.

We are now at the halfway point of the 2030 Agenda and need to demonstrate unprecedented resolve in accelerating action on the SDGs. Iceland is willing to do its part. We have increased our official development assistance and our climate finance contributions. We have strengthened our national framework for sustainable development with a new cooperation platform called Sustainable Iceland, and we have established a large sustainability council with members from the government and across society. By the end of this year, we aim to have developed a national strategy for sustainable development for 2030 using the SDGs as guiding principles.

Children and youth have been at the forefront of Iceland's VNRs, and recently, the SDG Youth Council presented their thoughts and priorities to the ministers of my government. This VNR is the first time that dozens of civil society organizations have contributed their own assessments of Iceland's progress on the SDGs. Local authorities are also working towards creating their own Voluntary Subnational Reviews. As Prime Minister, I have travelled around the country to engage in dialogue with the public on human rights and sustainable development, which we will use in our policymaking going forward.

In Iceland, we see our glaciers melt before our eyes. Climate change is a crisis for humanity as a whole. To combat it, we need international cooperation at all levels. Iceland is committed to the Paris Agreement, and we have put our goal to reach carbon neutrality no later than in 2040 into national legislation. We will achieve this through emission reductions, implementing the circular economy, supporting research and innovation to create new green solutions, for example in carbon capture and storage, and implementing energy transition, going over to green energy.

We are also a member of the Wellbeing Economy partnership, where we monitor progress beyond the traditional GDP through indicators that assess the quality of life and well-being. However, it is not enough to monitor well-being in our own state.

Iceland ranks relatively high on SDG implementation, but there is room for improvements in many areas, especially in understanding and managing our so-called negative spillover effects. Iceland's High-Level Political Forum on Sustainable Development (HLPF) 2023 side event this year revolves around spillover effects, or how one country's actions affect other countries' ability to achieve the SDGs. If we are to achieve the SDGs in time, climate justice and social justice are necessary along with correcting the intergenerational injustices and economic inequalities we face today, leaving no one behind.

My government is fully committed to implementing the 2030 Agenda nationally and through international cooperation. Collectively, we must create a culture for sustainable development and show both persistence and resilience in our work. I would like to end with the words of the Secretary General of the United Nations, Mr. António Guterres; „Global coherence demands a permanent strategic cooperation culture at all levels.“





2. Highlights



This Voluntary National Review (VNR) builds on progress from 2019, when Iceland presented its first VNR, new institutional mechanisms, more extensive stakeholder involvement and consultation and relies on more data than before. However, challenges remain, not least, due to the dire impacts of climate change, COVID-19, the Russian aggression in Ukraine, and a growing number of conflicts around the world.

VNR process

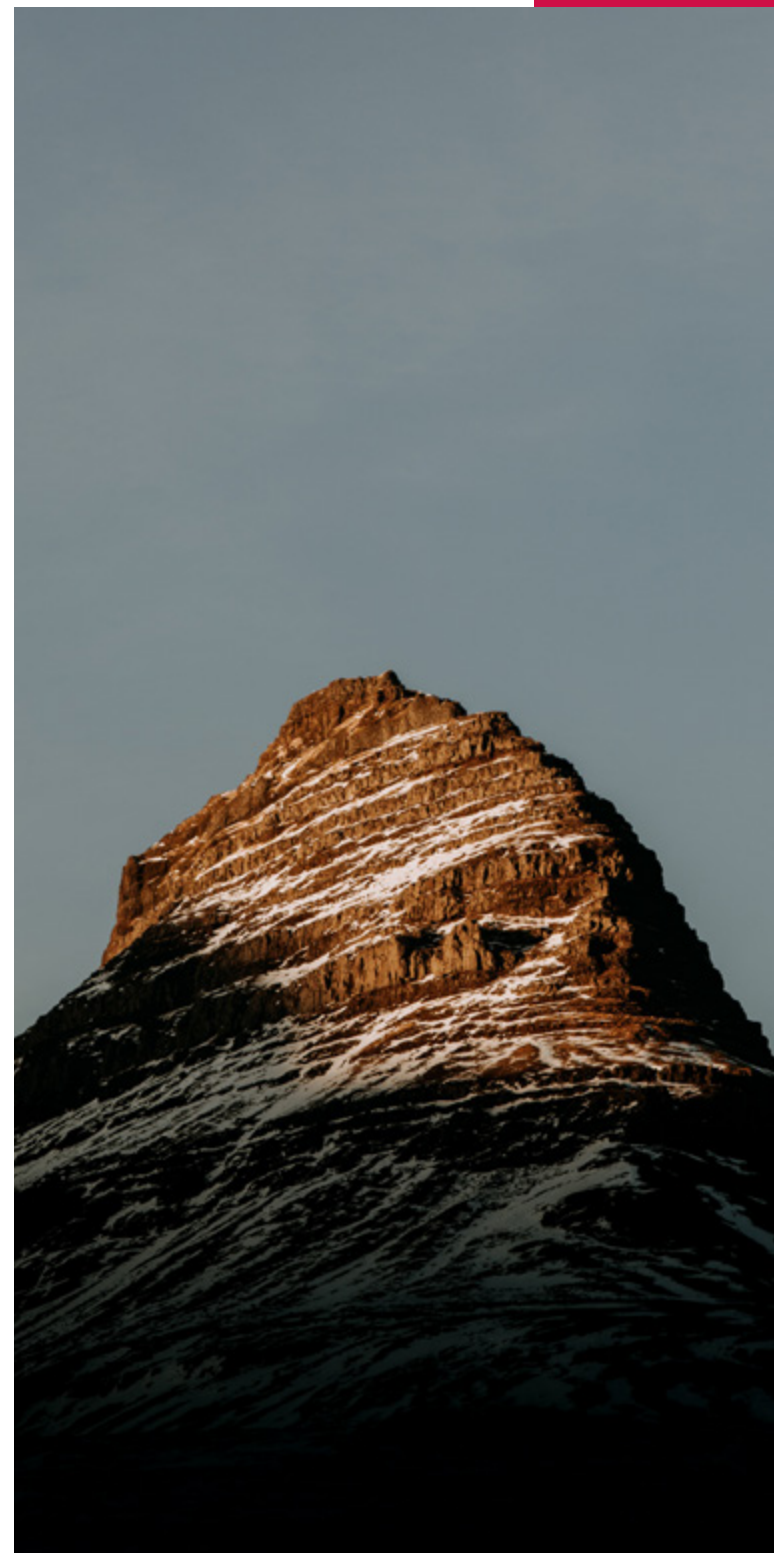
Iceland's second VNR includes chapters written by stakeholders, the SDG Youth Council, Iceland's UN Youth Delegate for Sustainable Development, civil society organizations, The Institute for Sustainability Studies at the University of Iceland, and the Icelandic Association of Local Authorities. Extensive consultation on the VNR was also conducted with various stakeholders through in person meetings with CSOs, through online consultations, and with the Future Committee of the Parliament.

Parallel to Iceland's second VNR, a Voluntary Subnational Review (VSR) will be conducted by the Icelandic Association of Local Authorities. The aim of the VSR process is to further integrate local governments into Iceland's work on Agenda 2030. The results of a survey sent out to all municipalities show that their core obligations align with the SDGs, but their biggest obstacle in working strategically with the SDGs is a lack of financial and human resources.

Progress on the SDGs

The VNR provides an assessment of Iceland's current progress towards each of the 17 goals, as assessed by specialists from all ministries. A detailed version of this assessment is available through an [online dashboard](#). For the first time, this overview now includes both a government and a civil society assessment of each goal. Iceland's first VNR in 2019 then reported data for 30% of the UN SDG indicators. The coverage is now up to 70% in this second VNR.

In addition to the SDG indicators, 40 well-being indicators have been established, monitoring the quality of life and well-being in Iceland by looking at factors beyond economic measures such as GDP. These national well-being indicators are based on the three main pillars of sustainable development. Out of the 39 indicators, 34 are reported as the measurement instruments for those five remaining indicators are still under development. 60% of the reported well-being indicators have been moving in the right direction, while 40% of them either remain stagnant or are moving backwards.



Means of implementation

National implementation of Agenda 2030 and the SDGs is coordinated by the Prime Minister's Office in close cooperation with the Ministry for Foreign Affairs. In 2022, a new cooperation platform, Sustainable Iceland, was established. Its purpose is to formulate a national strategy for sustainable development and coordinate the work of the government with various stakeholders. The strategy will use the SDGs as guiding principles and will define measurable goals and an action plan to reach them. This will include roles and responsibilities within the government and society at large.

The backbone of Sustainable Iceland is the National Sustainability Council. Its members include all ministers of the government, representatives from each party in Parliament, municipalities, the business sector, social partners, and civil society organizations. The Icelandic government acknowledges that to achieve a just and inclusive transition that leaves no one behind, comprehensive social dialogue and stakeholder engagement is needed.

Challenges

One of Iceland's main challenges in achieving the SDGs is its spillover effects, or when one country's actions affect another countries' abilities to achieve the SDGs. Iceland ranks high when it comes to implementing the SDGs but simultaneously generates one of the largest negative spillover effects. Iceland is, therefore, working on developing a comprehensive overview of its spillover effects to understand, measure, and carefully manage them.

For the formulation of a national strategy for sustainable development, seven focus areas have been defined to address challenges and outline key targets and an action plan.

1. Economy and circularity
2. Equality, health and well-being
3. Education, culture and science
4. Infrastructure and regional issues
5. Food, land and water
6. Energy and climate
7. International cooperation





3. Introduction



The 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) are universal commitments to abolish poverty everywhere and to ensure a good quality of life for everyone, leaving no one behind while respecting the natural environment. Iceland is deeply committed to the 2030 Agenda for Sustainable Development and to promoting strong and sustainable economies that deliver well-being for people and the planet. These priorities are reflected in the newly established cooperation platform, Sustainable Iceland, which aims to accelerate actions to achieve the Sustainable Development Goals and Iceland's well-being priorities.

Iceland submitted its first Voluntary National Review (VNR) to the United Nations in 2019. It provided an overview of Iceland's first steps in implementing the SDGs and the mechanisms, tools, and initiatives in place at that time along with success. This second VNR provides an overview of policy measures taken since 2019 to accelerate sustainable development. It introduces partnerships and consultation initiatives established in recent years and new and inclusive assessments of Iceland's progress on the 17 SDGs.

The VNR is the result of an inclusive and participatory process in which different stakeholders were consulted and handed the pen. The VNR process started in October 2022, when preparations began. In the months that followed, new mechanisms were established, evaluations and projects launched, and stakeholders consulted on multiple occasions and platforms. A graphic illustration of the process can be found on page 12 in this report.

Chapter five explores the policy and environment for enabling sustainable development in Iceland, including institutional mechanisms and measures made to ensure that no one gets left behind. This includes the government's emphasis on the well-being economy by looking beyond economic measures such as GDP when measuring the quality of life in Iceland.

Chapter seven features an assessment of Iceland's progress on all 17 SDGs and 169 targets. For the first time, this overview includes both a government assessment made by specialists from all ministries and a civil society assessment.

Finally, the VNR report addresses new and emerging global challenges and how Iceland has recovered after COVID-19 with recovery measures that target the most vulnerable.





4. Methodology and process for the preparation of the review



Preparation for the VNR

The preparation

Iceland published its first Voluntary National Review in 2019. In its second VNR, Iceland follows up on its national, regional, and international progress towards the 2030 Agenda and the 17 Sustainable Development Goals in a more inclusive and concise manner than before.

The government's work with Agenda 2030 and sustainable development has come a long way since 2019, especially in terms of access to high quality data and information on Iceland's progress. The structure of the national work changed significantly with the establishment of Sustainable Iceland in 2022, a cooperation platform to accelerate actions towards sustainable development. After the 2021 parliamentary elections, the new government has increasingly emphasised sustainable development. In a new presidential decree, the Prime Minister's Office is tasked with coordinating the government's work towards sustainable development, a just transition and a wellbeing economy. Furthermore, a national strategy for sustainable development will be submitted to Parliament before the end of 2023.

Sustainable Iceland will lead the formulation of the new strategy and coordinate the government's work on sustainable development in cooperation with various stakeholders. One representative from each of the 12 ministries and one from the Association of Local Authorities form a steering group to manage work on the new strategy. The Sustainability Council serves as an advisory group to Sustainable Iceland. Its members include all the ministers of the government and representatives from political parties, municipalities, industry, trade unions, and civil society. The Sustainability Council meets approximately three times per year, but its members are actively involved in the strategy work between meetings.

The Prime Minister's Office was responsible for the coordination and compilation of this report, in close cooperation with the Ministry for Foreign Affairs. The report includes contributions from civil society, youth organizations, municipalities, academic institutions, and all government ministries. Assessing the progress made towards each SDG consists of two independent assessments: a government assessment made by specialists from the ministries and Statistics Iceland and a civil society assessment made by a group of civil society actors. Iceland's first VNR report placed special emphasis on children, and children, youth and future generations continue to be an integral government focus. The SDG Youth Council wrote a chapter in this report and the report also includes a message from Iceland's UN youth delegate for sustainable development.

Parallel to this publication, the Icelandic Association of Local Authorities has published its first Voluntary Subnational Report. The report relies on various data sources, including a survey that was sent out to all municipalities in March 2023.

The structure of the report comes from the official UN guidelines, and the content is from data and recently published studies and reports. The report itself is short, but more details on Iceland's work towards Agenda 2030 can be found on the government's SDG website and the online SDG dashboard.

Preparation for Iceland's second Voluntary National Review started in the fall of 2022. All major stakeholders were invited to contribute to the review and were presented with the results of the report once it was ready. The following is a graphic description of the VNR process.



Stakeholder participation

Civil society

The United Nations Association in Iceland have a representative in the National Sustainability Council. To ensure an extensive consultation, the Association was tasked with carrying out a civil society assessment of Iceland's progress on each of the 17 SDGs. Guided by transparency, civil society in Iceland was offered the opportunity to publish their position and recommendations alongside the government's assessment. To ensure full freedom of expression, government representatives were not involved in the assessment process; it was entirely organized and operated by the UN Association.

The kick-off meeting for the project was held in January 2022, and the number of participants exceeded expectations. In the end, there were 55 organizations that participated in the writing of the civil society assessment. Each of the organizations was able to contribute to the work related to an SDG according to its area of interest and expertise. A total of eight working groups met four times over a four month period where participants engaged in intensive and constructive conversations about the challenges and opportunities related to the respective SDG. Co-constructed results from these meetings can be found in chapter seven, Progress on Goals and Targets, along with a list of the organizations that took part in assessing each goal.

The project has created a large group of organizational representatives who know the SDGs well and whose interests cover all 17 goals. Therefore, there is a strong will, both within that group and on the government's side, to continue to have regular consultations and dialogues about Iceland's progress with the SDGs.



Children and youth

Children were at the forefront of Iceland's Voluntary National Review in 2019, since consultation with children and youth about the SDGs has been one of the focal points in Iceland's implementation of the goals. Both the SDGs Youth Council and the National Youth Council of Iceland (LUF) were invited to publish their thoughts and priorities in this report.

The SDGs Youth Council was founded in 2018 and meets annually with the government in addition to having a representative on the Sustainability Council. At its meetings with the government, the council presents its priorities and demands answers from ministers about their plans and priorities. The most recent meeting took place on 28 April 2023, where the council presented their thoughts on the most important issues and SDGs. The Youth Council's priorities are published as they were presented to the government in chapter five of this report.

Since 2020, LUF has elected a UN Youth Delegate for Sustainable Development. The youth delegate is elected democratically by all LUF members and is a part of Iceland's delegation for the United Nations High Level Political Forum (HLPF) on sustainable development. The youth delegate is also LUF's representative to the Sustainability Council. The UN youth delegate for sustainable development has also submitted a chapter in this report.



Icelandic Association of Local Authorities

The Prime Minister formally asked the Icelandic Association of Local Authorities to participate in the preparation of the government's Voluntary National Review in December 2022. The chapter on local authorities was written by the association's representatives and prepared in collaboration with the Prime Minister's Office. Each of the eight Regional Municipal Federations nominated one representative to sit on the National Sustainability Council.

The association has been a member of the government's working groups on the SDGs from the beginning, and a special collaboration platform between the state and local authorities for the SDGs was established in 2020. That platform was used to prepare the VNR, and the association also decided to prepare a Voluntary Subnational Review. The report is largely based on a survey that was conducted among Icelandic municipalities in collaboration with the Prime Minister's Office.

Chapter six is then written by the Association of Local Authorities on the localization of the SDGs on a municipal level.



Stakeholder consultation

The Future Committee of the Parliament

At the beginning of the current election period, a future committee was constituted within Parliament. Its role, among other things, is to discuss Iceland's future challenges as far as technological changes, long-term changes in interactions with nature, demographic changes, and automation are concerned. The committee is made up of eleven members of Parliament from all parliamentary parties, and it operates in similar fashion as the Parliament's standing committees.

The future committee of the Parliament reviewed the final draft of this report. Their opinion is as follows:

Opinion of the Future Committee

At the committee's meeting on 2 May, the Prime Minister's Office presented a draft of the government's Voluntary National Review to the United Nations on the Sustainable Development Goals and requested the committee's opinion on the draft. On the basis of Article 21 of the Standing Orders of the Icelandic parliament Althingi, Act No. 55/1991, and the second paragraph of Article 2 of the Rules of Procedure of Althingi's standing committees, the Committee had the following statement entered in the minutes of its meeting on 16 May:

The Sustainable Development Goals (SDGs) are a roadmap to sustainable development and should serve as the foundation of all government policies and actions. The objectives of the SDGs are consistent with those of the Future Committee, whose role is to discuss, among other things, Iceland's challenges and opportunities in the future with a view to technological changes, artificial intelligence and automation, interaction with nature, and demographic change. In an ever-changing world, it is important that the government's long-term goals are clear and are determined with the involvement of experts, elected representatives, and the general public. The SDGs are one of the best tools we have for this, and it is important that consultation be regular and on the broadest possible basis. By doing so, we ensure long-term thinking and that our strategy is clear and independent of elections and changes in the system of government.

The committee accepts the suggestions that young people should play a greater role in the government's policymaking. The future generation that will inherit the country needs to be heard especially, while at the same time, a forum is needed for the input of elders, who have the benefit



of experience. The Committee believes that it is important for the government to create a forum and opportunities for increased public involvement in public policymaking. Consideration could be given to deliberative polling and creating scenarios. Scenarios highlight varying potential manifestations of the future and are an excellent way to open a channel for new ideas and promote strategic decision-making. In this manner, the most important issues of the future can be discussed in a democratic way and on an informed basis. Increased public participation strengthens trust and confidence in the future of society.

In tandem with climate change, it is inevitable that humanity will undergo a paradigm shift. Such a paradigm shift needs to involve the entire society, making it important to mobilize everyone to participate. As climate change is occurring or is imminent, human rights, women's rights, and the rights of marginalized groups that will be particularly vulnerable must be protected.

The recent report of the United Nations Intergovernmental Panel on Climate Change states that all actions to reduce emissions of greenhouse gases need to be accelerated. The Future Committee emphasizes that positive actions in environmental and climate issues are a priority, focusing especially on a fair transition, the circular economy, and the protection of biodiversity.

The Future Committee believes that the effects of technological change must benefit individuals, society, and the environment as presented in the United Nations' Sustainable Development Goals. An active dialogue is needed in order to utilize technology constructively and prevent its negative consequences. It is also important that the comments made in the report and responses following its publication be taken up for discussion by the government and acted upon.

Government's consultation portal and sustainability council

To achieve extensive consultation, the VNR was sent to the National Sustainability Council and published for public feedback on the government's consultation portal. Through the portal, the public can find plans for legislation, drafts of bills and regulations, documents on strategic planning, and more. Anyone can submit a comment or suggestion or subscribe to automatic updates on information by subject area, organization, or issue. Subject areas are based on the division of the government's subjects and issues are categorized according to the Public Finances Act. At the end of the consultation period, comments were processed, and the outcomes reported.

For the time being, only ministries can submit cases for consultation, but it is likely that state public agencies and other parties will be given consultation access later. Other prospective users of the portal are the public and interested parties such as business, non-governmental organizations, and the academic community.

A total of three opinions were received through the online consultation portal. The low response rate could be due to the concurrent stakeholder consultations that led up to this second VNR. The opinions were from the Icelandic Teachers' Union, The Icelandic Disability Alliance and Save the Children in Iceland. These were all considered when writing the final report.

The Icelandic Teachers' Union emphasized the importance of education as an equalization tool for sustainable communities and Iceland must pay special attention to vulnerable groups.

The Icelandic Disability Alliance encouraged the government to ensure the rights of disabled people when it comes to economic and job security, access to healthcare, affordable and accessible housing and education.

Save the Children in Iceland highlighted that sustainability of one nation can never be at the expense of another as well as the importance to listen to children and their proposals. They emphasize SDGs 1, 2, 4, 9 and 16.



5. Policy and enabling environment



Ensuring ownership of the Sustainable Development Goals and the VNRs

Awareness raising

Since 2017, the government has emphasised raising awareness of Agenda 2030 and the Sustainable Development Goals. It has been clear from the beginning that Iceland will not reach the goals without widespread awareness and participation from the public, academia, civil society, and the private sector.

Two promotional campaigns were launched when Iceland's first VNR report was published in 2019: one social media campaign envisioning the world in 2030 when the SDGs had been realised and one documentary series about an Icelandic teenage girl who travelled to Uganda, Iceland's partner country in development cooperation, featuring the differences and similarities between the daily life of young people in the two countries, highlighting how some of the SDGs come into play.

In the spring of 2021, seventeen short television shows, one for each SDG, aired on RÚV, the Icelandic National Broadcasting Service. The shows were made for children and featured two kids, Aron Gauti Krinstinsson and Steinunn Kristín Valtýsdóttir, and their quest to learn about the SDGs. The aim was to educate children and young people about the SDGs and to encourage critical discussions about sustainable development at the national and international level. The episodes are available on the government's SDG website together with teaching material from the UN that the UN Association in Iceland has translated. The shows were produced by KrakkaRÚV, the children's channel on RÚV, in close collaboration with the Prime Minister's Office and the Ministry for Foreign Affairs. When the shows aired, the Prime Minister, Minister for Foreign Affairs, and Minister for Education sent a letter to all primary schools encouraging teachers to familiarize themselves with the material and implement it in their teaching.



Awareness surveys

Six awareness surveys have monitored the success of SDG promotions in Iceland since 2017. Market research companies surveyed adults (18+) and asked the same questions each time.

1. Do you know, or have you heard of, the Sustainable Development Goals?
2. How well or poorly do you know the Sustainable Development Goals?
3. Do you work a lot or a little with the Sustainable Development Goals in your workplace or studies?
4. Where have you heard or seen information about the Sustainable Development Goals?

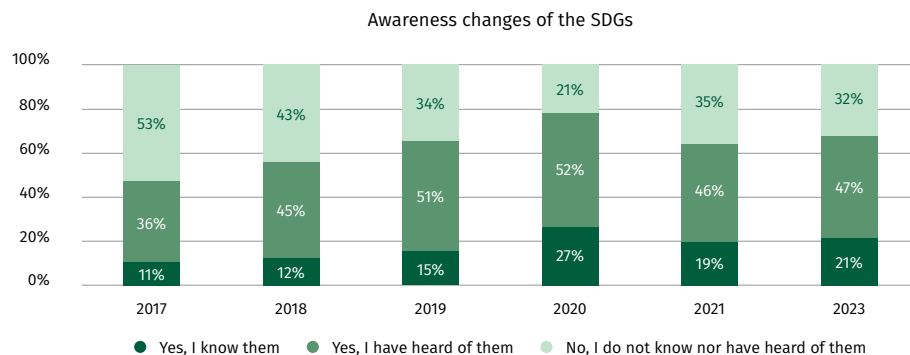


Figure 5.1. The results from the question "Do you know, or have you heard of, the Sustainable Development Goals?"

Respondents have also been asked twice to answer the question, "which of the Sustainable Development Goals would you like to see emphasized the most in Icelandic society today". In the last survey, "which of the Sustainable Development Goals would you like to see given the greatest emphasis in the international community today" was asked.

Around 70% of respondents were aware of, or had heard of, the SDGs in 2018. This increased to almost 80% in 2020 due to government promotional campaigns and a popular TV series called "What have we done?" that discussed climate change and the SDGs.

New survey results show that more women (34%) than men (29%) know about the SDGs, and awareness is higher in the capital area (39%) than in the countryside (20%). Education and income are also important factors for awareness. Age is not a significant variable, but the highest age group (65+) has the lowest awareness (10%).

Of the respondents who know or have heard about the SDGs, 32% report knowing them well, and 37% work with them in their workplace or studies. Women and younger age groups are more likely to work with the goals, and higher education and income levels also have significant effects. The top five SDGs that participants would like to see emphasized the most in Icelandic society underwent considerable changes between 2021 and 2023. Health and well-being (SDG 3) has moved up to second place, while climate action (SDG 13) has moved down to fourth place. Environmental SDGs are generally considered less important than social and economic goals.

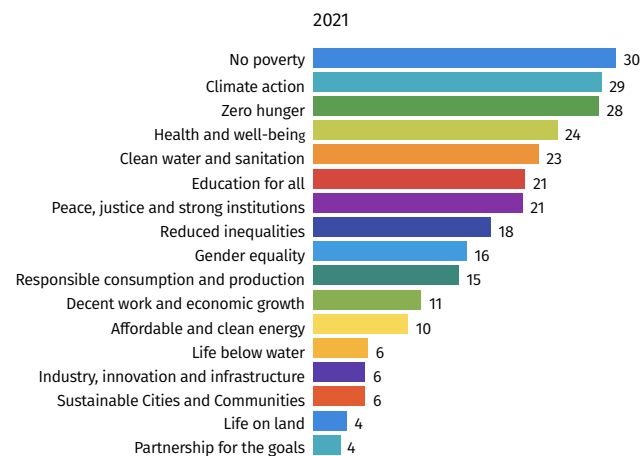


Figure 5.2. Results from 2021.

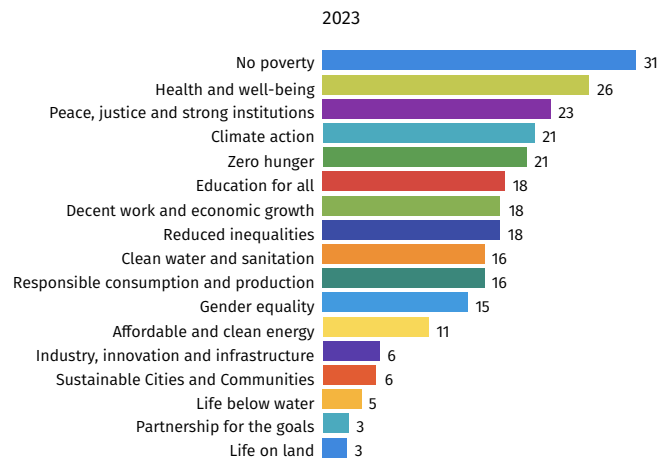


Figure 5.3. Respondents rank their top 5 SDGs that they believe should be emphasized the most domestically in order of importance.

The respondents rank the SDGs in a different order internationally than domestically. Internationally, peace and justice (SDG 16), no hunger (SDG 2), and no poverty (SDG 1) are placed in the top three (see figure 5.4.), while environmental and climate-related goals are ranked in a similar order of importance as domestically.

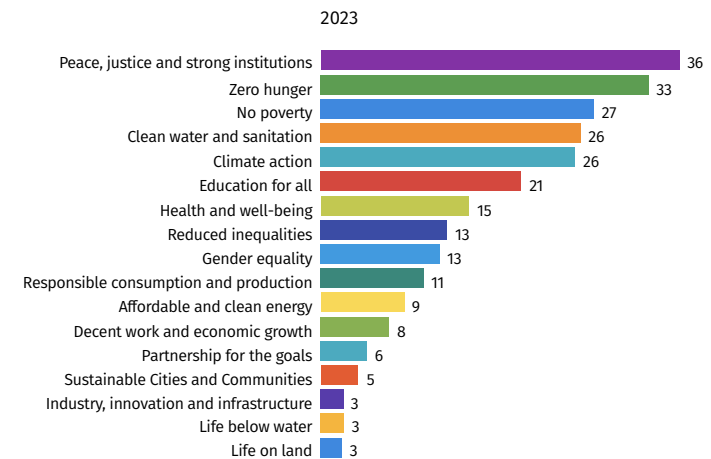


Figure 5.4. Respondents rank their top 5 SDGs that they believe should be emphasized the most internationally in order of importance.

The results of awareness surveys and focused measurements like these provide important information for the government's implementation of the SDGs and strategic planning in the field of sustainable development. The survey results show that about a third of the population is not aware of the existence of the SDGs and that background variables such as gender, place of residence, age, education, and income have significant effects. Therefore, efforts must be made to reach the groups that have been left behind in terms of awareness with customized information material and consultation to ensure a just green transition will be just and inclusive sustainable development.

Website and project portal

In 2019, the government launched [an online SDG portal](#) that gives individuals, NGOs, business, institutions, municipalities, and others the opportunity to introduce projects that contribute to Iceland's progress towards the SDGs. The purpose of the portal is to share information, to get ideas on how to incorporate the SDGs into your activities, and to find possible partners. Submitted projects must include new, measurable goals that promote sustainable development and the advancement of the SDGs. A timed plan must be included that specifies when the goal is expected to be achieved. In developing the portal, a few foreign examples were analysed, including Society's Commitment to Sustainable Development from Finland and Australia's SDG website.

In addition to the project portal, [the government's SDG website](#) contains information about the 2030 Agenda and the Sustainable Development Goals, an online dashboard featuring the government's assessment of Iceland's progress towards the SDGs, toolboxes for municipalities and businesses, and other practical material on sustainable development and the government's actions.



Business sector

In 2018, the government's working group on the SDGs initiated the first partnership agreement with the [Festa – Icelandic Center for Sustainability](#) on promotional work among Icelandic corporations on the SDGs. Since then, the partnership has continued and evolved. Festa is a non-profit organization with almost 200 associated members which include all sizes of Icelandic companies, public organizations, pension funds, universities, the Central bank of Iceland, the City of Reykjavik, and a few other municipalities.

Festa agrees to continue to focus on the SDGs in its educational programs and lectures and to link all events to relevant SDGs in its event advertising. Also, Festa uses its media to promote the SDGs in the business world and to encourage its members to participate in the implementation of the SDGs. A few projects have been established alongside those broad objectives, such as, 17 Rooms workshops, a toolbox for Icelandic corporations, and education on upcoming changes in corporate sustainability reporting.

17 Rooms

As per an agreement in 2021, three pilot workshops organized by Festa took place based on the [17 Rooms methodology](#) developed by the Brookings Institute and the Rockefeller Institution. The participants came from Festa's member organizations, state and municipal authorities, non-profit organizations, and universities. The circular economy was a theme in all the workshops, and two of them specifically covered SDG 12 on sustainable consumption and production and SDG 13 on climate action.

The 17 Rooms approach involves participants from different sectors and with knowledge backgrounds coming together in a room, or workshop, for each SDG. The participants identify actions that can be carried out in collaboration over 12 to 18 months. The ideas that emerge are then presented to other rooms to find opportunities for collaboration.

In 2023, Festa and the Prime Minister's Office will publish an extensive toolkit for the 17 Rooms method in Icelandic. With the toolkit, Icelandic corporations and universities will be able to facilitate workshops to deepen their work on and implementation of the SDGs.

Corporate sustainability reporting

An agreement was made in 2022 for Festa to offer education to Icelandic corporations on the upcoming changes in rules and regulations around the EU Taxonomy and Sustainable Finance Disclosures.

Working groups were formed on laws and regulations, sustainability information, and sustainable innovation, and seminars were organized for larger groups based on that work. As a result, Festa published a roadmap that covers the changes in disclosures and methodologies for responsible investments and sustainable operations, for which financial institutions and businesses of all sizes need to prepare.

The roadmap will be followed by ongoing education and awareness raising as the business sector and financial market goes through the upcoming transformations.

Sustainability reporting assessment

According to [KPMG's assessment](#) of the top 100 Icelandic companies' sustainability reporting in 2022, the number of companies issuing sustainability reports [increased by 39% between the years 2020-2022, or from 52% to 91%](#).

The main reason for this large increase is changes in the law on financial statements in 2020 that oblige a certain group of companies to disclose certain sustainability related aspects in their financial statements. Assumably, increased pressure from investors and other stakeholders has also led to more companies providing information on sustainability.

The sustainability reporting assessment will be repeated every two years. The 2022 assessment covers companies' disclosure of their use of the SDGs both internationally and in Iceland. The results show that 56% of Icelandic companies identify specific goals in their reports. On average, five goals are mentioned per report, but only 6% of the companies report both the positive and negative effects of their activities on SDG progress.

It is noteworthy that Icelandic companies most often link their activities and priorities to SDGs 12 (83%), 5 (83%) and 13 (78%), whereas international companies most often mention SDGs 8 (72%), 13 (63%) and 12 (58 %). Also, the Icelandic companies rarely mention SDGs 1 (0%) and 2 (2%), while international companies mention SDGs 15 (9%) and 2 (22%) the least.

Next steps

Festa works as a bridge builder between and within the public and private sector and focuses on sustainable development through the SDGs, climate change, and corporate social responsibility. Therefore, collaboration with Festa is expected to continue through the common goal of supporting companies and organizations in leading by example, educating, and inspiring a future facing and sustainable economy in Iceland. Festa also has a representative on the Sustainability Council of the cooperation platform Sustainable Iceland.



Toolkits

A toolkit on the implementation of the SDGs for municipalities was published in May 2021. Its purpose is to guide municipalities on how they can contribute to the implementation of the SDGs in Iceland. The toolkit was prepared on behalf of the government's working group on the SDGs in close cooperation with the Icelandic Association of Local Authorities and the cooperation platform between the state and local authorities on the SDGs.

The toolkit is based on foreign models along with examples from Iceland and lays out five steps that are intended to guide municipalities when working systematically towards the implementation of the SDGs. This is not an exhaustive list of actions for municipalities to implement the SDGs. Instead, it is intended to propose ways and give ideas for practical methods of approaching the goals, to connect with municipal goal setting, and promote sustainable development in daily activities.

Following the publication of the toolkit for municipalities, a toolkit on the implementation of the SDGs for the business sector was released in October 2021. The toolkit provides guidance on how businesses can contribute to the SDGs by aligning their activities, programs, and performance measures to the goals.

Festa, center for sustainability, consulted on the toolkit and provided content. As with the municipal toolkit, it is primarily based on foreign models with examples from Iceland.



Children and youth

This chapter is written by the SDG Youth Council

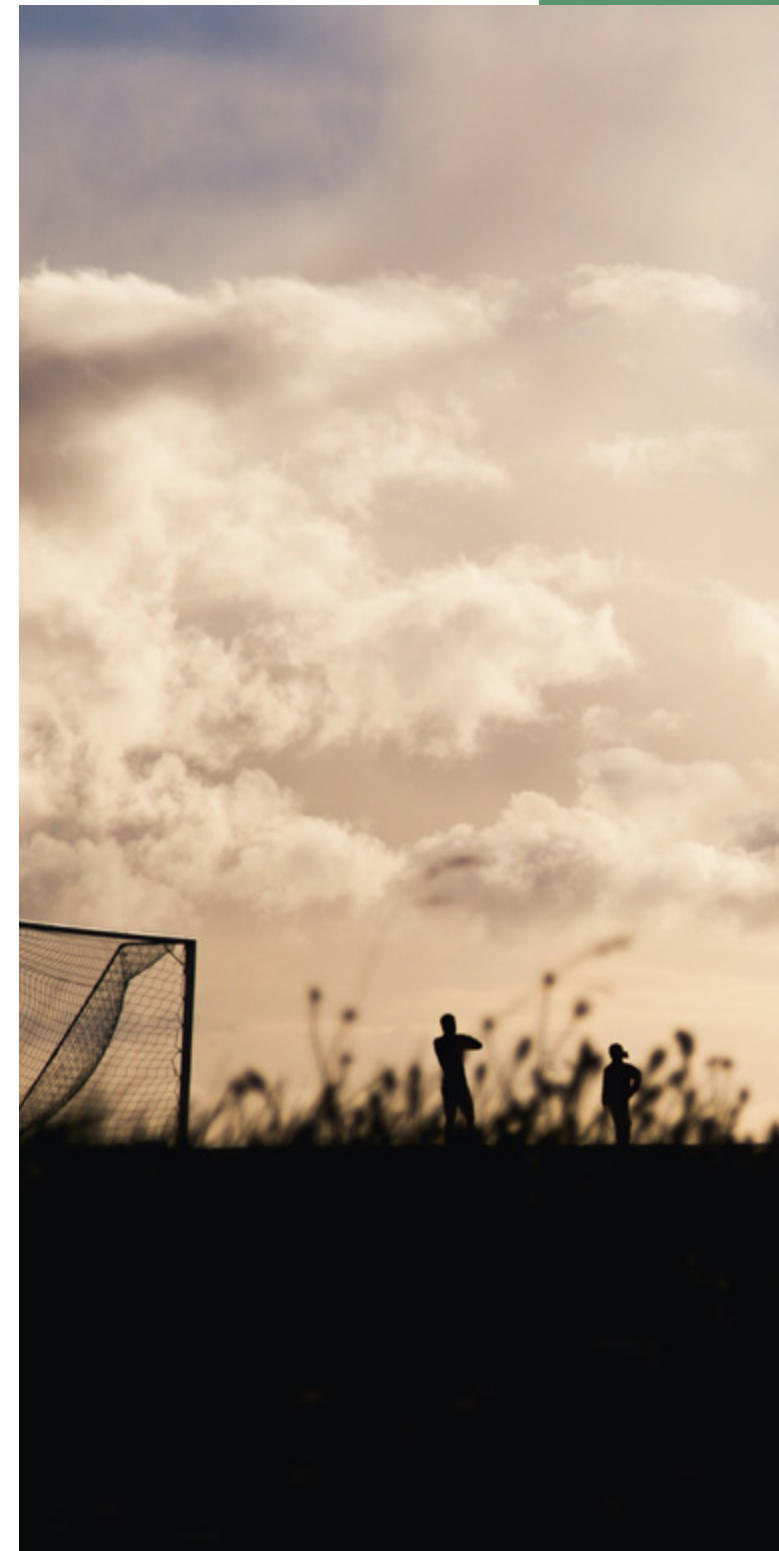
Proposals from the Youth Council for the United Nations' Sustainable Development Goals

The Youth Council for the United Nations' Sustainable Development Goals is comprised of 12 young people, aged 13 to 18 years, from all over Iceland. Our purpose is to raise awareness of the Sustainable Development Goals (SDGs) and sustainable development among our peers as well as in society as a whole.

It is now seven years until the SDGs are to be achieved, in order for coming generations to simply have a future. It is long past time to stop postponing the necessary actions, get to work and show that we can trust you to look after our country. As young people our vision is different: we realize that the world is changing and that we need to take action accordingly.

We have worked hard and reached an agreement on issues that are close to our hearts and where we see the best options for change, in view of their importance. These are education, environment and human rights issues in their entirety.

Our government has given us a great opportunity to make our voices heard and spotlight our ideas and we hope they will be followed up on as far as possible. Now that you have our proposals in your hands in written form, we hope you will take our voices seriously.



PROPOSALS TO THE GOVERNMENT OF ICELAND

Environmental and climate issues

These are the ultimate issues, given the situation on earth today.

- Work to reduce Icelanders' ecological footprint**
 According to the conservation NGO Landvernd, the average ecological footprint of each person in Iceland is about seven times higher than what would be ecologically sustainable. Laws and regulations on responsible consumption and production need to be enacted, to encourage the public and businesses to consume less.
- Education about food waste and consumerism**
 Educate the public with the aim of having everyone realise the problems arising from immoderate consumption, food waste and unnecessary imports.
- Expand green taxation**
 With green taxation, businesses will pay tax according to their consumption and pollution. The green tax should act as an incentive to improve, while the tax revenue should be used to support projects related to environmental issues.

Schools and education

Are very important to us, as a large part of our lives are spent within school walls.

- A new, more diverse and flexible national curriculum, developed in consultation with students and teachers**
 The national curriculum for compulsory schools needs to be improved and modernised, both by changing the learning outcomes and making the curriculum more diverse. The national curriculum must be flexible and centred on the individual. It is obsolete and does not reflect our reality today.
- Psychological services inside schools**
 Too many children are on waiting lists for psychological services. We would like to have a psychologist working in schools at least once a week. The most important thing is for that person to be qualified and approachable.
- Support innovation and independent thinking in students**
 Empower students through instruction and diverse teaching methods that enable them to take informed decisions. Encourage students to submit unconventional and original projects that take into account developments that are occurring in the world.



PROPOSALS TO THE GOVERNMENT OF ICELAND

Equality and human rights

Are what connect us all and give us the opportunity to be ourselves.

- **Provide help to refugees and immigrants to adapt to a new society in Iceland in the manner and at the pace that suits them best**

Make the system safer for them and reinforce institutions and organisations to be able to help them. Emphasis also needs to be placed on enabling these new residents to attend school, enjoy leisure pursuits and find employment.

- **The red bag - menstrual products available in as many places as possible**

We would like, in co-operation with you, to provide funding to organisations to start this project. Menstrual products are essential products that need to be available, especially if a young person suddenly starts their period and has no possibility of buying such products.

- **Improve the access of disabled people to society in the broadest sense**

People with disabilities have the right to education, employment, culture, information and services on an equal basis with others. More resources are needed for accessibility, because insufficient accessibility marginalizes people with disabilities.

“We are the Youth Council for the UN SDGs and we feel anxious about our future”

DEAR ICELANDIC GOVERNMENT,

We heard from young people who have to fight for their rights. We would like to draw attention to the struggles of these youth groups and organizations:

Youth Council of Samtökin 78

LGBTQ people are feeling a backlash, we are fighting to improve education and information on their issues and their struggle.

Youth Council of Þroskahjálp

We want inclusive education and employment for disabled people. The Youth Council would also like to point out the long waiting list for apartments and residential facilities for disabled people.

Akureyri Youth Council

Among other things, we emphasize better medical services in non-urban areas.

Anti-racists

The platform wants to implement comprehensive education about racism and diversity in all compulsory schools in Iceland. It is important that people of colour take care of this instruction.

YOUTH KEEP FIGHTING!

Ungegnarnegarar heimsmarkmiðla Sameinnatryggingaranna

Agnes Elísabet Sindradóttir, Anja Sæberg, Aþena Guðbjörg Baldursdóttir, Bjartur Clausen, Freyja Ágústudóttir, Guðbjörn Sölvi Sigurðarson, Íris Sævarsdóttir, Ómar Azfar Valgerðarson Chattha, Salvör Maríu Árnadóttir, Stefán Karvel Kjartansson, Vigdís Elísabet Bjarnadóttir and Þröstur Flóki Klemensson.

This chapter is written by the Icelandic UN youth delegate on sustainable development

Since 2020, the National Youth Council of Iceland (LUF) has elected a UN Youth Delegate on sustainable development. The representative is elected to participate in the United Nations' HLPF on Sustainable Development, supported jointly by LUF, the Icelandic UN Association, and the Prime Minister's Office. In total, [six representatives](#) are elected to work on the issues of human rights, climate change, sustainable development, children and youth, gender equality, and science, education and culture.

The UN Youth Delegate on sustainable development initiated and managed the following summary. A survey was sent to young people between the ages of 15-35 in Iceland and questionnaires were sent out to all LUF member associations. This summary was discussed at the joint forum of the member associations, where everyone had the opportunity to make comments and suggestions. The result of this consultation is summarised in this section.

According to Icelandic youth, the government has failed to guarantee young people a seat at the table when it comes to policy and decision making. Comprehensive youth participation is essential for the SDGs to be implemented. [Many societies](#) think of all decisions and regulations many generations into the future. To set a positive precedent, the government must take note of the diverse needs and demands of every generation. Only with this awareness can they effectively lead us towards a better future.

The Icelandic youth urge politicians to legislate the government's obligations to establish a multidisciplinary and comprehensive national youth policy, as LUF has long demanded. That policy should ensure that the rights, safety, and basic needs of young people are met. Iceland is one of the few countries in the world that has not adopted such a policy despite UN resolution A/RES/50/81 from 1996 in which the UN urged those countries that had not already formalised such a policy to complete the process. In addition, youth-led non-governmental organisations are significantly underfunded, which makes the ability of young people to protect and promote their rights insufficient.

Iceland's challenge is to take responsibility and act in accordance with its status as a wealthy consumer-intensive country. The Icelandic government must stop doing only what they can get away with and start contributing much more. Young people see the government making promises, suggesting solutions, and undertaking international agreements, but real action is lacking. The Icelandic government must do much more and quickly.

The result of the survey was that most young people in Iceland feel that SDG 13, actions in climate matters, is the most important goal both domestically and internationally. Furthermore, most respondents stated that they think that the Icelandic government is doing **poorly** or **very poorly** when it comes to implementing the goal.

The average Icelandic lifestyle is very [consumer intensive](#). Therefore, it is necessary to take measures to reduce consumption. This requires radical social change and transformation of our economic systems where education on sustainability for young people plays a key role. In addition, Iceland must take responsibility for its [spillover effects](#).

Nature must be given more value than our economic system. Costs and subsidies provided by the state must reflect their impact on the environment and promote a just transition. With the current incentives, the economic system has been prioritised at the expense of the climate, food security, nature, and the environment of Iceland and other nations. Iceland has a lot of potential for renewable energy, but its exploitation has irreversible impacts on the landscape and ecosystems. Biodiversity must be protected, energy must be prioritised in favour of socially sustainable projects, and ecological and accessible public transport ensured. **Environmental issues are one of the main interests of the younger generations, and young people's views must be taken seriously in decision-making**, as is specifically stipulated in the Kunming-Montreal Global Biodiversity Framework to which Iceland is a party.

Iceland has succeeded in creating good access to education at the primary and secondary school levels. The universities are open, but there is a lack of an adequate support to ensure truly equal access to higher education in Iceland. The support of the Student Loan Fund is too low and young people work more during their studies as compared to neighbouring countries. In addition, students have no right to support if they lose their jobs. The student birth allowance is inadequate and impairs the right of young people to start a family. It is very important to strengthen the mental health of young people with accessible free social work and psychological services. Iceland has achieved good results by increasing funding to preventative health and social measures through research and leisure grants. However, there is a need for better support for young people in marginalised groups in education and in general social participation. Because of how advanced Iceland is on a global scale, Iceland should provide better support to other countries in need through international development cooperation led by young people for young people.

Recommendations to the government

- Ensure real participation of and consultation with young people in the implementation of the SDGs. Take Finland as an example where it has become an established practice that young people are represented in all main institutional setups.
- Create a comprehensive national youth policy with the active involvement of LUF and increase funding for youth work.
- Set more ambitious goals in climate matters. Make a more powerful action plan with a timeline and quantified sub-goals. **Execute actions that deliver sufficient emission reductions.**
- Enhance sustainable and active mobility by, among other things, establishing environmentally friendly public transport that is accessible to all.
- Promote less consumption and take more drastic measures to prevent and compensate for the consequences of spillover effects.
- Guarantee young people an adequate livelihood during their studies and during parental leave and equal rights in the labour market.
- Ensure that mental health aid is accessible and free of charge.



Civil Society Organizations

The government's working group on the SDGs has collaborated with Almannaheill – an umbrella organization for various civil society organizations in Iceland, on the introduction of and education on the SDGs since 2018. The last agreement made in 2021 aimed to encourage civil society organizations to integrate the SDGs into their daily activities. It entailed several educational meetings and workshops hosted by Almannaheill and the Icelandic UN Association in collaboration with the working group, followed by an awareness survey among Almannaheill's member organizations.

The main results from this survey showed that, when asked if the organizations had integrated any of the SDGs, 50% of them answered yes, 30% where in preparation, 15% said no and 5% said that they did not plan to. Additionally, the survey showed that the organizations answered that 45% of them considered themselves not in need of assistance with SDG integration, 30% said they might need assistance and 25% said they needed assistance.

With the introduction of Sustainable Iceland and the Sustainability Council, civil society organizations in Iceland have been given a platform to influence the government's policy on sustainable development and the implementation of the SDGs. Through the Sustainability Council, the organizations will also play an important role in monitoring the progress of Iceland's national policy on sustainable development and the regular update of the policy. The council includes representatives from 23 civil society organizations. In addition, all interested organizations were invited to participate in Iceland's VNR. Their review can be found alongside the government's review in chapter seven of the report.

As mentioned in chapter four, on civil society participation in the Icelandic VNR, the UN Association in Iceland was tasked with carrying out the civil society's review of all 17 SDGs. The initiative was well received among the organizations and eventually 55 organizations took part in the writing of the review (see chapter seven). The group of organizations that came together are now more familiar with the SDGs and their interests span all the 17 goals. Therefore, there is a strong will to continue regular consultation and dialogue about the progress of the SDGs with civil society organisations.

Next steps

In the upcoming months, it will be elaborated in more detail how consultation with civil society organizations will take place at the level of the newly established Sustainable Iceland. It is expected that various thematic meetings will be regularly held with the Sustainability Council's representatives and that measures will be taken to ensure that dialogue and consultation on the progress of the SDGs will continue to be at the forefront of Sustainable Iceland's work alongside the implementation of a national policy on sustainable development.



Academia

From the beginning, the government's working group on the SDGs sought assistance from the Sustainability Institute at the University of Iceland for both data evaluation and advice on how to prioritize the SDG targets in Iceland. The two reports from the institute were invaluable for the work that ensued and came together in the first status report and 65 priority targets published in 2018.

Collaboration between the working group and the University of Iceland (UI) continued as the university committed to incorporate the SDGs and sustainability in its strategy for 2021-2026. As part of that commitment, UI started in 2019 to map the work of its academics with the goals and organized a series of events in collaboration with government's working group. The aim of the series was to address one SDG in each event and bring outstanding academics from all academic fields forward to dissect and discuss the goals and the problems associated with them from as many angles as possible. Three events took place at the university, on SDG 1, SDG 3 and SDG 9, where the Prime Minister, Minister of Tourism, Industry and Innovation, and the Governor of the Central Bank of Iceland joined various academics in fruitful discussions. Unfortunately, when COVID-19 hit in early 2020, the series was halted.

The University of Iceland, led by the Sustainability Institute, recently published its [first sustainability report](#) with the results of an extensive mapping of its work on the SDGs in five main areas: research, teaching and learning, community outreach and partnerships, operations, and student initiatives. Furthermore, based on the goals of its strategy for 2021-2026 and its work programme on sustainability in teaching, research and university management, UI has defined four focus areas for its next steps towards sustainability:

- **FOCUS 1:** Raise awareness and understanding of sustainability through presentations, workshops, sustainability research, and education dashboards.
- **FOCUS 2:** Focus on sustainability in teaching and learning by increasing the number of courses and support for teachers. Make study programmes and courses related to sustainability available for students for all disciplines.
- **FOCUS 3:** Work towards making UI carbon neutral by mapping emissions and introducing countermeasures.
- **FOCUS 4:** Evaluate whether sustainability and interdisciplinarity should be considered when allocating grants from UI's competitive funds.

Next steps

As reported later in this report (see page 37), the Sustainability Institute carried out an assessment of Iceland's spillover effects for the Prime Minister's Office earlier in 2023. The findings and recommendations from that research will be utilized by Sustainable Iceland to inform ongoing policy work to create a national strategy for sustainable development, as well as to guide future research and data gathering efforts. The Prime Minister's Office and the University of Iceland will continue to collaborate on the SDGs and research Iceland's spillover effects. This partnership will help advance the country's efforts towards achieving Sustainable Development Goals domestically and internationally.

To strengthen the academic basis of its work, Sustainable Iceland will then invite members of all universities in Iceland and the National Council for Research and Innovation to nominate members to be part of an expert advisory group in the coming months. The role of this group will be to give independent advice to Sustainable Iceland and the Sustainability Council on topics related to sustainable development. The group will also be asked to review strategy documents and action plans. Knowledge and expertise in this area is developing fast, and it is important for Sustainable Iceland to have access to cutting edge research at any given time.

Integration of the Sustainable Development Goals in national frameworks

National policies and strategies

Fiscal strategy

In the past years, the government's fiscal strategy has emphasised linking the SDGs to the targets set for various policy areas. [The fiscal strategy](#) is based on the state's financial policy and the basic values and conditions as defined in the Act on Public Finances. It includes a detailed elaboration on the targets set out in the strategy, further expands the objectives of the financial policy, and analyses how these are to be achieved from one year to the next. The purpose of the fiscal strategy is to elaborate on the government's revenue and expenditure targets and their development. The strategy shows the budget appropriations for state activities in 35 areas of operation for the next five years. Each area covers tasks, such as, the activities of the courts or universities, and the fiscal strategy outlines the basis for clear prioritisation of expenditures and effective preparation of measures to achieve the objectives of financial policy.

Linking SDG targets and the national wellbeing indicators to the state's objectives for the various areas of operation offers an opportunity to map how specific targets are being implemented and, similarly, to estimate how much funding is allocated to the implementation of the goals at any given time. Doing so also provides the opportunity to map more precisely the connections between the goals in Iceland to anticipate any compromises that may be needed in policy formulation for the goals. Cost-benefit analyses of specific actions with respect to other objectives can be useful in drafting policy to maximise synergies and possible benefits accruing from certain funding. The same goes for possible opportunity costs.

Creating better links between the SDGs and the fiscal strategy and further refine the methodology has been on the government's agenda for a while. A software solution for drafting the fiscal strategy and its links to the SDGs is being developed and will be implemented soon. This solution will provide an overview of the SDGs for policy experts to increase the coordination of strategies and programmes in different areas of operation. These goals will be pursued in close cooperation with the National Sustainability Council.

Sustainable financing

The Ministry of Finance and Economic Affairs has issued a [Sovereign Sustainable Financing Framework](#) along with an annex on financing for gender equality. This enables the government to issue sustainable, green, blue, social, and/or gender bonds in Iceland and abroad, although no such bonds have been issued to date.

Bonds issued under this sustainable financing framework and annex provide funding for certain defined treasury expenditures that fall into four categories: green projects (climate and environmental issues), blue projects (climate and environmental issues relating to the ocean, seafood, and related sectors), social projects, and gender projects. All project categories are considered to promote one or more sustainable development goal. Taken together, they cover all 17 SDGs, making this a very comprehensive sustainable financing framework.

Issuance of sustainable bonds requires rigorous reporting of the allocation of proceeds and impact of financing. To be able to account for the impact of financed projects, impact indicators have been defined, and whenever possible, the SDG indicators are used in addition to other relevant indicators. Allocation reports with clear links between different project categories and specific SDGs will facilitate better tracking of financing towards individual goals in the future.

Foreign policy, trade and international development cooperation

Iceland is a strong proponent of international law and the multilateral system, both of which underpin Agenda 2030 and the Sustainable Development Goals. The rule of law, fundamental freedoms, human rights, and democracy are key foreign policy areas for Iceland, and gender equality, the empowerment of women, and LGBTI rights feature prominently in Iceland's participation in the work of international organizations.

Sustainability is taking a higher position on the agenda for foreign relations, including trade. Iceland is a member of the European Free Trade Association (EFTA), which jointly concludes free trade agreements with partner countries. The EFTA States acknowledge the need for enhanced policy coherence at the national and international levels in order to harness the potential for international trade to contribute to the promotion of sustainable development. Since 2010, the EFTA countries have systematically included model provisions on free trade and sustainable development in all negotiations for new free trade agreements and in updating existing agreements. The provisions include new articles on equal opportunities for all, trade and climate change, sustainable use of forests, trade and biodiversity, trade and sustainable use of fish stock and aquaculture, and responsible business practices. Furthermore, Iceland is among countries leading on-going discussions on gender equality and sustainability in international trade within the WTO. Iceland is also participating in negotiations on the Agreement on Climate Change, Trade and Sustainability (ACCTS), an agreement that will use trade rules to tackle climate change and other environmental issues.

International development cooperation is an integral part of Iceland's foreign policy. It is based on the Policy for International Development Cooperation, 2019-2023, which is currently being revised. The Minister for Foreign Affairs will foreseeably present the new policy for the period 2024-2028 to Parliament in the autumn of 2023. The policy is grounded in the SDGs and Agenda 2030, with a focus on sustainable development to eradicate poverty and hunger and to promote economic and social development, to promote and preserve peacebuilding and peacekeeping, and to provide humanitarian aid and emergency relief where needed. Three cross-cutting issues have been identified: human rights; gender equality, which is also a priority in itself; and environmental issues.

In multilateral development cooperation, Iceland has identified four key partners: the World Bank, UNICEF, UN Women, and UNFPA and two, soon to be three partner countries: Malawi, Uganda, and Sierra Leone.

The Icelandic government has solid cooperation with Icelandic civil society organisations on, inter alia, the basis of framework agreements on development cooperation and humanitarian assistance. Cooperation with the private sector is based on the SDG fund that encourages the Icelandic private sector to invest in value and job creating projects and to support the development of the private sector in the Global South to attain the SDGs. The GRÓ Centre for Capacity Development, Sustainability and Societal Change coordinates the work of the four training programmes in Iceland in areas where Iceland has particular expertise: fisheries, geothermal energy, land restoration and gender equality.

Environment, sustainable use of resources, and actions to adapt to and mitigate the impact of climate change have gained increased importance in Iceland's international development cooperation. Iceland has increased its support to and cooperation with multilateral organisations on climate issues and integrated climate issues into bilateral programmes, in line with the priorities of the partner countries' governments. In April 2023, the OECD's Development Assistance Committee (DAC) concluded a peer review on Iceland's international development cooperation in which Iceland was commended for its strategic and focused approach to development cooperation.

Other strategies

Most government policies and strategies that have been developed since the SDGs came into force either take the goals into account or have a clear focus on sustainable development in general.

Below, several strategies and policies that cover all of the SDGs are combined. This showcases how SDG implementation is taking place in a comprehensive manner throughout the Icelandic government. However, the implementation itself mostly takes place within the responsible ministries.

Government policies are either set out in legislation or in strategic plans. In most cases, the strategic plan is a tool for the government to adhere to the legislation and to achieve its political goals. The number of active strategic plans in Iceland varies between 80-120 at any given time. Most strategies are ad hoc, but a number of them are developed in accordance with legislation that states that a certain strategy should be developed regularly.

Strong emphasis has been placed on integrating the SDGs, as well as the wellbeing priorities and wellbeing indicators, into the government's five-year fiscal strategy. Linking SDG targets directly to specific government policy objectives offers an opportunity to map the means of implementation of specific targets, estimate funding allocation for the SDGs at any given time, and anticipate potential synergies and trade-offs. Additionally, efforts are being made to actively involve local authorities in their important role in implementing the 2030 Agenda.

Iceland has implemented several strategies that aim to promote sustainable development. One such strategy is Iceland's Climate Strategy 2018-2030, which aims to reduce the country's greenhouse gas emissions by 40% by 2030 as compared to 1990 levels. The strategy includes measures to reduce emissions from transportation, industry, and buildings, along with increasing the use of renewable energy and carbon sequestration.

Another strategy is the National Strategy on the Circular Economy 2021-2025, which aims to transition Iceland towards a circular economy where waste is minimized and resources

are used more efficiently. The strategy includes measures to promote sustainable production and consumption, improve waste management, and increase recycling and reuse. These strategies are essential for Iceland to promote sustainable development and reduce its impact on the environment.

Additionally, Iceland's National Action Plan for the Conservation and Sustainable Use of Biodiversity 2021-2030 aims to halt the loss of biodiversity in Iceland and promote the sustainable use of natural resources. The plan includes measures to protect habitats, species, and ecosystems, along with promoting sustainable land use and fishing practices. Iceland's Arctic Policy is another strategy that aims to promote sustainable development in the Arctic region. The policy includes measures to protect the environment, promote sustainable resource use, and improve infrastructure and connectivity in the region.

Other strategies linked to specific SDGs are below



- Policy on Public Defence and Security



- Health Policy until 2030
- Plan of Action on Maternity Services until 2030
- Public Health Policy
- Road Safety Plan 2023-2037
- National Air Quality Plan of Iceland 2018-2029



- Food Policy
- The Agricultural Policy



- Education Strategy 2021-2030



- Strategy for LGBTQ+ People 2022-2025
- Strategic Plan for Gender Equality
- Strategy for the Prevention of Sexual and Gender-Based Violence and Harassment among Children and Young People
- Action Plan against Violence and its Consequences



- Science and Technology policy
- Design and Architecture Policy until 2030
- Cluster Strategy for Iceland
- The Innovation Policy
- Action Plan on the Fourth Industrial Revolution
- Iceland's Policy on Artificial Intelligence



- Policy on Sustainable Procurement
- Towards a Circular Economy
- Together Against Waste – Waste Prevention Programme 2016-2027
- Action plan on Plastic Issues
- Education Strategy 2021-2030
- Food Procurement Policy for Government Entities



- Regional Plan for 2022-2026
- Land & Life – National Restoration and Forestry Plan



- River Basin Management Plan 2022-2027



- Parliamentary Resolution on Action Plan on issues of Disabled People
- Parliamentary Resolution on Action Plan on issues of immigrants 2022-2025



- Regional Plan for 2022-2026
- The Climate Strategy of Government Offices
- Climate Action Plan – Iceland's main instrument to reach its commitment in the Paris Agreement and its emissions reduction goals for 2030
- National Adaptation Strategy – In View of the Climate Crisis: Iceland's Strategy on Adaptation to Climate Change
- Policy on Public Defence and Security



- Strategy for the Prevention of Sexual and Gender-Based Violence and Harassment among Children and Young People
- Child-friendly Iceland - Implementation of the United Nations Convention on the Rights of the Child
- Action Plan against Violence and its Consequences
- Action Plan against Human Trafficking and Other Forms of Exploitation
- Action Plan against Money Laundering and Terrorist Financing 2021-2023



- Sustainable Energy Future - Energy Policy until 2050



- Regional Plan for 2022-2026
- Cultural heritage - Strategy for preservation and accessibility
- National Planning Strategy 2015-2026
- Policy on Public Defence and Security
- National Air Quality Plan of Iceland 2018-2029
- Policy on Settlement Patterns and Settlement Distribution
- Regional Action Plans
- Housing Strategy



- Action plan on Plastic Issues



- Development Cooperation Strategy



- Cluster Strategy for Iceland
- Leading in sustainable development - Icelandic Tourism 2030

Assessment on Iceland's spillover effects

This chapter is written by the Sustainability Institute at the University of Iceland

Debate and discussion about the spillover effects of countries in parallel with their implementation of the SDGs is ever increasing, and for good reason. Prosperous countries that rank high amongst other countries on lists that measure their success in implementing the SDGs have, in many ways, achieved good results at the expense of other countries or regions. [The Sustainable Development Report 2022](#) publishes a spillover ranking of countries based on three dimensions: 1) environmental and social spillovers embodied into trade, 2) spillovers related to economic and financial flows, and 3) peacekeeping and security spillovers. It is clear that the SDGs will not be realized on a global scale without the concerted efforts of all the UN member states. Therefore, it is important that indicators that measure a country's spillover effects be developed and coordinated further so that those countries with the highest spillover can be held accountable.

Iceland ranks low on the International Spillover Index. Those results resulted in the Prime Minister's Office requested that the Sustainability Institute at the University of Iceland would carry out an assessment of the of Iceland's spillover due to the implementation of the SDGs. The assessment contains a general summary of the spillover effects, including the development of the concept and the state of knowledge on it domestically and abroad. It also contains a status assessment of Iceland's spillover effects that looks at the most damaging effects and how they can be measured, along with recommendations for next steps. The main findings of the audit written by the Sustainability Institute are as follows:

Spillover effects are the positive or negative impacts that one country's actions can have on other countries' ability to achieve the SDGs. The concept is complex and has evolved significantly since the emergence of the first spillover indicators. Comprehensive efforts are underway to assess, measure, and address spillover effects in order to contribute positively to global efforts towards sustainable development. Spillover effects can be categorized into three dimensions:

1. Environmental and social spillover effects embodied into trade
2. Spillovers related to economic and financial flows
3. Peacekeeping and security spillovers

Accurate and comprehensive data, as well as internationally agreed-upon analytical methods and models, are vital for measuring spillover effects. Unfortunately, due to a lack of data, international spillovers have not been fully measured to date.

While the Nordic countries, including Iceland, have made significant progress in implementing the SDGs domestically, they have also been found to generate significant negative spillover effects. According to the International Spillover Index, Iceland ranks 158th out of the 163 states with available data, indicating a high level of negative spillover effects. Iceland has the lowest ranking among the Nordic countries. It is insufficient for states to focus solely on implementing the SDGs domestically; they must also actively work to mitigate negative spillovers that may hinder the opportunities of developing nations in achieving the SDGs domestically. Most states are in the early stages of acknowledging and mapping their spillover effects. However, indirect efforts have been made through legislation and policy to counteract negative spillovers. It is crucial that spillover effects are given due consideration, and decisive actions are taken to prevent their adverse consequences.

Iceland's negative spillover effects are, particularly in relation to the consumption of goods and its large number of imports. Recent studies indicate that the carbon footprint of Icelanders is amongst the highest in the world when all imported goods are considered. Consulted experts agree that significant work lies ahead for Icelandic authorities in addressing and combating these negative spillover effects. The main objectives can be categorized as follows:

-
1. Establish a clear vision, goals, and action plan
 2. Enhance understanding of Iceland's spillover effects
 3. Promote a circular economy and reduce consumption
 4. Increase Iceland's contribution to international development cooperation

Four priority actions are proposed:

1. Present a clear vision, goals, and funded action plan
2. Establish a consultation platform for data collection and measurements related to Iceland's spillover effects
3. Increase research and data collection efforts
4. Implement green incentives, green taxes, and a strategy for green public procurement

The results of the assessment will be used in the formulation of the national strategy on sustainable development, which is expected to be ready by the end of 2023 and submitted to Parliament at the beginning of 2024. Cooperation with the Sustainability Institute at the University of Iceland is expected to continue for ongoing research on Iceland's spillover effects, and the effects will, in some form, be included in the national indicators that will be defined in parallel with the national strategy on sustainable development. Since they will be domestic measures of Iceland's success towards sustainable development, it is imperative that they also reflect Iceland's influence beyond its borders.



Integration of the economic, social and environmental dimensions and leaving no one behind

Well-being Economy Governments (WEGo)

The philosophy of assessing the quality of life and well-being of a population goes beyond using economic measures such as GDP to emphasise the common denominator of well-being. The Icelandic government has prioritized this policy issue by participating in international cooperation and by developing a more robust data collection and measurement system. This involves collaborating with governments countries such as Finland, Scotland, Wales, Canada, and New Zealand to form the Wellbeing Economy Governments (WEGo), which places emphasis on monitoring and measuring non-economic factors that contribute to sustainability in the participating countries and globally. However, more data is needed on such non-economic measures and utilizing existing data remains a challenge.

It is important to consider factors beyond economics, such as, environmental and social factors that affect people's daily lives, including health, housing, employment, education, income, and air and water quality, among others. Compiling measures that provide a comprehensive overview of the prosperity and quality of life in Iceland is essential. Many countries and international organizations have already prepared collections of measures to focus on the main pillars of sustainable development, although they do not provide a detailed description of all aspects of prosperity.

National wellbeing indicators have been developed through a collaboration among the Prime Minister's Office, Statistics Iceland, and other parties. These indicators are grouped into three sub-components: social indicators, economic metrics, and environmental metrics, with 40 indicators in total, including one that was added in 2022 to report domestic violence. These indicators are further divided into subcategories and specific measurements. This set of measures is the first set of national indicators that shed light on both prosperity and sustainable development in Iceland, although it is important to continue developing them with measurements in key issue for international comparison.

From the changes observed in the last five years, 22 prosperity indicators have developed positively, seven remained the same, and five have developed negatively. Six indicators are still under construction, but they are being developed according to the standard of living survey from Statistics Iceland. Since May 2022, there has been an emphasis on updating prosperity indicators and publishing the status of the measures that have been in progress. By the end of 2023, it is expected that the status of all metrics will have been updated.

Assessment on the impact of proposed bills

When considering proposed bills, the government must consider their impact on certain public interests, both significant and minor. This is according to the [regulations for the preparation and handling of government bills](#), in Icelandic called *Mat á áhrifum lagasetningar*. However, the regulations do not specify which interests to consider. This grants the relevant ministries some flexibility to determine which particular public interest should be given priority. Generally, interests such as environmental protection and gender equality are considered in both legislation and its enactment, as indicated in the government's checklist.

An evaluation of the environmental impact of a bill may involve factors including the effects on air, soil, water, climate, flora and fauna, human health, or sustainable use of natural resources. If a bill has a negative impact on any of these factors or poses a risk to them, it is necessary to explain how the adverse effects will be prevented or mitigated. The methods employed for the assessment should be described along with any underlying assumptions and uncertainties.

To assess the impact on gender equality, the Prime Minister's Office has an [equality impact assessment](#) available on its website. It is worth noting that the above factors are not comprehensive. If a bill significantly affects other public interests, such as urban issues or cultural heritage protection, it should be acknowledged and evaluated accordingly.



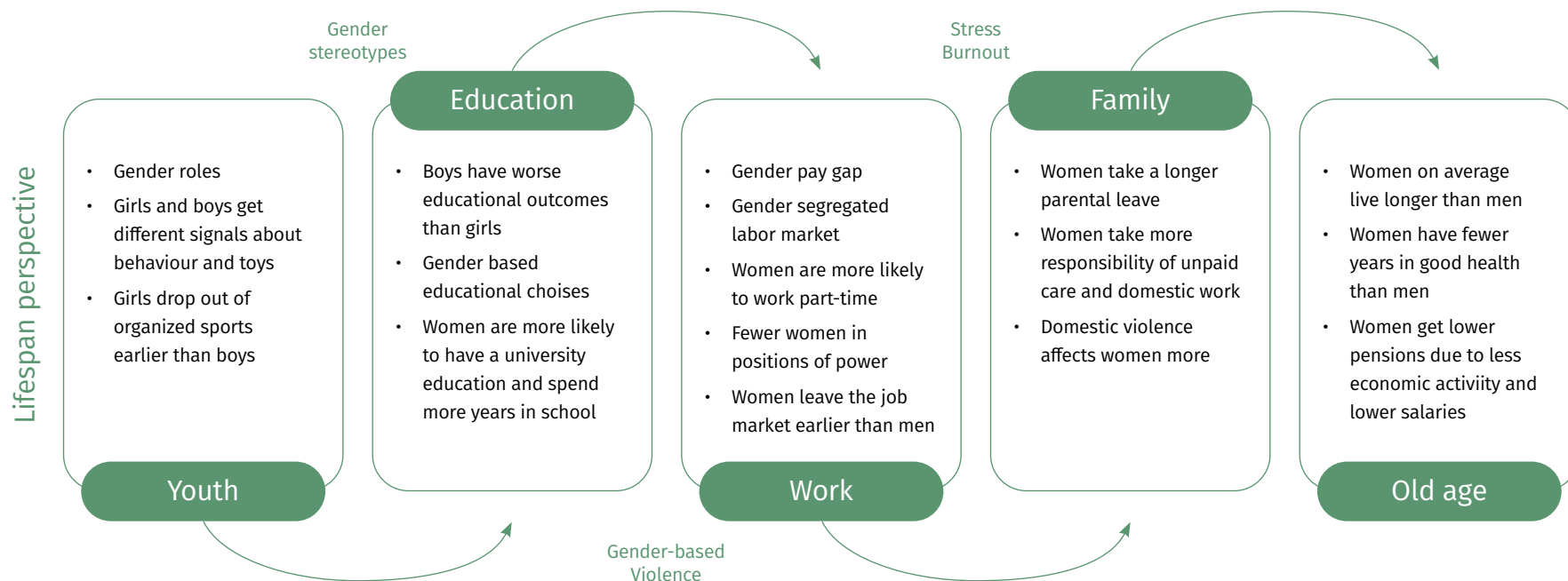
Gender budgeting

Gender budgeting is a tool for analysing the impact of budget provisions on different groups, including women, men, and marginalized groups. Iceland implemented gender budgeting in 2009, and it has been mandatory at the state level since 2016. The work is framed by a five-year plan and overseen by a steering committee on gender budgeting. A gender analysis of government expenditure areas is conducted annually to increase understanding of the current situation. In drafting its five-year fiscal strategy and annual budget, the government considers the impact of different options on different groups, and ministries account for the gender impact of their budget proposals. Gender disaggregated statistical data is a prerequisite for all gender analysis.

Gender budgeting is used for gender mainstreaming and contributes to economic management and informed decision making, leading to a prosperous and equitable society.

It involves analysing the impact of budget provisions on different groups, taking into account their socio-economic status, age, origin, disability, and gender identities. The implementation is overseen by a steering committee and working groups in each ministry.

The gender budgeting process in Iceland includes a gender analysis of government expenditure areas, highlighting challenges and opportunities for gender equality and assessing the overall gender impact of the annual budget. The strategic planning for each expenditure area accounts for gender considerations and progress is reported in each ministry's annual report. To improve the availability of gender disaggregated data, a working group has been formed to facilitate standardization of its collection and use among public entities. Training, knowledge sharing, and changing the mindset of those involved in budget preparation have been important components in implementing gender budgeting in Iceland.



Institutional mechanisms

Sustainable Iceland

In 2017, the government constituted a working group with representatives from the Prime Minister's Office, four other ministries, and Statistics Iceland. Its role was to manage the analysis, implementation, and promotion of the UN's Sustainable Development Goals. To ensure the involvement of ministries not represented in the working group, a contact group was also formed, comprised of representatives of the other ministries and an observer from the Association of Local Authorities in Iceland.

Early on, it was clear that more cooperation was needed along with formal participation of all ministries and key stakeholders. In 2018, the working group was reorganised to consist of representatives from all ministries, the Association of Local Authorities in Iceland, Statistics Iceland, and the Parliament, along with observers from the Youth Council for the SDGs and the UN Association in Iceland. The representative from the Prime Minister's Office was chairman of the group and the Ministry for Foreign Affairs representative was vice-chairman.

The new arrangement was more successful and resulted in a number of big projects, including the first VNR in 2019, a website and project portal with an online dashboard, toolboxes for municipalities and companies in Iceland, and a number of awareness raising initiatives. The cooperation between the government and local authorities was strengthened even further by the establishment of a cooperation platform between the two in 2020.

However, it was clear that more resources were needed for the committee to create a more holistic and coordinated implementation of the SDGs at all levels of society. A national strategy on sustainable development was needed along with more efforts and resources for statistics, a whole government coordination, and stakeholder dialogue.

The coalition agreement of the government that was formed in 2021 emphasised sustainable development, well-being, and a just transition. The formation and adoption of a national strategy on sustainable development in line with the SDGs was also part of

the coalition agreement. To fulfil those priorities, a platform called Sustainable Iceland was established in December 2022. It includes a new National Council on Sustainable Development, a new government steering committee, and a team of specialists from the Prime Minister's Office, The Ministry for Foreign Affairs, Statistics Iceland, and political aides.

The establishment of Sustainable Iceland opens up the possibility of a much more inclusive dialogue on the integration of the SDGs to harmonize workstreams and to boost more inter-ministerial cooperation. It allows for a multi-sectoral involvement and shared responsibility for the 2030 Agenda in Iceland. The aim is also to develop indicators to monitor the progress of the policy and create more data on sustainable development in Iceland.

The two initial tasks of Sustainable Iceland were the preparation of this VNR and the formulation of a national strategy on sustainable development. The strategy process was split into three parts. First, a green paper was developed outlining the current status and evaluating the main challenges at that time. This green paper was created in close cooperation with all members of the Sustainability Council. The final draft of the green paper was published for public feedback on 13 April 2023. Following that publication, the Prime Minister held eight meetings around the country and online to present the work and to solicit feedback from the public. The agenda of the meetings also included discussions on the next steps and ideas for action.

The second step of the process is a formulation of a white paper, which is a draft of a vision and goals for the future and a suggested action plan on how to reach those. The white paper will be created in cooperation with the members of the Sustainability Council and published for public feedback.

The aim is to present a strategy proposal, the third step of the process, to the ministers of the government in December 2023.

Sustainable Iceland

Prime Minister

Sustainability Council

Ministers
Parliament
Municipalities
Business Sector and unions
Civil Society Organizations

Steering Committee

One representative from each ministry + municipalities

Executive Team

Staff of Prime Minister's Office, Ministry for Foreign Affairs and Statistics Iceland

National strategy for sustainable development



Monitoring and review mechanisms

Statistics Iceland is responsible for producing and disseminating statistics on Iceland's progress towards the Sustainable Development Goals (SDGs). The progress towards the seventeen goals and their 169 targets is monitored using 231 unique indicators that have been developed by the UN. The indicators are regularly reviewed and refined by the UN IAEG SDGs expert group, as the indicators need to be appropriate for the 169 targets internationally.

Statistics Iceland adapts the UN indicators to the Icelandic context using available data and reports the statistics using a national reporting platform (NRP), a website developed by [OpenSDG](#). The coverage, i.e., the number of indicators that has been reported, has changed dramatically since the last VNR report in 2019. In 2023, the coverage of reported indicators is 70%, as compared to only 30% in 2019. For more statistics on the coverage within each goal or on the progress per target, see the NRP at [Statistics Iceland](#).

Progress towards the SDGs depends on cooperation between different parties. At the national level, Statistics Iceland has a representative in the national SDG working group and a seat in the newly established cooperation platform Sustainable Iceland. Moreover,

Statistics Iceland has collaborated with local authorities and the state by providing guidance in developing SDG indicators at the municipal level. At an international level, Statistics Iceland participates in the Nordic SDG collaboration platform, a group of SDG specialists from the statistical offices in the Nordic countries.

The UN indicators are global indicators. However, regions, countries, and municipalities are free to adopt their own set of indicators. As a result, international organizations, such as Eurostat, the OECD, SDSN together with Bertelsmann Stiftung, have defined their own SDG targets and indicators, to either better capture the progress towards the SDGs for smaller regions or to improve data coverage by using different types of indicators. Statistics Iceland monitors these indicators along with monitoring the official list of indicators from the UN.

Currently, there are no national SDG indicators available in Iceland, which makes monitoring national and local progress towards the SDGs difficult. In the future, it would be highly beneficial to have indicators at a national level that are guided by the global SDGs but take national and local circumstances into account.

Overall reporting status in 2019

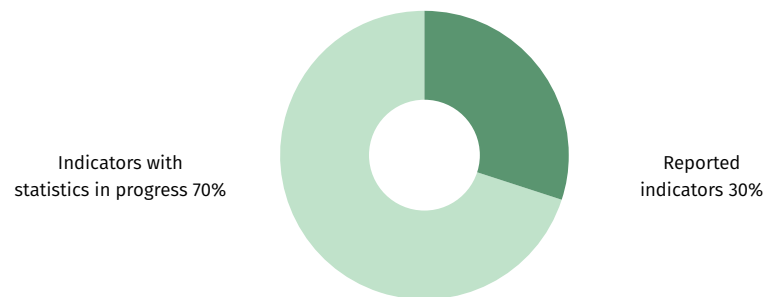


Figure 5.5.

Overall reporting status in 2023

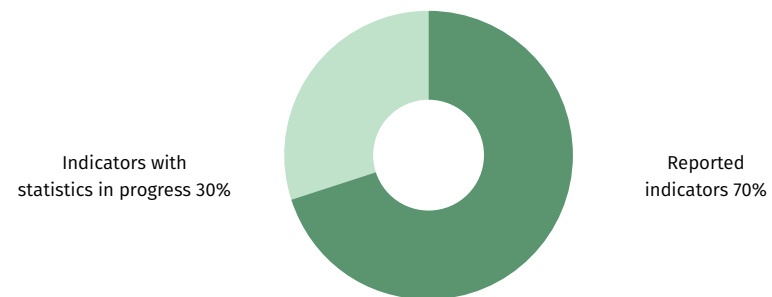


Figure 5.6.

Progress between VNRs

As previously mentioned, substantial progress has been made in monitoring and reporting on the SDG indicators since Iceland's last VNR in 2019, with an increase from 70 to 170 indicators [reported by Statistics Iceland](#) from 2019 to 2023.

An assessment of the 70 indicators from 2019 shows some positive changes. The proportion of the population living below the national poverty line decreased (SDG 1), the annual growth rate (%) of GDP per capita has increased (SDG 8), and more funds are allocated to research and development (SDG 9). In terms of health and well-being, fewer people smoke daily in 2023 as compared to 2019, and the number of infectious diseases has fallen between the years. Moreover, maternal and neonatal mortality rates have decreased, and the birth rate among adolescent girls is much lower than before (SDG 3). Iceland continues to strive towards providing quality education (SDG 4), ensuring gender equality (SDG 5), building a peaceful and inclusive society (SDG 16), and partnering with others in order to achieve the targets (SDG 10, 17). The share of renewable energy of total final energy consumption has increased from 70% to 90% (SDG 7), and over 95% of Icelanders have good access to public transportation (SDG 11). The coverage of protected areas in relation to marine areas has expanded (SDG 14), but the forest area as a proportion of total land area remains the same (SDG 15).

However, Iceland still faces some challenges in achieving the SDGs. The proportion of local species classified as being at risk of extinction has not changed since 2019, and two species out of seven are still considered at risk of extinction (SDG 2). Although all Icelanders have access to clean water and safely managed sanitation services, much work still remains in terms of wastewater treatment, as only 3% of wastewater receives second-stage treatment (SDG 6). The unemployment rate has increased from 2.7% in 2018 to 6% in 2023, and income from tourism, Iceland's main contributor to GDP, decreased due to COVID-19 but is slowly recovering (SDG 8). The rate of recycling household waste has then decreased from 33% in 2016 to 26% in 2020 (SDG 12).

SDG 13 was not reported on in the 2019 VNR's statistical annex because no data was available at that time. According to 2023 data, three out of thirteen indicators in SDG 13 are now reported, and Iceland has reduced its greenhouse gas emissions to some extent, but much work is still needed for Iceland to achieve its goal of being carbon neutral by 2040.



Regional cooperation on sustainability

Iceland emphasises regional cooperation with neighbouring countries on both sides of the Atlantic Ocean and in the north. The aim of this cooperation is to ensure stability and promote cooperation on common issues in the region on sustainable development, among other things.

The five Nordic countries of Denmark, Finland, Norway, Iceland, and Sweden and the self-governing countries of Greenland, the Faroe Islands and Åland work closely together at most levels of politics and government. The strength of Nordic cooperation lies in our common values and similar social structures. In August 2019, the Nordic prime ministers adopted a new Nordic vision for 2030 to make the Nordic region the most sustainable and integrated region in the world by 2030.

The Council of Europe is the leading human rights organisation in Europe. Each of the 46 member states is a party to the European Convention on Human Rights (ECHR), which is designed to safeguard human rights, democracy, and the rule of law and has been the cornerstone of human rights law across the continent for over seventy years. Iceland held the presidency of the Committee of Ministers of the Council of Europe from November 2022 until May 2023, focusing on the council's core values of human rights, democracy, and the rule of law along with the environment, equality, and children and youth. The fourth summit of the Heads of State and Government of the Council of Europe was held in Reykjavík on 16-17 May 2023 and focused on the situation on the continent following Russia's invasion of Ukraine.

The Arctic Council has been the most important forum for cooperation on Arctic issues for over a quarter century. Iceland chaired the Arctic Council in 2019-2021, under the banner of Together towards a sustainable Arctic, where emphasis was placed on the sea, climate and renewable energy, and people and communities in the Arctic. Russia's war in Ukraine has negatively impacted the work of the council.

In the Council of the Baltic Sea States, collaboration is carried out on diverse issues, including sustainable development, child protection, human trafficking, innovation, and political cooperation.





6. The SDGs in Icelandic municipalities



The SDGs in Icelandic municipalities

This chapter is written by the Icelandic Association of Local Authorities (IALA)

Lessons learned and messages to the national government

- It is evident that Iceland will not be able to fulfil its obligations towards the SDGs without the active participation of the municipalities. The core obligations of the Icelandic municipalities are to provide inhabitants, on an equal basis, with the basic welfare and technical services they need. These go hand-in-hand with the SDGs and the principle of leaving no one behind.
- The Icelandic Association of Local Authorities' participation in national SDG efforts on the same level as other governmental entities has been a very important pre-requisite for work to promote the localisation of the SDGs in Icelandic municipalities.
- To secure strategic and sustainable work on the implementation of the goals, even if there are political changes between local elections, it is of the upmost importance that the municipalities get support from the state to integrate the goals into municipal frameworks and steering mechanisms. Common SDG indicators for the municipalities adapted to their realities are very important in this regard, both to monitor progress and to encourage more municipalities to work on the implementing the SDGs. The state needs to acknowledge that the municipalities are implementing, in addition to the SDGs, voluntary reform programmes such as the Health Promoting Community program and the Child Friendly Cities Programme that the state has initiated without providing funding for the human and financial resources these programmes require. This has put pressure on municipal administration, especially for smaller municipalities, and limited their capacity to work strategically on the SDGs. There is need for more coordination between these programmes and financial support to implement them.

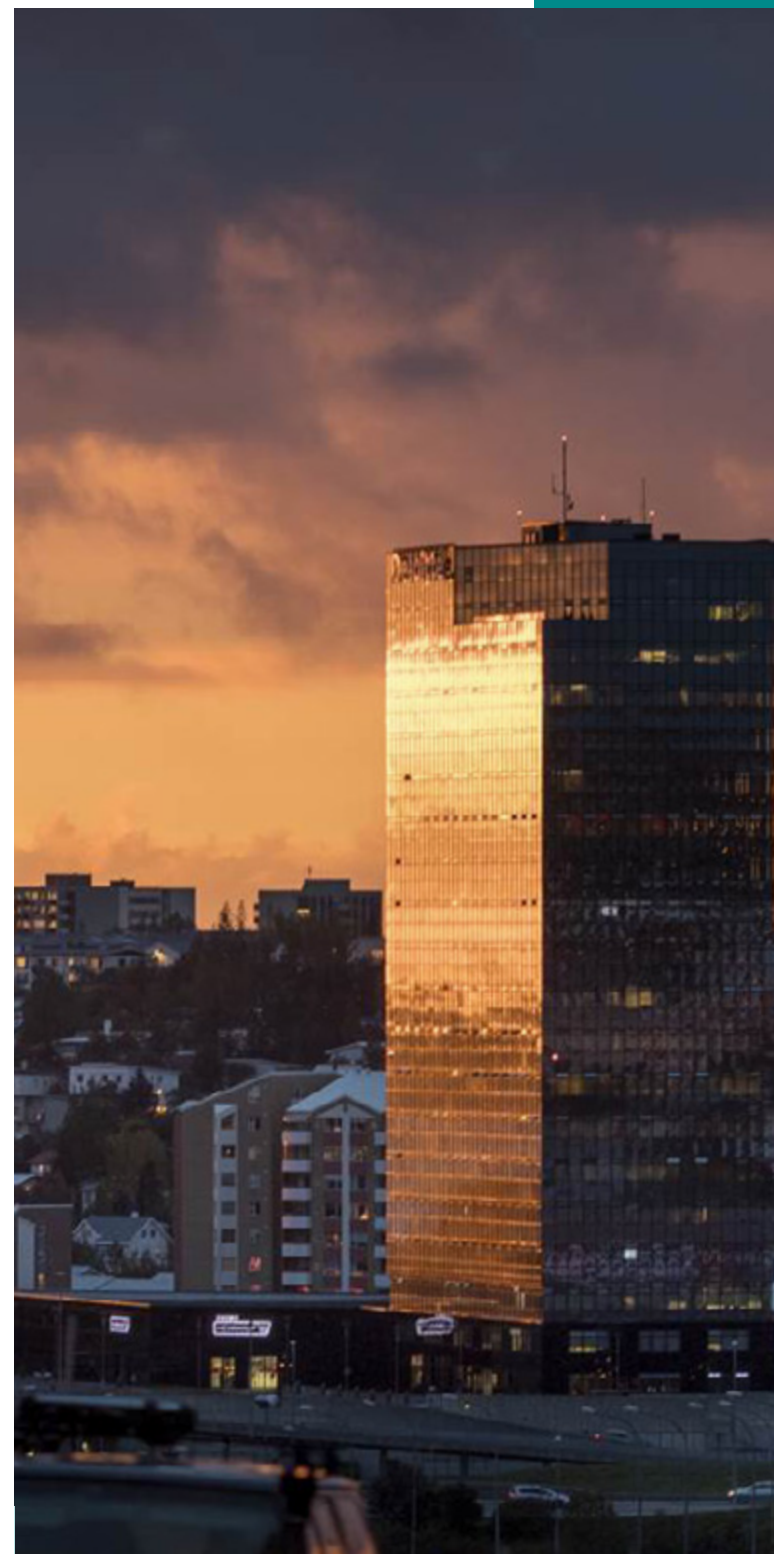
The characteristics of the Icelandic municipalities and their role in relation to the SDGs

There are two levels of government in Iceland: state and municipal. Municipalities are run by directly elected councils and have self-autonomy within legal frameworks as described in the Constitution. Municipalities are responsible for basic daily services to their inhabitants, such as, social services, childcare, child-welfare, primary education along with providing inhabitants with clean water, heating, sewage, and other basic infrastructure. They are also responsible for waste management, planning matters, building inspection, and surveillance of public health. All of the SDGs relate to legal obligations of the Icelandic municipalities in one way or another. In addition to legal tasks, the municipalities also carry out various voluntary tasks for the benefit of the inhabitants that have a reference to the SDGs, for example, public transportation, the Health Promoting Community program, and the Child Friendly Cities' Programme.

The Icelandic municipal level is characterised by the large number of municipalities with few inhabitants. Only 11 out of 64 municipalities have more than 5,000 inhabitants. The City of Reykjavík is by far the largest municipality, with 140,000 inhabitants. Weak administration is an obvious hindrance for small municipalities when undertaking development projects such as the localisation of the SDGs, although experience has also taught us that it can be easier for small municipalities to have an overview of what needs to be done in terms of sustainability and mobilize local participation, provided that the political will exists. This can be demonstrated in a [video](#) from Bláskógabyggð with 1200 inhabitants.

The SDG coordination mechanism between the state and the municipalities

IALA supports and coordinates the SDG work of Icelandic municipalities. There has been close cooperation on the SDGs between IALA and the Prime Minister's Office (PMO), which supervises the implementation of the SDGs in Iceland. IALA has, since 2018, been represented in Iceland's National Steering Group for the SDGs which is chaired by the PMO. Upon the recommendation of the OECD, a special SDG cooperation platform was established in December 2020 between the state and the municipalities. The cooperation platform supervised the publication of an SDG toolbox for municipalities in 2021. Additionally, a working group composed of municipal, and state statistical experts has developed proposals for common SDG indicators for the municipalities. Financing of the indicators has, however, not been settled, so it is still uncertain if and when the indicators will start being used.



Efforts of Icelandic municipalities to localise the SDGs

Overview

The Icelandic municipalities showed interest in working with the SDGs quite early. In 2019, 44 out of 69 municipalities signed a declaration to work together on climate matters and the localisation of the SDGs. IALA organised regular knowledge and consultation meetings for municipalities that had signed the declaration for the following two years.

An informal survey carried out by IALA in spring 2021 revealed that only about ten municipalities were working strategically on the SDGs. It was evident that there was a need for additional efforts and support. A grant from the Municipal Equalisation Fund enabled IALA to initiate a 6-month SDG support programme for the municipalities. The SDG toolbox for municipalities was used as a starting point for the programme. Almost half of the municipalities accepted the offer to participate in the programme.

The programme aimed to increase the number of municipalities working strategically on the implementation of the SDGs and to share experiences and knowledge. Furthermore, municipalities were to develop implementation channels that would secure continuation of SDG work after the municipal elections in spring 2022. The municipalities were divided into two groups. The ten frontrunners were grouped together and eighteen municipalities that had not yet started strategic work on the localisation of the SDGs were grouped together. Each municipality was obliged to appoint one council member and one staff member to take part in common workshops and to be responsible for internal municipal implementation.

The frontrunners shared experiences and learned from each other. They also had a mentor role for the other group. External experts also took part in seminars and beginners got individual support from an external expert. COVID-19 had an effect as physical workshops had to be replaced by shorter online seminars. The programme ended just before municipal elections spring 2022.

Many participants expressed satisfaction with the programme, especially the chance to meet and learn from other municipalities. On the other hand, it has proven to be a

challenge to rekindle the enthusiasm for SDG work after the local elections. There was over a 50% turnover of councillors on the local level between elections. New councillors lack knowledge of and previous experience with the SDGs. It seems that there is a need for increased efforts to spark interest in the SDGs of new majorities, new council members, and mayors. The joint municipal strategy for the election period 2022-2026 provides some support. It states that all municipal policy making shall take the SDGs into account and that IALA shall continue to support the municipalities in the localisation of the SDGs. IALA also decided to use Iceland's VNR 2023 as an opportunity to revitalise the Icelandic municipalities' SDG work.

2023 status

Survey

To support Iceland's Voluntary National Review (VNR) and Voluntary Subnational Review (VSR), a survey was conducted among the municipalities on SDG and sustainability work in the spring of 2023. The survey was developed through Nordic cooperation with the intention of being carried out in all the Nordic countries as a basis for common Nordic VNRs and VSRs in 2024. The survey covers all the vital factors connected to localisation of the SDGs.

IALA managed to get a very high response rate with all but three small municipalities submitting answers. The Icelandic municipalities that replied to the survey represent 99.77% of the Icelandic population.

According to the replies, 61% of the municipalities are connecting their sustainability work to the SDGs and 25% are interested but have not started. Then, 37% say that they are working on sustainability without reference to the SDGs.

Variation in the maturity of the SDG work

On the other hand, answers to the survey also reveal great variation in the maturity of the SDG work. For example, 63% of municipalities state that they are just starting work on the SDGs. More detailed questions about the integration of the SDGs into municipal steering mechanism confirm that about 1/3 of the respondents are working strategically on the localisation of the goals. These respondents have, for instance, delegated the implementation of the goals to a certain actor within the municipality, which gives an idea about how the SDGs are anchored within the municipalities.

How the forerunners are working on the goals

Integration of the SDGs into municipal steering mechanisms

Most municipalities that are working strategically on the localisation of the SDGs have adopted an overall strategy for all municipal sectors with reference to the goals. This work has shown to have a positive side effect through encouraging overall reform of municipal policy planning.

Almost as many municipalities have integrated the SDGs into their master plans. Fewer have reached the step of integrating the SDGs into their budget and procurement rules. Only two municipalities, Kópavogsbær (Iceland's second largest municipality with 39,000 inhabitants) and Sveitarfélagið Hornafjörður (2,500 inhabitants) have adopted special SDG action plans and started implementing them. Only Kópavogsbær is using indicators to follow SDG progress. It is important to stress that many municipalities consider the lack of indicators to be a hindrance for the localisation of the SDGs.

Here are links on videos where the mayors of [Kópavogsbær](#) and [Hornafjörður](#), the most advanced Icelandic SDG municipalities, describe their SDG work.

Prioritization of the goals

When asked, the municipalities stated the following as their priority goals:

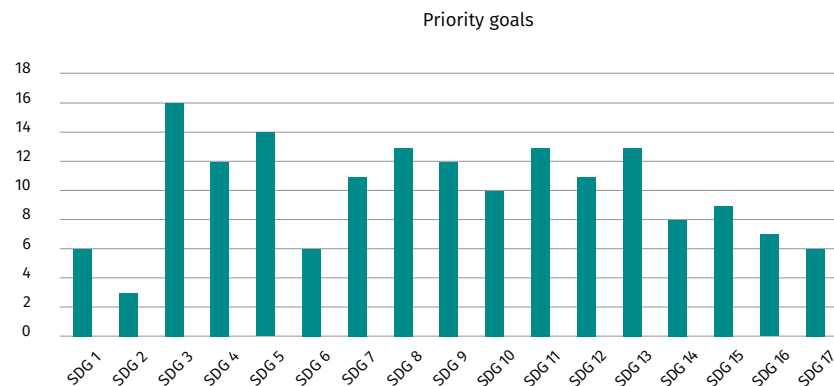


Figure 6.1.

SDG 3, Good health and well-being, got the highest scores, which can likely be traced to the fact that most municipalities are taking part in a [before mentioned voluntary Health Promoting Community program](#) that is connected to the SDGs. The SDGs that get the lowest scores are No poverty (1), No hunger (2), and Clean water (6). This probably reflects the fact that Iceland is a prosperous welfare state with ample access to clean water. It is noteworthy that SDG 12, Responsible consumption and production, scores relatively low as that SDG is generally considered to be the most important goal for countries with high GDPs and rates of consumption, like Iceland. The municipalities are currently preparing implementation of a new EU waste legislation with stricter recycling obligations in line with circular economy, so it is likely that there will be more focus on this SDGs in the years to come.

Actions to create local ownership, commitments, and partnerships

Figure 6.2 below shows responses to a question about actions to create local ownership among municipal staff, elected representatives, inhabitants, companies, and young people.

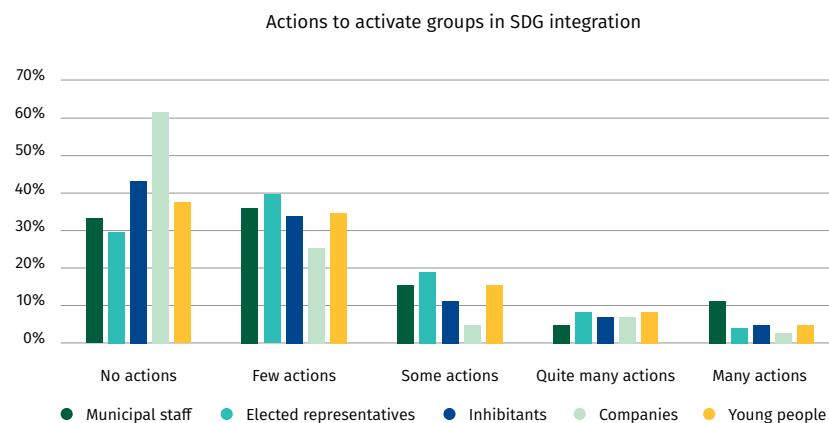


Figure 6.2.

The figure shows that there is room for improvement regarding all groups. Responses to questions about domestic and international partnerships also reveal a somewhat low level of partnerships. Despite these results, positive examples of cooperation can certainly be showcased, such as an SDG collaboration project between companies, municipalities, and inhabitants in the Reykjanes Peninsula region. The biggest municipality in the region, Reykjanesbær, is at the forefront of the municipalities in that region in localising the SDGs. In this [video](#), the mayor tells about their work within the municipality and the regional partnership.

The main hindrances and success factors

Figure 6.3 shows answers to a question about hindrances to the localisation of the SDGs.

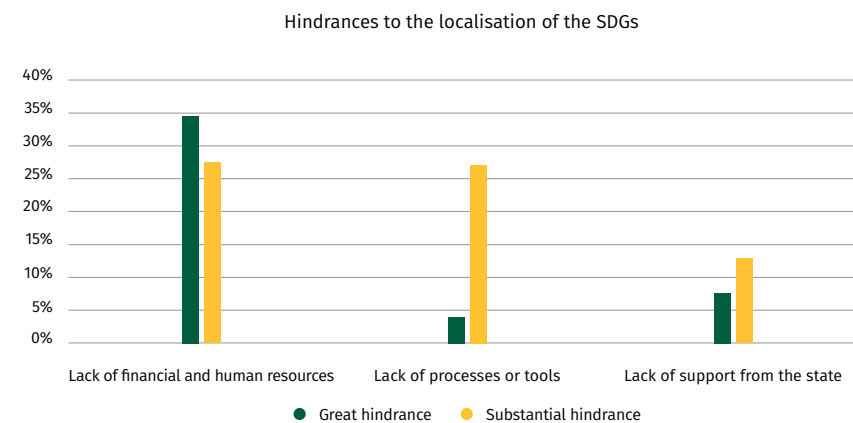


Figure 6.3.

According to the municipalities, 74% say that lack of financial and human resources is a great or substantial hindrance for municipal SDG work. These factors are considered the biggest obstacle, followed by lack of processes or tools, which 40% consider a great or substantial obstacle. In third place, at 30%, is lack of support from the state.

Many municipalities explain their evaluation of hindrances, especially lack of financial and human resources, in more detail. The respondents mention additional voluntary welfare programmes that are initiated or encouraged by the state, such as, the Health Promoting Community program and Child Friendly Cities programmes, that require financial and human resources without funding from the state. Lack of indicators is also named as a hindrance.

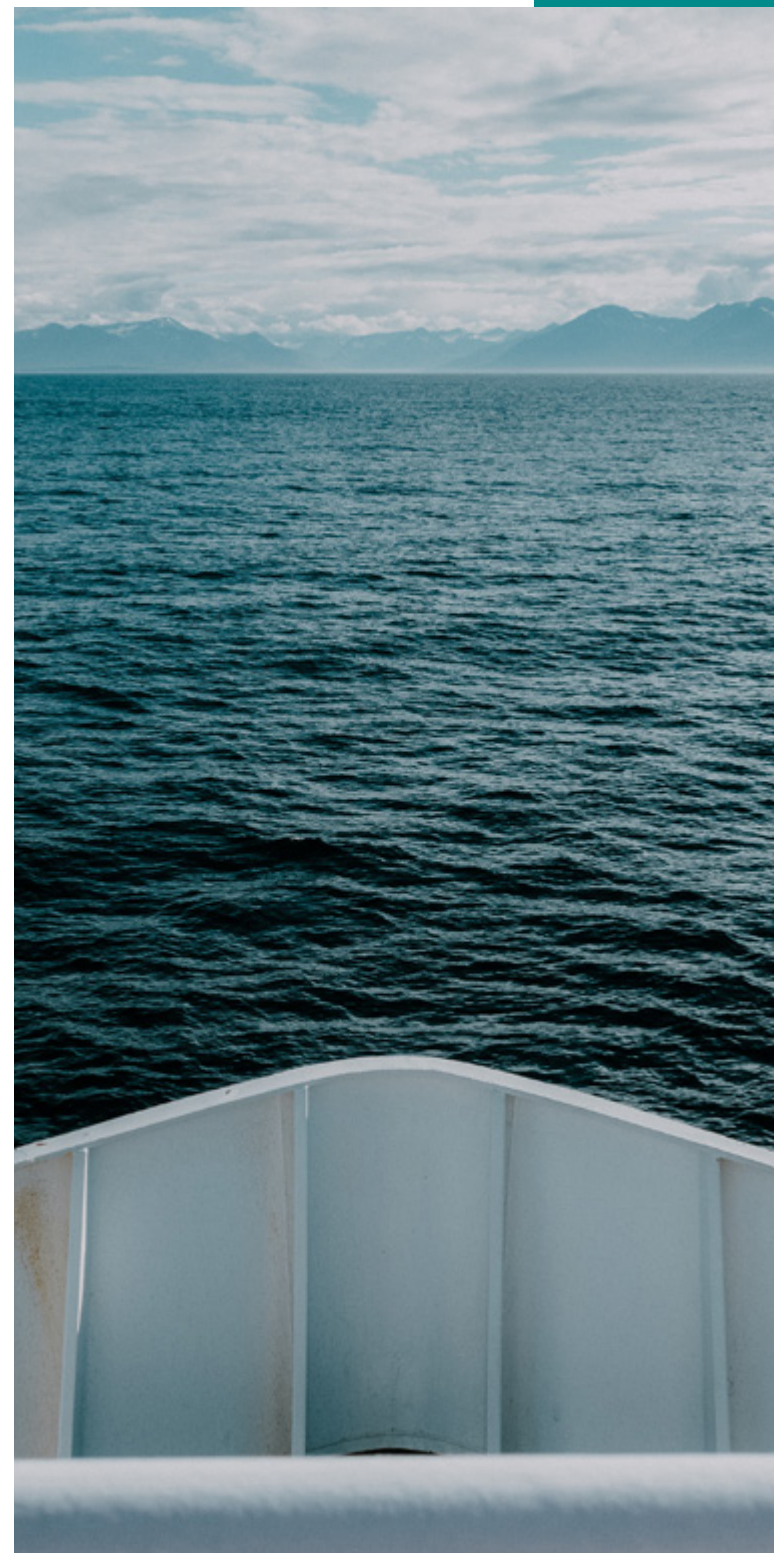
There is less difference between answers about success factors. All the success factors mentioned received similar scores.

- Sufficient financial and human resources (90%)
- Political will (88%)
- To put the SDGs into local context (86%)
- Citizen participation (85%)
- Sufficient knowledge (84%)
- Administrative responsibility for the implementation of the goals (84%)
- Access to processes and tools (83%)
- Support from the state (79%)
- Access to partnerships (79%)

The way ahead

There are indications that the current economic challenges will have a negative effect on the localisation of the SDGs in Iceland. When asked about this, 42% of the municipalities replied that the current challenges will have much or substantial negative effect on their work with the SDGs. Another 30% say neither nor impact their work, 18% report some risk and 10% no risk.

On the other hand, it is likely that both new EU legislations connected to EU's Green Deal, which Iceland will implement on basis of the EEA Agreement, and national initiatives to tackle climate change will lead to more awareness among the municipalities about the urgency to act.










7. Progress on goals and targets






The following assessment presents Iceland's progress and current situation for each SDG and its associated targets. The government assessment is a result of evaluations made by specialists from all ministries. The information provided in this report is pulled from an online dashboard where everyone can find detailed information about the government's actions towards each SDG. Furthermore, the report offers a summary of the main achievements Iceland has made towards each SDG, an overview of remaining challenges, and next steps for implementation. In addition, the report provides a brief overview of Iceland's international cooperation within each SDG.




The civil society assessment was made by various Icelandic civil society actors. The United Nations Association in Iceland was tasked with carrying out the assessment. In total, 55 organisations participated.

In the government assessment, the progress towards each SDG target is assessed using the following visuals:

Traffic light	Assessment
	Iceland has achieved the target
	Iceland is close to achieving the target
	Iceland has made some progress towards the target
	Iceland is not close to achieving the target
	Iceland's position towards the target cannot be assessed

Arrows	Assessment
	Good progress based on data and/or policy
	Stable fulfillment based on data and/or policy
	Negative progress based on data and/or policy

In the civil society assessment, the progress towards each of the 17 SDG's is assessed using the following visuals:

Traffic light	Assessment
	Iceland has achieved the target
	Iceland has made some progress towards the target
	Iceland is not close to achieving the target







Goal 1 No Poverty

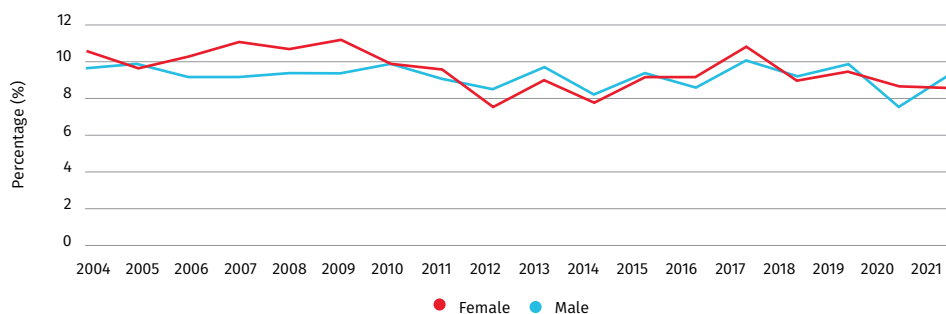
Iceland is a developed welfare state, and the standard of living of Icelandic citizens is generally considered to be good. Leaving no one behind remains the guiding light for the ongoing work of fully eradicating poverty in Iceland.

- 1.1 Due to a comprehensive welfare system, no one in Iceland lives in extreme poverty. ● →
- 1.2 Relatively few people live with a lack of economic resources in Iceland, but there is an ongoing mission to ensure increased support to provide all children with equal opportunities. ● →
- 1.3 In Iceland, everyone enjoys social protection by law and equal access to a social system that guarantees everyone minimum financial security. ● →
- 1.4 All citizens have equal rights and access to basic services, including adequate housing transportation, healthcare, and education. ● →
- 1.5 Due to an ever-present risk of natural disasters, Iceland has developed a resilient national system for civil protection and emergency management. ● →

Dashboard

Statistics

Percentage of population living in households at risk of poverty by sex



Main achievements

According to Statistics Iceland and the Welfare Watch, the percentage of those living with a significant lack of economic resources has decreased in recent years (0.8% in 2021 vs. 2.5% in 2016). The same can be said about the percentage of individuals who are living with a lack of material quality (3.7% in 2021 and 6.1% in 2016) and the proportion of individuals living in households that are at risk of poverty (8.9% in 2021 and 10.3% in 2017)

During the COVID-19 pandemic, the government emphasised ensuring people's incomes and providing support and services to the most vulnerable groups in society. Despite the positive results from those measures, Nordic reports suggest that the pandemic had a negative impact on social equality in the region and that its consequences were greater on vulnerable groups. Therefore, the Icelandic government has continued to apply specific measures in support of those groups.

Main challenges

The groups of people who are living with a lack of economic resources in Iceland need further support to reduce the possibility of their families' experiencing poverty when they should have equal opportunities in terms of education, development and increased social mobility.

International cooperation

The aim of Iceland's Policy for International Development Cooperation 2019-2023 is to fight poverty and hunger and to work towards increased prosperity and equality.

Iceland works towards these objectives in both bilateral and multilateral development cooperation, with a special emphasis on cooperating with poor and unstable countries and improving the livelihoods of those with the poorest living conditions. Iceland strongly emphasises supporting the least developed countries and reaching those furthest behind. Iceland continues to support the UN's goal of providing at least 0.2% of GNI to the least developed countries.

Next steps

- Complete revision of the disability pension system to reduce poverty and give people with reduced working capacity the opportunity to work in accordance with their own abilities.
- A framework agreement between the state and the local authorities on actions in the housing market was set for the years 2023-2032 to meet the housing needs of different communities.



Goal 1 End poverty in all its forms everywhere

Civil society's assessment ●

ÖBÍ - The Icelandic Disability Alliance, UNICEF Iceland, Icelandic Red Cross, Icelandic Church Aid - ACT Alliance, The Icelandic Confederation of Labour, The Icelandic Salvation Army, and Samhjálp contributed to this assessment.

Iceland has one of the lowest poverty rates in the world according to the OECD. Nonetheless, poverty exists in Iceland, and economic hardships for marginalised groups are expected to increase in the short-term due to the economic impact of COVID-19 and the war in Ukraine. According to the [Welfare watch in 2021](#), 0.8% of the population lives in extreme poverty.

The cost of housing is very high, and this is one of the main causes of poverty. The limited availability of social housing and few housing options are also a challenge. People have [difficulties](#) obtaining long-term housing, and the situation for tenants is dire. This is especially true for immigrants and people with disabilities. Housing benefits vary between municipalities, creating another layer of inequality. A low income, especially among [people with disabilities](#), immigrants, and recipients of social assistance (incl. asylum seekers), keeps people trapped in a vicious cycle of poverty, especially when coupled with housing prices. The [possibilities](#) of social mobility for these groups are very limited. They cannot afford anything to go wrong without the risk of becoming further marginalised. A recent report from UNICEF Iceland shows that one in four children in Iceland lacks recreational activities, which points to unequal opportunities for children.

Homelessness is also an issue, although still limited in scale. Existing data is not detailed or descriptive enough. For example, data is often missing on people who live in business premises and people in rehabilitation accommodation.

The limitations that follow government policies on immigration are also worth highlighting, as they have multiple impacts on people's lives, such as, child rights, poverty, housing, and disability pension and, if anything, entrench marginalisation. Much more should be done to facilitate inclusion and access into Icelandic society and celebrate the opportunities that diversity brings.

Iceland should make sure that poverty is not ignored. Access to school meals and recreational activities should be ensured for all children, especially those living in poverty. The government should put an end to excessive reductions on disability pensions, which result in putting people below the minimum income threshold. Finally, special care should be taken to alleviate the position of people who suffer under multiple marginalisation and discrimination due to, for example, disability and immigration status. The full economic impact of COVID-19 and the Ukrainian

war will not emerge immediately. It is important to support families in the long term and not just through temporary measures. [This is a lesson that emerged](#) in the aftermath of the 2008-2009 economic collapse and is important to keep in mind now that inflation is increasing after COVID-19.

The biggest impact Iceland can make to reach the SDG 1 globally is to enhance efforts for development cooperation with a clear focus on the poorest countries. Iceland's cooperation with Sierra Leone, which is a recent addition to Iceland's bilateral development cooperation programme, is commendable.

Recommendations to the Government

Iceland should:

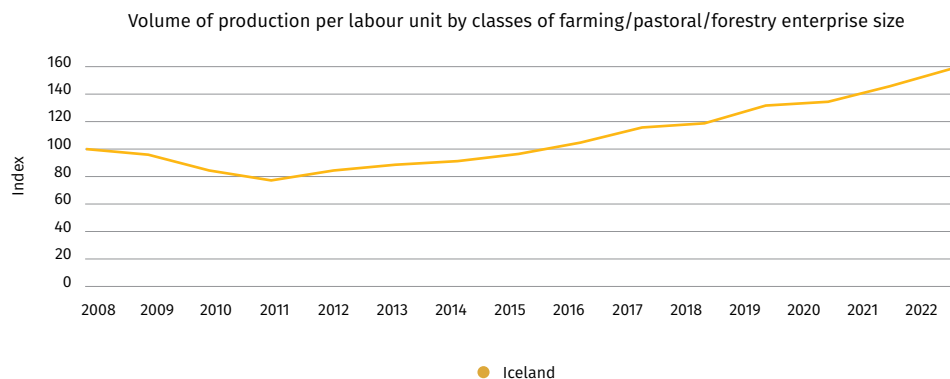
- set policies on immigration that reduce the marginalisation and the poverty trap that the current system risks creating.
- ensure that these policies celebrate the opportunities that diversity brings to Iceland.
- increase access to affordable, quality housing for people with a low income, including people with disabilities.
- regulate the rental market by focusing on the rights and needs of marginalised groups.
- eliminate existing hindrances for non-native speakers of Icelandic that block social access and mobility.
- remove limitations that are set by requirements for debit cards, such as, a social security number and a smart phone, as they directly affect the most marginalised.
- improve services and benefit schemes for people with disabilities to enhance their equality and participation in society.
- ensure that 0.2% of GNI always goes to the world's poorest countries and reach the 0.7% GNI target from the UN for developed countries in international development cooperation.



Goal 2 Zero Hunger

Iceland has an ample supply of nutritious food. Authorities aim to ensure access for all to safe and healthy food choices of high quality as well as to inspire sustainable practices in local food production.

- 2.1 The supply of nutritious food in Iceland is good enough so no one should have to live with hunger. ● →
- 2.2 No significant malnutrition exists among the Icelandic population. Nutritional challenges are mainly related to the prevalence of obesity. ● →
- 2.3 Farmers in Iceland receive government support, and everyone has equal rights to land along with other productive resources and inputs. ● →
- 2.4 Iceland aims to make all its food production sustainable for Icelandic food to reflect the goals of sustainability, quality, and purity. ● ↗
- 2.5 Iceland is a member of NordGen, but no laws exist on access and fair distribution of genetic resources. ● →

[Dashboard](#)
[Statistics](#)


Main achievements

Iceland's first food strategy and action plan were published in 2020. It aims to promote increased value creation in food production, ensure food safety, and increase people's well-being in harmony with the environment and nature.

An extensive review was carried out on the provision of food aid from the country's main domestic aid organizations and the results are being used to improve public services to ensure that the resources meet the needs of all those in need, including low-wage workers and people of foreign origin.

Main challenges

It is necessary to continue to ensure that hunger and malnutrition do not become a problem among the poor, the elderly, and the disabled. There is also a need for further measures regarding obesity, health, and well-being, where physical, mental, and social factors are looked at holistically to improve the health, well-being, and quality of life of the citizens over the long term.

International cooperation

Iceland's main objective in international development cooperation is to reduce poverty and hunger and to promote general welfare based on gender equality, human rights, and sustainable development. Particular attention is paid to children's rights and to giving them opportunities to thrive and develop their abilities.

Iceland supports the World Food Programme (WFP) and UNICEF. Both organisations provide important nutritional assistance to developing countries and regions receiving humanitarian assistance. Iceland's support is in the form of framework agreements and agreements on providing Icelandic experts. Iceland also responds to emergency calls insofar as possible with emergency contributions. For example, Iceland supports a project run by WFP that gives over twelve thousand primary school students in Malawi access to home-grown school meals.

Next steps

- New food, agriculture, and fisheries policies combined with action plans that focus on sustainable development.
- Strategic priorities in prevention, health promotion, and treatment of obesity based on scientific knowledge. Implement actions to promote public health with an emphasis on healthy lifestyles to reduce the health consequences of obesity.



Goal 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Civil society's assessment ●

ÖBÍ - The Icelandic Disability Alliance, UNICEF Iceland, Icelandic Red Cross, Icelandic Church Aid - ACT Alliance, The Icelandic Confederation of Labour, The Icelandic Salvation Army, and Samhjálp participated in this assessment.

Hunger, or lack of sufficient nutrition, is an issue for certain groups of people in Iceland. Although comparatively few, the group is growing. The rise of housing prices has resulted in more of an average person's income goes to housing, leaving less for other necessities, including food.

The system providing food assistance is unregulated and data is lacking. However, it is clear from the data from the service providers that the number of people in Iceland who rely on food assistance has multiplied since mid-2022. The recipients are people with the lowest incomes, people with disabilities, and marginalised groups. There is a clear rise in the number of asylum seekers receiving food aid with this group now being the majority of recipients. Food assistance is mostly delivered by non-governmental organisations who rely on voluntary donations. Food prices are also high in Iceland, in part due to a heavily regulated market for the production and import of agricultural products and limited competition in the grocery market. School meals are not uniform and differ between municipalities in terms of access and price.

A food policy and strategy was recently put forth by the Minister of Food, Agriculture and Fisheries to guide improvement in this area until 2040. The [policy](#) is intended to be a guiding principle in decision making to increase value creation in domestic food production, ensure food security, and increase the well-being of people in harmony with the environment and nature. The strategy focuses on sustainable food production, society, food security, consumer needs, research, innovation, and education.

Iceland should consider making school meals completely free of charge or otherwise linking them to income to ensure equal access. The right to nutrition includes the availability of healthy food and all forms of food policies and assistance should take this into account. Food security should be increased and ensured by focussing on sustainable agriculture and increased subsidies for electricity for vegetable production. Food waste persists, but numerous solutions were [recently formulated](#) to limit the problem. However, the status of their implementation is unknown. The current agricultural system should be revised to increase competition in the market, sustainability of the products, and lower food prices.

People who lack food and the right nutrition certainly exist in Iceland, their needs can be met, and the issues resolved. Therefore we stress the importance of prioritising the poorest countries in the world with Iceland's ODA to achieve SDG 2.

Recommendations to the Government

Iceland should:

- set a comprehensive policy on food assistance to ensure funding, oversight, and access. This should include a focus on how to limit the need for food assistance in the long term in conjunction with other social policies.
- monitor data on how many people need food assistance and how this assistance is best provided.
- ensure that all children receive school meals, irrespective of socio-economic background.
- gather and monitor data on children's participation in school meals.
- make efforts to lower food prices.
- increase support for sustainable agriculture and facilitate access for agricultural production.
- regulate limitations on food waste.
- ensure that 0.2% of GNI always goes to the world's poorest countries according to the UN target, with a focus on climate resilient food production.



Goal 3 Good Health and Well-being

The life expectancy of Icelanders is amongst the highest in Europe and 64% of people considered themselves to be in good or very good physical health in 2021 and 70% in good or very good mental health.

- 3.1 Maternal mortality is low in Iceland, among the lowest in the world. Maternal monitoring and delivery services are provided by trained health professionals only and paid for by the government. ● →
- 3.2 Neonatal mortality in Iceland and the death of children under the age of five are among the lowest in the world. ● →
- 3.3 The rate of communicable diseases in Iceland has, in general, been low. In recent years, there has been an increase in syphilis, HIV, and gonorrhoea. ● ↘
- 3.4 Preventive measures, such as improved access to mental health services, alcohol, tobacco and drug prevention and advice on nutrition and exercise are ongoing to reduce premature mortality from non-communicable diseases. ● ↗
- 3.5 Considerable progress has been made in reducing the use of alcohol, illegal drugs, and tobacco amongst young people in Iceland. In general, harmful levels of alcohol consumption have remained stagnant since 2015. ● ↘
- 3.6 Annual deaths from road traffic accidents are few in Iceland in comparison with other European countries. Efforts to educate drivers and improve roads, along with safety campaigns, have proven to be successful. ● →
- 3.7 Health care centres provide all school children with sexual and reproductive education, along with information and education on family planning. ● ↗
- 3.8 All citizens have access to health care and hospitalization is free of charge. Visiting fees for primary health care are low for adults and children, the disabled, and the elderly are seen free of charge. Children's vaccinations are free of charge, and vaccines are available to all citizens at an affordable price. ● ↗
- 3.9 Air quality in Iceland is generally considered good, even though some air pollutants tend to exceed defined thresholds several times a year in city areas. ● →

[Dashboard](#)
[Statistics](#)

Main achievements

Access to mental health services has improved throughout the country, both in schools and health care centres. Also, a cap has been placed on patient payment for services outside hospitals to lower the costs for those most regularly in need of health care and medicines.

Main challenges

Sufficient staffing in the healthcare system is a challenge that can affect diagnoses and treatment of diseases and response to large-scale emergencies. It is also an ongoing challenge to ensure safe and cost-effective health care for people all over the country.

International cooperation

Iceland provides core contributions to UNFPA, which works on projects related to sexual and reproductive health, maternity care, and childbirth. In Sierra Leone, a large-scale project that comprehensively addresses the causes and consequences of obstetric fistula in women and girls is under way in collaboration with the health authorities and UNFPA. The aim of the project is to eliminate obstetric fistula in Sierra Leone in the coming years.

Iceland also makes annual core contributions to UNICEF, which is a leader in childhood vaccinations. Furthermore, Iceland participates in and supports international cooperation in the field of health due to the consequences of COVID-19, such as by supporting WHO and the COVAX vaccine collaboration.

Next steps

- Implementation of new public and mental health action plans according to the national health policy
- Continue ongoing public education on safety in traffic, aviation, and navigation.
- Put forward policies and action plans that contribute to increased stability in the housing market, with an emphasis on building quality homes for all income groups.



Goal 3 Ensure healthy lives and promote well-being for all at all stages

Civil society's assessment ●

Aflið - Organisation Against Sexual and Domestic Abuse, Kynheil - Association for Sexual and Reproductive Health, Iceland Touring Association, Icelandic Red Cross, Medical Students' Public Health Association, MS Society of Iceland, National Olympic and Sports Association of Iceland, Icelandic Public Health Association, and Hugrún - Organisation for Mental Health Education participated in this assessment.

Iceland's overall challenge is to ensure equal access to primary health care for all, especially those in vulnerable positions. Inequalities exist at various levels, as reflected in a lower health expenditure per capita [than the EU average](#), uneven geographical distribution of health care services, and lack of health care professionals. While the majority of people in Iceland report being in good health, chronic illnesses and the prevalence of behavioural risk factors still cause premature mortality. This calls for Iceland to develop a more holistic view on health for all age groups.

Iceland should work more purposefully with non-governmental organizations to promote and prioritise holistic public health. This includes ensuring equal access to all forms of indoor and outdoor exercise to support mental, social, and physical health for everyone at all stages of life. Successful pilot projects, such as the use of exercise cards and health-promoting receptions at public health care services, should be scaled up by focusing on equal participation and well-being for all.

Iceland needs to improve the provision of [comprehensive sexuality education](#) at primary and upper-secondary school level in relation to [global guidelines and recommendations](#). In cultivating optimal sexual health and well-being, Iceland also needs regular assessment and surveillance regarding the implementation of such education.

The government should put more effort into promoting positive awareness and understanding of mental health to decrease stigma and facilitate access to effective mental health services for all. This includes improving policies and legislation, school- and work-based programmes, and caregiver support. A mental health action plan is already in progress. It is crucial to finalize, approve, and implement the plan as soon as possible.

Iceland has been successful in preventing adolescent substance use through an evidence-based intervention model. However, there are signs of backsliding that demand that more attention be paid to the overall health and well-being of young people, in particular those in vulnerable positions due to socio-economic status, background, or abilities.

With respect to global efforts, Iceland should continue to promote basic health care services as part of its ODA in relation to its vision of SDG 3. Emphasis should be placed on supporting mothers and children, including advancing sexual and reproductive health rights. A good example is Iceland's participation in the joint [UNFPA-UNICEF Programme](#) working towards the elimination of female genital mutilation.

Recommendations to the Government

Iceland should:

- invest more in holistic approaches to health and wellbeing, including health promotion and disease prevention methods at all stages of life.
- raise public awareness of health literacy and its importance.
- implement health impact assessments.
- ensure continuous comprehensive sexuality education in Icelandic primary and upper-secondary schools.
- implement and monitor a mental health action plan.
- ensure an appealing work environment for health care professionals to ensure basic services for all.
- guarantee equal access to all forms of health care services across geographical regions and irrespective of people's background, abilities, or orientations.



Goal 4 Quality Education

Provisions in Icelandic law are in line with the SDGs, such as, the universal right to education, the value of education for individuals and society, and the connection between general education, democracy, human rights, equality, culture, and sustainability.

- 4.1 Primary and lower secondary education is free of charge to all children in Iceland. ● →
- 4.2 A new law puts children at the heart of the social system with the aim of making different parts of the system work together to close all gaps in service for all children, including those with disabilities. Actions are underway to support and strengthen the preschool system. The new Prosperity Act puts children at the centre of all governmental support systems. ● ↗
- 4.3 In recent year, Iceland has emphasised increasing participation in vocational and technical education. Student fees for technical, vocational, and tertiary education are generally low in Iceland and cooperation between all universities has increased. ● ↗
- 4.4 The number of students in academic and vocational education and training has evened due to the more positive attitudes towards the latter which has resulted in more applications. ● ↗
- 4.5 Education is compulsory for all children at the primary and lower secondary level, and efforts are being made to increase the participation of students with disabilities and/or diverse linguistic and cultural backgrounds at the upper secondary and tertiary levels. ● →
- 4.6 Literacy rates are high in Iceland, although reading skills have declined according to PISA research, especially among some subgroups. ● ↓
- 4.7 Education for sustainable development is one of the six fundamental pillars in the national curriculum guides for preschools, compulsory, and upper secondary schools in Iceland. The university level is an important contributor to education in sustainable development, which could be more targeted and cross cutting across departments. ● →

[Dashboard](#)
[Statistics](#)

Main achievements

The number of people who have graduated from teacher education programs has increased significantly in recent years. There has also been a reduction in municipal fees for stationery and study materials, so now over 90% of primary school students live in municipalities with free materials.

New legislation on the integration of services for the benefit of children covers all services provided within preschools, primary and secondary schools, leisure centres, community centres, and within the health and social care systems. The aim of the legislation is to ensure quality and continuity in all services that concern children and that their interests and well-being are always prioritized.

Main challenges

One of the main challenges in the Icelandic education system is to guarantee students of foreign origin equal opportunities for education and to reduce dropout rates from secondary education. Language barriers are thought to be a decisive factor. It is also a challenge to ensure gender equality in terms of participation and performance in education, as boys are lagging behind girls in academic performance and are graduating from university in fewer numbers.

International cooperation

Education is a priority in Iceland's bilateral development cooperation. Iceland supports educational projects in the Mangochi region in Malawi and Iceland's partner regions in Uganda.

UNICEF is one of Iceland's focus organizations. Iceland pays a core contribution to the organization in addition to supporting individual educational projects. Iceland also supports educational projects within UNESCO with a special focus on educating girls in Afghanistan.

For several years, training programmes on fisheries, gender equality, geothermal energy, and land restoration have been operating in Iceland. The programmes aim to increase the capacity of developing countries in each field.

Next steps

- Plan for a law on school services and forming a new service organisation for education to ensure equal access of children to those services, including speech therapy and emotional support.
- Work further on preventing boys from dropping out of the education system after primary school.
- Implement the UN Convention on the Rights of Persons with Disabilities, which deals with equal access to education and work.
- Work on ensuring that immigrants and refugees have equal access to education in Iceland.



Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Civil society's assessment ●

ABC Children's Aid, AFS Iceland – Intercultural Programs, Amnesty International Iceland, Benefit Society for Children with Disabilities, Icelandic Confederation of Labour, ÖBÍ - Icelandic Disability Alliance, Icelandic Natural Science Society, Icelandic Boy and Girl Scout Association, Landvernd - Icelandic Environment Association, National Parents Association, National Union of Icelandic Students, Parents' House, Public Health Association of Iceland, Icelandic Teachers' Union, Student Council of the University of Iceland, and UNICEF Iceland participated in this assessment.

Iceland's overall challenge is to ensure equal access to basic quality education for all, especially those who endure marginalization within the education system due to gender, disability, nationality, sexuality orientation, socio-economic, or migration status, among other things. While state-run universities do not charge tuition fees, financial support to students is critical to ensure equal access to higher education. Complementary educational pathways should be established at the university level to include students with developmental disabilities and students with refugee and asylum backgrounds. Different parts of the country must also be treated equally, paying particular attention to ensure lifelong learning opportunities for all in rural areas and small municipalities.

The Icelandic education system is considered comparatively inclusive, as noted by the [European Agency for Special Needs and Inclusive Education](#). Yet, children and young people continue to lack meaningful opportunities for participation and engagement. This is particularly true when it comes to policy- and decision-making processes regarding systemic structures, school development, and academic content. The government must encourage collaborative pedagogical practices and multi-disciplinary and child-centred teaching and learning approaches within and across the preschool, compulsory, and upper-secondary level along with leisure and recreational activities.

In 2011, the government introduced [six fundamental pillars](#) underpinning education at all levels in Iceland. The pillars represent a uniquely holistic approach to education, emphasising matters such as democracy, human rights, and sustainability. However, as noted in a [recent report](#), education for sustainable development tends to be largely neglected as part of the wider education policy and practice. More efforts are needed to integrate human rights, gender studies, cultural diversity, global citizenship, and sustainable development within teacher education and professional development.

Iceland has been successful in working towards SDG 4.7 through the implementation of whole school projects, such as, the Green Flag Project/Eco Schools, UNESCO Associated School Network, UNICEF's Child Rights School and after-school programs, and Health Promoting Schools. Such holistic education initiatives focused on the core aspects of SDG 4.7, including human rights and gender equality. They must be supported further by the government and municipalities alike.

The recently signed [Act on Integration of Services in the Interest of Children's Prosperity](#) (Prosperity Act) is highly commendable. To ensure successful implementation, the government must be able to provide further funding to the policy implementation process to ensure a broad range of expertise and support to all stakeholders: children, families, teachers, and school authorities.

Iceland must continue to build on its solid base for upper-secondary education by revising the Adult Education Act and by considering what skills the labour market requires by, for example, participating in the PIAAC Survey of Adult Skills. More efforts should be put into adult education on sustainable development to ensure that knowledge and skills exist to bring about positive change at all levels of society.

Globally, Iceland should continue to support projects and programmes aimed at improving educational access for vulnerable groups through its development cooperation plan. This includes programs such as the home-grown school feeding [implemented in cooperation with the WFP in Malawi](#). The government should further consider involving non-governmental organizations and universities with relevant expertise into development cooperation initiatives that concern education.

Recommendations to the Government

Iceland should:

- ensure equal access to quality education and lifelong learning opportunities for all irrespective of background or abilities.
- pilot projects in line with Project Search, which supports work-related learning for young people with disabilities should be scaled up.
- secure financial and technical support at the school and municipal level to ensure successful implementation of the new Act on the Integration of Services in the Interest of Children's Prosperity.
- prioritize financial resources for educational research and development and pedagogical practices in line with SDG 4.7 regarding human rights, gender studies, cultural diversity, global citizenship, and sustainable development.
- make efforts to ensure that the above-mentioned areas are prioritised within teachers' education and professional development.
- create complementary education pathways to meet the need of diverse students e.g., students with developmental disabilities, refugees and asylum seekers.



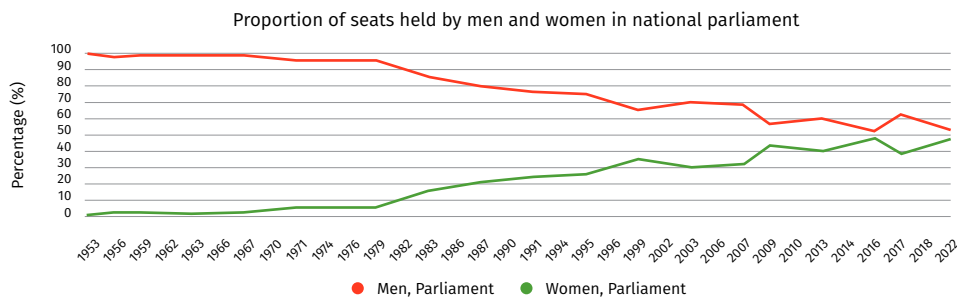
Goal 5 Gender Equality

Iceland has ranked at the top of the World Economic Forum's Global Gender Gap Index for thirteen consecutive years. However, gender still affects an individual's opportunities to express themselves freely regardless of gender to some extent. Hence, more work is needed in this field.

- 5.1 Icelandic law on gender equality aims to establish and maintain equality and equal opportunities for all in terms of prohibition of discrimination, equal pay, reconciling family and work life, sexual harassment, and education. ● →
- 5.2 Violence against women persists in Iceland. However, various legal, prevention, and service measures are being initiated to reduce its prevalence. ● →
- 5.3 Marriage under the age of 18 and female genital mutilation is forbidden by law in Iceland. ● →
- 5.4 By law, everyone should, regardless of gender, be able to balance family and work life in Iceland, but unpaid work is still disproportionately handled by women. Maternal and paternal leave was recently extended to 12 months, with an independent right to six months for each parent. ● ↗
- 5.5 The Icelandic job market remains rather gender segregated. However, several laws to ensure more equal opportunities for leadership, such as gender quotas for boards of directors. ● →
- 5.6 Work is under way to address the effects of digital technology on the sexual and reproductive health of youth, both through preventive measures and legislation. ● ↓

Dashboard

Statistics



Main achievements

The Gender Equality Act was recently updated and now also covers people who choose to register themselves as gender neutral. It also stipulates an obligation for equal pay certification in the public and private labour markets.

Maternity leave has been extended from 9 months to 12 months, which is now divided equally between the two parents. Furthermore, legislation on the termination of pregnancy gives any woman to request that her pregnancy be terminated up to the end of the 22nd week of pregnancy.

Main challenges

The gendered division of jobs in the labour market remains a challenge and holds back pay equality because female dominated professions tend to be undervalued. Also, men are more likely to be in positions of power within the business and public sector and still have better career development opportunities than women. Furthermore, new research shows that childcare and other unpaid household and caretaking lands more on women than men.

Violence against women remains an ongoing challenge. During COVID-19, the government took targeted actions to raise awareness against violence, including domestic violence and sexual abuse.

International cooperation

Promoting women's human rights and empowering women is at the core of Iceland's foreign policy and international development cooperation. This includes sexual and reproductive rights; women's right to participate in all areas of society, including in matters of peace and security; and the importance of men promoting gender equality and being a part of the solution.

Almost 73% of Iceland's development cooperation projects promote gender equality and the empowerment of women and girls. For years, Iceland has emphasized that projects and donations, both in bilateral and multilateral cooperation, support gender equality and improve the status of girls and women. Iceland has been an active supporter of UN Women since the organization was established in 2011 and is among countries contribute most to the organization.

Next steps

- Implement a new action plan to improve the prosecution speed of sexual offences.
- Further research and take action to reduce the gendered division of unpaid care and domestic work.



Goal 5 Achieve gender equality and empower all girls and women

Civil society's assessment ●

UN Women Iceland, ÖBÍ - The Icelandic Disability Alliance, Her Voice, Icelandic Women's Rights Association, ABC, Icelandic Red Cross, The Icelandic Boy and Girl Scout Association, Iceland's National Association of People with Intellectual Disabilities, Association of Businesswomen in Iceland, Aflíð - Organisation Against Sexual and Domestic Abuse, Humanists Iceland, and Varða - Labour Market Research Institute participated in this assessment.

Iceland faces a few challenges in this area. Equal pay certification has been implemented within workplaces in Iceland, yet it does not address the basic inequality that professional fields dominated by women are valued less than fields dominated by men. [The proportion of women in](#) management positions and as board members is significantly lower than men. Furthermore, [unpaid](#) labour of women and the gendered division of labour in the home became more evident during the pandemic.

Violence against women and children, especially sexual violence, is an ongoing problem in Iceland, with the number of convictions being too low. Marginalized groups, such as immigrant women, women with disabilities, and the LGBTQIA+ community, are at a higher risk of being victims. The health care system needs to improve its reception of women of different cultural backgrounds, transgender, and non-binary individuals.

Iceland has succeeded in many aspects of SDG 5 and is currently leading the global ranking of gender equality with 90.8% of its gender pay gap closed according to the [Global Gender Gap Report in 2022](#). That puts Iceland as the frontrunner for achieving SDG 5, which is an essential goal to reach if we are to achieve the other 16 goals. Iceland has taken important steps by joining and leading the UN Women's GBV action coalition of Generation Equality, where the government put forward 24 national and international actions and goals. Similarly, Iceland amended the marriage law to no longer give exemptions for those who wish to marry under 18.

Even though Iceland has come far in promoting gender equality, **it must** focus on violence against women and girls as a priority and consider the setbacks from the COVID-19 pandemic. The government must plan on how to achieve the goal of eradicating violence and how to support equality internationally. The legal system must improve its protocols in handling sexual violence, as there are many examples of the legal system's lack of understanding of the nature and consequences of gender based [violence across different groups including immigrant women](#). By signing and ratifying the Palermo Protocol, Iceland has committed itself to prevent, combat, and punish human trafficking. Despite legal improvements in accordance with the protocol, evidence [shows](#) that enforcement of this law is inadequate.

It is important that the Icelandic government allocate more funds and resources to projects which will combat the challenges we face. In the changing landscape of peace and security, knowledge on the National Action Plan of UNSC resolution 1325 must be increased within Iceland, especially amongst groups that work in peace and security.

It is promising that around 80% of Iceland's ODA has gender equality as a goal. Including the Gender Equality Studies and Training programme which supports gender equality and social justice in low-income countries and post-conflict societies through research, training, and education. Iceland has also been one of 14 countries that have supported the [UNFPA-UNICEF Joint Programme of the elimination of FGM](#) since 2012. It is more important than ever for the Icelandic government to continue to advocate for gender equality on a global scale and speak up on human rights violations.

Recommendations to the Government

Iceland should:

- value woman's work and woman's professions equally by raising their wages to the same standard as professions dominated by men, among other things.
- create an international index on violence against women (GBV Index) that measures gender-based violence and its impact, with indicators that are internationally recognized.
- strengthen and support the grassroots women's movement through effective civil society participation and proper funding to these organizations.
- support further implementation of resolution 1325 through education and funding.
- improve support to victims of human trafficking in line with human-rights based approaches and empowerment.
- work with Health care professionals to adopt culturally sensitive practices to provide equal services to all. It is also of importance that information is provided to all on applicable medical assistance for women who have undergone FGM or other harmful practices in their home countries to be able to seek medical assistance in Iceland.
- make sure that gender responsive assistance is the norm when receiving refugees, asylum seekers, or women seeking international protection.
- ensure that gender equality continues to be the primary focus and properly funded in all of Iceland's development cooperation and further raise public awareness on the topic.



Goal 6 Clean Water and Sanitation

In Iceland there, is an abundance of fresh drinking water, and the country is among the richest in terms of water resources. Water quality is monitored regularly, and strict rules apply to water reservoirs and their surroundings, but sewage disposal needs to be improved in most areas.

- 6.1 Everyone in Iceland has access to safe and affordable drinking water. ● →
- 6.2 Everyone in Iceland enjoys access to adequate and equitable sanitation and hygiene facilities. ● →
- 6.3 Further action is needed as only 3% of sewage in Iceland receives secondary treatment. Current wastewater treatment is considered unacceptable, but this may change as more data becomes available for smaller municipalities. ● ↓
- 6.4 There is no sign of a water shortage in Iceland, but there is a need for more sustainable water use for supply systems. ● →
- 6.5 The first policy on water conservation has taken effect along with a monitoring and action plan. ● ↗
- 6.6 Wetlands enjoy special protection under the Nature Conservation Act. A ten-year policy and action plan are in place for land and forest restoration. ● ↗

[Dashboard](#)
[Statistics](#)

Main achievements

Due to the good state of the water resources in Iceland, there was no coordinated water plan for the entire country before 2022. This has changed, and the new plan includes a comprehensive government strategy for the protection of water resources and the management of water issues across municipal boundaries.

Main challenges

There is a great need for improvements in sewage systems throughout the country as nearly all sewage is considered to be “non-safely treated” according to the UN.

There are great opportunities for reductions in greenhouse gas emissions through the restoration of wetlands in Iceland, but more extensive actions are needed. Wetlands enjoy special protection under the Nature Conservation Act, and the restoration of drained wetlands is part of the government's climate action plan. However, wetland draining is still ongoing, and further actions are needed for sufficient conservation.

International cooperation

Iceland promotes clean water and sanitation in its international development cooperation by emphasising projects that improve sanitation and provide access to clean water in Iceland's bilateral partner countries of Malawi, Uganda, and Sierra Leone.

Iceland also provides support for adolescent girls regarding menstrual health issues with improved access to menstrual products, and education. Limited access to adequate sanitation facilities, education, and menstrual products often leads to girls dropping out of school.

Next steps

- Improve wastewater treatment by changing the law to allow the government to participate in the costs of necessary wastewater improvements in municipalities across the country.
- Implement an action plan on ecosystem restoration.
- Build more sanitary facilities at tourist destinations according to the national plan of infrastructure development.



Goal 6 Ensure availability and sustainable management of water and sanitation for all

Civil society's assessment ●

Water and Wastewater Association in Iceland, Icelandic Farmers Association, Icelandic Ranger Association, The Icelandic Youth Environmentalist Association, Federation of Energy and Utility Companies in Iceland participated in this assessment.

Iceland's challenges are to gain overview of its water bodies through ongoing research and the compilation of data under the auspices of the Water Board. Classifications based on empirical data are still incomplete. Although the public has been guaranteed access to sewage services, municipalities have neglected their obligations regarding wastewater treatment. This is confirmed in frequent status reports by the Icelandic Environmental Agency on sewage issues. Iceland is still far from meeting SDG 6.3 on wastewater treatment. Regulation of pollution transmitted by run-off water from man-made surfaces is incomplete. Obvious signs of urban watercourse pollution have been reported without effective countermeasures. This is a particular challenge when the source of the pollution is dispersed and cannot be attributed to individual operators subject to pollution control. Drinking water in Iceland is, in most places, not treated beyond naturally occurring remediation. The protection of water conservation areas close to water abstraction areas is particularly important but has proved to be a challenge.

Iceland has succeeded in meeting the SDGs on access to drinking water and sanitation facilities in the country. Ensuring access to urban water and sewage services is part of the statutory roles of municipalities. In rural areas, Public Health Authorities contact landowners to establish water and sewage systems and, together with property owners, ensure adequate access to water and sewage systems on their properties. Special attention has been paid in the legal and regulatory framework and its enforcement to ensure service for vulnerable recipients, such as those living in poverty, by ensuring the public ownership of urban water and sewer systems.

For quite some time, water and sanitation has been a priority in Iceland's development cooperation. Successful projects in bilateral development cooperation with Sierra Leone proposed an ambitious and comprehensive approach to improve the living standards of the inhabitants of poor and marginalized fishing communities. Iceland has placed special emphasis on improving conditions for children and women in these communities, as well as integrating environmental and climate issues into all activities.

The Icelandic government should continue the implementation of water related laws and regulations, with effective collaboration with relevant stakeholders. The first Icelandic Water Plan

was published in 2022, and work has been done in recent years to establish an effective administration of water issues across administrative boundaries. There is still much work to be done. To achieve greater success in water management through a more targeted approach of the polluter pays principle, i.e., charging polluters for pollution and holding them accountable for mitigation measures and clean up. There are examples of ambitious research and monitoring campaigns, such as, in basins affected by hydropower extraction which can be taken as a sign of an untapped opportunity for water reform through collaboration between public bodies and other stakeholders.

Recommendations to the Government

Iceland should:

- Require companies to publish information on water use and their impact on water sources in their annual reports.
- Create a portal for anonymous disclosure of water pollution.
- Reduce agricultural nutrient releases.
- Aim to achieve SDG 6.6 efficiently and sustainably through analyses and policies such as the recently introduced Land and life, land reclamation plan and forestry national plan until 2031 to further support the government's objectives for carbon neutrality and biodiversity.
- Restore wetlands where applicable.
- Continue to make water and sanitation a priority in development cooperation, especially in connection with food security, sustainability, and climate change.



Goal 7 Affordable and Clean Energy

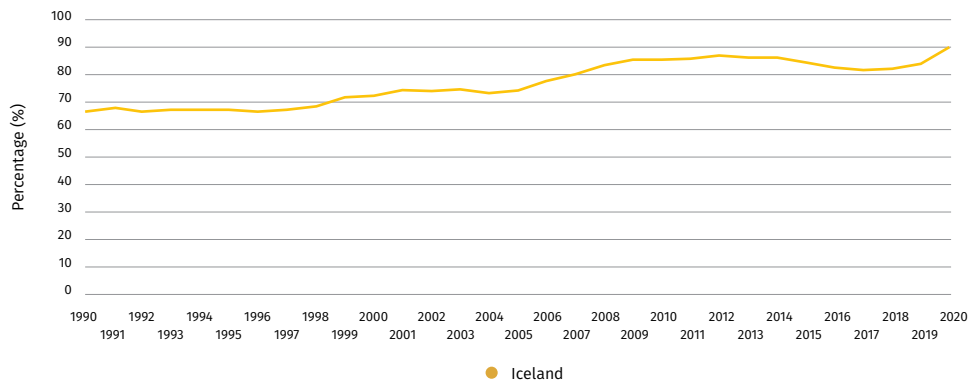
Iceland is in a unique position when it comes to energy, as most of its energy production comes from renewable and environmentally friendly sources. The only operations in Iceland that are still reliant on fossil fuels and have yet to undergo an energy transition are sea, air, and land transportation.

- 7.1 Affordable and modern energy services are available to everyone in Iceland. Measures are being taken to strengthen energy reliability in the event of a natural disaster. ● →
- 7.2 All energy production in Iceland is from renewable sources and only about 15% of the total primary energy supply is from fossil fuels. ● →
- 7.3 Electricity production in Iceland is the highest in the world per capita, but about 80% of the production is used in heavy industry and only 20% for households and smaller companies. Efforts are being made to improve the efficiency of the usage. ● →

Dashboard

Statistics

Renewable energy share in the total final energy consumption



Main achievements

About 85% of the total primary energy supply in Iceland is derived from domestically produced renewable energy sources. All electricity production in Iceland is from renewable sources (73% hydropower, 26% geothermal, and 0.1% wind energy) and domestic use of fossil fuels comes mostly from land transport and from the fishing fleet.

About 99% of domestic heating is from renewable sources (90% hot water from geothermal sources and 9% electricity). Development of the geothermal district heating system during the past few decades has resulted in many positive economic, environmental, and social impacts.

Main challenges

The share of fossil fuels has steadily decreased in the country's energy economy in recent decades, and the government set a goal for Iceland to become completely independent of fossil fuels by 2050 through energy transitions in all areas: in the air, on land, and on the sea. Furthermore, the aims are for renewable energy sources in transport to reach at least 40% by 2030 and for a full energy transition in transport by 2040.

Another challenge is to ensure secure provision of energy throughout the country in times of natural crisis due to, for example, bad weather, earthquakes, or volcanic eruptions. Improvements are being made for energy delivery systems following repeated interruptions in recent years.

International cooperation

Iceland promotes clean and sustainable energy in its foreign policy and development cooperation. Iceland works systematically to share knowledge and experience in the field, including through the Geothermal Training Programme.

Iceland supports various institutions and funds involved in energy projects in developing countries, such as, SEforALL, IRENA, and the World Bank's Energy Sector Management Assistance Program (ESMAP). Furthermore, Iceland has paid special attention to the integration of gender perspectives in the energy sector.

Next steps

- Expand the network of electric car charging stations around the country.
- Complete energy exchange in transport, and continue to support energy exchange on land, on sea and in aviation. Increase sustainable energy production to meet the energy demand that arises from complete energy exchange.



Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all

Civil society's assessment ●

The Farmers Association in Iceland, Icelandic Ranger Association, The Icelandic Youth Environmentalist Association, and Federation of Energy and Utility Companies in Iceland participated in this assessment.

Iceland's challenge lays in implementing a long-term energy policy. To achieve its carbon neutrality goals, the Icelandic government must continue to reduce emissions and ensure that energy use in Iceland comes from renewable, green energy sources. Iceland has plenty of renewable energy as compared to other countries, but it still relies heavily on fossil fuels for land, air, and sea transportation. Increased transparency on energy consumption is needed to provide an opportunity to reduce energy waste, among other things.

With increasing population growth, the government must think of how that calls for more energy or reevaluate how energy is currently used. There is a lack of government regulation addressing energy waste such as lights turned on in closed shops and businesses. If multiple users use a circuit, there is a greater need to maintain solid electricity security. The government has made it a priority to ensure energy security throughout the country and to promote equalisation of energy costs across the country. This commitment must be followed up on with action.

Iceland has succeeded in producing a high proportion of energy from renewable sources, with 99% of energy for indoor heating from geothermal energy and hydro-driven electricity. Recently, the government [decided to no longer search for oil](#) in the northern Dreki area or in any other zones within the Icelandic economic area.

Iceland should improve security and stability of electricity distribution among all regions and sectors. It is also necessary to take everyone into consideration when pricing electricity. Meeting the increased demand of green energy without disturbing untouched areas of Iceland's nature must be ensured by reducing unnecessary energy consumption for optimum utilization and establishing regulations on prohibiting energy waste such as those found in the EU's energy order implementation. The government should also increase the provision of publicly available information on energy efficiency and increase consumer awareness on their own energy use and how they may contribute to energy saving.

Promoting sustainable energy production in other energy sectors than electricity and supporting innovation in green energy production should be considered. For example, oil could be produced through rapeseed and hemp, which would also promote beekeeping and honey production. Oil can also be extracted from food leftovers and from land farming.

Iceland is a pioneer in the area of geothermal energy. Valuable research and education programme is carried out through the GRÓ Geothermal Training Programme, operating under the auspices of UNESCO. This postgraduate training programme aims to assist lower to middle income countries in strengthening their capacity within geothermal exploration and development. Iceland also contributes with its expertise and experience in bilateral cooperation on renewable energy and has increased these efforts in the past years. It is important to both create and pass on knowledge.

Recommendations to the Government

Iceland should:

- increase transparency of information on energy consumption to reduce energy waste.
- support innovation in green energy production.
- ensure optimum utilisation of existing energy sources.
- ensure that the green energy produced in Iceland is not used for unsustainable production.
- continue to emphasise and ensure that Iceland's knowledge in energy production is transferred in its development cooperation.



Goal 8 Decent Work and Economic Growth

Once one of the poorest countries in Europe, Iceland now has one of the highest GDPs per capita in the area. With a focus on well-being and a just transition the government aims to ensure that the job market increases its productivity in harmony with the environment whilst offering every-one equal opportunities for decent work and wages.

- 8.1 GDP per capita in Iceland is among the highest in the world. In recent years, growth in the economy per capita and productivity have gradually slowed down. ● →
- 8.2 Iceland emphasises ingenuity-driven innovation in all areas and ensuring the flow of knowledge between different areas of society. ● ↗
- 8.3 The government promotes an innovative, technologically driven, and diverse business ecosystem and job market in Iceland. ● →
- 8.4 Domestic material consumption is very high in Iceland, but innovation and an emphasis on the circular economy are increasing. ● ↗
- 8.5 Labor market participation rate in Iceland has been among the highest in the OECD for many years. Icelandic workplaces are required by law to obtain equal pay certification. ● →
- 8.6 The activity of young people in Iceland is generally good, but around a quarter of young people of foreign origin are neither receiving informal education nor working. ● ↘
- 8.7 Iceland works according to the European Council's agreement on measures against human trafficking and does not have a military. ● →
- 8.8 Icelandic employers are responsible for ensuring the safety of their workers and the Administration of occupational safety and health carries out monitoring and prevention work. ● →
- 8.9 The Icelandic government aims to promote sustainable tourism that creates valuable jobs and emphasises culture and local products. ● →
- 8.10 Consumer protection and transparency has increased within the financial market in recent years. ● →

Main achievements

According to figures from Statistics Iceland, productivity has increased in the last five years, especially in the field of electronic communications, information technology, and in specialized, scientifically, and technically driven activities. In recent years, the government has focused on supporting innovation and entrepreneurial activities and promoting sustainable tourism to create good jobs. The government has also paid close attention to changes that will take place in the labour market as a result of the fourth industrial revolution.

Main challenges

There are official statistical indications that the situation of young people of foreign origin who are neither in school nor in the labour market (NEET) is of great concern. Work is underway to formulate a policy on the issues of young people in the labour market to improve the position of this group.

Systematic underestimation of jobs where women are in the majority is also a challenge that is being worked on in cooperation with representatives from the labour market. The situation has been assessed extensively and actions are being formulated to eliminate the wage gap from the gendered labour market.

International cooperation

One of the ten goals set in Iceland's development cooperation policy is to stimulate economic growth in partner communities and provide decent employment opportunities for all.

Iceland provides financial support to the World Bank and cooperates with the bank in various fields. The Ministry for Foreign Affairs also encourages Icelandic companies to invest and establish economic activities in developing countries through the SDGs Partnership Fund. The cooperation emphasises innovation, added value, and economic empowerment of women.

Next steps

- Implementation of EU regulations for the financial market.
- An overall labour market policy is in process in a broad cooperation with all relevant partners.
- Implement a new Tourism Strategy for 2030 and an action plan to maintain sustainable tourism in Iceland.
- Continue work on a new and more efficient system of employment rights for foreigners outside the EEA.



Goal 8 promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Civil society's assessment ●

Association of Businesswomen in Iceland, Farmers Association of Iceland, Federation of energy and utility companies in Iceland, and Icelandic Pensions Funds Association participated in this assessment.

Iceland's overall challenge is to ensure a diversity of economic opportunities, productivity, and prosperity in better harmony with nature and society. Ensuring resources and opportunities are available for people with reduced working capacity, including people with disabilities and other vulnerable groups, is also central. The increasing number of nonnationals employed in the Icelandic labour market will have to be met with policy priorities and support in relation to immigrants' and refugees' labour rights, health, and safety issues.

Even though Iceland is ahead of many other nations regarding the current state and development of gender equality, there are still areas for improvement. Numerous surveys and studies show a persistent gender-based wage gap within the domestic labour market, with women generally on the lower end of wage scales. Equal opportunities and equal wages for the same work is still a great challenge in Iceland. Gender disparities are also evident in relation to committee and board membership. While 66% of university graduates are women, they only represent 24% of executive committees, 27% of board members, and 24.7% of board chairmen. Projects such as the [FKA Balance Scale](#), launched by the Association of Businesswomen in Iceland (FKA) in collaboration with the Prime Minister's Office to achieve a 40/60 gender ratio at the executive level of managers within companies should be supported and scaled up.

For the past two years, Iceland has participated in the Mercer CFA Institute Global Pension Index, which compares retirement systems in 44 countries around the world. Iceland has ranked number one in both those years. In recent years, many Icelandic pension funds have set ambitious investment goals related to climate solutions and clean energy. This is done in collaboration with The Climate Investment Coalition, an international organization working towards mobilizing Nordic investors to make ambitious financial investments in climate friendly solutions.

Iceland has successfully developed a sector-wide cluster policy within the fields of marine, travel, and energy. This is an important platform for collaboration that the government and social organizations should continue to cultivate and support.

At a global scale, Iceland should continue to focus on providing opportunities for civil society organizations and the private sector to become responsibly involved in development projects

that aim to support youth employment and women's economic empowerment through entrepreneurship training and support to small and medium sized enterprises.

Recommendations to the Government

Iceland should:

- emphasize slow industry as part of its local and national context. Such opportunities exist in agriculture and tourism especially where green solutions, the circular economy, and regional food production and consumption play key roles.
- support cooperation and knowledge sharing between clusters to ensure sustained, inclusive, and sustainable economic growth and productive employment.
- Improve equal opportunities and equal wages for the same work. The government should continue granting or supporting the FKA Balance Scale and other gender responsive initiatives.
- Prioritize and support immigrants' rights to labour, health, and safety to meet the needs of the increased number of non-nationals employed in the Icelandic labour market.



Goal 9 Industry, Innovation and Infrastructure

With a population of just under 380,000, Iceland is one of Europe's most sparsely populated countries. The cost of building and maintaining its infrastructure is shared by relatively few and the rapid growth of tourism strained the country's infrastructure. However, infrastructure for research, development, and innovation in Iceland is generally good and contributes to the promotion of scientific activities and the utilization of knowledge for the benefit of society.

- 9.1 Nearly all of Iceland's population lives within two kilometres of a year-round road. Improvements are needed for public transport to be a viable option for everyone, especially between populated areas, and the first overall policy on public transportation is addressing this issue. Marine cables for telecommunication are being laid and more areas around the country are being connected to high-speed internet. ● →
- 9.2 The share of industry in national GDP was 26% in 2022 and the industry sector was responsible for around 25% of economic growth from 2011-2022. ● →
- 9.3 Small-scale enterprises have good access to financial services in Iceland. ● →
- 9.4 The infrastructure for research, development, and innovation in Iceland is generally good, and the goal of becoming carbon neutral by 2040 has been enacted. Various governmental funds are available to innovation companies and start-ups with a sustainability focus. ● ↗
- 9.5 Government spending for research and development has increased significantly in recent years with the aim of building a solid foundation for ingenuity-driven innovation in all fields. ● ↗

[Dashboard](#)
[Statistics](#)

Main achievements

The government has set clear goals and increased funding for innovation and scientific research in Iceland. Various projects are supported by the government in cooperation with universities and businesses aimed at increasing sustainability and the circular economy in industry and high technology, such as, green industrial parks around the country and support for Carbfix (a carbon storage solution).

Main challenges

It is an ongoing challenge to ensure a safe and reliable infrastructure for all of Iceland's inhabitants and to improve everyone's access to good and reliable public transport. Funding has increased for the construction of transport infrastructure in recent years, but there is an accumulated need for investment in roads, ports, and airports due to the rapid growth in tourism, among other things.

Efforts are also underway to develop better public transport and active means of transport in the capital area to reduce private car usage and support Iceland's goal of a full energy transition in transport by 2040.

International cooperation

Iceland's expertise in the fields of fisheries, sustainable energy, and land restoration is shared through the GRÓ training programmes in Iceland. Iceland also operates an advisory list for geothermal energy, fisheries, hydropower, land restoration, and gender equality. On the basis of declarations of cooperation with international organizations such as the World Bank, FAO, and IFAD, developing countries can request expert advice, especially during the preparation and quality assessment of projects.

Next steps

- The Transport Treaty for the Capital Area has been added to the National Transport Plan as well as a specific tunnel plan. The future vision is to create a network of different transport modes and reduce vehicle imports by promoting the usage of domestic building materials. There is a focus on supporting airports providing international flight connections. Iceland still has the unique challenge of connecting the population in sparsely inhabited areas.



Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Civil society's assessment ●

Association of Businesswomen in Iceland, Farmers Association of Iceland, Federation of energy and utility companies in Iceland, Icelandic Pensions Funds Association participated in this assessment.

Iceland's overall challenge is to ensure sustainable investment in infrastructure. The country receives a growing number of tourists, which puts pressure on the infrastructure. Investing in infrastructure will have to go hand and hand with sustainability and protecting nature.

Icelanders are well on their way to transitioning from fossil fuels to green energy sources. District heating in Iceland is powered by geothermal energy and all electrical power is produced by renewable sources. Eighty-five percent of Iceland's energy can be considered green. The remaining 15% is consumed by transport. Iceland's main tasks are to complete the transition away from fossil fuels in land, air, and sea transport infrastructure and make plans to transfer vehicle and oil taxes to green solutions. The new [energy policy](#) outlines a clear vision of a sustainable energy future. The fact that a consensus has been reached across the political spectrum on this future vision is a valuable and important feature of the policy.

To achieve the transition of the remaining 15% and expediate the process, the government must focus on and support new technological solutions and consider the possibility of public-private partnerships in the field of energy transition and infrastructure development. In the new [transportation plan](#), the government is very clear on its goal to reduce greenhouse gas emissions. Public transport must be improved to reduce greenhouse gas emissions along with emissions from air travel and transport. This will not be an easy task since Iceland is an island.

Positive development can be seen in the numerous pilot projects that could be upscaled. [Carbfix](#) is a start-up company which can be taken as an example. It uses technology to capture the CO₂ from power plants and factories to prevent it from affecting the climate.

The Icelandic private sector has collaborated to publish the [Business Climate Guide](#) for the first time. The government has set the ambitious goals of Iceland becoming carbon neutral by 2040 and fossil fuel free by 2050. The private sector will support these efforts responsibly and purposefully.

Many industries have already laid the groundwork and established plans for how they will try to fulfil their climate obligations. Companies have also set goals independently within sectors. Undoubtedly, the private sector will play a significant role, especially in technological development, innovation, design, and environmentally friendly solutions to mitigate climate change. However,

to achieve these goals and accelerate green investment, clear guidelines, mobilization and prioritization of finances and support from the government for the private sector are fundamental.

Recommendations to the Government

Iceland should:

- make structural changes to enable diverse partnerships to expediate infrastructure development. Iceland must speed up the energy transition at sea and utilize available technical solutions.
- continue to use its expertise in green energy cultivation in its development cooperation through research, education, and practical projects. It should focus on supporting projects that focus on young people, women, innovation, and sustainable solutions.
- innovate and invest in all areas of the economy to slow climate change.
- collect and publish reliable data on the application process and distribution of startup and innovation grants from governmental institutions to ensure that women and minority groups receive equal opportunities.



Goal 10 Reduced Inequality

The Gini coefficient (index) for Iceland is among the lowest in Europe, and various acts have been amended in recent years with to further reduce inequality and ensure equal opportunities for everyone.

- 10.1** No official reference exists for minimum wage in Iceland, but collective agreements between the labor unions and employment representatives decide on the minimum wages and terms in the labor market. ● →
- 10.2** With a clear statutory ban on discrimination, the aim is to promote everyone's active participation in society, regardless of gender, race, and ethnic origin, and to prevent the social isolation of individuals for the same reasons. ● →
- 10.3** Various laws have been changed in recent years to reduce inequality and equalize opportunities in terms of gender and services for the disabled, among other things. ● ↗
- 10.4** Iceland has relatively high legislative equality as can be seen in gender-based budgeting and equal pay certification. ● →
- 10.5** Numerous European regulations on financial markets have been implemented in Icelandic law in line with the agreement on the European Economic Area (EEA). ● →
- 10.6** Iceland has advocated for the increased influence of developing countries in international economic and financial institutions such as the World Bank. ● →
- 10.7** The migration system and services for migrants are generally good in Iceland, but the fast-growing number of refugees and immigrants in recent years has placed pressure on the service infrastructure. ● ↓

Dashboard

Statistics

Main achievements

Recent legislative changes prohibit all discrimination based on people's origin within the labour market and other parts of society. The aim is to promote the active participation of and equal opportunities for every Icelandic citizen, and to prevent bias based on race from flourishing in Iceland.

Several specific measures were taken to ensure services and support for vulnerable groups during and after the COVID-19 pandemic. The actions targeted the elderly, disabled people, immigrants and refugees, prisoners, the homeless, and children and their families, among other groups.

In 2022, a big step was taken with a coordinated reception centre for refugees where services and registration take place within the first 24 hours of entering the country. This has resulted in better service and greater efficiency.

Main challenges

The number of immigrants in Iceland has increased rapidly in recent years, making it is an ongoing challenge to ensure equal opportunities and wages among different social groups to leave no one behind. Providing quality services and decent housing for the rapid influx of refugees has also been a challenge.

International cooperation

Iceland's Policy for International Development Cooperation 2019-2023 states that Iceland will contribute to the fight against extreme poverty and hunger and strive to ensure that the increased prosperity in society benefits the poorest and leads to increased equality. Iceland emphasises supporting unstable countries and the poorest and promoting international peace.

Iceland has, through the constituency of the Nordic and Baltic countries at the World Bank, advocated for increased influence from and importance for developing countries in the boards of the Bank's institutions. For example, Iceland supports actions that aim to equalize the voting weight of all countries at the institutions to the benefit of developing countries.

Next steps

- Submission and implementation of a comprehensive immigration and refugee strategy to promote equal opportunities.
- Put into effect a new law on public finances that specifies that gender is taken into account when drafting budgetary procedures.



Goal 10 Reduce inequality within and among countries

Civil society's assessment ●

UN Women Iceland, ÖBÍ - The Icelandic Disability Alliance, Her Voice, Icelandic Women's Rights Association, ABC, Icelandic Red Cross, The Icelandic Boy and Girl Scout Association, Iceland's National Association of People with Intellectual Disabilities, Association of Businesswomen in Iceland, Aflíð - Organisation Against Sexual and Domestic Abuse, Humanists Iceland, and Varða - Labour Market Research Institute participated in this assessment.

Inequality still prevails in Iceland for many marginalised groups. Iceland must find ways to rectify this using the principles of inclusivity. Whatever marginalised group we may focus on, the inclusivity principle is the same – find ways for everyone to fully participate in society. Iceland has done well in promoting greater gender equality, and discrimination against marginalised groups should be addressed in the same manner as gender discrimination.

The labour market in Iceland must increase its sensitivity to marginalized people. It has proven difficult for persons with disabilities to get a job and members of the LGBTQIA+ community are reluctant to come out to their employers until they have settled in their jobs. It has also proven difficult for individuals from these groups to access essential health care because employers will not grant them sick leave.

The reception of refugees and asylum seekers shows examples of systemic failure. It is important to pay close attention to the reception of vulnerable groups going forward and to establish a sound plan in that regard.

The health care system faces challenges in caring for everyone. Information and support groups in other languages than Icelandic are lacking and need improvement. Furthermore, information that is easily understood in Icelandic is lacking, resulting in people with disabilities and persons with limited knowledge of Icelandic becoming marginalised. In some cases, people with [disabilities](#) have been denied basic health care because medical professionals do not know how to meet their needs and specialised health care for this group is not available either.

Iceland should provide people of foreign origin with more opportunities to use their talents and reconsider the evaluation of the examination of degrees and professional qualifications. This especially applies to highly skilled individuals with a license to work in specialized fields. A focus should be placed on making sure asylum seekers living in Iceland are able to work while their cases are being processed. Furthermore, the government should also ensure that transition costs of migrant remittances do not go higher than 3% of the amount remitted, with a ceiling of 5% according to SDG 10.c.

Securing proper funding into social and sporting activities that promote the inclusion of marginalised groups is crucial. With the newly introduced agreement on cooperation based on the [Act of Integration of Services on the Interest of Children's Prosperity](#), there has been an increased focus on such projects, but funding needs to be guaranteed for the future.

Peace, safety, and equality are all closely connected. It is important to reaffirm and encourage education about the inclusion of all persons. Education about the issues marginalised groups face must be improved for employers. Just like job advertisements encouraging persons of all genders to apply, persons of all abilities should be encouraged to apply as well. Here, the government and municipalities should take the lead. Iceland must also find ways to promote equal opportunities for education, healthcare, and employment nationwide.

Increasing contributions to development cooperation and focussing on increasing global equality should also continue to be a priority. Most importantly, the government should always guarantee that the basic human rights of all individuals who are a part of Icelandic society are ensured. In doing so, implementing cultural sensitivity courses for health care practitioners and professionals is important for providing equal services to all. Cultural sensitivity should be taught as compulsory subjects in nursing and medicine. Finally, Iceland [should fully implement](#) The Convention on the Elimination of All Forms of Discriminations against Women (CEDAW).

Recommendations to the Government

Iceland should:

- create information leaflets in more languages for broader inclusivity.
- ensure training for people with work experience who require a work permit.
- ensure balance between regions in terms of job opportunities.
- make wage theft illegal.
- ensure that human rights are always a top priority.
- increase education and employment opportunities for marginalized groups greatly.
- ensure that the Act on Foreigners works the same for everyone.
- implement CEDAW fully.



Goal 11 Sustainable Cities and Communities

Despite being a sparsely populated country, the majority of Icelanders, over 95%, live in urban areas, with over 60% of the population living in the capital region. The majority of people have access to basic services, a healthy environment, energy, housing, and public transport.

- 11.1 Iceland's housing stock is considered adequate, but there are efforts to increase housing options for people with lower incomes. Basic services, such as health care and education, are available to everyone regardless of economic status or residence. ● ↘
- 11.2 Numerous efforts are being made to strengthen public transport throughout the country to contribute to environmentally friendly, safer, and economically viable road traffic. ● →
- 11.3 Sustainable development is the overriding concern of public policy in planning and construction. It is part of objectives of the Planning Act and the Act on the Planning of Sea and Coastal Areas and is also among the aims of the national planning strategy and land use strategies at the local level. ● →
- 11.4 Vatnajökull National Park was accepted on the UNESCO World Heritage List in 2019. About a quarter of Iceland's national territory is now under some form of protection. ● ↗
- 11.5 The main objective of the new public safety and security policy is to ensure the safety of the public, the environment, and property and to coordinate the prevention and response to natural and man-made disasters. ● →
- 11.6 Air quality is generally good in Iceland but there are local concerns, especially regarding NO₂ in the capital area and particulate matter. Municipalities are obliged to have a separate collection of seven categories of household waste, and it is generally forbidden to dump or burn waste. ● →
- 11.7 There is good access to nature in Iceland, including green areas in the urban agglomeration. There is good access to nature in Iceland, including green areas in the urban agglomeration. ● →

[Dashboard](#)
[Statistics](#)

Main achievements

A variety of support is available for the acquisition of housing for purchase and rent, including special housing support for families and individuals who are not otherwise able to provide housing for themselves due to low wages, heavy living expenses, or social conditions.

In 2019, the Government and six municipalities in the capital area signed a landmark agreement on ambitious development of the transport infrastructure and public transport in the capital area. The aim is to increase safety, improve transport for all modes of transport, reduce delays, greatly increase public transport, and reduce pollution "an emissions." 5% of new dwellings will then be in the form of social housing and 30% of affordable housing.

Main challenges

Housing shortages, especially in the capital area, have caused housing costs to grow rapidly in recent years. According to Statistics Iceland, 27% of tenants now live with burdensome housing costs as compared to 8.9% of homeowners. Burdensome housing costs are defined as housing costs that amount to at least 40% of the household's disposable income.

Car ownership per capita in Iceland is one of the highest in the world. It is therefore essential to provide real options in public transport and transport infrastructure to encourage the use of more active modes of transport, e.g. biking and walking.

International cooperation

Iceland supports regional development projects in its bilateral partner countries of Malawi, Uganda and Sierra Leone. The projects include, among other things, support for basic services in partner regions in the fields of health, basic education, clean water and sanitation, equality, and social support for young people. The projects also include the development of infrastructure, including school buildings and healthcare facilities emphasise the use of local building materials.

Next steps

- Coordinated collection of waste throughout the country, including collection of compostables.
- Making and implementation of the country's first urban policy.
- Implement two new plans for sea and coastal areas for future use and protection of fjords, bays, and land area.



Goal 11 Make cities inclusive, safe, resilient and sustainable

Civil society's assessment ●

Homes Association of Iceland, Icelandic Boy and Girl Scout Association, Icelandic Youth Environmentalist Association, Icelandic Circular Economy Centre, Icelandic Ranger Association, National Association of Cyclists, Landvernd - Icelandic Environment Association, National Confederation of Physically Disabled People, National Students Association, Student Council of the University of Iceland, and Water and Wastewater Association of Iceland participated in this assessment.

Iceland's overall challenge is to respond to a long-standing instability in the housing market in terms of increasing rental and housing prices. Approximately **44% of those who rent** pay more than half of their disposable income in rent. The rental market is unstable with no rent ceiling. Construction companies have been building small luxury apartments instead of apartments suitable for individuals or young families. Entering the housing market has become increasingly difficult due to severely limited governmental support and subsidized loans.

A critical lack of affordable and accessible housing for people with physical disabilities exists, including housing options for the elderly. While building regulations state that housing should be accessible to all, long waiting lists for accessible housing for people with physical disabilities persist. The governmental policy favours seniors living at home for as long as possible, yet no financial support exists in relation to making homes more accessible. However, many municipalities are using and testing innovative welfare technologies to respond to this challenge. Overall, health and social services at the municipal and national level need more integration and coordination.

Reducing car use is necessary to meet SDG 11. Personal car use is highly popular in Iceland with the number of newly registered cars increasing by the year. Inner-city traffic congestion in the capital of Reykjavík was responsible **for 9 million hours lost in 2019** and regular air pollution episodes. Yet, public funds are predominantly used on road and parking infrastructure. The Law of Multi-Owned Buildings internalizes parking costs and, in that sense, discriminates against residents who do not own cars, especially as expensive parking garages are the norm in new buildings. Public transport, in turn, is infrequent, costly, and does not serve all inhabitants. To make cities and settlements in Iceland more inclusive and safer, an emphasis should be placed on developing affordable, non-polluting public transportation and infrastructure that supports diverse forms of active mobility. Reducing speed is needed in streets frequented by active transport users. Planning more commercial, sports and leisure services within residential areas would reduce the need for trips made by personal cars.

Climate change is expected to increase flood risk in urban areas. The government therefore needs to fully implement a [national strategy](#) to alleviate this risk by implementing a sustainable urban drainage system (SuDS) policy which provides additional benefits such as increased biodiversity and well-being and is a well-known climate change adaptation action.

With urban densification, it is important to protect and expand green areas within the city and to ensure accessibility to them. Overall, wheelchair accessibility to public services and green areas must be improved significantly. For the urban areas to become more age friendly, availability of adequate seating areas needs to be increased. The government should concern itself with guaranteeing the safety of different groups at all times within the urban area, such as, vulnerable groups like members of the LGBTQ+ community, disabled people, women, and children.

Recommendations to the Government

Iceland should:

ensure affordable, accessible housing for all, focusing on long-term, sustainable solutions for vulnerable groups, such as, those of lower income, the elderly, and people with disabilities.

- focus on providing subsidies and other resources such as public grants to improve accessibility and ensure that new buildings are accessible to everyone.
- eliminate the grey area between the national and municipal governments and between ministries for providing health and social services for those in need of home care and other assistance.
- make public transport a viable inner-city option with equal access to all.
- implement a national bicycling strategy, spend more public funds on infrastructure that supports active mobility, implement tax-free benefits in the workplace, and enact a 30 km per hour speed limit in residential areas.
- implement measures to curb road traffic during air pollution episodes, but also more generally implement the polluter pays principle.
- improve access to diverse services and green spaces within urban areas and make infrastructure more resilient to flooding with a national sustainable urban drainage strategy.
- implement user payment principles on public parking at universities, schools, hospitals, and governmental institutions.

Goal 12 Responsible Consumption and Production

Iceland has one of the highest consumer consumption rates in the world and has a long way to go in reducing waste generation. Policies and action plans are in place that aim to increase sustainable consumption and to significantly reduce generation of waste over the next few years.

- 12.1 A comprehensive framework for Iceland has not been published, but most of the six elements of the UNEP framework are addressed in existing policies and action plans. ● ↗
- 12.2 Iceland's goal is to reduce waste by half in the entire food value chain by 2030. ● →
- 12.3 Iceland's actions aim to reduce food waste by 30% by 2025 in each link of the value chain and by 50% by 2030. ● ↗
- 12.4 Local authorities are now obliged to establish a special collection of hazardous waste from households in the immediate vicinity. ● ↗
- 12.5 Iceland has a long way to go in reducing waste generation. ● ↗
- 12.6 Iceland will undergo an OECD peer review on Responsible Business Conduct (RBC) in December 2023 as a part of implementing the EU taxonomy. ● ↗
- 12.7 An assessment is made of the carbon footprint of public procurement in line with a strategy and action plan for sustainable public procurement. ● ↗
- 12.8 Study materials on sustainable development and climate change are being revised and developed. ● ↗

[Dashboard](#)

[Statistics](#)

Main achievements

A national policy on waste reduction named Together against Waste is in effect to increase sustainable consumption and promote synergies between lifestyles and processes that increase the lifespan of items. It also aims to decrease the usage of packaging, promote product design that does not contain harmful substances, escalate green entrepreneurship initiatives, diminish disposal of waste, and shift society's view on what is considered to be waste. Furthermore, the national waste management policy titled Towards a Circular Economy aims to significantly reduce waste generation, increase recycling, and stop landfilling. Iceland's action plan against food waste includes 24 actions to reduce food waste in the entire food value chain and Iceland's action plan for plastic includes 18 actions to combat the environmental danger caused by plastic in the environment.

Main challenges

Iceland faces great challenges to achieve the goals on sustainable consumption and production. The country has one of the highest levels of GDP per capita in Europe, which is 19% above the EU average. Iceland has also a long way to go in reducing waste generation, but only 26% of household waste is recycled. Iceland lacks the infrastructure to recycle most domestic waste meaning that most is exported and 12% of construction waste goes to landfill, which should be decreased to 5% by 2030.

International cooperation

The training programmes within GRÓ – International Centre for Capacity Development in Iceland aim to make production methods more sustainable, for example, by promoting sustainable land use and fisheries management.

Internationally, Iceland participates in recommending reforms for harmful government subsidies for fossil fuels, including by participating in a joint ministerial declaration on the subject at the 12th WTO Ministerial Meeting in Geneva in 2022, in ongoing talks on environmental issues at the WTO level, and in agreements on climate change, trade and sustainability (ACCTS).

Next steps

- Measures to prohibit dumping and burying organic waste with other waste. Instead organic waste will be used for composting.
- Continued funding for projects that promote a circular economy.
- Strategic planning for the state to finance educational materials on sustainability for preschools and primary and secondary schools.



Goal 12 Ensure sustainable consumption and production patterns

Civil society's assessment ●

Homes Association of Iceland, Icelandic Boy and Girl Scout Association, Icelandic Youth Environmentalist Association, Icelandic Circular Economy Centre, Icelandic Ranger Association, National Association of Cyclists, Landvernd - Icelandic Environment Association, National Confederation of Physically Disabled People, National Students Association, Student Council of the University of Iceland, Water and Wastewater Association of Iceland participated in this assessment.

Iceland faces a significant challenge in reducing its high ecological footprint, which is one of the highest in the world. This is largely driven by the country's consumption and wasteful behaviour, which shows no signs of slowing down. [Around 71% of greenhouse gas emissions from Icelandic households come from imported goods](#), which effectively outsources emissions to poorer countries. As such, Iceland must take collective responsibility for its impact on the Sustainable Development Goals in other countries, with the government, companies, institutions, and citizens all working together to respect the limits of nature and promote greater equality and justice.

To achieve SDG 12, there are several key sub-targets on which Iceland must focus. Firstly, the country should prioritize waste prevention over waste management. This approach would create new jobs and expand the repair industry, while redirecting funds typically used for waste disposal back into the economy in the form of repair skills and new business models. This should apply to all industries, given the high number of imports in relation to consumption and waste.

Secondly, Iceland must address the challenge of greenwashing, which has hampered progress towards the implementation of the Sustainable Development Goals. The country should focus on implementing circular and doughnut economy principles that emphasize sustainable production and consumption methods, including the regeneration of resources and the protection of local communities involved in the production of goods.

Targets 12.1 and 12.2 are also crucial in promoting responsible consumption in Iceland. These involve going beyond simply consuming less or better or second-hand goods, to considering the sustainability aspects of production methods and ensuring that those involved in the production and manufacture of goods have their rights and livelihoods protected.

Additionally, Iceland needs to follow the example of EU countries by implementing policies and laws that hold polluters responsible for funding the disposal of waste created during production and post-production. This will ensure that Iceland has better disposal mediums and help to reduce its environmental impact.

Iceland has made progress in some areas related to SDG 12, such as creating open and equalizing libraries through partnerships with the private sector and promoting circularity of items. The focus on minimizing greenhouse gases in Icelandic agriculture and the growth of the second-hand clothes market have also shown promise. Another area of potential lies within supporting local tourist businesses that display circularity in their products, such as ceramics and wool jumpers. Iceland should further invest in these and similar projects across the country to expand their reach, as they offer a promising example of how SDG 12 can be implemented in other areas of Icelandic society.

It is critical for Iceland to take a comprehensive approach to addressing its high ecological footprint and promoting sustainable consumption and production methods. By working together and prioritizing the targets outlined above, Iceland can move towards a more sustainable and equitable future.

Recommendations to the Government

Iceland should:

- adopt a sustainable economic system, such as the doughnut economic model, which measures a country's welfare beyond GDP.
- encourage sustainable consumer behaviour through education, by improving product information and labelling, and ensuring fair pricing.
- implement right to repair policies like those seen in other EU countries and offer incentives for repairable products including special tax relief on the consumption tax (VAT) for all second-hand and repairable goods.
- develop a rating system for cars based on their pollution impact and tax them accordingly. Restrict ads for low-rated cars. Recycle all the constituents of cars and stop putting non-metallic parts in landfills.
- conduct research on the long-term impacts of waste burial in Iceland.
- develop standardized life cycle assessments (LCAs) for supply chains and create policies and repercussions for companies that do not meet such sustainability guidelines.
- create laws that only allow goods with a certain level of repairability to be imported and offer simplified information for consumers to make informed choices.
- promote the production of sustainable, high-quality national agriculture products.
- prioritize global awareness, justice, and respect for the limits of nature in global trade agreements.



Goal 13 Climate Action

Iceland's net greenhouse gas emissions per capita is high, compared to other countries. This is mostly due to emissions from industrial processes and transport. Iceland aims to achieve carbon neutrality and a full energy transition no later than 2040.

- 13.1 Iceland is relatively resilient and adaptive to natural disasters. A national plan for adaptation to climate change is in progress. ● →
- 13.2 Iceland's target stipulates a 55% total reduction in greenhouse gas emissions by 2030 as compared to 1990 levels. ● ↗
- 13.3 Sustainable development is one of the main values of the country's education policy. A number of public educational projects on climate issues have also been undertaken. ● ↗

[Dashboard](#)
[Statistics](#)

Main achievements

Iceland submitted an enhanced Nationally Determined Contributions (NDC) in 2021, where it stated that Iceland is to achieve a net reduction in greenhouse gas emissions of 55% by 2030 compared to 1990 levels by acting jointly with the European Union, its member states, and Norway. Furthermore, Iceland has set an independent national target of a 55% reduction in emissions for which Iceland is directly responsible by 2030 as compared to 2005 levels. The goal is to complete independence from fossil fuels no later than 2040 and reduce energy need. The goal to achieve carbon neutrality by 2040 has been legally bound and if successful will make Iceland the first stake to be independent of fossil fuels. Iceland's Climate Action Plan now contains 50 measures aimed at reducing greenhouse gas emissions and increasing carbon sequestration. Furthermore, Iceland aims to achieve climate resilience and has a national adaptation strategy in place.

All of Iceland's electricity production and heating comes from renewables and hydro and geothermal sources. That leaves transport and the fishing fleet still running on fossil fuel. However, the uptake of electric cars has been fast in Iceland. The energy transition in the maritime sector has started but is much less advanced.

Main challenges

Iceland is already affected by climate change. Iceland's glaciers are retreating, sea levels are rising, and there have been changes to marine ecosystems surrounding the country, including ocean acidification. There is also an increased risk of landslides, coastal flooding, and vegetation fires.

Iceland's biggest challenge is to achieve its ambitious goals of reducing greenhouse gas emissions and achieving carbon neutrality by 2040. Iceland's net greenhouse gas emissions per capita is high, compared to other countries, and according to the Environment Agency of Iceland, Iceland's emissions have increased by 5% since 1990. For Iceland to reach its targets, all sectors of society need to contribute, and emissions based on consumption must be reduced.

Emissions from land use, land use change, and forestry (LULUCF) are greater in Iceland than all other sectors combined. This is primarily due to emissions from grassland, wetlands, and cropland. LULUCF is therefore a priority in Iceland's Climate Action Plan and key to reaching the goal of climate neutrality.

International cooperation

Iceland is a member of the United Nations Framework Convention on Climate Change (UNFCCC) and financially supports the UNFCCC sub-fund for the poorest developing countries. Iceland doubled its annual support to the Green Climate Fund in 2019 and increased the contributions again by 50% in 2022. The fund is intended to finance projects in low- and middle-income countries that aim to reduce greenhouse gas emissions and enable countries to deal with the consequences of climate change.

Iceland became a member of the United Nations Adaptation Fund in 2022. Furthermore, Iceland is a member of the UNDP's Climate Promise, which aims to support countries in implementing their national plans (NDCs).

According to the OECD's Development Cooperation Committee (DAC), 34% of Iceland's international development cooperation goes to climate-related projects, which places Iceland in seventh place among DAC countries.

Next steps

- Enhance and continue work on the implementation of the Icelandic Climate Action plans, including a sector-specific climate roadmaps for businesses with measurable goals and corrective proposals to reduce emissions.
- Continue work on Iceland's National Adaptation Plan in the face of climate change.



Goal 13 Take urgent actions to combat climate change and its impact

Civil society's assessment ●

Landvernd - Icelandic Environment Association, Icelandic Nature Association, Icelandic Forestry Association, Icelandic Ranger Association, BIODICE, The Icelandic Confederation of Labour, Icelandic Animal Welfare Association, Icelandic Public Health Association, and the Icelandic Touring Association participated in this assessment.

Iceland's challenge is that emissions are high relative to its small population. A climate action plan exists but has not been fully implemented. Moreover, much stronger actions in all sectors must be adopted in Iceland. Poor climate governance and the lack of climate consideration in public policies halts efficient emission reduction in, for example, the tourism industry. Increased education and awareness need to be strengthened as climate issues have a strong link to equality as they affect people and nature. Other challenges are greenwashing, a serious misuse and misunderstanding of the term "sustainability", and a lack of opportunity for the public and NGOs to partake in climate action plans.

Iceland has been successful in setting relatively ambitious goals, such as, reaching [carbon neutrality](#) in 2040 and becoming fossil fuel free the same year. Furthermore, the use of fossil fuels for heating and electricity production is very limited in Iceland. The [Climate Adoption Policy](#) was made in 2021, the first of its kind in Iceland.

Iceland should rethink its food production, both in agriculture and fisheries, as this is an important climate issue. Innovation is needed in protein production and crops cultivated for human consumption. More people should also be encouraged and empowered to act on environmental issues by promoting education on climate issues. Although economic growth is important in many ways, it is not a measure of welfare. Environmental factors, or climate action and sustainable development, should be at the forefront in these matters. Iceland needs to prioritize actions that have a positive impact on equality, are economical, reduce emissions significantly, and promote other SDGs. The polluter pays principle should be implemented and emission reductions from the biggest polluters tackled right away. That is, the responsibility for emission reductions should be borne by those companies that emit the most, not the public.

The government should ensure that carbon sequestration does not reduce biodiversity. Furthermore, Icelandic authorities should apply other methods than just financial incentives. These could be enacting laws, using and applying current sanctions, and analysing official budgets for impacts on emissions. All ministries should take the lead with direct action in public institutions and reduction in air

travel. Focusing on innovation in the circular economy and reducing consumption should be a priority. Improved research and monitoring of natural hazards due to climate change is needed to mitigate future challenges. Priority in employment structures should be made climate-oriented by focusing on lowering emissions and energy use.

Recommendations to the Government

Iceland should:

- limit emissions in line with the targets set.
- put carbon levies on fisheries, tourism, and agriculture to encourage emission reduction.
- secure funding and participation of schools for sustainability education.
- secure funding for monitoring natural hazards.
- ensure public participation in climate policy and action plans.
- promote consumer awareness on sustainable food choices.



Goal 14 Life Below Water

Iceland has decades of experience in the sustainable use of marine resources. All decisions on the total catch of exploitable marine stock are in accordance with the scientific advice. Plastic pollution and ocean acidification are of significant concern.

- 14.1 Sea pollution is generally low around Iceland, in most cases below health and environmental thresholds. Plastic pollution is, however, a serious concern. ● →
- 14.2 Since 2017, added efforts have been made to map the seabed off Iceland. The results will be the basis of scientific advice on the protection of the seabed and its fragile ecosystems. Further protection of ocean ecosystems is ongoing. ● →
- 14.3 Ocean acidification is of serious concern for Iceland, as it may have a detrimental effect on marine life and fisheries in the future. Research efforts on the effects of ocean acidification have been strengthened significantly in recent years, but mitigation is all but impossible without cuts in global carbon emissions. ● ↗
- 14.4 Due to surveillance, unregistered and unregulated fishing within the Icelandic fishing jurisdiction has decreased dramatically. All fishing permits for beneficial stocks are in accordance with the scientific advice of the Icelandic Marine and Freshwater Research Institute. ● ↗
- 14.5 Officially designated marine protected areas around Iceland are very small, but large areas are protected in terms of fisheries management for the long or short term. ● →
- 14.6 The Icelandic fishing industry does not benefit from subsidies that contribute to illegal, unregistered, or unregulated fishing. ● →
- 14.7 Iceland supports small island developing States and the least developed countries in the sustainable use of marine resources through its work within FAO, the OECD, and the World Bank's Blue Economy Program. ●

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[Statistics](#)

Main achievements

A fisheries management system has been developed in Iceland to promote responsible fishing on a sustainable basis, together with good management of the marine ecosystem. It is estimated that unregistered, unregulated fishing within the Icelandic fishing jurisdiction has been eliminated. All decisions on the total catch of exploitable marine stock are in accordance with the scientific advice of the Marine and Freshwater Research Institute, and the strain from fishing the main exploitable marine stock has been historically low in recent years.

The Icelandic fisheries sector enjoys no government subsidies.

Main challenges

Ocean acidification caused by the release of carbon dioxide is a significant concern for Iceland. Contributions to research on ocean acidification have increased, especially for research on the effects of acidification on the ecosystem along Iceland's coasts.

Plastic pollution, including pollution from microplastics, is a great challenge. In 2020, an action plan for plastic issues took effect.

Fourteen marine protected areas (MPAs) have been designated within Iceland's economic jurisdiction. Their extent is less than 1% of the jurisdiction. However, the regional protection of the biosphere is much greater than these figures indicate, as large areas are protected for the long or short term in relation to fisheries management and vulnerable marine ecosystems (VMAs).

International cooperation

Iceland is active in international cooperation for fisheries and ocean management and always advocates for an ecosystem approach to the management and utilization of living marine resources. Internationally, Iceland has emphasised the fight against illegal, unregistered, and unregulated fishing, for example within the FAO, and has ratified the Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (PSMA).

Next steps

- Submission and implementation of a new fisheries policy.
- Conservation measures to strengthen efforts on protected areas in Icelandic waters.
- Actions according to a new action plan on plastic pollution to reduce marine plastic



Goal 14 Conserve and sustainably use the oceans, seas, and marine resources for sustainable development

Civil society's assessment ●

Landvernd - Icelandic Environment Association, Icelandic Nature Association, Icelandic Forestry Association, Icelandic Ranger Association, BIODICE, The Icelandic Confederation of Labour, Icelandic Animal Welfare Association, Icelandic Public Health Association, and the Icelandic Touring Association participated in this assessment.

Given that fishing is one of the main industries in Iceland, **the challenge of plastic pollution in the sea is alarming**. The government must ensure robust research, processes, and detailed estimates to establish a clear picture of the situation. While [17 ocean](#) areas around Iceland are now internationally protected, these areas only account for [around 2%](#) of the total ocean area. Iceland's direct responsibility for ships is about [20%](#) of the country's emissions (excluding LULUCF). Extensively used bottom trawlers use a lot of energy, cause major harm to the seabed, and disturb organic matter while emitting greenhouse gases. Salmon ocean farming is rising rapidly without proper legal and regulatory frameworks, which is a concern to the fair use of Iceland's natural resources. Sewage and drainage systems in Iceland are poor and should be updated to centralized secondary treatment at the least.

Iceland has banned the use of heavy fuel oil, and a bill on [banning oil exploration](#) in Iceland's jurisdiction has also been put forth. The electrification of ports and harbours has started. Furthermore, the quota system has led to controlled harvesting of wild fish stocks and prevented overfishing of commercial species.

Iceland should make the fishing industry more responsible and establish liability rules for the deposit of waste and plastics, greenhouse gas emissions, discarded catches, and ecological disturbance. Fishing and processing fees should be increased along with increased oversight that should include legal frameworks and resources for institutions. Iceland should be a leader in ocean ecosystem research and education. Reviewing of acts relating to marine matters is further advised and bottom trawling should gradually phased out by 2030 when it should be banned in all of Iceland's 200 nautical mile exclusive economic zone.

It is necessary to protect the seas of Iceland to a much greater extent, especially considering the adoption of [CBD COP15](#). Protecting 30% of the ocean requires careful implementation that includes strong monitoring and establishment of an ocean and fresh water protection institute to ensure the protection and monitoring of ocean areas, waterways, and river basins.

The government needs to place increased effort into actual implementation and monitoring of policies that deal with greenhouse gas mitigation and ecological conservation. Intensive aquaculture creates

marine pollution and threatens animal welfare. While the [green paper on biodiversity](#) from 2022 gives a good oversight, there is a lack of knowledge within state institutions about relevant terminology.

Protection is needed for freshwater systems and biodiversity at all stages. Freshwater ecosystems in Iceland are dynamic, and together with the unique geological settings of the island and recent deglaciation, they make diverse habitats that are a home to specially adapted populations and endemic species. It is of great importance to protect these habitats and involve processes that protect species and biodiversity. Hydropower plants have negative effects on nutrition in the sea for wildlife and on freshwater life, for example the spawning grounds of all freshwater fish.

A surge in maritime transport has caused marine coastal waters to be one of the most invaded habitats around the globe. Therefore, appropriate management measures must be put in place to limit the impact of invasive species. Stakeholder education for vessel operators, port authorities, and the general public can help prevent the introduction of invasive species and minimize their impact.

Involvement of NGO's and the public must be realized, as stated in the [Aarhus Convention](#).

Recommendations to the Government

Iceland should:

- set a comprehensive Marine Offshore Act.
- implement a strong carbon tax within the fishing industry.
- increase funding for research on the uniqueness of Icelandic nature and biodiversity.
- protect 30% of the oceans within Iceland's jurisdiction based on conservation values and research on the ocean's ecosystems.
- increase fishing, processing, and fish farming fees for utilisation of Iceland's natural resources.
- strengthen public institutions in research and control of the ocean and ocean natural resources.
- establish measures against all major threats to biodiversity, including invasive species, overexploitation, pollution, habitat degradation, and climate change to protect biodiversity in freshwater and in the oceans.
- protect the ecosystems of freshwater rivers throughout the country through the cessation of river levelling.



Goal 15 Life on Land

Due to Iceland's location and natural conditions, biodiversity is sparse in terms of the number of species, but Iceland is home to large and internationally important populations of certain species, including seabirds, as well as a unique ecosystem as an island with an arctic climate. Efforts in afforestation, land restoration, and reclamation of wetlands have been significantly increased in recent years.

- 15.1** More than 130 areas, or around a quarter of Iceland's land area, are protected under new legislation on land restoration and forests. ● ↗
- 15.2** Both cultivation of commercial forests and the restoration of natural birch forests has increased in recent years. ● ↗
- 15.3** Land restoration and reclamation of wetlands has increased in recent years. Research on the state of the land, terrestrial carbon stocks, and carbon flows has grown. ● ↗
- 15.4** A large part of the Icelandic highlands is under protection, including Vatnajökull National Park, which covers roughly 14% of the country. ● ↗
- 15.5** A watch list of the fragile components of Iceland's ecosystems will be updated and conservation measures for areas pending listing in the Nature Conservation Register are being analysed. Conservation plans for hunted species and an updated strategy for biodiversity are also underway. ● →
- 15.6** Due to Iceland's location and natural conditions, biological diversity is rather low, and there is little disagreement about the distribution of its benefits. ● →
- 15.7** Poaching and trafficking of protected species of flora and fauna has not been a problem in Iceland. ● →
- 15.8** The spread of invasive species of flora and fauna is a challenge in Iceland due to multiple invasion pathways and delicate ecosystems. ● →
- 15.9** An environmental assessment is done as part of all national and regional plans. In case of protected areas, the value of ecosystems and biodiversity is especially considered. ● ↗

[Dashboard](#)
[Statistics](#)

Main achievements

Over 130 areas are protected in Iceland, and almost 15% of Iceland's national land territory is within a national park. In total, 26% of Iceland's national territory is protected.

New laws on land restoration, forests, and forestry promote sustainable use and reclamation of the respective ecosystems. In 2022, a comprehensive strategy for land restoration and forestry took effect. Afforestation, land restoration, and wetland reclamation have increased in recent years.

Main challenges

Iceland has been fighting erosion, degradation of vegetation, and desertification for over a century, and although progress has been made, securing sustainable land use and restoring ecosystems remains a challenge. Only 1.5% of Iceland's land area is covered by forests, 23% is vegetated, and 63% of Iceland's area is considered a desert.

Several imported species have proven to be invasive, including mink, nootka lupine, and cow parsley. It is important to enhance work to curb their spread and find ways to prevent the importation of new exotic species that may turn out to be invasive.

International cooperation

Biodiversity and sustainable use of ecosystems is a key issue in Iceland's development cooperation. This includes the activities of the Land Restoration Training Programme within GRÓ and Iceland's cooperation agreements with international organisations such as UNEP.

Iceland has also been an active participant in various international agreements that pertain to life on land, including the Convention on Biological Diversity (UN-CBD), the Ramsar Convention on Wetlands, the United Nations Convention to Combat Desertification, and the CITES Convention on International Trade in Endangered Species of Wild Fauna and Flora.

Furthermore, Iceland has lobbied for issues related to the restoration of ecosystems to become part of integrated actions to combat climate change through the United Nations Climate Change Convention (UN-FCCC).

Next steps

- Implement an action plan on soil and forestry conservation.
- Introduce actions to work according to newly signed declaration to protect biodiversity in 30% of land and ocean areas.



Goal 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Civil society's assessment ●

Landvernd - Icelandic Environment Association, Icelandic Nature Association, Icelandic Forestry Association, Icelandic Ranger Association, BIODICE, The Icelandic Confederation of Labour, Icelandic Animal Welfare Association, Icelandic Public Health Association, and the Icelandic Touring Association participated in this assessment.

Icelandic terrestrial ecosystems have been through severe degradation since human settlement. Yet, reversing this development and restoring degraded habitats has not been sufficiently successful. Iceland's unique nature and ecosystems are under multiple threats from invasive species, tourism, the lack of sufficient land use planning and environmental impact assessments of land use, forestry, agricultural activities, and the construction of hydro, geothermal and wind power plants. One of the most severe threats to biodiversity and ecosystems is climate change.

Iceland has pledged to increase the size of protected lands from 22% to 30% by 2030. Since 2018, the government has proven to be inept in implementing the Natural Conservation Register (Part B) plan, which contains suggestions of areas that should be protected based on scientific recommendations. Despite considerable effort and its immense importance, the National Highland Park has not been established.

Iceland has succeeded in providing a recently updated red list of vascular plants, birds, and mammals. Furthermore, the government has updated lists of protected vascular plants, bryophytes, and lichens. In recent years, the Icelandic EPA and Ministry for the Environment have increased the number of protected areas. Finally, the government has launched an ambitious monitoring programme of Iceland's soil and vegetation resources and has a 10-year reclamation plan that establishes a vision and a policy for the [Land Reclamation Act](#).

To fully implement SDG 15, **Iceland should** increase funding for research and monitoring of Iceland's nature, as research forms the basis of sound decision making. Further, conditions in Iceland provide an exceptional opportunity to research and understand the importance of biological diversity, research that could be used for developing effective conservation strategies.

Lists of invasive species need to be updated and increased efforts are needed to eradicate these species where possible, implement impact assessments, and fight against misinformation on their impact. The current monitoring of soil and organism import is insufficient. Furthermore, the National Red List of bryophytes and lichens has not been updated for 27 years and no red lists exist for terrestrial invertebrates and fungi.

Iceland should place more focus on its national responsibility species, for which Iceland is an important habitat for either Europe's or the world's populations. Additionally, hunting of protected red list bird and mammal species should be prohibited. Grazing of livestock should be sustainable and monitored or prohibited in sensitive areas.

When it comes to fulfilling the aim of protecting 30% of land areas by 2030, a special focus should be placed on important habitat types, biodiversity, and fulfilling the aims of the Bern Emerald Network. Concurrently, more focus is needed on the work of park rangers and professionalisation of protected lands management. The implementation plan of the Natural Conservation Register (Part B) should be completed in accordance with scientific recommendations and the Natural Conservation Act.

Producing renewable energy through wind- and hydropower plants should not have detrimental effects on ecosystems. Benchmarks for SDG 15 need revision, especially indicators for goal 15.1 which focuses on the size of forested area. Currently it does not distinguish between industrial forestry areas, which form manmade novel ecosystems, and restoration of degraded natural birch forests.

Recommendations to the Government

Iceland should:

- maintain and increase funding for research and monitoring of Iceland's nature, bio- and geodiversity, as well as for nature conservation and increase the number of park rangers.
- protect 30% of land areas by establishing a National Highland Park and other parks.
- complete Part B of the Nature Conservation Register in accordance with scientific recommendations.
- restore degraded ecosystems, such as birch forests and wetlands.
- update lists of invasive species in terrestrial ecosystems, implement impact assessments, eradicate them where possible, and communicate reliable information on their impact.
- implement species protection plans for all protected species.
- prohibit the hunting of red list bird and mammal species.
- map, monitor, and implement protection plans for national responsibility species in terrestrial ecosystems.



Goal 16 Peace and Justice Strong Institutions

Iceland has ranked as the most peaceful country in the world since the first the Global Peace Index launched in 2009. Internationally, Iceland advocates for respecting human rights, democracy, and the rule of law.

- 16.1 Iceland has emphasised eradication of gender-based violence in the country with a focus on vulnerable groups, such as, people with disabilities. ● →
- 16.2 Legislative changes have been made to prevent human trafficking and protect its victims in Iceland. Several measures are underway to combat violence against children. ● ↗
- 16.3 Equal access for everyone is a core value of the Icelandic legal system. Upholding the rule of law is, however, an ongoing goal. ● →
- 16.4 Efforts to combat money laundering and financing of terrorism in Iceland have been strengthened in recent years. ● ↗
- 16.5 Risk of corruption is generally considered to be low in Iceland and bribery offences are rare. ● →
- 16.6 Citizen satisfaction with public services is frequently measured as high. Iceland ranks very high in the World Bank's measure of government effectiveness. ● ↗
- 16.7 Iceland ranks third on the Democracy Index 2022 and election participation is generally high. ● →
- 16.8 Iceland advocates for the increased participation and influence of developing countries in international organisations. ●
- 16.9 Everyone in Iceland is given a legal identity through birth registration. Access to passports and electronic IDs is also very good. ● →
- 16.10 Freedom of expression and access to information are secured in the Icelandic Constitution and legislation. ● →

[Dashboard](#)
[Statistics](#)

Main achievements

Prevalence of violence is low in Iceland; principles of democracy, human rights and rule of law are enshrined in the Constitution; legislation safeguarding transparency and freedom of speech is in place.

Iceland has ratified the Council of Europe's Istanbul Convention on violence against women and has, in recent years, adapted Icelandic legislation to meet the requirements set out in the convention.

In 2021, changes were made to the General Penal Code to further improve the protection of victims of human trafficking and to facilitate prosecution of those responsible for the crimes.

Main challenges

Iceland aims to be a frontrunner in the fight against all forms of gender-based violence. For this to happen, special attention must be paid to vulnerable groups. To this end, the Procedure of Criminal Cases was amended in 2022 to improve the legal status of victims, including disabled people.

Law enforcement remains vigilant to the increased prevalence of cybercrime and organised crime. According to a 2020 report by OECD's Working Group on Bribery, detection of foreign bribery, as well as awareness of related risks, are still lacking in Iceland.

International cooperation

Human rights, including gender equality and the rights of LGBTQ persons, democracy, the rule of law, freedom of expression, and the safety of journalists are clear priorities in Iceland's foreign policy, including in development cooperation. This is seen in Iceland's work and emphasis within OSCE, the Council of Europe, the World Bank, and the UN.

Iceland's presence in the United Nations Human Rights Council in 2018-2019 gained world attention, and at the General Assembly in 2020, Iceland announced that it will be applying for a seat on the Council again for 2025-2027.

Next steps

- Implementation of an action plan to strengthen police training and improve measures against organized crime.
- Implementation of measures for prevention and awareness raising against sexual offenses and gender-based violence.



Goal 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels

Civil society's assessment ●

Icelandic Red Cross, Aflíð - Organisation against Sexual and Domestic Abuse, Icelandic Boy and Girl Scout Association, United Nations Association Iceland, Icelandic Human Rights Institute, Humanists Iceland, AFS Iceland – Intercultural Programs, ÖBÍ - The Icelandic Disability Alliance, and the Icelandic Lutheran Mission participated in this assessment.

According to the recent 2022 [Global Peace Index](#), Iceland ranks number one as the most peaceful country in the world. Yet, freedom of expression is [widely challenged](#), and the growth of hate speech is visible in Icelandic society.

Providing better support for vulnerable groups and offering inclusive services to everyone is needed so that fundamental rights are guaranteed for everyone. Lack of convictions in cases of violence, including gender-based violence and sexual offences, is too common. Iceland has a national plan for the implementation of UNSC no.1325 resolution on Women, Peace and Security and emphasizes it in its foreign policy. Even so, public knowledge of UNSC no.1325 is little to none and should be improved.

After the pandemic, [domestic violence increased](#) and government policies must have broader goals to eliminate violence against all women, especially women with disabilities, who are at particular risk when it comes to violence. There is a lack of data on the status of marginalized groups. Trends indicate increased violations against minority groups while it is difficult to confirm as monitoring and evaluation of violence against minority groups is not being fulfilled. For instance, the newly passed immigration bill undermines certain rights of asylum seekers, in particular children. General education and information need to be improved to increase tolerance and understanding towards marginalised groups to ensure a just and equitable public discourse.

[Iceland is currently ranked 14th](#) on Transparency International's Corruption Perception Index, which is significantly lower than other Nordic countries. Where 100 points signify no corruption, Iceland's score fell from 82 in 2012 to 74 in 2022 and its image in relation to corruption is increasingly negative. Detection and awareness of foreign bribery are among Iceland's weaknesses, [as the OECD has pointed out](#).

Iceland has recently made some improvements on the issue of human trafficking and [was moved to category one again in 2022](#), meaning it fulfils the basic requirements regarding human trafficking according to U.S. legislation and international human rights conventions. Material in three languages on detection of human trafficking was published, an information portal was opened,

and more victims have been identified. However, convictions of traffickers are rare, and appropriate assistance for victims is lacking. Although funding has increased, it is still very limited.

Iceland should show initiative to promote constructive discussions about hate speech and marginalized groups with the government taking the lead. The lack of tolerance manifested in the attitudes towards these groups and the positions of many marginalised groups need to be taken seriously. This includes people with mental disorders and disabilities, people of foreign origin, and children of asylum seekers. Lack of convictions in cases of violence, gender-based violence, and sexual offences robs people of rights that the legislature must guarantee. Assessment and improvement of the situation of children and people with disabilities, including those seeking asylum in Iceland, is crucial. Appropriate training on human trafficking should be provided to all actors, especially in those professions that are most likely to interact with and identify potential human trafficking. Implementation of humanitarian laws should be at the forefront, and more education within the judiciary is necessary, as well as in other state-run institutions with decision making power. As the most peaceful country in the world, Iceland should be the voice of peacebuilding. Ensuring transparency throughout the administration and being a role model when it comes to corruption should also be government priorities. The government needs to ensure that weapons that pass through Iceland do not violate the obligations of the UN arms trade agreement and other International Humanitarian Law (IHL) related international agreements to strengthen the IHL framework and promote further peaceful settlements.

Recommendations to the Government

Iceland should:

- make a peace policy plan that tackles hate speech and violence on a national and international level.
- communicate basic knowledge about the UNSC no. 1325 Resolution on Women, Peace, and Security to the public.
- protect undocumented children and marginalised groups seeking shelter and ensure that international treaties and humanitarian laws are always respected.
- tighten arms control legislation.
- ensure transparency in all its work and strengthen anti-corruption measures.



Goal 17 Partnerships to achieve the Goal

Iceland participates proactively in international relations and actively defends the multilateral system, human rights, and the rule of law. The 2030 Agenda, the Paris Agreement, human rights, and gender equality are the cornerstones of Iceland's foreign policy and international development cooperation.

- 17.1 The taxation system has been strengthened in order to strengthening supervision, research, and defence against money laundering and tax evasion. ● →
- 17.2-17.5 Iceland supports the UN target for developed countries to provide 0.7% of GNI to ODA. In 2022, Iceland contributed 0.35% of GNI to ODA. ● ↗
- 17.6-17.8 The GRÓ – Centre of Capacity Development, Sustainability and Societal Change runs a training programme each in fisheries, gender equality, geothermal energy, and land restoration to increase the capacity of developing countries in each field. ●
- 17.9 All of Iceland's bilateral development cooperation is based on the national plans of the respective partner countries in accordance with their development goals. ● →
- 17.10-17.12 Iceland has participated in and supported the aim of WTO's Doha Round of increasing exports from low-income countries. Since 2018 most goods imported and originating from LDCs have free access to the Icelandic market without customs duties or quotas. ● →
- 17.13-17.17 Political commitment, a whole-of-government approach, and multi-stakeholder engagement are in place through Sustainable Iceland to foster coherent policy making on sustainable development. ● ↗
- 17.18-17.19 Iceland supports the International Organization of Supreme Audit Institutions (INTOSAI) and their work in providing guidance on how to ensure the independence and effectiveness of government audits in Africa. ● →

[Dashboard](#)
[Statistics](#)

Main achievements

In 2022, a new cooperation platform named Sustainable Iceland was established to accelerate actions to achieve the SDGs and Iceland's wellbeing priorities with a whole-of-government approach and multi-stakeholder engagement.

Iceland's Policy for International Development Cooperation aims to reduce poverty and hunger and promote general well-being based on human rights, gender equality, and sustainable development. The SDGs Fund was established in 2018 with the objective of fostering partnership projects aimed at strengthening sustainable economic growth in developing countries.

Iceland uses a country-owned results frameworks and planning tools by providers for all of its development cooperation.

It's important to strengthen trade relations and increase investments in developing countries. Since 2018 most goods imported and originating from LDCs have free access to the Icelandic market without customs, duties, or quotas. Iceland has also focused on putting gender equality on the agenda within international trade.

Iceland will continue to support international partnerships and cooperation with civil society actors, the private sector, academia, and other stakeholders.

Main challenges

Iceland still falls short on the UN target for developed countries to provide development cooperation amounting to 0.7% of GNI to ODA. In 2022, Iceland contributed 0.35% of GNI to ODA. The government aims to gradually increase Iceland's contribution to ODA.

Domestically, Iceland still does not have a national policy for sustainable development. However, the newly established cooperation platform of Sustainable Iceland has started the process of drafting a national policy.

Next steps

- A new Policy for International Development Cooperation for 2024-2028 will be submitted to the Parliament before the end of this year.
- A national strategy for sustainable development will be submitted to the Parliament next year.



Goal 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development

Civil society's assessment ●

Icelandic Red Cross, Aflið - Organisation against Sexual and Domestic Abuse, Icelandic Boy and Girl Scout Association, United Nations Association Iceland, Icelandic Human Rights Institute, Humanists Iceland, AFS Iceland – Intercultural Programs, ÖBÍ - The Icelandic Disability Alliance, and the Icelandic Lutheran Mission participated in this assessment.

Iceland has not yet met the UN target of spending 0.7% of GNI on development cooperation, which has been its target for over 50 years. This goal must be met, especially given the fact that a low percentage of Iceland's GNI goes to national defence. In fact, international development cooperation is said to be an important link to Iceland's national security policy. The government must also ensure that funds find their way into the right hands and do not remain domestically. Enforcing the rules and policies established must be at the forefront.

Iceland has succeeded in terms of placing a clear emphasis on gender equality in its development cooperation, with over 89% of contributions having a gender equality angle. Human rights, sustainable development, and environmental issues should be better addressed. With the establishment of the Icelandic Sustainability Council at the end of 2022, authorities took a big step. This hopefully be a positive move towards a more sustainable Iceland and spark a more active dialogue among and cooperation from all ministries, representatives of parliamentary parties, municipalities, trade associations, workers, and civil society through extensive consultation on sustainability. It is important that Iceland advocates for the human rights of all groups in society. Therefore, a good dialogue and cooperation with civil society and NGOs must be ensured. [The Green Paper on Human Rights](#) published in 2023 is an example of how Iceland can engage in such a dialogue. This should be the way forward, so that such involvement can be ensured by all concerned. It is enormous importance to maintain and improve transparency and accountability of the government to have further impact in all sectors of society.

Iceland has placed a focus on private partnerships and north-south cooperation. Further strengthening its focus on innovation in relation to the SDGs could achieve even greater results, but it cannot come at a price of declining funds to NGOs.

Iceland should further communicate the SDGs in cooperation with NGOs and increase and strengthen government cooperation with civil society in general. Iceland, due to the current global defence situation, should focus on meeting the target of 0.7% GNI for development cooperation. Iceland should become a strong advocate for global partnership for sustainable development.

Recommendations to the Government

Iceland should:

- emphasise reaching its goal of a 0.7% GNI for international development cooperation according to the UN targets for developed countries.
- ensure that relevant parties are consulted when working on policies or improvements.
- promote dialogue and cooperation with civil society and NGOs.
- ensure transparency and monitoring of value-based partnerships in private partnerships.
- continue to promote universal, rule-based, open, non-discriminatory, and equitable multi-lateral trading systems under the World Trade Organization and market access for the least developed countries.



8. Recovery after COVID-19 and emerging challenges



The coronavirus pandemic caused unprecedented conditions in Icelandic society, as it has around the world. Since the outbreak began in February 2020, the Icelandic government's goals and reactions to the epidemic have been clear: ensure that the necessary infrastructure, especially the healthcare system, is prepared to cope with the pressures that arise as a result of the disease's proliferation.

The government's decisions related to COVID-19 can be divided into three categories: decisions to contain the spread of the epidemic, decisions on countermeasures to respond to economic damage caused by quarantine restrictions, and decisions related to social and health challenges. The government is now considering the long-term effects of the epidemic on vulnerable groups, taking multiple effects of the epidemic on the community into account, and taking measures as needed. The government is taking short-term measures when necessary, responding to urgent situations or problems, and also implementing long-term actions such as reforms and improvement plans.

The Icelandic government has taken various measures to reduce the negative impact of the epidemic on vulnerable groups. In 2020 and 2021, the government spent ISK 4.2 billion on such measures. The cost incurred due to the epidemic is incalculable, including due to the reinforcement of the healthcare system and other necessary measures taken to respond to the economic impact. The pandemic has affected the progress towards achieving the Sustainable Development Goals (SDGs) in Iceland, as it has in many other countries. One of the most significant impacts has been on SDG 3, which aims to ensure health and well-being for all. The pandemic has put a strain on the healthcare system that has led to a disruption in regular healthcare services, including routine check-ups, elective surgeries, and mental health services. Additionally, the pandemic has caused an increase in mental health issues and has exposed inequalities in access to healthcare services for vulnerable groups.

The pandemic has also impacted SDG 8, which aims to promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. The pandemic has caused an economic downturn, with some sectors being hit harder than others. The government has implemented various measures to support businesses

and individuals affected by the pandemic, but there have still been job losses and economic challenges. Overall, the pandemic has highlighted the importance of resilience and preparedness in achieving the SDGs, particularly in the areas of health and economic development. Consequently, the government is monitoring the long-term social and health impact on vulnerable groups and has allocated ISK 3 billion for the years 2023-2025 to finance the mitigation of this impact.

Worldwide, the COVID-19 pandemic exposed how fragile many of our systems are when tested, and the world will be dealing with the consequences for a long time. The pandemic, and the global response to it, derailed much hard-won progress towards the SDGs with its hit to health, education, income, and gender equality. The climate crisis is a continuing threat as current actions and plans will not be enough to avert a catastrophe. Furthermore, the consequences of Russia's illegal and unprovoked invasion into Ukraine are terrible for the people of Ukraine with tremendous impact on infrastructure and nature. All over the world, people are affected due to economic turmoil and food insecurity caused by the invasion.





9. Conclusion and next steps



Iceland confirms its commitment to implementing Agenda 2030 for sustainable development nationally and in international cooperation. It will continue to build on its traditions of defending democracy, protecting human rights, ensuring gender equality, and using natural resources in a sustainable manner.

Iceland's second VNR has illustrated what institutional changes have been made since the last VNR. It outlines Iceland's progress in implementing the SDGs and what challenges lie ahead under each goal. The VNR highlights key aspects with interactive links to further information online. Extensive consultation with various stakeholders, such as local governments, youth organizations, and civil society has been emphasised. Increased involvement of civil society organizations was ensured in this VNR, with an independent joint civil society assessment of all the SDGs. Cooperation with academia has been strengthened to map Iceland's spillover effects, or the effects national actions have on the abilities of other countries to implement the SDGs, which is one of Iceland's main challenges.

Iceland's first VNR reported on 30% of the UN indicators. This figure has grown to 70% in this VNR. Additionally, the government has established 39 well-being indicators to monitor Iceland's quality of life and well-being. Out of these, 34 have been reported and the government will continue to develop measurements for the remaining five indicators to measure progress beyond GDP. Until the next VNR, Iceland will continue its determined integration of the 2030 Agenda, using the newly established cooperation platform of Sustainable Iceland and the National Sustainability Council as its backbone.

The next step in the implementation is formulating a new national strategy for sustainable development to be submitted to Parliament by the end of 2023 and build on the SDGs as guiding principles. The Prime Minister has travelled around the country to gather ideas and opinions from the public on sustainable development, which has proven to be a highly valuable input into the design of the national strategy.

This proposed strategy will be based on a vision of a desired future in 2030, outlined in general terms and based on measurable targets. The supporting action plan will include

smaller milestones, defined responsibilities, and proposals for financing. A key attribute of the process is the broad participation of the many stakeholders represented in the Sustainability Council, as well as of the public. The action plan will then leverage the programs already in effect and focus on the areas that require special attention.

Simultaneous with this VNR process, the Icelandic Association of Local Authorities is preparing a Voluntary Subnational Review (VSR) that outlines the progress of the localization of the SDGs on the municipal level. Chapter six in this review discusses their findings and main challenges.

A new strategy for sustainable development will continue the dialogue with various stakeholders, improve budgeting for the SDGs by connecting them to the government's fiscal strategy, and increase data gathering for monitoring progress.

It is Iceland's ambition to increasingly use the vision for sustainable development in policymaking across ministries and fields and to make sure that no one is left behind in the process. The COVID-19 pandemic and other events in the recent years have showed us how interconnected we all are and that impact from actions in one part of the world may be felt in others. There is an urgent need to accelerate actions for Agenda 2030 and the Sustainable Development Goals to build the future we want.