

May 2019



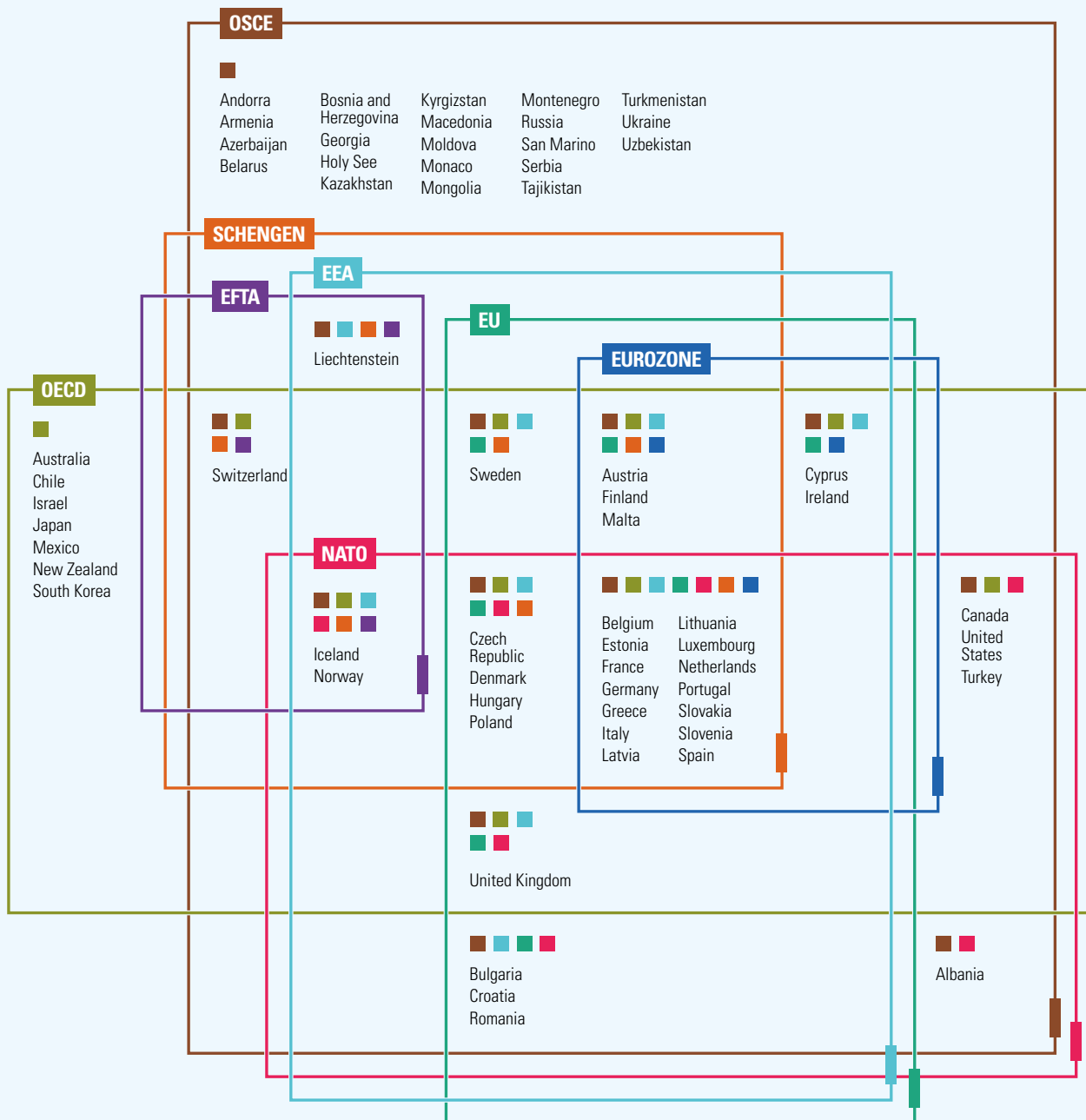
# Foreign Affairs

Excerpt from the Report  
of the Minister for Foreign  
Affairs of Iceland to the  
Parliament 2019

Government of Iceland  
Ministry for Foreign Affairs



## Layers of International cooperation



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# International cooperation — the foundation for progress



The centenary of Iceland's sovereignty was an occasion to reflect on the tremendous progress we have made. Such progress was made possible in part through international cooperation, particularly vigorous international trade.

Iceland has always contributed to the international system, set up in the wake of World War II, and chosen to belong to the group of Western and other likeminded democracies. This cooperation seems increasingly important when placed in the context of current trends around the world.

International law and cooperation are extremely important for states without a military — countries like Iceland. Iceland's NATO membership and the bilateral defence agreement with the US remain at the core of Iceland's international security and defence cooperation and solidarity among Western nations is certainly important in this regard.

This year, it would appear that all roads lead not to Rome but to Reykjavík. Iceland has assumed the chairmanship of the Nordic cooperation and the Arctic Council and will take a seat on the Board of the World Bank, representing the Nordic-Baltic constituency. Last year Iceland received broad support when it was elected to the UN Human Rights Council. Iceland's contribution in the Council has drawn attention worldwide, showing incontrovertibly that small countries can make an impact.

Increased exports remain a prerequisite for continued growth and wellbeing in Iceland. To that end, the Foreign Service has sought to work even more closely with the private sector,

including within the framework of an improved Promote Iceland Agency. Iceland's ever-growing free trade network, the newly established economic dialogue with the US, important agreements with Japan, and improved terms for agricultural exports to China, demonstrate clearly that the Foreign Service can open doors to important markets. Icelandic authorities have also identified core interests vis-à-vis Brexit and prepared for all possible scenarios. Icelandic presence in Brussels has also been strengthened to safeguard Icelandic interests under the EEA, a key international agreement for Iceland.

The Sustainable Development Goals (SDGs) play an important role in Iceland's development cooperation as well as being an important touchstone for policy at home. The SDGs can only be achieved through partnerships, in particular with the private sector. A new development fund for private sector projects aims to contribute to economic development in developing countries, for the benefit of all. The new development cooperation strategy also emphasises human rights and sustainability in fields where Iceland has considerable expertise.

International cooperation and active promotion of Icelandic interests and values abroad are fundamental to sustaining the high living standards Icelanders are fortunate to enjoy. In particular, Iceland's membership of the EEA and NATO will remain key to economic progress and the security of our people.

*Guðlaugur Þór Þórðarson,  
Minister for Foreign Affairs*

# Iceland in a leadership role

This year, Iceland takes on a leadership role in multiple international fora, granting an opportunity for Iceland to make a meaningful contribution and promote Icelandic interests and values internationally. Iceland currently presides in the Nordic Council of Ministers, the Nordic (N5) and Nordic-Baltic (NB) cooperation of foreign ministers, and the Arctic Council. Furthermore, Iceland will represent the NB8 on the World Bank Group’s Boards of Directors from July 2019.

## A common path

Youth, sustainable tourism, and the ocean environment are three priority areas of Iceland’s presidency of the Nordic Council of Ministers in 2019. The Nordic priorities of gender equality, digitalisation, sustainable development, and the UN’s sustainable development goals are all integrated into presidency projects. The tagline for Iceland’s presidency, “A Common Path”, refers to the friendship between the Nordic countries. This path also extends into the world beyond the Nordic Region, where the

Nordic countries co-operate at an international level for the promotion of peace, security, and environmental protection. Some 180 Nordic meetings and events are planned for the year.

Iceland also chairs the Nordic and the Nordic-Baltic Foreign and Security Policy Cooperation platform, focusing on the following three priorities for 2019: security cooperation, human rights and ocean affairs, in addition to continued dialogue on safeguarding the rule-based international system.

## Iceland’s priorities in the Nordic Council of Ministers



### YOUNG PEOPLE IN THE NORDIC COUNTRIES

**GOAL 4-7** To ensure that, no later than 2030, all students have gained the knowledge and skills necessary to promote sustainable development, including through education designed to contribute to sustainable development and sustainable lifestyles, by fostering a peaceful culture, human rights, gender equality, global awareness recognised cultural diversity, and the contribution of culture to sustainable development.



### SUSTAINABLE TOURISM IN THE ARCTIC

**GOAL 8-9** To have formulated and implemented, no later than 2030, a policy for the promotion of sustainable tourism that creates jobs and emphasises local culture and locally produced goods.



### THE OCEAN – BLUE GROWTH IN THE NORTH

**GOAL 14-1** To have substantially reduced and prevented, no later than 2025, all types of pollution of the ocean, particularly from land-based activities, including trash in the ocean and pollution caused by nutrients.

## Together towards a sustainable Arctic

In May 2019, Iceland formally assumed the chairmanship of the Arctic Council for a term of two years. The theme of the Arctic Council Chairmanship program for 2019-2021 reflects Iceland's commitment to the principle of sustainable development and refers to the necessity of close cooperation between the states and peoples of the region and beyond. With sustainable development as an overarching theme, Iceland will highlight four priorities: The Arctic Marine Environment, Climate and Green Energy Solutions, People and Communities of the Arctic, and a Stronger Arctic Council. Icelandic authorities have sought synergies in the preparation for the two chairmanships, in the Arctic Council and the Nordic Council of Ministers, particularly regarding projects relating to the ocean and sustainable communities of the Arctic.

## Responsibilities within the World Bank Group

This summer, Iceland will take a seat on the Board of Executive Directors of the World Bank Group, representing the Nordic-Baltic countries. The NB8 countries form a single constituency in the World Bank Group. Iceland's representative, former Prime Minister and former ambassador Geir H. Haarde, will represent the constituency on the Board. The Minister for Foreign Affairs will also take a seat on the World Bank's Development Committee.

The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries, and its role is to promote the economic and social advancement of developing countries. It comprises five institutions, one of which is the International Development Association (IDA), which provides the world's poorest countries with subsidies and affordable loans, as well as consultancy services. A large share of Iceland's contributions go to the IDA. Iceland also participates actively in bilateral cooperation with the World Bank Group, particularly in the fields of geothermal power, fisheries, gender equality and human rights.

## MFA NEWS

### Iceland leads annual consultative meeting of NB8 with World Bank President

**5 March 2019** Geothermal power, the ocean, gender equality, and human rights were among the topics discussed at today's bilateral meeting between Guðlaugur Þór Þórðarson, Minister for Foreign Affairs, and Kristalina Georgieva, Interim President of the World Bank Group. Iceland's upcoming two-year term on the World Bank Board, representing the Nordic-Baltic constituency, was also discussed.

### 170 Nordic events in Iceland during term of presidency

**22 January 2019** Iceland's presidency of the Nordic Council of Ministers, which began at the turn of the year, was introduced this afternoon at the Nordic House. The theme of Iceland's tenure is "A Common Path", a reference to past, present, and future friendship and cooperation among the Nordic countries.

### Sustainability the guiding principle of Iceland's Arctic Council chairmanship

**21 October 2018** Sustainability will be the guiding principle of Iceland's leadership of the Arctic Council, which begins in 2019. The arctic marine environment, climate and green energy solutions, people and communities of the Arctic and a stronger Arctic Council will be among Iceland's priorities during its chairmanship. This was among the comments made by Minister for Foreign Affairs Guðlaugur Þór Þórðarson in his closing speech at the Arctic Circle Assembly, which was held in Iceland for the sixth time.

**TOGETHER  
TOWARDS A  
SUSTAINABLE  
ARCTIC**

ICELAND'S CHAIRMANSHIP  
ARCTIC COUNCIL 2019-2021



# Iceland in the UN Human Rights Council

Iceland's membership of the United Nations Human Rights Council is one of the most important roles Iceland has undertaken and a unique opportunity to make a positive contribution on a global stage. Iceland's election to the Council is a logical extension of its increased emphasis on human rights in its foreign policy.

Iceland was elected to the UN Human Rights Council (HRC) following the withdrawal of the



US in June 2018. On the Council, Iceland emphasizes equal rights of all, focussing in particular on women's rights and gender equality, LGBTI+ rights and the rights of the child, as well as on reform of the Council and the link between human rights and environmental issues.

During Iceland's HRC membership the Ministry for Foreign Affairs will consult broadly, in particular with Parliament, line ministries and NGOs, as well as like-minded nations in Geneva.

In December 2018, Iceland's permanent representative in Geneva was elected one of the Council's Vice-President, representing the Western European and Others (WEOG) regional group.



| Permanent mission of Iceland in Geneva

## HRC members to lead by example

During the Council's high-level segment in February 2019 the Minister for Foreign Affairs emphasised LGBTI+ rights and reiterated the importance of Council reform. The Minister has repeatedly called for scrutiny when it comes to membership of the Council, noting that the human rights record of some current members is far from being strong which goes against the expectation that members of the Council should be champions of human rights. The Minister further emphasised the need to broaden the Council's membership, ensuring that more UN member states can take a seat on the Council, including smaller states, such as Iceland.

## Iceland leads rebuke of Saudi Arabia

From the outset, Iceland was determined to make an impact during its term on the Council. In March, it represented 36 member states in criticising the human rights situation in Saudi Arabia, with reference to the murder of journalist Jamal Khashoggi and the status of women and human rights defenders. This was the first time in the history of the Council that Saudi Arabia was rebuked in this manner. The initiative drew extensive media attention internationally. Iceland was also actively involved in the adoption of a resolution on the protection of environmental human rights defenders and a ground-breaking resolution on women and girls in sports, which recognises, for the first time, the rights of persons with variations of sex characteristics.

## Iceland's seat on the Human Rights Council

13 Jul 2019 - 31 Dec 2019

**80** 

An estimated **80** speeches in four Council segments.

**56** 

**56** countries rebuked in Human Rights Council peer review.

**30** 

**30** meetings steered by permanent representative as Vice-President.

## Promoting equality worldwide

For a decade, Iceland has been at the top of the World Economic Forum's Gender Gap, making Iceland a desirable partner in the promotion of equal rights. Gender equality is a cornerstone in Iceland's foreign policy, including the women, peace, and security agenda and the empowerment of women as a driver for sustainable development. In recent years, so-called Barbershop events have been held around the world to engage men in the fight for gender equality. Iceland's third national action plan on women, peace, and security was adopted last year for the years 2018-2022.



| Group photo from a Barbershop event in Malawi

## MFA NEWS

### Prime Minister leads Icelandic mission at UN Women session

**12 March 2019** Prime Minister Katrín Jakobsdóttir and other Nordic ministers of equal rights delivered a memorandum of understanding to Phumzile Mlambo-Ngcuka, Executive Director of UN Women, pledging to emphasise advancement of equal rights in the implementation of the UN Global Goals.

### Iceland leads rebuke of Saudi Arabia on human rights record

**7 March 2019** Today Iceland led a group of fellow UN Human Rights Council members in rebuking Saudi Arabia for its human rights record. This represents a milestone, as it is the first time Saudi Arabia has ever been subjected to coordinated criticism within the Council. Harald Aspelund, Iceland's permanent representative on the Council, delivered the joint address on behalf of 36 member states.

### Iceland elected Vice-President of UN Human Rights Council

**4 December 2018** The UN Human Rights Council has elected Iceland to the vice-presidency of the Council. Iceland's permanent representative will therefore direct the Council's work next year, alongside the president.

The election was held at a Council meeting in Geneva yesterday. Harald Aspelund, Iceland's permanent representative, will take the position of vice-president on 1 January 2019, representing the Western European and Others Group (WEOG).

# Iceland and external trade

External trade is the key to Iceland’s prosperity and one of the main pillars of its foreign policy. The EEA Agreement<sup>1</sup> and a network of trade agreements give Icelandic businesses’ access to international markets, and with changes to the Promote Iceland, services for and consultation with the business community have been strengthened. Protection of Iceland’s interests vis-à-vis Brexit was a major focus during the year, and Iceland’s free trade network was further expanded.



## Core interests secured

For a quarter-century, Iceland’s relationship with the UK has been based on the EEA Agreement, but this will no longer be the case after Britain leaves the EU. On the basis of extensive analysis of its interests, Iceland has reached agreements with Britain that will secure its core interests as regards goods trade, residency rights, and air transport issues, irrespective of whether Britain leaves the EU with or without an exit agreement. Britain’s membership of the EU has been extended until 31 October 2019 unless an exit agreement is approved sooner.

The ratification of the agreements with Ecuador and the Philippines is planned for the current legislative session, and the Indonesian agreement is to be ratified during the next session. Free trade talks with India, Malaysia, Vietnam, and the Mercosur countries — Argentina, Brazil, Paraguay, and Uruguay — are currently underway.

The Minister had two meetings with US Secretary of State Michael R. Pompeo, during which a formal economic consultation between the two countries was established. The first consultation session is planned to take place in June. During a visit to China, the Minister for Foreign Affairs signed an agreement on health certification in order to facilitate lamb meat exports on the basis of the free trade agreement between the two countries. Following the Minister’s visit to Japan and several meetings with Japanese Foreign Minister Taro Kono, significant progress was made towards an air transport agreement between the two countries in January 2019.

## Expansion of Iceland’s free trade network

In the past year, the EFTA states have negotiated free trade agreements with Ecuador and Indonesia and broadened their agreement with Turkey. This brings the EFTA free trade network to 40 countries and regions apart from the EU.

### Consultation on Brexit | 11 January 2017 - 1 April 2019



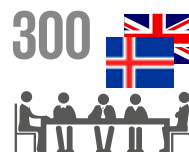
10 meetings of Foreign Affairs Committee, including 5 with Ministerial involvement.



17 meetings with British Ministers and Members of Parliament.



9 meetings with EU representatives, plus numerous meetings with Ministers of EU member states.



Roughly 300 meetings of Icelandic and British officials.



A large number of meetings with stakeholders.

1. The implementation of the EEA Agreement is discussed in a separate report from the Minister to Parliament.



MFA NEWS



At a meeting of the foreign ministers of Iceland and the United States in February 2019, it was decided to commence annual trade consultations between the two countries

The Faeroese government’s termination of the Hoyvik Agreement on free trade with Iceland will take effect on 1 January 2020, absent of other changes. The termination stems from the complete prohibition in 2018 on foreign ownership of Faeroese fishing companies, which is incompatible with the agreement. Negotiations between the two governments failed to find a solution for existing Icelandic investors, who will be forced to divest. Iceland was unwilling to amend the Hoyvik Agreement under such circumstances.

**The Promote Iceland and enhanced cooperation with the business community**

The new Promote Iceland Act entered into force in 2018, and its new organisational structure was introduced last autumn. The objective is to enable Promote Iceland to carry out its role even more effectively. Promote Iceland’s long-term strategy aims to facilitate access for Icelandic business to global markets with a coordinated campaign by business and government.

**Trade agreements**

**74**

Free trade agreements with **74** countries and economies, including three concluded in 2018 and two awaiting ratification.

**110**

**110** air travel agreements and memoranda of understanding granting flight authorisations, including four concluded in 2018.

**11**

Iceland has made investment agreements with **11** countries, as well as other agreements that include investment provisions.

**44**

Dual taxation treaties with **44** countries have been implemented, including the 2018 agreement with Japan.

**Discussions on temporary free trade agreement with the UK concluded**

**18 March 2019** Iceland, Norway, and the United Kingdom have concluded their negotiations on a temporary free trade agreement for goods trade in the event that the UK leaves the EU without an exit agreement. Under this agreement, the main terms and conditions for import/export duties will continue to apply to goods trade with the UK.

**New open EEA database**

**13 March 2019** The Ministry for Foreign Affairs, the Confederation of Icelandic Enterprise (SA), and the Icelandic Confederation of Labour (ASÍ) held a meeting this morning on the status of the EEA Agreement, including the associated benefits and challenges. A new open EEA database where all EEA instruments are available in one place was introduced at the meeting. This year marks the 25th anniversary of the entry into force of the Agreement, and the database is an important step towards greater transparency.

**Brexit in the spotlight at meeting of Icelandic and British foreign ministers**

**3 October 2018** Guðlaugur Þór Þórðarson, Minister for Foreign Affairs, and Jeremy Hunt, Foreign Secretary of the United Kingdom, discussed Britain’s exit from the EU, free trade issues, and bilateral communications at a meeting in Birmingham today. This was the first bilateral meeting between the two ministers since Hunt took office this summer. In recent days, Guðlaugur Þór has been in France, where he met with senior officials from international institutions and with French authorities, including the Minister of Europe and Foreign Affairs, Jean-Yves Le Drian.

# International development cooperation

International development cooperation is one of the pillars of Iceland’s foreign policy and an important element in the country’s national security policy. Objectives are founded on the UN Global Goals for Sustainable Development: to improve livelihoods and expand people’s opportunities with stronger social infrastructure; to improve food security and stimulate economic growth based on equality and sustainable use of natural resources; and to enhance social resilience and expedite reconstruction through increased coordination of humanitarian assistance and development cooperation.



## New development cooperation policy

Iceland’s international development cooperation policy for the years 2019-2023 was recently adopted in Parliament. Human rights, gender equality, and sustainable development are the guiding principles, emphasising how Icelandic

expertise can contribute to the advancement of the SDGs. Fragile states, peace and the fight against hunger and poverty features high on the agenda with focus on the needs of the poorest and most vulnerable.



Members of the media in Malawi talk with the Minister for Foreign Affairs after the formal opening of a maternity ward in Mangochi

## External evaluation

The first external evaluation of Iceland’s district level programme-based approaches in Malawi and Uganda was carried out in 2018 with positive results. Iceland has been working at the district level in bilateral development cooperation in recent years, relies on close partnership with district authorities and follows the development priorities of the recipient country. The evaluation revealed that Iceland’s approach has been particularly successful by enhancing local ownership.

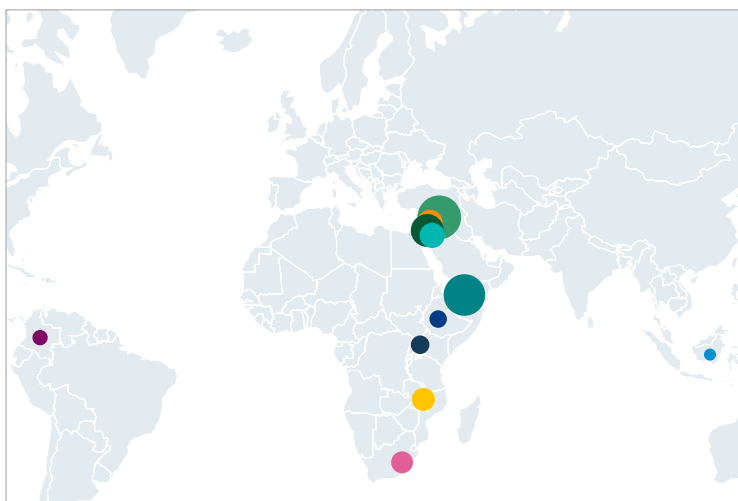
## Private sector engagement

Private sector participation is vital to achieving the development objectives, promoting sustainable economic growth and creating employment opportunities in developing countries. In 2018, the Ministry established a Global Goals Cooperation Fund to provide funding opportunities for private sector projects in this field.

## Increased humanitarian assistance

In 2018, 135 million people were in need of humanitarian assistance, due to armed conflict, violence and natural disasters. Support is channeled through multilateral institutions and non-governmental organisations. Iceland has in recent years emphasised unconditionality and quick delivery of aid, but contributions have drastically increased from ISK 232 million in 2015 to over ISK 746 million in 2018.

### Emergency and humanitarian assistance | By country 2018



Contributions in ISK millions (preliminary figures)

● Ethiopia	25.0	● Colombia	19.4	● Palestine*	85.4
● Indonesia	12.3	● Lesotho	39.3	● Syria	152.5
● Yemen	135.9	● Lebanon	50.0	● Uganda	28.6
● Jordan*	51.9	● Malawi	41.2		

\* A portion of the allocations is earmarked for Syrian refugees.

## Geothermal training for 40 years

Almost 700 experts from 60 countries have graduated from the UN University Geothermal Training Programme, which celebrated its 40th anniversary in 2018. Over 1300 fellows have graduated from the four UN University Programmes in Iceland: Geothermal Training Programme, Fisheries Training Programme, Land Restoration Programme, and Gender Equality Studies and Training Programme.

## MFA NEWS

### Major educational advances in Buikwe, thanks to Icelandic support

**15 October 2019** According to a new survey carried out in Buikwe district, Iceland’s development cooperation partner community in Uganda, education has improved since Iceland began providing educational assistance to the local authorities. Last year, 75.5% of students completed their final primary school examinations, up from 40% in 2011. The drop-out rate has also fallen significantly.

### Poverty reduction and job creation key goals

**3 December 2018** “The principal goals of Iceland’s contribution to development cooperation are to reduce poverty and promote job creation and sustainable economic growth in developing countries, so as to lay the foundation for increased prosperity. The participation of the business community – with all of its initiative and wide-ranging expertise, which can be used to bring complex projects to fruition – is a vital element in this,” said Minister for Foreign Affairs Guðlaugur Þór Þórðarson in Parliament today when introducing Iceland’s new strategy for development cooperation in 2019-2023.

### Iceland to contribute ISK 100m in Yemen famine relief

**16. nóvember 2018** Ministry for Foreign Affairs Guðlaugur Þór Þórðarson decided today that the Ministry would allocate ISK 100 million to emergency assistance in Yemen. This contribution will be divided equally between two United Nations institutions working in the country: the UN World Food Programme (WFP) and the United Nations Children’s Fund (UNICEF).

# Iceland and national security

International law and effective international collaboration are particularly important for states without armed forces. Iceland ensures its security and defence by cooperating actively with other states, particularly through its NATO membership and bilateral defence agreement with the US, but also through participation in the UN, the OSCE and through regional security cooperation. The National Security Policy provides the foundation for this cooperation, as it extends to active foreign policy, defence policy, and civil security.



## Cooperation with NATO

Through its NATO membership, Iceland emphasises political consensus on security, stability, and joint defence, as well as seeking ways to reduce tension and build trust. Priorities include security and preparedness in the North Atlantic, arms control and disarmament, and active participation of women in the field of peace and security. In cooperation with NATO, Iceland is responsible for air and maritime surveillance covering a large area of the North Atlantic, and the maintenance of various security-related systems, structures and equipment in Iceland.

## NATO Exercise Trident Juncture 2018

One aspect of Iceland's cooperation with NATO was Iceland's participation in Trident Juncture 2018, one of the largest NATO-led defence exercises in years. This exercise reflects the changing security environment in the Arctic region and the potential importance of unimpeded shipping routes across the Atlantic. While the exercise was mostly carried out in Norway, ten naval vessels from NATO member states docked in Reykjavik. A counter-terrorist exercise and cold weather training were also conducted in Iceland. Iceland also participated in a cybersecurity exercise in Norway.

## Contributions to NATO



**Operation of the Icelandic air defence system**, which is part of the integrated NATO air defence system.



Operation and oversight of **90 NATO defence structures** in Iceland.



**Host country support for NATO country personnel.** Well over a thousand people stayed at Keflavík Airport in 2018.



**12 civil experts** work around the world on a variety of NATO projects ranging from gender equality to training in bomb disposal.



From the memorial service in connection with the 2018 Trident Juncture exercise

## Disarmament

Recent developments have led to growing international emphasis on disarmament and arms control. Iceland is actively involved in disarmament cooperation and recently hosted the annual NATO Conference on Weapons of Mass Destruction, Arms Control, Disarmament, and Non-Proliferation, held in Reykjavík in October 2018. The main topics included potential measures to reduce the risk of proliferation of weapons of mass destruction and concerns about future prospect of existing disarmament agreements.

## Nordic defence cooperation

In the fields of defence and security, Nordic cooperation has grown closer and broader in scope. Iceland contributes to the civil components of the Nordic Defence Cooperation (NORDEFCO), which is the main framework for Nordic security cooperation.

## Icelandic peacekeeping

Last year, 14 civilian officers worked in the field for the Icelandic Crisis Response Unit (ICRU), including in Afghanistan, Georgia, and as part of NATO's Enhanced Forward Presence in Estonia and Lithuania. Icelandic Coast Guard experts participated in explosive ordnance disposal training project in Iraq. Icelandic civilian experts also contribute to the work of NATO in Belgium, the UK, and the US.

## MFA NEWS

### Iceland hosts annual NATO conference

**30 October 2018** This week, Iceland hosts the annual NATO conference on weapons of mass destruction, arms control, disarmament and non-proliferation. Guðlaugur Þór Þórðarson, Iceland's Minister for Foreign Affairs stressed the importance of disarmament and peace in his keynote speech. Senior experts and officials from over fifty countries and organisations gathered in Reykjavík yesterday to discuss the state of global arms control treaties. The two-day conference will cover topics ranging from ballistic missile proliferation and the use of chemical weapons by states and non-state actors, to the future of the nuclear Non-Proliferation Treaty (NPT).

### NATO Exercise Trident Juncture 2018 in Iceland

**24 October 2018** This month NATO Exercise Trident Juncture 2018 takes place in Iceland, Norway, Sweden, and Finland. As an integral part of Trident Juncture, several activities took place in Iceland last week with the participation of some one thousand troops, leading up to the main part of the exercise in Norway. Up to 50,000 troops from more than 30 NATO member and partner nations are expected to participate in the main part of the exercise starting on October 25.



# Fiscal policy objectives

The Ministry for Foreign Affairs is responsible for two out of 35 government expenditure areas: Foreign Affairs (area 4) – with three expenditure functions – and International Development Cooperation (area 35). In the five-year fiscal policy framework, objectives are set for each of the four expenditure functions.

## Expenditure area 4 Foreign affairs

### Foreign service and administration of foreign affairs - Function objectives

- 1 To better protect the fundamental values of Iceland's foreign policy: democracy, respect for international law and the rule of law and, humanitarian affairs, human rights of all, sustainable development, disarmament and peaceful resolution of disputes.
- 2 To better protect the interests of Iceland and Icelandic citizens abroad. This entails fostering good relations with Icelanders abroad and protecting Iceland's special interests, such as the law of the sea, sustainable resource utilisation, and a clean environment, including in the Arctic region.
- 3 To improve competitiveness and ensure optimal market access for Icelandic businesses and support Icelandic tourism by ensuring efficient Schengen visa processing.

### External trade – Function objectives

No objectives have been set for this function as a long-term export strategy is being prepared jointly by the Government and the business sector. Expenditure function objectives will be set out on the basis of this strategy.

## Security and defence – Function objectives

- 1 To further strengthen credible and visible defence mechanisms, based on international cooperation, particularly Iceland's membership of NATO and the OSCE, the defence agreements with the US, and active regional security cooperation.
- 2 To further strengthen the operation and maintenance of the Icelandic air defence system and other systems and structures in Iceland, including NATO defence structures in the security area of Keflavik Airport.
- 3 To ensure sufficient host country support, preparedness, security and expertise for the reception of military personnel during peacetime, wartime, or times of danger if the need arises.

## Expenditure area 35 International development cooperation

Iceland's international development cooperation policy in place for the years 2019-2023 aims to share and make use of Icelandic expertise to fight poverty and contribute to the achievement of the SDGs. Within this function, there are two objectives, which support Iceland's main objective in international development cooperation:

- 1 To create social infrastructure in developing countries and promote peace.
- 2 To protect the Earth and promote the sustainable use of natural resources.



EFTA Ministerial Meeting in Geneva, November 2018. From left: Henri Gétaz, EFTA Secretary-General, Guðlaugur Þór Þórðarson, Minister for Foreign Affairs of Iceland, Aurelia Frick, Minister of Foreign Affairs, Justice and Culture of Liechtenstein, Johann N. Schneider-Ammann, Federal Councillor and Head of the Federal Department of Economic Affairs, Education and Research of Switzerland, and Torbjørn Røe Isaksen, Minister of Trade and Industry of Norway



Guðlaugur Þór Þórðarson, Minister for Foreign Affairs of Iceland, visited Malawi in early 2019. Malawi is one of Iceland's bilateral development cooperation partner countries in Africa



NATO Secretary General Jens Stoltenberg was presented with a gavel from Iceland by Guðlaugur Þór Þórðarson at the meeting of the North Atlantic Council in April 2018



Iceland hosted the annual NATO conference on weapons of mass destruction, arms control, disarmament and non-proliferation in October 2018

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