

May 2021



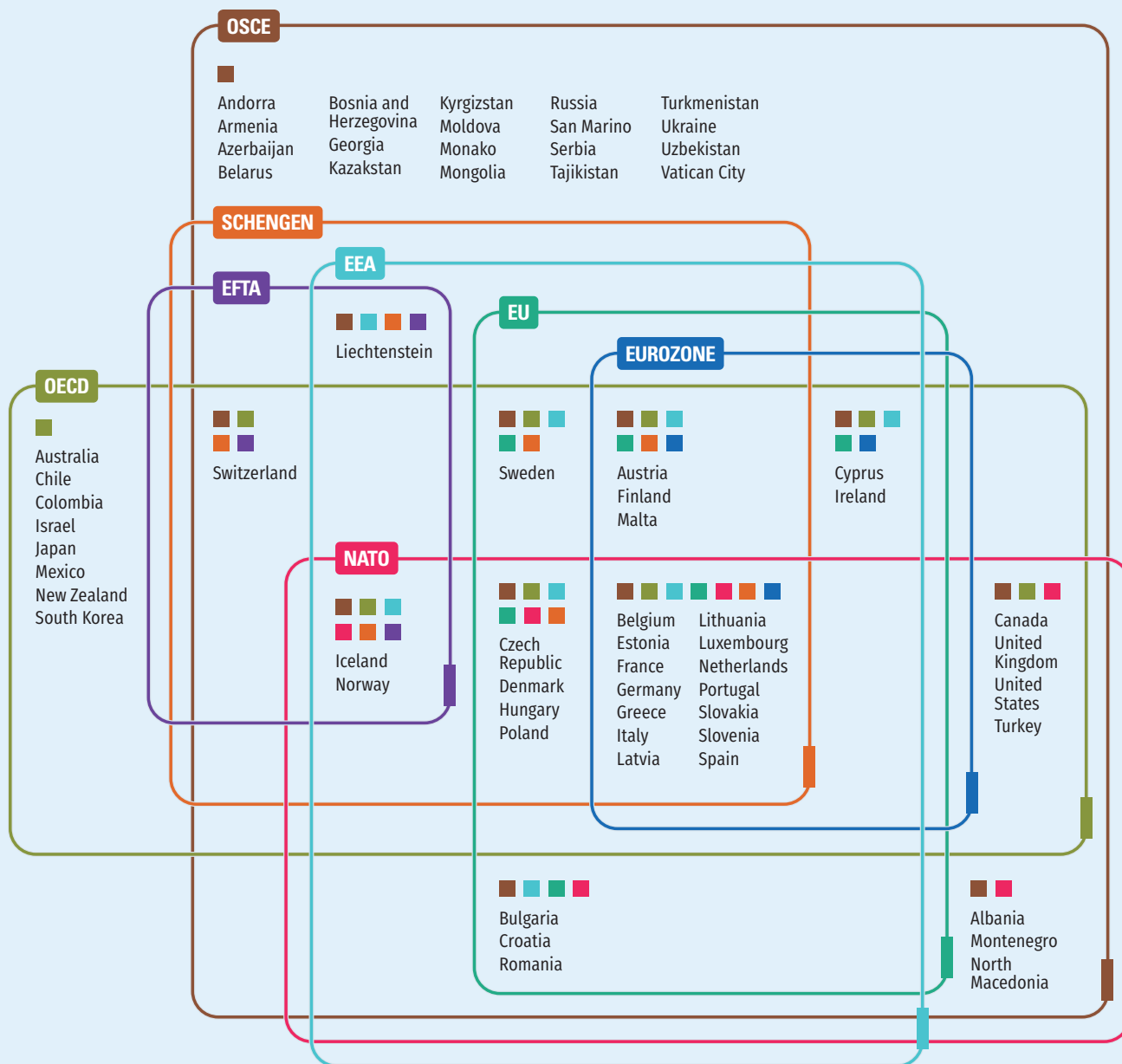
# Foreign affairs

Excerpt from the Report  
of the Minister for Foreign  
Affairs and International  
Development Cooperation  
to the Parliament 2021

| **Government of Iceland**  
| Ministry for Foreign Affairs

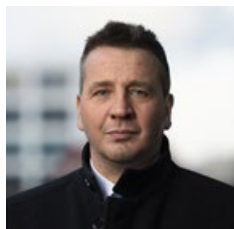


## Layers of International cooperation



Issued by: Ministry for Foreign Affairs of Iceland, May 2021  
 Photos: Golli (1) Haraldur Guðjónsson Thors (3) Viktor Richardsson (4)  
 Ministry for Foreign Affairs (5,7,9,12) BIGS (7) NATO (11) Hari (13)

# The light at the end of the tunnel



These are certainly historic times we live in. The ongoing pandemic has upended societies globally and permanently altered the world order. Under such precarious circumstances, it has remained an imperative task for the foreign service to safeguard the interests of the Icelandic nation.

Robust foreign trade is the foundation of continuing prosperity. Hence, increased support of export sectors has shaped our response to the pandemic. The 24-hour emergency trade services launched late last year allow Icelandic companies to seek assistance with solving urgent matters around the clock. Moreover, we have strived to strengthen the foundations of foreign trade. The Economic Dialogue established with the United States in 2019 has become an annual event, and we have concluded the negotiations on the future relationship with the UK. The protection of interests within the EEA furthermore remains at the forefront.

The most effective way to eliminate poverty and improve global living standards is to support economic development in developing nations. This aim will not be achieved without engaging with the private sector. Heimstorg (Global Square), a cooperation project between the Ministry for Foreign Affairs and Business Iceland, disseminates information to Icelandic businesses on potential economic development projects in developing countries and elsewhere. The fund for collaboration with companies on the UN SDGs, through which Icelandic businesses can promote prosperity in developing states, is now fully operational.

We have also continued to ensure Iceland's security with respect to the ever-changing threats we face. A dedicated hybrid threat unit has been established in the ministry to identify new challenges, e.g. cyber threats and disinformation campaigns, and formulate responses. The security of basic infrastructure such as

fibre-optic cables is also a priority. We also continue to contribute to Iceland's security and defence cooperation within NATO, as with the Nordic countries and other like-minded states.

Cooperation on Arctic issues has gained increased significance as the region's relevance is particularly pronounced with respect to the challenges now facing humanity. Climate issues have been focal in Iceland's successful chairmanship of the Arctic Council. Iceland has a lot to offer in this area, especially when it comes to utilising renewable energy sources.

The democratic values which form the foundation of the multilateral system remain at the heart of Iceland's foreign policy and action. The negative trend where these values have increasingly come under threat, often with COVID-19 as a pretext, is concerning. Hence, we will continue to actively participate in and contribute to international organisations and respond to violations of international law and human rights [such as in Belarus].

Recent months have been both demanding and distressing, but at the same time, they have demonstrated the nation's resilience and strength. I am proud of the success achieved in supporting Icelandic businesses and safeguarding the interests of our citizens in these uncertain times. Now that we can see the light at the end of the tunnel, Iceland stands firm in the community of nations.

*Gudlaugur Thór Thórdarson,  
Minister for Foreign Affairs and  
International Development Cooperation*

# Adapting to a changing landscape



International political communications have been extensive and successful despite the ongoing pandemic. Teleconferencing has proven to be an efficient tool and will continue to be significant when the pandemic is over as it simplifies regular dialogue and reduces both expenditures and carbon footprint.



From left to right: Auðunn Atlason, Ambassador, Diljá Mist Einarsdóttir, Political Advisor to the Foreign Minister, Einar Gunnarsson, Ambassador, Gudlaugur Thór Thórdarson, Minister for Foreign Affairs, Pétur Óskarsson, CEO of Business Iceland, Ásta S. Fjeldsted, then Managing Director of the Iceland Chamber of Commerce, and Halldór Benjamín Thorbergsson, Director General of the SA Confederation of Icelandic Enterprise.

## Launch of 24-hour emergency trade services

The Foreign Service has sought ways to adapt to post-COVID-19 reality. July 2020 saw the release of the report *Saman á útavelli* (Together on the Road), which introduces robust proposals that aim to support the export sector. Already implemented is a dedicated 24-hour emergency trade service based on the model of the Consular Services, which is especially useful when exporters encounter problems that must be resolved without delay.

## Regular exchange of information with friendly nations

The value of Nordic cooperation has rarely been more evident than during the ongoing pandemic. The Nordic Foreign Ministers met ten times in 2020, including one meeting in person. In addition, the Foreign Ministers of the Nordic and Baltic states held eight meetings, seven of which were teleconferences, where they exchanged information relating to the pandemic, such as epidemiological conditions and travel restrictions. Furthermore, the close collaboration between the NB8 countries proved particularly valuable during the repatriation of citizens who became stranded worldwide.



| Teleconferences were the new norm during COVID-19.

## Consular Services under strain

The pandemic has significantly marked the activities of the Consular Services. A little less than 700 requests for assistance were registered at the Ministry's Consular Services in 2019, while the ministry and embassies received over nine thousand such requests in 2020. Routine tasks of Consular Services, such as assistance in cases of sickness, accidents and criminal proceedings, also became more complex due to travel restrictions.

Ensuring equitable access to vaccines, Iceland committed ISK 500 million to COVAX in 2020, led by Gavi, the Vaccine Alliance, WHO, and CEPI to ensure global equitable access to COVID-19 vaccines.

### Consular Services 2020

**9,000+** 

More than **9,000 requests for assistance** were received by diplomatic missions and the Ministry, compared to 679 in 2019.

**2,000+** 

Due to COVID-19, more than **two thousand facilitation letters** were issued to confirm permission to enter the country.

**1,170** 

**1,170 passport applications** were received in 2020, and 335 emergency passports were issued.

**74,000+** 

**The Ministry's travel advice website** opened in March 2020 has received more than 74,000 visits.

## NEWS FROM THE MINISTRY

### EU regulation on restrictions on vaccine exports opposed

**26 March 2021** Reactions to the European Union's new regulation on export restrictions on vaccines were high on the agenda at a teleconference meeting between the NB8 Foreign Ministers today. Earlier this week, Gudlaugur Thór Thórdarson, Minister for Foreign Affairs, asked his counterparts to help ensure that the regulation did not affect the delivery of vaccines to Iceland.

### Foreign Service to support business

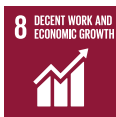
**26 June 2020** The report of the working group of the Minister for Foreign Affairs on the Foreign Service's support for export industries was published today. The Minister delivered the report to representatives of the Confederation of Icelandic Enterprise, Iceland Chamber of Commerce and Business Iceland.

### Changed travel advisory from the Icelandic Government

**23 June 2020** As the pandemic is on the wane in Europe and the borders of most countries in the EEA have opened to Iceland, the recommendations issued by the Government on 14 March concerning international travel have been revised.



# Iceland's external trade policy



Iceland's external trade policy aims to ensure the best possible trade environment for Icelandic enterprises in foreign markets. The withdrawal of the United Kingdom from the EU as well as the EEA was met with robust safeguarding of interests. Discussions on the future relationship between the states began in full force in August 2020. Furthermore, the Economic Dialogue with the United States was established as an annual event in 2020, and cooperation through Business Iceland was strengthened.

## Discussions on the future relationship with the UK begin

The Ministry's work concerning the withdrawal of the United Kingdom from the EU has been extensive in recent years. A trade continuity agreement covering trade in goods between Iceland and Norway and the United Kingdom entered into force on 1 January 2021 and remained valid until a permanent free trade agreement was reached. The negotiations with the UK on issues that fall outside the scope of free trade negotiations have taken place in various areas, most notably the signing of an air transport agreement on 16 December 2020.

## Economic Dialogue held with the United States

Iceland and the US further strengthened their economic cooperation in 2020 with the second United States Iceland Economic Dialogue held in

October where the dialogue was established as an annual event. Getting the so-called Iceland Act passed in the US Congress was delayed due to COVID-19, but the bill would give Icelandic investors and business people the same visa rights in the US as other Nordic and Western nations.

## A partnership between Business Iceland and Business Sweden

Business Iceland and Business Sweden reached a cooperation agreement that provides Icelandic companies with increased access to Business Sweden services. The Icelandic Foreign Service has trade representatives in twelve markets, but the agreement significantly enlarges the network available to Icelandic companies for expanding their businesses abroad as Business Sweden operates in 42 markets.

## Foreign Trade Agreements

74



**Free Trade Agreements** with a total of 74 states and territories, including two that await entry into force. Furthermore, one FTA is awaiting signature.

100+



**Air Transport Agreements and MoU's** authorise flight to over 100 countries. Seven agreements signed 2018-2020.

10



Iceland has made **bilateral investment agreements** with ten states, in addition to other agreements with investment provisions.

45



**Double Taxation Agreements** in force with a total of 45 states, including an agreement with Japan from 2018.



The Minister for Foreign Affairs signs a new air transport agreement on behalf of Iceland in December 2020.

## Áfram gakk! (The Way Forward!)

The report *Áfram gakk! Iceland's International Trade Policy*, published in January 2021, gives a complete overview of Iceland's FTAs, summarises the WTO framework and Iceland's policies in the multilateral trade arena, and maps out recent frictions in the multilateral trading system. The report also discusses Iceland's free trade relations and EFTA's free trade agreements, which ensure improved market access for Icelandic exporters worldwide.



Business Iceland's annual general meeting. From left to right: Pétur Óskarsson, CEO of Business Iceland, Eliza Reid, wife of the President of Iceland, Gudlaugur Thór Thórdarson, Minister for Foreign Affairs and International Development Cooperation, Hildur Árnadóttir, Chairman of the board of Íslandsstofa, and Pär Ahlberger, Sweden's ambassador to Iceland.

## NEWS FROM THE MINISTRY

### Significant interests at stake for the Icelandic economy

**29 June 2020** The Minister for Foreign Affairs held a consultation meeting today with business leaders to discuss the upcoming free trade negotiations of Iceland, Norway, and Liechtenstein with the United Kingdom.

### US-Iceland Economic Dialogue held for the second time

**27 October 2020** The economic consequences of COVID-19 and visas for Icelandic traders and investors were among the topics discussed at the Economic Dialogue between Iceland and the United States today. The Minister for Foreign Affairs says the dialogue has already begun to bear fruit.

### Future relations on the agenda

**15 September 2020** Discussions between Iceland and the United Kingdom on future relations between the two countries were the focus of meetings between Gudlaugur Thór Thórdarson, Minister for Foreign Affairs, and British ministers and members of Parliament today and yesterday.

# The New Arctic



Iceland has played a key role in international cooperation on Arctic issues for the past two years with its Chairmanship of the Arctic Council, concluded with a Ministerial meeting in Reykjavik in May 2021. Althingi has adopted parliamentary resolutions on a new Arctic policy and increased cooperation with Greenland. Cooperation between the Nordic countries remains strong despite the pandemic.

## The Arctic Council during COVID-19

The pandemic left its mark on Iceland’s Chairmanship and the work of the Arctic Council over the past year. Large meetings of the Arctic Council Secretariat and the Sustainable Development Working Group, which should have taken place in Akureyri and Egilsstaðir, were held as teleconferences. The International Symposium on Plastics in the Arctic organised by the Chairmanship was also held remotely in March. Iceland’s Chairmanship program highlighted the Arctic marine environment, climate and green energy solutions, people and communities of the Arctic, and a stronger Arctic Council.

## A new Arctic policy

The Minister for Foreign Affairs and International Development Cooperation accepted proposals from a parliamentary committee made up of members from all parties last March on Iceland’s revised policy on Arctic issues. It discusses, among other things, Iceland’s status as an Arctic state, the far-reaching effects of climate change in the Arctic and the interests of the region’s inhabitants. Althingi has adopted a parliamentary resolution on a new Arctic policy submitted by the Minister for Foreign Affairs based on the proposals.

### Nordic Cooperation 2020



**The Minister’s meetings with his counterparts in the Nordic and Baltic countries** totalled 30 in 2020, 24 of which were teleconferences.



**The Nordic Foreign Ministers met ten times**, nine of which were teleconferences.



**There were eight meetings between the Nordic Foreign Ministers and their Baltic counterparts**, including seven teleconferences.



**There were eight bilateral meetings and four bilateral visits.** The Minister visited Latvia, Estonia and Denmark, and met his Faroese colleague in June.





Össur Skarphéðinsson former Minister and Chairman of the Greenland Committee and Foreign Minister Gudlaugur Thór Thórdarson present the Greenland report in January.

## Greenland and Iceland in the New Arctic

The report of the Greenland Committee appointed by the Minister for Foreign Affairs, *Greenland and Iceland in the New Arctic*, was published in January. The report contains 99 recommendations for measures to increase cooperation between Greenland and Iceland in various areas. A parliamentary resolution has been adopted by Althingi describing Iceland's intent and objectives for increased cooperation.

## Increased emphasis on bilateral cooperation

The Ministry strengthened communications with the diplomatic missions this year with the establishment of a new unit supporting the work of bilateral embassies, consulates, and home-based ambassadors. Efforts were made to ensure consultation with the Ministry on local priorities and coordinate the business and cultural plans of diplomatic missions with the plans of Business Iceland.

## 30th anniversary of NB8 cooperation

The close relationship between the Nordic and Baltic countries has every potential to grow even stronger. Estonia led the cooperation last year and highlighted opportunities in the areas of data exchange, digital solutions and cybersecurity. The Minister for Foreign Affairs met 30 times with his counterparts in the NB8 states last year, which also marked the 30th anniversary of the cooperation.

## NEWS FROM THE MINISTRY

### The final meeting of the Arctic Council Secretariat

**19 March 2021** The final meeting of the Arctic Council Secretariat under the Icelandic Chairmanship was held in Reykjavik 16–18 March. Russia will formally be taking over the Chairmanship at a Ministerial meeting in Reykjavik in May.

### Minister welcomes Greenland's interest in increased cooperation

**22 February 2021** Bilateral relations between Iceland and Greenland and the results of an opinion poll indicating that 90% of Greenlanders support increased cooperation with Iceland were among the topics discussed in the opening remarks by the Minister for Foreign Affairs at a virtual meeting of the Arctic Circle today.

### NB8 states express concern over the situation in Belarus

**11 August 2020** The Foreign Ministers of the NB8 states expressed their grave concern over the situation in Belarus in a joint statement released today. The Ministers urged the Belarusian authorities to stop the persecution of political opponents and to respect human rights and freedoms. The Ministers voiced a particular concern regarding violence and physical injuries inflicted on demonstrators following reports of electoral fraud in the presidential elections held last Sunday.

# New security and defence challenges



The rationale for the national security policy is Iceland’s position as an island nation with no standing military that ensures its security and defence through active cooperation with other countries and within international organisations. Iceland is not immune to the changes that have taken place in global security matters in recent years. The cornerstones of Iceland’s security and defence remain the NATO membership and the Defence Agreement with the United States.

## Continued operations in the Keflavik Air Base

Despite the pandemic, most security and defence projects have remained almost unaltered in scope, including host country support and the operation of defence structures and equipment. Two NATO exercises, the antisubmarine exercise Dynamic Mongoose and the explosive ordinance disposal exercise Northern Challenge, took place in and around Iceland in 2020, albeit in a smaller form than usual.

## Stronger political cooperation and transatlantic ties

NATO is the main venue for cooperation and consultation on responses to conventional and unconventional threats. Deterrence and defence, Russia’s military strength, terrorist threats, NATO’s operations, hybrid threats and emerging

technological developments are currently at the top of the organisation’s agenda, in addition to COVID-19 related matters. In recent months, an assessment has been made of how to strengthen political cooperation between Nato Allies. Proposals on this subject will be submitted at the NATO Summit of Allied leaders in June.

## Greater multilateral cooperation on security and defence issues

Multilateral security and defence cooperation have grown steadily in line with international security challenges. Outside of NATO, active consultations have taken place among the Nordics within the Nordic Defence Cooperation (NORDEFECO), the Northern Group, and among the NB8 states. In April, Iceland also became a Joint Expeditionary Force (JEF) member, a coalition of like-minded allies led by the United Kingdom.

## Contributions to NATO 2020

9



Iceland provided NATO with nine civil experts in 2020 who worked around the world on a variety of projects.



Operation of the Iceland Air Defence System, which is a part of the NATO Integrated Air and Missile Defence System. The radar stations cover a large area in the North Atlantic.

140



Operation and oversight of 140 NATO defence structures in Iceland.

55,000+



Host country support for NATO country personnel. More than 55,000 overnight stays for foreign personnel in 2020.



In October, Bryndís Kjartansdóttir took over the post of Director-General of the Ministry for Foreign Affairs' Directorate for Security and Defence, thereby becoming only the second woman in the 70-year history of NATO to hold the position of Chief of Defence (CHOD). She participated in a NATO Military Committee teleconference at the beginning of the year.

## Focus on hybrid threats

One of Iceland's main objectives in security and defence matters is to build and coordinate preparedness and capabilities in the field of cybersecurity and to strengthen knowledge of and responses to hybrid threats. To this end, a hybrid threat unit was established within the Ministry in November. The Unit will lead the ministry's policymaking in this area, handle information processing, preparation of risk assessments, as well as oversee international cooperation.

## Tender for fibre-optic cables

A working group appointed by the Minister for Foreign Affairs submitted a report in February proposing that preparations should be made for a tender for two of NATO's three fibre-optic cables in Iceland for the benefit of competition in the telecommunications market and in the interest of national security and defence.



A squadron from the Norwegian Air Force participated in NATO airspace patrols in Iceland this year and last year with its new F-35 fighter jets.

## NEWS FROM THE MINISTRY

### The antisubmarine exercise Dynamic Mongoose 2020

**25 June 2020** The NATO antisubmarine exercise Dynamic Mongoose 2020 will be held in Iceland from 29 June to 10 July. The exercise has been held annually off the coast of Norway since 2012, except in 2017, when it took place in Iceland. Future exercises will be held alternately in Iceland and Norway.

### The end of NATO operations in Afghanistan decided at the Ministerial meeting

**14 April 2021** Today, Gudlaugur Thór Thórdarson, Minister for Foreign Affairs, took part in a teleconference with NATO foreign and defence ministers, where NATO allies decided to start withdrawing forces from Afghanistan.

### ICRU Civilian experts in every Baltic state

**16 October 2020** Representatives of the Iceland Crisis Response Unit are currently working for the multinational NATO force in all three Baltic states. The Minister for Foreign Affairs welcomes Iceland's increased participation in NATO's operations in the region, known as enhanced Forward Presence (eFP). Initially, civilian communications specialists were posted in Estonia and Lithuania, but last month a position was added in Latvia.

# Iceland shoulders responsibility



A well-functioning international rules-based order is crucial to small states in all international relations. The values of peace, democracy, human rights, gender equality and sustainable development that underpin the international system are under pressure in many parts of the world.



Ann Linde, Foreign Minister of Sweden, Guðlaugur Thór Thórdarson and Jeppe Kofod, Foreign Minister of Denmark, at the Bornholm meeting in September.

## In the vanguard of human rights and democracy

Iceland has established itself among the democracies that actively promote and protect human rights and democratic values, including speaking out against countries where serious human rights violations have been exposed. On the Human Rights Council (HRC), Iceland has actively called for improvements on human rights in Iran, the Philippines and Saudi Arabia.

Iceland has decided to run for a seat on the HRC for the term 2025-2027, following the successful membership in 2018-2019. Preparations have also begun for Iceland's chairmanship of the Council of Europe's Committee of Ministers, and work is underway on Iceland's candidacy for the UNESCO Executive Board 2021-2025.

## Successful international relations

Antony Blinken, US Secretary of State, and Russian Foreign Minister Sergei Lavrov attended the Ministerial Meeting of the Arctic Council in Reykjavik this May along with the Nordic and Canadian Foreign Ministers. Regardless of pandemic-related restrictions, diplomacy must continue. This year marks 50 years since Iceland established diplomatic relations with China and 80 years since the establishment of diplomatic relations between Iceland and the United States.

The report by former Minister Bjorn Bjarnason on the deepening of Nordic cooperation in the field of foreign and security affairs is indicative of the shared values and interests of the Nordic countries. The Nordic Foreign Ministers met in Bornholm in September and agreed to work on proposals addressing climate issues, hybrid threats and the multinational system.





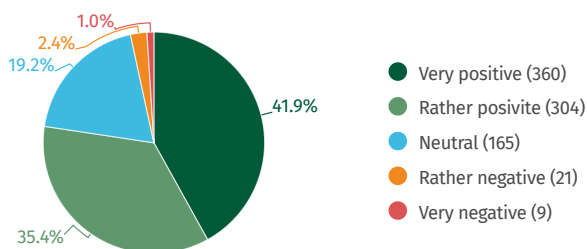
When it comes to clean and sustainable energy, Iceland has a great deal of expertise to share, not least when it comes to utilising geothermal energy.

## International cooperation during the pandemic

The pandemic affected the work of international organizations and intergovernmental cooperation largely moved to virtual space. Iceland contributed to international efforts to mitigate the impact of the pandemic and to continue humanitarian and development efforts despite the immense challenges posed by the pandemic. Humanitarian aid to Syria was extensive, in addition to contributions to emergency aid in Yemen and the Sahel region of Africa.

Climate action and the sustainable use of natural resources remain at the forefront of of multilateral cooperation. The sustainability of natural resources is a core interest of Iceland and it has a wealth of expertise to share, not least in development cooperation. Clean, sustainable energy for all, the conservation and sustainable use of marine resources, sustainable land use and carbon capture and storage are all areas where Iceland continues to make an active contribution.

## How positive or negative are you towards Iceland's membership in the United Nations?



\* Total respondents: 925, 66 did not answer. Source: Maskina (March 2020)

## NEWS FROM THE MINISTRY

### Gudlaugur Thór Thórdarson spoke to Antony Blinken

**28 April 2021** The Arctic Council's Ministerial meeting, bilateral relations and cooperation in the international arena were discussed during a call between Gudlaugur Thór Thórdarson, Minister for Foreign Affairs and Antony Blinken, US Secretary of State, today. Secretary Blinken announced in a recent speech that he would lead the US delegation to the Arctic Council Ministerial meeting in May.

### Foreign Minister Gudlaugur Thór Thórdarson addressed the UN Human Rights Council

**23 February 2021** In his address to the UN Human Rights Council today, Gudlaugur Thór Thórdarson, Minister for Foreign Affairs, warned that the pandemic was being used as a pretext to curtail freedom and civil rights. He particularly welcomed the decision of the United States to rejoin the Human Rights Council.

### Iceland supports the call for a global ceasefire

**1 April 2020** Iceland endorses the declaration of 53 countries in support of UN Secretary-General António Guterres' call for an immediate global ceasefire. The nations of the world are urged to focus on fighting the coronavirus pandemic.



# International development cooperation



Iceland's policy for international development cooperation focuses on areas where Icelandic expertise can be applied. Enhanced cooperation with NGOs and the private sector aims to further assist low-income states improving their infrastructure and economic development.

Iceland's contribution to the UN development and humanitarian agencies is a fundamental part of its overall development policy. As in other areas, the mainstreaming of equality and human rights is an integral part of this cooperation. Iceland held the Nordic-Baltic seat on the World Bank Board of Directors in 2019-2021. Climate issues, renewable energy, gender equality, economic development and cooperation with the private sector have been key issues during the period.

Iceland's development cooperation has led to tangible results in its bilateral partner countries, Malawi and Uganda, where access to primary education, water and maternity has significantly improved. Iceland also supported measures in response to COVID-19 in partner countries. In Sierra Leone and Liberia, Iceland worked with the UN on beach cleanup and improved access to water and sanitation in coastal areas.

## OECD-DAC mid-term review

The OECD-DAC mid-term review of Iceland's development cooperation took place in September. DAC commended the progress made,

in particular Iceland's focus on development cooperation in areas where it has a comparative advantage and its clear support for the world's poorest countries. The establishment of an interim target of 0.35% GNI as official development assistance and the decision to increase the number of staff with development cooperation expertise was furthermore well received.

## GRÓ – Capacity development and training

The GRÓ International Centre for Capacity Development, Sustainable use of Natural Resources and Societal Change brings together, under the auspices of UNESCO, four thematic capacity development and training programmes in Iceland. These are the Fisheries Training Programme (FTP), the Gender Equality Studies and Training Programme (GEST), the Geothermal Training Programme (GTP) and the Land Restoration Training Programme (LRT). New service agreements were made with the host institutions of the programmes.

### Multilateral development cooperation 2020



Iceland had an **Executive Director on the World Bank Board of Directors** representing the Nordic-Baltic Constituency 2019-2021.



In 2020, the Icelandic Government **provided ISK 863 million in humanitarian aid** in collaboration with various institutions.



In 2020, Iceland sent **five humanitarian experts to work in the field** at WFP, UNRWA, UN Women and UNFPA.



**The UN's humanitarian appeal due to COVID-19 was met with contributions** to the WHO, UNHCR, UNFPA and WFP.

### Bilateral development cooperation 2020



**School attendance in Mangochi increased by 20%** from 2017 to 2020. The number of girls grew by 21%.



**The WFP's school meal project** in six schools in Mangochi ensures that almost 7,000 primary school children get a hot meal daily.



Iceland and UNICEF are working on the **development of water and toilet facilities in refugee settlements** in Uganda benefiting an estimate of 43,000 people.



66,000 people in Mangochi were **provided access to clean water** and 62,000 people in Buikwe in Uganda.

# Operational efficiency

Prudence and efficiency without compromising quality have been the guiding principles in the Ministry's operation in recent years. The Ministry's net result for the year 2020 is positive, amounting to almost ISK 1.2 billion according to preliminary results, despite major challenges due to COVID-19.

The Ministry for Foreign Affairs has achieved positive results in maintaining restraint and prudence in its operations. If last year's expenditures are compared with the ministry's expenditures from 2007, the MFA is one of two ministries where expenditures have gone down in real terms.

By streamlining its work to better reflect the priorities and core interests of Iceland, the Foreign Service has increased its engagement in international and regional organizations and enhanced its relations with key partners. Security and defence, and development cooperation also feature more prominently in the Ministry's operations.

The number and location of diplomatic missions have also been reassessed. Seven diplomatic missions have been closed, and three new ones opened since the global financial crisis. The number of ambassadors has decreased from 42 to 36 at the end of 2019.

A new Foreign Service Act was passed shortly before the end of last year, which increases flexibility and at the same time addresses the main shortcomings of the previous arrangement. In recent months, work has been carried out on implementing proposals found in the 2017 report *Diplomatic service for the future – Guarding Iceland's interests in a rapidly changing world*. Almost all of the proposals have been implemented.

## Comparison of the relative increase in contributions to the Ministries in the time period of 2007 – 2020



## NEWS FROM THE MINISTRY

### New rules on the appointment of ambassadors

**2 March 2020** A draft bill to amend the Foreign Service Act has been published in the Government's consultation portal for comment. The changes aim to establish a more permanent structure selecting ambassadors for the future by setting a ceiling on the number of ambassadors, abolishing the general exemption from the obligation to advertise ambassador posts, and legislating special qualification requirements.

### Half a billion ISK from Iceland toward vaccine development

**5 June 2020** A total of USD 8.8 billion was raised at the Gavi Vaccine Summit yesterday, where the goal was to raise USD 7.4 billion. The Prime Minister, Katrín Jakobsdóttir, announced Iceland's ISK 500 million contribution at the Summit.

### Business Iceland opens Heimstorg (Global Square)

**3 March 2021** Business Iceland formally opened Heimstorg today, a new information and communication portal for companies looking for business opportunities in developing countries and beyond. The project was presented live from Harpa Conference Centre.

# Foreign affairs

Excerpt from the Report  
of the Minister for Foreign  
Affairs and International  
Development Cooperation  
to the Parliament 2021