

Parliamentary Resolution

on a Strategic Regional Plan for 2010-2013

The Parliament of Iceland resolves to entrust the Government with the task of implementing a Strategic Regional Plan for 2010-2013. The strategy is based on measures in innovation and economic development, in keeping with other strategies pertaining to the preparation of the governmental policy on development, *Iceland 2020*.

The principal objectives of the Strategic Regional Plan shall be to improve conditions for residence, innovation, and sustainable development in all parts of Iceland, and to strengthen the education, culture, communities, and competitive position of towns and communities nationwide through a variety of measures.

The Prime Minister, on behalf of the Government, shall deliver a verbal report to Parliament on the progress of the Strategic Regional Plan, which is to be discussed in Parliament early in 2012.

In order to achieve the objectives of the regional plan, the following measures will be taken. They are divided into nine key areas:

1. Employment strategy. At the core of the employment strategy are the improved competitiveness, innovation, and sustainability of the economy, based on the strength and uniqueness of each region or economic sector, as well as education, research, and a variety of cultural and societal characteristics.
2. Integration of strategies and enhanced co-operation. The integration of government strategies, including those in regional development, education, energy, transportation and communications, and cultural affairs, is conceived with the aim of improving performance for the benefit of the economy and of general living conditions, as well as utilising funds more efficiently.
3. Strengthening of economic support systems. This aims, among other things, at simplification and enhanced efficiency in the economy. It is accomplished in part by emphasising growth agreements based on clusters and regional knowledge centres that integrate interdisciplinary fields and local emphases, characteristics and strengths, and are likely to enhance success in innovation and economic development.
4. Innovation and start-up companies. There will be three types of support for innovation and start-up companies: first, through the educational system and the economic support system, such as the Icelandic Regional Development Institute and the regional industrial development agencies, Innovation Center Iceland, and funds for the support of innovation, economic development, and start-up companies; second, through tax incentives for investment in innovation companies and reimbursement of research and development expense; and third, through defined projects, clusters, or official emphases, such as increasing the share of

- domestic environment-friendly energy used in transport or developing methods to utilise or sequester carbon dioxide from industrial emissions.
5. New foreign investment in the domestic economy. In addition to domestic innovation and economic growth, which can be called “organic growth,” it is important to contribute systematically to new foreign investment in Iceland. Framework legislation on incentives for investment will cover areas defined on the EFTA Surveillance Authority Icelandic regional aid map. It is important that economic regional development agencies collaborate with the Invest in Iceland Agency in promoting the salient advantages and strengths of their regions.
 6. Promotion of tourism. After several years of rapid growth, product development, and innovation, tourism is one of the pillars of the Icelandic economy, generating one-fifth of the nation’s foreign exchange revenues. It is important to build on existing strengths and market them to foreign tourists in particular, while ensuring quality and engaging in further product development. Special attention should be given to areas such as health and lifestyle tourism, which emphasise the uniqueness of Icelandic wilderness, products, and natural resources.
 7. Social capital. The social capital of each region is the foundation for its economy, services, and general participation in community-building. Social capital is therefore a major determinant of general living conditions and competitiveness. Education, culture, social activities, democratic participation in policy-making and vision for the future are all factors of importance. Equal rights and the participation of both sexes in the economy and community-building merit particular attention.
 8. Promotion of cultural activities and creative sectors. Culture and arts play an increasingly important role in innovation and economic development nationwide and therefore make a positive impact on regional development. Regional cultural agreements have proven successful. They support cultural and artistic diversity in regional Iceland and strengthen the ties between the arts and cultural tourism. It is important to strengthen the foundations of creative sectors by increasing the emphasis on education in creative fields. Cultural and growth agreements can be used to this end, and extensive collaboration can be established among local knowledge and cultural centres, upper secondary schools, and continuing education centres so as to promote education in creative disciplines.
 9. Equalisation of living conditions. Particular emphasis shall be placed on maintaining the same standard of living throughout the country and on freedom of choice concerning living conditions. The first measures in support of this will focus on equalisation of the cost of home heating and the transport of goods for households and businesses in regional Iceland.