



Voluntary Subnational Review

Iceland 2023

Icelandic Association of
Local Authorities



The SDGs in Icelandic municipalities

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 prerequisite 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 utmost 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.

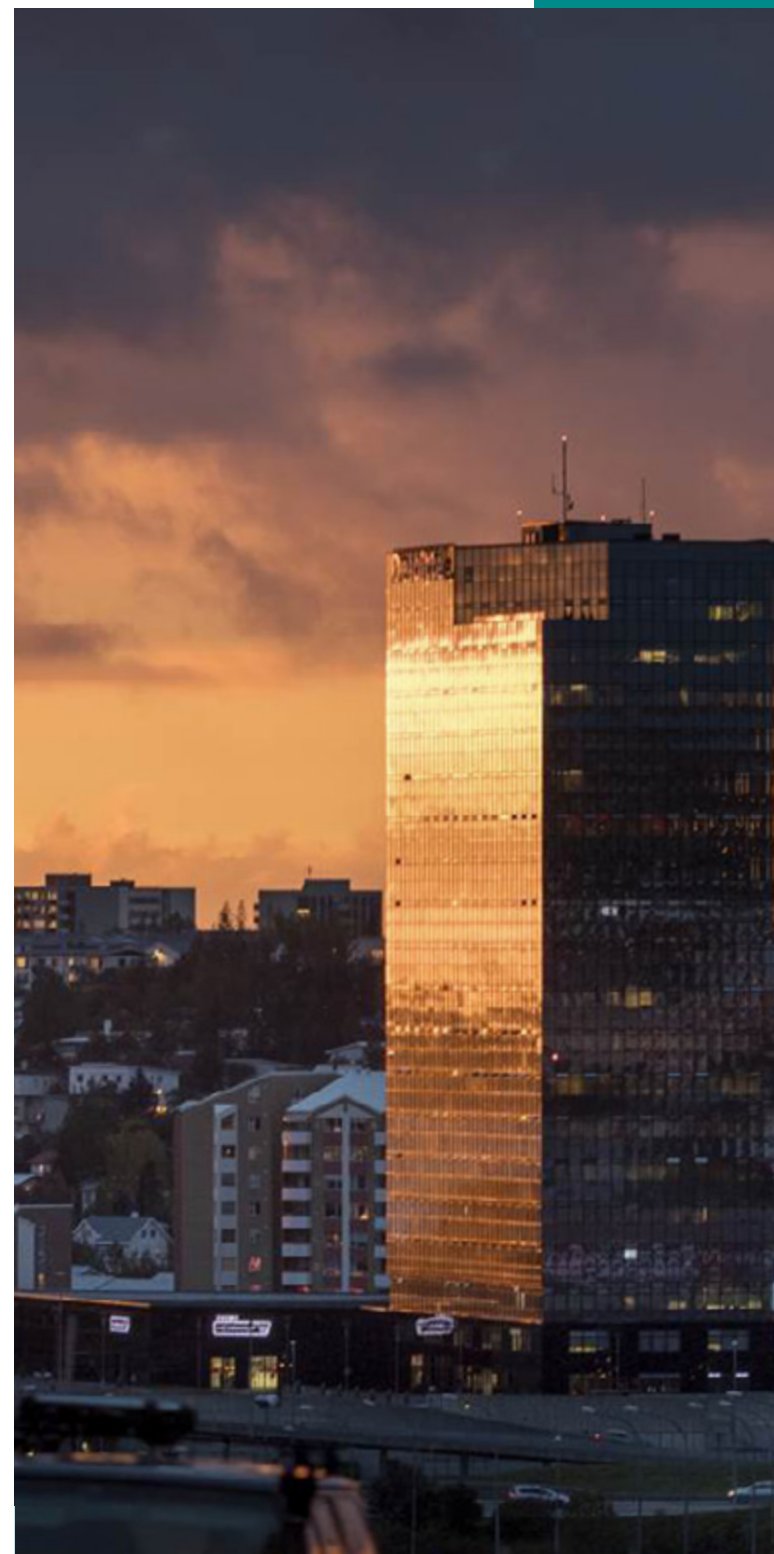
The characteristics of the Icelandic municipalities and their role in relation to the SDGs

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:

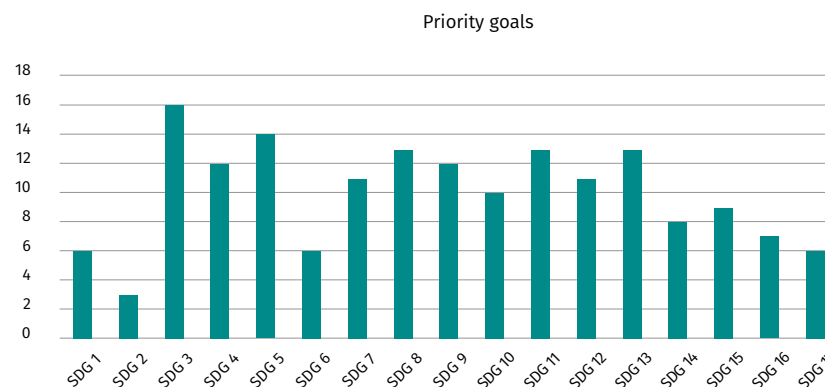


Figure 6.1.

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.

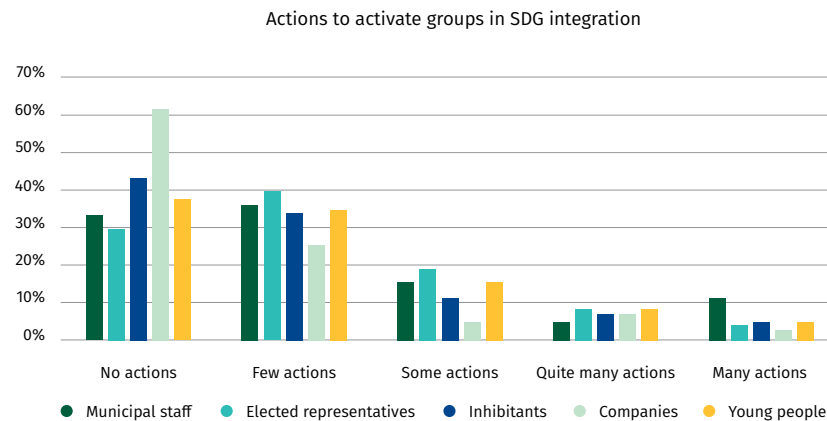


Figure 6.2.

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.

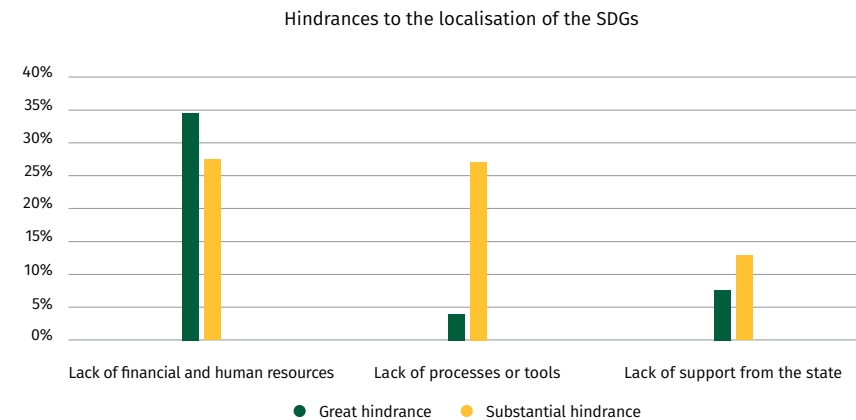


Figure 6.3.

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.

