

Strong ties grounded in solid friendship



It is both important and pleasant that this report is now ready, resulting from the work of a task force composed of a diverse group of people possessing knowledge and experience of the relations between Iceland and the Faroe Islands. During my time as Minister for Foreign Affairs and International Development Cooperation I have focused on the relationship between the two countries and made efforts to maintain the strong ties grounded in the solid friendship underpinning the relations between the two nations. The establishment of the task force and the writing of this report and the proposals for the future contained therein is therefore a logical next step following the already established focus points.

The Icelandic and Faroese peoples are close neighbours and we have a common origin and our histories are in many ways intertwined. Our interests as small island nations are often shared and cooperation to protect our interests is mutually beneficial. The current free trade agreement between Iceland and the Faroe Islands, the Hoyvík Agreement, should also be mentioned. It is the most extensive free trade agreement that Iceland has made and the only one of its kind that the Faroe Islands are a party to. Trade in goods and services has increased dramatically since its entry into force. An increase in trade means an increase in relations, and it is my opinion that trade agreements can be one of the strongest forces to increase understanding between people of different nationalities, promote trust and create a basis for cooperation in other areas.

The proposals in the report are diverse and span everything from sports to the Blue Economy. All of them are intended to expand the relationship between the two nations, to the benefit of both. It is my hope that as many of these proposals as possible will be implemented in the years to come and that they will strengthen the current relations and cooperation, as well as create grounds for new and exciting opportunities for further cooperation between these two close friends.

Guðlaugur Þór Þórðarson, Minister for Foreign Affairs and International Development Cooperation

Preface

The relationship between Iceland and the Faroe Islands is a close one and has a long history. These nations share many similarities, including their historical background, societal development, economies, nature and culture, which are, inter alia, reflected in their closely related languages and ways of thinking. They are well and truly closely related nations.

Iceland and the Faroe Islands share a partnership that reaches many areas, both formally between the governments and governmental bodies, as well as between businesses, stakeholder organisations and individuals. In many instances the partnership between Iceland and the Faroe Islands is conducted in a West Nordic context, or through the general Nordic platform. Although this partnership has a long and happy history, it is undisputed that it is possible to strengthen even further the bilateral economic, cultural and political ties between these neighbouring nations.

In order to assess the best way to realise these opportunities, the Minister for Foreign Affairs and International Development Cooperation established a task force to work on proposals for concrete measures or projects that could be undertaken in the next few years. The task force began its operations in March 2021. It is composed of Júlíus Hafstein, who also serves as its chairman, Elin Svarrer Wang, Gísli Gíslason and Sif Gunnarsdóttir. The task force was assisted by Andri Júlíusson.

The task force was unanimous in its decision to focus especially on those areas where there is currently little bilateral cooperation, and also on areas where it is clear that measures are necessary to promote cooperation.

The task force met in six workshop meetings and consulted with a diverse group of Ministries, government bodies, stakeholders, etc. The result of these efforts and the task force's proposals are contained in this report. It is the hope of the members of the task force that the proposed measures will be implemented and that they will lead to wide-ranging growth and a strengthening of the relationship between Iceland and the Faroe Islands in diverse areas, to the benefit of both nations.

Below are the task force's main proposals; a list of all the proposals can be found in Annex I.

Formalisation of the partnership with Fæís

An active bilateral Chamber of Commerce can be a powerful force for promoting trade between nations. Since its establishment, the Faroese-Icelandic Chamber of Commerce (Fæís) has been an important force for this purpose. In order to further utilise this platform and promote the flow of information between the two governments, which, inter alia, are responsible for managing the Hoyvík Agreement, it is proposed that the partnership between the Icelandic Ministry for Foreign Affairs' Directorate for External Trade and Economic Affairs and Fæís be formalised through regular meetings.

Interconnectivity of transport links for fresh produce

Fresh produce is a growing part of the marine product exports of both countries. Easy transport links to foreign markets are the key to growth in the exports of fresh produce and thereby to increasing value creation, both through air and sea transport. New cooling

technologies have also increased the options available for exporting fresh fish, both processed and unprocessed. It is proposed that the government should take the initiative for the coming together of the businesses that offer air and sea transport and the export businesses, with the government's involvement, to analyse the best ways to tighten the interconnectivity of transport systems and eliminate any obstacles.

The Blue Economy

In these times, fishing nations can no longer trust in traditional fisheries for growth and as the basis of their economies. The importance of developing new processing methods, utilising new species and promoting marine-based activities is therefore greater now than ever before. It is proposed that the Ministry of Industries and Innovation should seek to make a framework agreement with the Faroe Islands to promote the Blue Economy in both countries, since it is clear that the interests of the two nations are fully aligned in this respect.

Increasing bilateral marketing partnerships

The flow of tourists between Iceland and the Faroe Islands is not extensive and there are considerable opportunities in promoting the countries as destinations for the inhabitants of both countries. Cooperation on such marketing efforts is likely to return better results than no cooperation, and should therefore be encouraged. It is proposed that the Icelandic diplomatic mission in Tórshavn should seek to partner with the Faroese diplomatic mission in Reykjavík to decide on the best way to undertake such marketing operations, in partnership with the Tourist Boards of both countries.

Promotion of cooperation outside of hospitals

There is currently in force a general agreement on health care between the Icelandic National University Hospital and the Faroese Ministry of Health. However, it seems that cooperation in other areas of the health care sector has declined, e.g. in the field of medical services and treatments outside of hospitals. It is proposed that the Ministry of Health should partner with the Faroese health-care authorities to assess in which areas and by what means the Faroese people's use of health care services outside of hospitals in Iceland can be increased.

A Science and Technology Fund

The role of the Fund will be to support students, researchers and teachers to participate in exchanges, collaborations and joint projects. It is to be financed by the public sector, civil society organisations and the private sector. The initial capital should be determined and enough funding should be secured for at least five years.

Educational materials for primary schools

An increased knowledge about the Faroe Islands in Iceland would doubtless lead to an increase in cooperation and partnerships in many different areas. Access to good educational materials and focused teaching about our neighbouring countries would improve that situation. It is proposed that the Ministry of Education, Science and Culture should arrange for the preparation of modern educational materials for primary schools, that would comprehensively cover the past and present of the Faroe Islands and emphasise the past, present and future ties of Iceland and the Faroe Islands.

Partnerships between creative sector centres

It would undoubtedly increase partnering between Icelandic and Faroese artists if formal relations were to be established between centres for the creative sectors, thereby increasing the number of spontaneous joint projects and enriching the cultural life of both countries. It is proposed that the creative sector centres, in cooperation with the Ministry for Foreign Affairs and Promote Iceland, should make cooperation agreements with comparable centres in the Faroe Islands.