



Submission by Iceland

on information to be provided by Parties in accordance
with Article 9, paragraph 5, of the
Paris Agreement

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Iceland hereby submits biennial communication under the Paris Agreement Article 9.5 and decision 12/CMA.1, on indicative quantitative and qualitative information as applicable.

Highlights

- The protection of the earth and sustainable use of natural resources is one of two overarching goals in Iceland's Development Policy 2019-2023. The goal entails four climate related strategic areas: i) increased use of clean and sustainable energy resources with special focus on utilization of geothermal resources; ii) protection and sustainable use of oceans and waters; iii) ecosystems restoration and limiting land degradation and iv) increased mitigation and adaptation measures to address climate change and resilience (SDG 13).
- During the reporting period, Iceland has increased its support to the multilateral climate financing as a part of the USD 100 billion pledge made by developed countries in 2015.
- The Green Climate Fund, as the largest global climate facility is an important partner to Iceland's growing emphasis on providing resources to tackle climate change. In 2021, Iceland signed a three-year contribution contract with the GCF, and joined the Adaptation Fund.
- Iceland is a founding member of SOFF, an important facility providing low- and medium- income countries with access to early warning weather technologies. Iceland has specified a three-year funding commitment amounting to 500,000 USD.
- Iceland supports the World Bank's ESMAP and PROBLUE Multi-Donor Trust Funds with the objective of increasing access to renewable energy on one hand and contributing to the sustainable development of the blue economy, including by protecting the oceans and addressing marine pollution on the other. Iceland's annual contribution to each fund is 400.000 USD.
- Iceland supports Sustainable Energy for All (SEforALL) and has during the reporting period, in addition to providing core funding, supported the "Women and Youth at the Forefront" Programme. The total contributions to SEforALL during the reporting period was about 870.000 USD.
- Iceland provides core funding to the four GRÓ Training Programmes in Iceland, which aim to build capacity and share knowledge with fellows from low- and middle-income countries in fields in which Iceland has comparative expertise. The GRÓ Geothermal Training Programme works in the field of sustainable use of geothermal energy with great potential to contribute to mitigating climate change, the GRÓ Land Restoration Training Programme on reclaiming land and fighting desertification, with particular attention to the interaction of climate change and land degradation and the GRÓ Fisheries Training Programme works in the field of sustainable use of natural aquatic resources. The fourth programme, the Gender Equality Studies and Training Programme has a special module on the environment and climate change, where the links between gender and climate are addressed. The total contributions to the four training programmes amounted to around 5.2 million USD in 2021 and 6 million USD in 2022.
- Iceland partners with EnDev in Malawi to provide access to clean energy in Mangochi district, improving efficient use of energy and increasing demand and use of improved cookstoves and small-scale solar appliances for off grid households. Total programme contribution in 2021-2022 was just over 1 million USD.
- Iceland has through bilateral partnerships with district authorities and UNICEF, contributed more than 5.4 million USD to WASH programmes in Malawi, Uganda and Sierra Leone in 2021-2022.

Iceland's Development Policy

International development cooperation has for several years been one of the main pillars of Iceland's foreign Policy. By actively participating in development cooperation, Iceland seeks to fulfil its political, legal, and moral obligations as a responsible member of the international community.

The Policy for Iceland's International Development Cooperation 2019-2023 guides the country's work in this field, based on the UN Sustainable Development Goals and pertinent key international agreements, including the Paris Declaration on Climate Change.

The overall goal of Iceland's development cooperation is to reduce poverty and hunger and promote general well-being, underpinned by the SDGs and the cross-cutting themes of human rights, gender equality and the environment. The Policy has two overarching objectives:

The overall goal: to reduce poverty and hunger (in line with SDGs 1 and 2)

Main development goal A:

Enhancing social infrastructure and peace efforts. Enhance basic services and strengthen institutions in order to improve living standards and increase opportunities for those who live in poverty and inequality (in line with SDGs 3, 4, 5, 6, and 16).

Main development goal B:

The protection of the earth and sustainable use of natural resources. Increase the resilience of societies and enhancing economic growth on the basis of equality and sustainable use of natural resources, in addition to taking measures against climate change (in line with SDGs 7, 8, 13, 14, and 15).

Gender equality, human rights and climate and the environment are defined as both specific and cross-cutting priorities in all of Iceland's development cooperation. As guiding themes, these priorities influence the programming and sectoral focus.

Strategic focus in the field of Climate Change

Climate change, environmental degradation and biodiversity loss constitute fundamental threats to sustainable economic growth, development and poverty reduction. Livelihoods of poor and vulnerable communities are particularly affected by these threats. Iceland is strongly focused on green and blue development efforts, linking sustainable management of natural resources and ecosystems to improved livelihoods and shared well-being. Under Iceland's second main development goal: "The protection of the Earth and Sustainable Use of natural Resources" focus is directed at the four following climate related areas:

- Increased use of clean and sustainable energy resources with special focus on utilization of geothermal resources (SDG 7)
- Protection and sustainable use of oceans and waters (SDG 14)
- Ecosystems restoration and limiting land degradation (SDG 15)
- Increased mitigation and adaptation measures to address climate change and resilience (SDG 13)

Iceland's support to the above objectives is provided in partnership with key multilateral partners and to programmes in Iceland's bilateral partner countries. Iceland also emphasises these objectives when providing grants to projects carried out by CSOs and the Private sector.

Iceland's development policy is currently being revised, with a new five-year policy to take effect in 2024. Iceland will continue to prioritise activities directed at mitigating and adapting to the effects of climate change in the new policy.

Financing

In 2021, contributions to official development assistance (ODA) amounted to 71.9 million USD, or 0.28% of gross national income (GNI) and 93,05 million USD or 0.34% of GNI in 2022.

In 2021 Iceland's bilateral ODA amounted to 57 million USD and 71,3 million in 2022, of which 23,3 million in 2021 and 27,3 million in 2022 went to least developed countries (LDCs).

As presented in OECD/DAC statistical reporting, in 2020-21, Iceland committed 47.9% of its total bilateral allocable aid (USD 20.9 million) in support of the environment and the Rio Conventions (DAC average of 34.3%), down from 48.6% in 2018-19. 11% of screened bilateral allocable aid focused on environmental issues as a principal objective, and 37% focused on climate change overall (the DAC average was 29%), up from 33.7% in 2018-19. Iceland had a greater focus on adaptation (27.5%) than on mitigation (20.1%) in 2020-21. 9% of total bilateral allocable aid (USD 3.9 million) focused on biodiversity (compared with the DAC average of 6.5%).

During the reporting period Iceland has increased its support to the multilateral climate financing architecture by focusing on two of the five key funds; Green Climate Fund (GCF) and the Adaptation Fund (AF) as a part of the USD 100 billion pledge made by the developed countries in 2015.

Multilateral Cooperation

As a small donor, Iceland seeks to create impact in multilateral development cooperation by partnering with others and working in areas where Iceland has comparative experience and expertise. In this context emphasis is placed on working with key partners that can deliver impact in key areas of Iceland's development cooperation strategy. These include thematic areas like clean energy and energy transition, the blue economy, gender equality with increasing focus on empowering women in the energy sector, and just transition under the guidance of "leave no one behind".

During 2021 and 2022 Iceland has increased its funding considerably towards multilateral climate financing than before. In 2022 Iceland stepped up its contributions to the GCF by 50%. In addition, Iceland joined the Adaptation Fund with a commitment for a three-year funding period. Similarly, Iceland joined multi-donor funding initiatives that are primarily focused on adaptation measures for low-income countries like UNDP's Climate Promise; Systematic Observation Finance Facility (SOFF); The Energy and Environment Partnership Trust Fund (EEP Africa) that supports clean energy entrepreneurs in Eastern and Southern Africa.

Iceland became the 15th member to join the Champions Group on Adaptation Finance, signaling growing momentum behind the Group and its ambitious agenda.

The World Bank, one of Iceland's four key partners in multilateral development cooperation, is an important financier of climate related assistance to developing countries. Within the Bank, Iceland supports two climate-related multi donor trust funds, ESMAP and PROBLUE. In 2022, Iceland doubled its annual contribution to PROBLUE, from 200,000 USD to 400,000 USD and in 2022, signed a three-year agreement thereto. Iceland's contribution to ESMAP under the current agreement amounts to 1.6 million USD for the period 2020-2023.

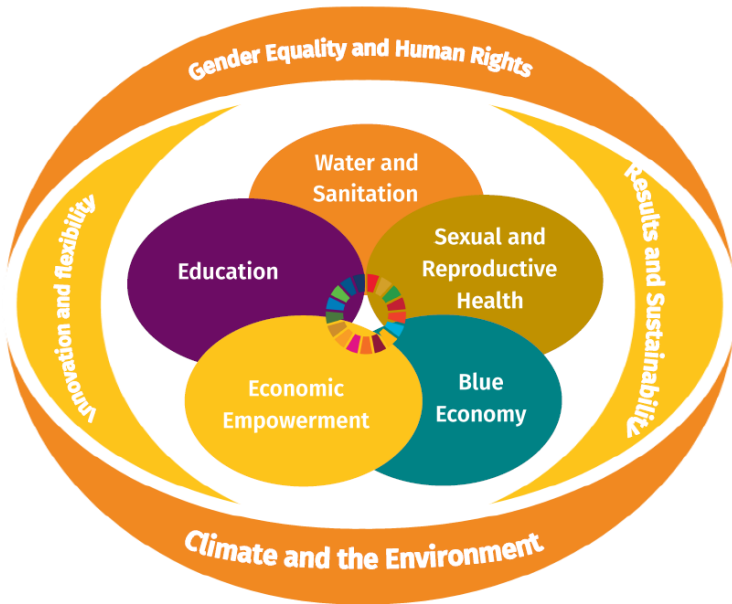
Iceland continues to work with and support Sustainable Energy for All (SEforALL) and has during the reporting period, in addition to providing core funding, supported the “Women and Youth at the Forefront” Programme. The work of SEforALL reflects well Iceland’s emphasis on the importance of eradicating energy poverty, as stipulated in SDG7 and the strong emphasis on empowering women in the energy sector.

Bilateral Cooperation

Iceland concentrates its bilateral efforts on low-income countries in Africa, working with national governments, district authorities and other development partners. The partner countries are Malawi, Sierra Leone and Uganda, which are all vulnerable to the adverse consequences of climate change.

The collaboration and interventions in the partner countries are based on the countries’ own development strategies with strong focus on local ownership, both as a principle and to ensure sustainability. Iceland applies a district level programme-based approach where resources are provided in support of district development plans, with the aim of strengthening the capacity of local institutions to provide quality basic services thereby enhancing resilience at the local level.

During the timeframe of Iceland’s current bilateral development strategy, growing emphasis has been placed on bringing climate action and the environment to the forefront of Iceland’s bilateral partnerships. Also, increased efforts have been made to mainstream thematic activities in district programmes and contribute to the implementation of countries’ national climate strategies and actions. Actions will both aim to strengthen institutional mechanisms for environmental sustainability, for instance, through local governments, as well as mainstreaming efforts and provide support to dedicated programme components. Iceland follows best environmental practices in partner countries. In all its infrastructure work, environmental rules and regulations are followed as applicable in each country and efforts are made to integrate measures for increased climate resilience in all programme activities.



The context of operational and thematic priorities in Iceland’s bilateral collaboration.

Overview of bilateral development projects with a climate focus 2021-2022

Malawi

Malawi is prone to natural disasters, mainly in the form of heavy and stormy rains, floods, and droughts, which is further exacerbated by climate change. Those extreme weather events negatively impact the economy through the disruption of agricultural production and threaten food security. To mitigate against these risks, Iceland seeks to have emergency funding in place as well as flexibility in programming to be able to respond to the evolving risks due to climate threat, and acute food shortages. To this end, the Icelandic Embassy in Lilongwe responded quickly with emergency funding to WFP following tropical storms in Malawi in January 2022, thus recognising the need for efficient humanitarian funding following climate shocks.

Through partnership with GIZ-Energizing Development (EnDev), Iceland focuses on providing access to clean energy in Mangochi, improving efficient use of energy and increasing demand and use of improved cookstoves and small-scale solar appliances for off grid households. In addition, solar energy is being provided to social institutions and infrastructure such as schools and health facilities. With funding from Iceland, EnDev has for example constructed cooking shelters at health centers in Mangochi District, providing access to clean cooking for both guardians and patients that visit facilities. Furthermore, the project supports the development of a fuel-efficient fish processing stove, Chitofu 3-in-1 stove for parboiling, frying, and smoking of fish, which according to research and user feedback, saves firewood use and processing time of over 70%, compared to traditional methods.

In Mangochi district, over 14.000 people now have access to electricity through the installation of solar panels in four primary schools and four health facilities through the ongoing Mangochi Basic Services programme (MBSP II). The activities undertaken in the MBSP II are environmentally sustainable and aim to strengthen the district's resilience to environmental threats, such as climate change. Furthermore, the participation of women in environmental protection and sustainable resource management, is to be encouraged.

Similar activities will be undertaken in Iceland's new partner district, Nkhotakota through programme that will be launched mid-year 2023. Collaboration with EnDev will be extended to Nkhotakota, providing access to solar power in social institutions, as well improved cooking facilities. Under the district programme, the district environment offices is being supported, and activities planned include improved watershed management and planting of 200.000 thousand trees. The objective is also that all infrastructure under the new programme will be climate resilient.

Iceland supports the WFP Home Grown School Feeding programme. The contribution sustains and increases access to education through the provision of nutritious school meals for 13,000 children. Food commodities are supplied from 1,500 local farmers who benefit from skills development in production, post-harvest handling and marketing.

Uganda

Uganda's varied environmental endowment are facing increasing challenges and rapid deterioration, mainly due to increased pressure from high population growth and economic activities. Climate change affects all sectors of the economy and fishing communities are more vulnerable to the impacts of flooding of lake shores which affects settlements, social infrastructure and fish production infrastructure and activities. This calls for climate change

preparedness, response plans and actions for adaptation to mitigate their impacts and strengthen the resilience of communities.

Iceland supports economic empowerment and job creation in targeted communities with plans to scale up support further. The focus is on fisheries resource-based production and business enterprises employing the concept of blue economy and innovative sustainable resource utilisation practices. This will be linked to environment and climate actions, as well as diversification of economic opportunities. Other opportunities for economic empowerment and job creation include support to entrepreneurship skills training and development of small and medium scale enterprises, applying the principle of green jobs.

Climate change mitigation, adaptation and resilience measures are integrated into programmes, including climate smart infrastructure, sustainable energy use, and access to and use of water resources. These elements are incorporated into ongoing educational programmes where Iceland supports school infrastructure and other efforts focusing on increased capacity of schools. Land degradation and ecosystem restoration focus will be put on reducing use of firewood and reforestation initiatives, and support to resilient and sustainable food production.

In 2022 and 2023, Iceland supported its partner districts, Buikwe and Namayingo, in the formulation of district action plans on climate change. This exercise called for a broad participation from different line ministries and other stakeholders as it entailed carrying out a detailed climate risk and vulnerability assessment addressing all sectors. All future programmes in this area will be guided by national and significant local priorities in the context of partner districts as formulated in those District Climate Change Action Plans (DCCAPs). While Uganda has a National Climate Change Action Plan in place, these district action plans for Buikwe and Namayingo are the first ones to be developed at the local level and can serve as guidelines for other districts.

Water and sanitation programmes in Namayingo and Buikwe districts, which have the combined benefits of improving water availability, sanitation and hygiene, contribute to making communities better able to cope with the impacts of climate change. Iceland's approach to water management and WASH service delivery focuses on supporting district authorities to strengthen their planning, monitoring and delivery of quality services to users. Access to safe WASH service is considered key to climate adaptation, all water systems are solar-powered, and efforts are made to ensure the long-term sustainability of water systems. As a result, over 68.000 people in Buikwe and Namayingo districts have gained access to clean and safe water. In addition to WASH programmes implemented in Iceland's partner districts in Uganda, Iceland supports a specific UNICEF project in northern Uganda focusing on improving access to water, sanitation, and hygiene (WASH) in schools and health care facilities within the refugee hosting districts of Adjumani and Terego.

Overall the activities undertaken in Uganda aim towards environmental sustainability and to strengthen the districts' resilience to environmental threats, such as climate change.

Sierra Leone

While Sierra Leone is endowed with significant renewable natural resources in land, forests, and fisheries, which constitute an important source of people's livelihoods, the country is among the most vulnerable countries in the world to climate change impacts, and one of the least able to cope with the effects. It is already experiencing intense storms, erratic and torrential rainfall, rising sea levels and severe floods which not only threaten food security and livelihoods but have also resulted in the loss of lives.

The collaboration between Iceland and Sierra Leone started in 2018 with initial support for improved livelihoods, in particular WASH services, for people in coastal fishing communities in collaboration with the Ministry of Fisheries and Marine Resources (MFMR) and UNICEF. Iceland also collaborated with and provided support in relation to the World Bank financed West Africa Regional Fisheries Project (WARFP), with its focus on improved and sustainable management of Sierra Leone's marine resources. An important aspect of this collaboration was the introduction and piloting of improved smoke ovens which showed considerable promise, towards clear environmental and health benefits as well as improved fish quality.

In the period of 2022-2025, Iceland will continue focusing its efforts in Sierra Leone on improved and resilient livelihoods in coastal communities including climate adaptation. As well as being specific priorities in Iceland's work in Sierra Leone, the environment and climate are also a cross-cutting theme throughout all support and programmes, as are gender equality and human rights. In all fisheries and livelihoods programmes, these components will be strongly integrated, and adaptation and resilience measures for climate change specifically considered.

A new programme with UNICEF in Sierra Leone was launched in 2022: Improving Access to Climate Resilient Water, Sanitation and Hygiene (WASH) Services for Improved Livelihoods and Child Friendly Environment in Rural Fishing Communities. The programme builds on previous partnership between Iceland and UNICEF and focuses on contributing to reducing the risk of life-threatening WASH-related diseases and improvement in the wellbeing and livelihood of children and their families through the provision of climate-resilient WASH, early childhood development, fish landing and processing infrastructure/services and community resilience building to climate change. All water systems are solar powered and strong efforts are made to ensure that all WASH infrastructure is climate resilient.

Cooperation with Civil Society and NGOs

The Ministry for Foreign Affairs advertises grants intended for Icelandic CSOs at least once a year. Applications can be submitted for consideration in two categories: for development cooperation projects and for projects that have as an objective to educate and promote international development cooperation. In addition, the Ministry has signed strategic partnership agreements with four CSO partners: The Icelandic Red Cross, Save the Children in Iceland, the Icelandic Church Aid and SOS Children's Villages in Iceland. Climate and the environment are cross cutting in the work with CSOs and a part of the assessment criteria for applications.

Through framework agreements for humanitarian assistance, CSOs can respond to issues related to climate shocks and crises such as hunger driven from climate change, emergency relief due to climate shocks and programmes responding to droughts.

Private Sector Collaboration: The SDGs fund

Climate and environmental issues are a cross-cutting priority in Iceland's development cooperation, including cooperation with the private sector. According to Iceland's development cooperation policy, the private sector should be encouraged to contribute to value and job-creation in low-income and low-middle-income countries and small island developing states (SIDS) and to work towards the progress of the UN's sustainable development goals.

As a part of its partnerships with the private sector, the Ministry in 2018, set up a special fund whose objective is to provide grants to partnership projects that aim at strengthening

sustainable economic growth. The projects need to be implemented in line with the SDGs and special emphasis is placed on projects that focus on women's' economic empowerment and projects that have a positive environmental impact.

In 2022 the SDGs fund had three application windows. Notable projects funded relating directly to climate change and the protection of the environment include a programme focusing on geothermal energy in Djibuti, Ethiopia and Kenya as well as increased access to seafood in Vietnam. The fund also supported a low-temperature geothermal project on cooling for apples in India, with the aim of giving farmers opportunity to limit waste and deliver higher quality produce to the markets.

Iceland's technical assistance program

Iceland's Technical Assistance Program (TAP) aims to use Icelandic private and public sector expert knowledge in fields where Iceland has a comparative advantage to offer and use it to the advantage of developing countries. Iceland keeps rosters of available experts in the fields of renewable energy, notably geothermal and hydropower.

The objective is to provide on-demand high quality technical assistance to assist partner institutions in preparation and implementation of projects in relation to the specific arrangements between ministry and the respective institution or country.

The MFA has signed MOUs with international institutions regarding access to the programme, including the World Bank and Sustainable Energy for All.

GRÓ

The GRÓ International Centre for Capacity Development, Sustainable Use of Natural Resources and Societal Change operates under the auspices of UNESCO as a Category 2 Centre, based in Iceland. GRÓ hosts four training programmes:

- The Geothermal Training Programme (GTP) hosted at Iceland Geosurvey was established in 1979, works on increasing the use of renewable geothermal resources.
- The Fisheries Training Programme (FTP), established in 1997, is hosted at the Marine and Freshwater Research Institute, works on the protection and sustainable use of the oceans, seas and marine resources.
- The Land Restoration Training Programme (LRT), established in 2007 is hosted by the Agricultural University of Iceland, works on restoration and sustainable use of land.
- The Gender Studies and Training Programme (GEST), established in 2009, is hosted by the University of Iceland, works on increasing gender equality, social justice and peacebuilding.

The Geothermal Training Programme is aimed at increasing sustainable use of geothermal energy, with great potential to contribute to the mitigation of climate change. The Land Restoration Training Programme focuses on reclaiming land and fighting desertification, where particular attention is given to the interaction of climate change and land degradation. The Gender Equality Studies and Training Programme has a special module on environment and climate change and many of the fellows in the Fisheries Training Programme undertake research projects related to the impacts of climate change on fisheries systems and the communities that depend on aquatic resources. The programmes provide 6-month training to fellows from low- and middle-income countries in the four respective fields. The training programmes also hold online courses and short courses in partner countries.

In addition to core funding provided by the government of Iceland, external funding is obtained by GRÓ, mainly through counterpart contributions from partner institutions, grants and by participation in international projects. Total contributions from the government to the four programmes amounted to about 5.2 million USD in 2021 and 6 million USD in 2022.