

Iceland

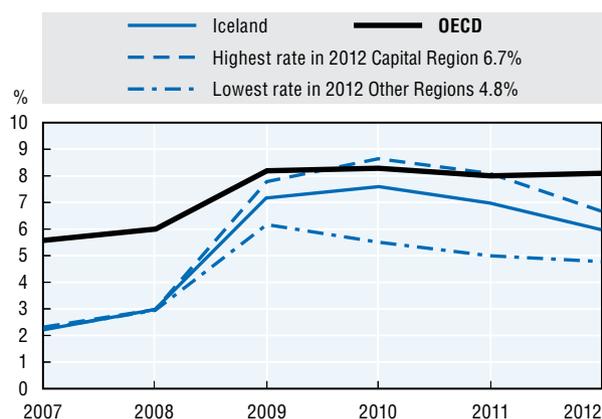
Recent policy developments

- An integrated development plan, Iceland 2020, which was launched in 2011, addresses social and economic development and provides a framework for regional support.
- The Icelandic Regional Development Institute continues to support regions (all rural areas) through financial assistance and loans, regional strategy development to implement government goals and a network of eight industrial regional development agencies whose goal is to promote innovation.
- A reform of the public administration is under way, based on service areas defined under Moving Iceland Forward. Streamlining the public sector, multi-functional state and local services (one-stop-shops), and strengthening local government will be considered.

Government structure	Municipal-level governments	Intermediate-level governments	Regional or state-level governments
Unitary	74		
Regional development policy			
Lead ministry(ies) or committees	Ministry of Industries and Innovation		
Regional development framework	Regional plans are developed on a periodic basis to support regions so as to avoid depopulation and minimise regional disparities.		
Urban development policy			
Lead ministry(ies) or committees	None		
Urban policy framework or strategy	There is no general urban policy framework.		
Rural development policy			
Lead ministry(ies) or committees	Ministry of Industries and Innovation (Minister of Fisheries and Agriculture)		
Rural policy framework or strategy	Regional plans are developed on a periodic basis to support regions so as to avoid depopulation and minimise regional disparities.		

Note: The functional urban areas have not been identified in Iceland. Data on GDP per capita at regional level are not available for Iceland.

Regional disparities in unemployment trends

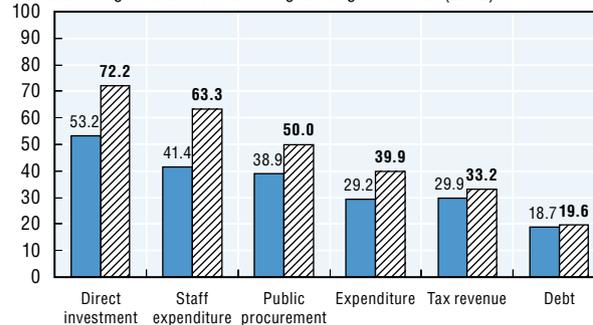


In recent years, the unemployment rate increased in Icelandic regions, reaching 8.1% in the Capital Region. In the same region, the youth unemployment rate has reached 14.8%.

StatLink  <http://dx.doi.org/10.1787/888933107978>

The role of sub-national governments in public finance

Sub-national government as a % of general government (2012)



Education and social protection are the two largest spending items for SNGs in Iceland: together they represent 59% of sub-national expenditure, compared to 39% in the OECD area.

StatLink  <http://dx.doi.org/10.1787/888933107997>