



Government of Iceland  
Ministry of Culture, Innovation  
and Higher Education

# Iceland's AI Action Plan 2025-2027







# **Iceland's AI Action Plan 2025-2027**



## Table of Contents

|                                                                                        |           |
|----------------------------------------------------------------------------------------|-----------|
| <b><u>Foreword by the Minister</u></b>                                                 | <b>5</b>  |
| <b><u>Introduction</u></b>                                                             | <b>6</b>  |
| <b><u>Premises and Context</u></b>                                                     | <b>6</b>  |
| <b><u>Foundations</u></b>                                                              | <b>7</b>  |
| <b><u>Review</u></b>                                                                   | <b>8</b>  |
| <b><u>Artificial Intelligence to Benefit Everyone</u></b>                              | <b>9</b>  |
| 1. <u>The Impact of AI on Different Groups</u>                                         | 10        |
| 2. <u>Legal Framework for AI</u>                                                       | 11        |
| 3. <u>Icelandic Language and AI</u>                                                    | 12        |
| 4. <u>Equality and AI</u>                                                              | 13        |
| 5. <u>Impact of AI on Democratic Debate and Decision-Making</u>                        | 14        |
| <b><u>Competitive Business and Industry</u></b>                                        | <b>15</b> |
| 6. <u>Centre for AI and Language Technology in Iceland</u>                             | 16        |
| 7. <u>Participation in the New Nordics AI</u>                                          | 17        |
| 8. <u>AI Infrastructure: Mapping and Future Needs</u>                                  | 18        |
| 9. <u>Collaboration with a European AI Factory</u>                                     | 19        |
| 10. <u>Iceland's Data Strategy</u>                                                     | 20        |
| 11. <u>Harnessing Data Resources in the Fisheries Sector and AI Utilisation</u>        | 21        |
| <b><u>Evolving Education</u></b>                                                       | <b>23</b> |
| 12. <u>AI Solutions in the Icelandic Education System</u>                              | 24        |
| 13. <u>AI and Digital Citizenship in Teaching and Learning</u>                         | 25        |
| 14. <u>Increased Public Knowledge and Skills in AI and Data Literacy</u>               | 26        |
| <b><u>New Approaches to Public Services</u></b>                                        | <b>27</b> |
| 15. <u>Increased Quality, Harmonisation, and Coordination of Public Entities' Data</u> | 28        |
| 16. <u>Improved Standards and Guidelines for the Use of AI by Public Entities</u>      | 29        |
| 17. <u>Implementation of AI Solutions in Government Offices</u>                        | 30        |
| 18. <u>AI in the Application and Allocation Processes of Competitive Funds</u>         | 31        |
| <b><u>Healthcare System of the Future</u></b>                                          | <b>33</b> |
| 19. <u>AI in Healthcare: Opportunities and Challenges</u>                              | 34        |
| 20. <u>A Strategy for Healthcare Data</u>                                              | 35        |





## Foreword by the Minister

Icelandic society faces enormous opportunities with the advent of artificial intelligence. Artificial intelligence, or AI, is no longer a topic on the distant horizon, it has become a part of our daily lives, and its impact will only grow in the coming years.

We may be a small nation, but that means we enjoy short communication routes and the ability to move quickly. The nation's educational level is high, and digital literacy is very high by international standards. All of this will be crucial in the AI journey which has already begun. Iceland's competitiveness and the nation's quality of life do not only depend on how well we succeed in these areas, but also on how we respond to the challenges we face.

The government's first Action Plan on Artificial Intelligence sets out its main focuses and actions that support them. The plan outlines how we can best pave the way for this technology in Iceland and promote its widespread and responsible use. We want all groups in society to be able to participate in the ongoing technological revolution, so that no one is left behind. By doing so, we can use AI to increase productivity, improve services, and make life easier for everyone.

The government is strongly committed to working towards implementing this action plan, which has been developed in extensive consultation with a large number of parties. The sooner we start, the sooner we can seize the opportunities offered by AI intelligence and address its challenges – for the good of all.

## Introduction

AI is part of a technological revolution that has, in just a few years, made a profound impact on societies around the world. The development is rapid and ever-changing, bringing both major opportunities and new challenges. The general public, private enterprises, and public bodies now face opportunities to promote progress, increased productivity, and prosperity. However, these actors also need to show foresight when implementing the technology and ensure that its use is based on transparency and accountability.

Responsible development, implementation, and use of AI all require a deliberate effort to ensure that the use and impact of the technology are in line with ethical values and respect for fundamental rights. Responsible use involves the awareness and understanding of any risks, that the technology poses, and is based on clear recognised standards, procedures, and rules to avoid negative consequences for individuals, groups and the society as a whole. The most important goal of the government is to ensure that technological progress benefits everyone, increases value creation, enhances general welfare, and strengthens democratic governance. Iceland's strong infrastructure, social solidarity and trust in institutions offer a unique potential to shape a shared vision for the responsible development and use of AI.

To use the vast opportunities offered by AI responsibly, it is important to build on a solid foundation of human rights, ethics, and social responsibility. At the same time, education, skills, and access to technology need to be encouraged for individuals, institutions, and enterprises to deal with changes confidently and capably. Public authorities play a key role in creating clear rules of the game and supporting the development of AI technology tailored to Icelandic society, culture, and language. In so doing, the technology will be used with the interests of the whole as a guiding principle.

## Premises and Context

This Action Plan supports the government's stated strategy of establishing a clear legal framework for AI, which is intended to ensure the protection of fundamental rights and promote public trust in the technology. It also aims to promote innovation and technological development, in part by streamlining government operations, increasing productivity, and by developing digital healthcare services.

The Action Plan also reflects Iceland's Strategy on Artificial Intelligence of 2021. The objective of that strategy is to create a strong and common ethical foundation for the development and use of AI that is based on sound knowledge of the technology and the security challenges that it entails. The plan was also based on a report by the Ministry of Higher Education, Science and Innovation and Statistics Iceland on the economic opportunities of AI in Iceland, which was published in November 2024.

In formulating the plan, consideration was also given to Iceland's international obligations and co-operation with major international organisations. These include the Agreement on the European Economic Area, Nordic co-operation, and recommendations from organisations such as the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the Organization for Economic Cooperation and Development (OECD), which emphasise an ethical, transparent, and human-centred approach to the development and implementation of AI technology.

The plan's listed actions were drafted through a broad consultation process, both within the administration and through open consultation with the public and stakeholders. This process was chosen to ensure that the programme's emphases reflect society's real opportunities and needs and that it supports the responsible and purposeful implementation of AI technology in the longer term.



## Foundations

The Action Plan clearly defines the objectives and expected outputs of each action and the implementation time frame. Furthermore, it specifies which ministry is responsible for the progression of the relevant action, the implementing agency and expected implementation completion. Actions are categorised, based on their content and objectives, into five basic pillars that form the core structure of the plan.

The first three pillars: *Artificial Intelligence to Benefit Everyone*, *Competitive Business and Industry*, and *Evolving Education*, are derived from Iceland's Strategy on Artificial Intelligence. When preparing the current action plan, two additional pillars were found to be important: *New Approaches to Public Services* and *Healthcare System of the Future*, reflecting the government's priorities in public services and healthcare.

**The actions are arranged in five chapters, each focusing on one basic pillar:**

- 1 — **Artificial Intelligence to Benefit Everyone:** which emphasises the preservation of core values – such as democracy, freedom, and equality – around which there is broad consensus in Icelandic society. These values must serve as guidelines in the development, adoption, and use of AI, and in assessing the ethical and social matters that inevitably arise.
- 2 — **Competitive Business and Industry:** which focuses on enhancing the Icelandic economy's competitiveness through the adoption of AI, strengthening digital capacity, and strong collaboration between universities and the business community. The plan emphasises ensuring that enterprises and institutions have access to the necessary infrastructure, expertise, and skills that support innovation, sustainable development, and adaptation to sociotechnical changes.
- 3 — **Evolving Education:** which emphasises properly preparing society for the ongoing digital transformation and encouraging all use of AI to align with human rights, ethical values, and the diverse needs of society.
- 4 — **New Approaches to Public Services:** which aims to leverage digital technology to improve public services, and to increase administrative efficiency and effectiveness.
- 5 — **Healthcare System of the Future:** which focuses on using the potential of AI to strengthen the healthcare services of the future. Well-considered and purposeful decisions regarding the application of the technology are the key to increasing accessibility, improving services, and reducing strain on the healthcare system.

## Review

This action plan is valid for two years from the date of publication. A review is planned every six months, taking into account new operations, changing technologies, or the need to update the plan's emphases or policies. A comprehensive review of the plan will be carried out no later than mid-2027. The objective of this review process is to ensure the plan's relevance with regard to technological developments, society's needs, and international standards. This enables timely responses to new challenges and opportunities and supports the continued expansion of reliable and purposeful use of AI in Iceland.

Due to the recent rapid development of AI technology, it is also deemed timely to review Iceland's Strategy on Artificial Intelligence. This review will be carried out in parallel with the implementation of the actions in this plan, with the results and outcomes of various actions used in the government's ongoing policymaking on AI. Consideration will also be given to further integrating policymaking in the fields of AI and language technology, examining whether it is more appropriate to maintain two separate strategies/plans or, instead, to merge them. The current language technology action plan, published in 2024 under the title *Language Technology Programme for Icelandic*, remains in effect until the end of 2026. It is necessary to begin preparations for its revision immediately this year.



# 1 Artificial Intelligence to Benefit Everyone

This pillar is based on values that are considered important to preserve and on which there is broad consensus in Icelandic society, such as democracy, freedom, and equality. These values must serve as guidelines in the development, adoption, and use of AI, as well as in assessing the ethical and social issues that inevitably arise.

The actions in this chapter aim to ensure that AI is developed, adopted and applied responsibly, in accordance with human rights and ethical principles. Emphasis will be placed on developing a clear and responsible legal framework that is consistent with international standards. At the same time, systematic work will be undertaken to assess the impact of AI on equality, on different societal groups, and on public discourse, and to use such assessments as a basis for comprehensive and responsible policymaking. The usefulness of AI technology in the Icelandic context will also be emphasised, and that, in general, the development of the technology strengthens the Icelandic language and culture.

# 1 The Impact of AI on Different Groups

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective</b> | To ensure that the utilisation of AI increases the well-being of all societal groups.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Action</b>    | A comprehensive analysis of the impact of AI on different societal groups will be conducted, with particular regard to equality and justice. The analysis will assess both the benefits and challenges for groups such as children, older people, people with disabilities, immigrants, people on low incomes, the unemployed, and individuals facing multiple forms of discrimination. The action includes, among other things, enhancing targeted data collection on the use of AI in Icelandic society, the labour market, and public administration. The results of the analysis will be used to develop measures to improve accessibility and to protect the interests of groups disadvantaged by rapid technological change, and to inform government policy. |
| <b>Product</b>   | Mapping of actions to improve accessibility and to protect the interests of groups disadvantaged by rapid technological change.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

|                                                             |                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Time frame</b>                                           | Spring 2026.                                                                                                                                                                                                                                                                                                                                                |
| <b>Responsible ministry</b>                                 | Ministry of Culture, Innovation and Higher Education.                                                                                                                                                                                                                                                                                                       |
| <b>Implementing body</b>                                    | Ministry of Culture, Innovation and Higher Education.                                                                                                                                                                                                                                                                                                       |
| <b>Co-operating partners</b>                                | Ministry of Social Affairs and Housing and others, such as Statistics Iceland, ÖBÍ Human Rights Association, Throskahjalp , the National Association of Senior Citizens, Icelandic Confederation of Labour (ASÍ), the Red Cross, the Icelandic Association of Local Authorities, the Directorate of Labour, the Media Commission, the Children's Ombudsman. |
| <b>Links to the UN Sustainable Development Goals (SDGs)</b> | Goal 4 – Quality Education,<br>Goal 5 – Gender Equality,<br>Goal 10 – Reduced Inequalities.                                                                                                                                                                                                                                                                 |



## 2 Legal Framework for AI

**Objective** To formulate a clear legal framework for AI that considers international obligations and the needs of Icelandic society.

**Action** The EU has adopted harmonised legislation on AI for the internal market, which is currently being incorporated into the EEA Agreement. The legislation includes a risk-based approach where AI systems are classified by risk level and certain uses of AI are prohibited. The legislation includes, among other things, requirements for transparency, accountability, security and oversight. Obligations are also imposed on parties who develop AI models to adopt a policy to comply with the copyright rules of the internal market.

The action includes assessing the need for adaptation arising from the transposition of the EU legislation and the associated costs, as well as preparing draft legislation introducing the necessary amendments to Icelandic law. This includes defining which institutions have roles under the legislation and how the legislation can best be applied in light of Icelandic circumstances, so that the regulatory burden is no greater than necessary. Implementation and follow-up must support the responsible adoption of AI ensuring that it contributes to progress Icelandic society.

**Product** A bill on Artificial Intelligence.

**Time frame** Spring 2026.

**Responsible ministry** Ministry of Culture, Innovation and Higher Education.

**Implementing body** Ministry of Culture, Innovation and Higher Education.

**Co-operating partners** Other ministries, institutions, and stakeholders.

**Links to the UN Sustainable Development Goals (SDGs)** Goal 9 – Industry, Innovation and Infrastructure, Goal 16 – Peace, Justice and Strong Institutions.

### 3 Icelandic Language and AI

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective</b> | To ensure that the Icelandic language remains fit for use in all areas of society and that the application of AI and language technology always take into account the needs of the Icelandic language and gives it first priority.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Action</b>    | Effective language technology is key to the future of Icelandic as the national and official language of Iceland. Efforts will be made to ensure that language technology and AI solutions are usable and accessible in Icelandic. Public investment in language technology and AI infrastructure will continue, particularly in relation to the development and training of large language models trained on data reflecting the Icelandic language and culture. Furthermore, dialogue and collaboration on language technology and AI between stakeholders in Iceland will be promoted, and cooperation with neighbouring Nordic countries and others will also be encouraged. Emphasis will be placed on ensuring that the interests of the Icelandic language are prioritised when enacting laws and regulations on AI. The potential benefits of further integrating actions and plans in the fields of Icelandic language technology and AI will be assessed. |
| <b>Product</b>   | Continued investment in language technology and AI infrastructure, a particular regard for the interests of the Icelandic language will be ensured. When formulating an overall strategy for AI and language technology, special consideration will be given to the Icelandic language.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

|                                                             |                                                                                                                                                                                                 |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Time frame</b>                                           | Autumn 2026.                                                                                                                                                                                    |
| <b>Responsible ministry</b>                                 | Ministry of Culture, Innovation and Higher Education.                                                                                                                                           |
| <b>Implementing body</b>                                    | Ministry of Culture, Innovation and Higher Education.                                                                                                                                           |
| <b>Co-operating partners</b>                                | Ministry of Education and Children, Directorate of Education and School Services, universities, adult education, language schools, technology companies, educational technology companies, etc. |
| <b>Connection to other strategies/plans:</b>                | Icelandic Language Policy 2021–2030; Our Icelandic, Everywhere. Icelandic Language Technology Plan; Action Plan for the Icelandic Language 2024–2026.                                           |
| <b>Links to the UN Sustainable Development Goals (SDGs)</b> | Goal 4 – Quality Education,<br>Goal 9 – Industry, Innovation and Infrastructure.                                                                                                                |

## 4 Equality and AI

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective</b> | To reduce the risk of bias and discrimination in public decision-making that relies on, or uses, AI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Action</b>    | In tandem with the government's policy formulation and preparation of legislation on AI, the impact of this technological revolution on equality issues will be assessed, considering both the opportunities it presents and the challenges it entails. The evaluation will examine the potential impact of AI on equality on a broad spectrum. The objective of this evaluation is to identify ways in which the government can address the risks of bias and discrimination in decision-making processes that rely on or use AI and to suggest improvements. As AI technology is under constant development, the project will be divided into two parts: A. A broad-based evaluation. B. Specific recommendations to the government. The action forms part of a proposal for a parliamentary resolution on a National Action Plan for Gender Equality 2025–2028, which was submitted to the Icelandic parliament <i>Althingi</i> at the end of March 2025. |
| <b>Product</b>   | An evaluation of the impact of AI on equality and recommendations for improvement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

|                                                             |                                                       |
|-------------------------------------------------------------|-------------------------------------------------------|
| <b>Time frame</b>                                           | Spring 2026.                                          |
| <b>Responsible ministry</b>                                 | Ministry of Culture, Innovation and Higher Education. |
| <b>Implementing body</b>                                    | Directorate of Equality.                              |
| <b>Co-operating partners</b>                                | Ministry of Justice etc.                              |
| <b>Links to the UN Sustainable Development Goals (SDGs)</b> | Goal 5 – Gender equality.                             |

## 5 Impact of AI on Democratic Debate and Decision-Making

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective</b> | To strengthen the security of democratic infrastructure and enhance the resilience of democratic culture.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Action</b>    | This action involves analysing the impact of AI on democratic culture, information dissemination, opinion formation, and voting behaviour. Among other things, consideration will be given to information disorder, propaganda techniques and external interference in democratic decision-making processes. The use of the technology by registered political organisations will also be mapped, with the aim of formulating general standards and guidelines for transparency and the responsible use of AI in political activities. |
| <b>Product</b>   | A report on the impact of AI on democratic debate and decision-making, along with proposals for measures to strengthen democratic culture in the face of rapid technological advances, and criteria and guidelines for the transparency and the responsible use of AI in political activities.                                                                                                                                                                                                                                         |

|                                                             |                                                                                                                                              |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Time frame</b>                                           | Autumn 2026.                                                                                                                                 |
| <b>Responsible ministry</b>                                 | Ministry of Culture, Innovation and Higher Education.                                                                                        |
| <b>Implementing body</b>                                    | Media Commission.                                                                                                                            |
| <b>Co-operating partners</b>                                | Ministry for Foreign Affairs, Ministry of Justice, CERT-ÍS, Advisory Group on the Protection of Individuals in the Run-up to Elections, etc. |
| <b>Links to the UN Sustainable Development Goals (SDGs)</b> | Goal 16 – Peace, Justice and Strong Institutions.                                                                                            |





## 2 Competitive Business and Industry

This pillar is aimed at enhancing the competitiveness of the Icelandic economy through the adoption of AI, the strengthening of digital capacity, and close collaboration between universities and the business community. Emphasis will be placed on ensuring that enterprises and institutions have access to the necessary infrastructure, expertise and skills to support innovation, sustainable development, and adaptation to sociotechnical changes.

The actions in this chapter focus on building a robust ecosystem around AI and language technology, with an emphasis on co-operation between public bodies, the academic and scientific community, the labour market and the business community. Work will also be undertaken to strengthen international co-operation, improve access to computational power, and provide reliable data-driven solutions. At the same time, efforts will be directed towards developing a comprehensive data strategy and promoting the use of data and AI for sustainable resource utilisation and value creation.

## 6 Centre for AI and Language Technology in Iceland

**Objective** To develop and support the application of AI and language technology in Icelandic society through broad collaboration and a shared vision.

**Action** An AI and Language Technology Centre, based on the Nordic model, will be established. The structure of the centre will build on, among other things, a recent feasibility study conducted by the Icelandic Centre for Language Technology, Almennarómur, at the request of the government. The study analysed the opportunities and challenges of establishing such a centre in Iceland and proposed the creation of a centre for AI and Language Technology supported by the public sector, the academic and scientific community, local government, labour market and business organisations.

The centre will serve as a strong central unit providing a common platform for collaboration among these parties. It will work to strengthen both education and retraining, by adapting to the changing needs of the labour market, and to provide information – for instance to copyright holders – about the impact of AI. In that context, the centre will also develop criteria and guidelines for the responsible implementation of AI. In addition, it will reinforce digital infrastructure and research in the field of AI and language technology, with emphasis on developing domestic databases, improving access to computational power, and promoting the application of AI within companies and institutions.

**Afurð** A Centre for AI and Language Technology in Iceland.

|                                                             |                                                                                            |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>Time frame</b>                                           | Spring 2026.                                                                               |
| <b>Responsible ministry</b>                                 | Ministry of Culture, Innovation and Higher Education.                                      |
| <b>Implementing body</b>                                    | Ministry of Culture, Innovation and Higher Education.                                      |
| <b>Co-operating partners</b>                                | Public bodies, enterprises, non-profit organisations, the academic community, etc.         |
| <b>Connection to other strategies/plans:</b>                | Our Icelandic, everywhere. Language Technology Programme for Icelandic.                    |
| <b>Links to the UN Sustainable Development Goals (SDGs)</b> | Goal 9 – Industry, Innovation and Infrastructure,<br>Goal 17 – Partnerships for the Goals. |

## 7 Participation in the New Nordics AI

**Objective** To strengthen Iceland's position in the field of AI through active Nordic co-operation, to enhance the competitiveness of Icelandic industry and public operations, and to ensure that Iceland is part of a strong and progressive international AI collaboration.

**Action** Iceland is participating in the establishment of the New Nordics AI, a joint initiative to foster AI development and adoption across the Nordic and Baltic regions, which is scheduled to begin operations in autumn 2025. The centre will be an independent legal entity based in Sweden, aimed at accelerating the implementation of responsible AI while promoting innovation and co-ordinated policy development.

The centre will serve as a platform for collaboration between public entities, enterprises, municipalities and universities, supporting policy development, research and innovation projects, and knowledge sharing to promote responsible use of AI. It will consolidate access to international expertise and help Nordic and Baltic countries become a leading force in AI development and application.

Iceland's participation ensures that Icelandic interests, challenges, and areas of specialisation are reflected in this collaboration, and that Icelandic stakeholders, both public and private, can benefit from the opportunities the centre will offer.

**Product** Founding agreement for the New Nordics AI signed and specification of Iceland's contribution to its activities.

**Time frame** Autumn 2025.

**Responsible ministry** Ministry of Culture, Innovation and Higher Education.

**Implementing body** The Icelandic Centre for Language Technology Almannarómur.

**Co-operating partners** Business and industry, non-profit organisations, the academic community, public entities, etc.

**Links to the UN Sustainable Development Goals (SDGs)** Goal 4 – Quality Education, Goal 8 – Decent Work and Economic Growth, Goal 9 – Industry, Innovation and Infrastructure, Goal 17 – Partnerships for the Goals.

8 AI Infrastructure: Mapping and Future Needs

**Objective** To ensure that the availability, quality, and security of infrastructure support responsible and purposeful use of AI that benefits society.

**Action** Advances in AI depend on powerful computing capacity. Supercomputers with high computational power play a key role in processing enormous quantities of data at high speed, particularly in science and innovation for the benefit of society – for example, in analysing large datasets, developing new drugs and simulating natural disasters. Data centres are part of this ecosystem: they host, store, and process the data on which AI is based. To function properly, supercomputers and data centres require an adequate supply of electricity and secure data transfer. Together, this infrastructure forms the backbone of AI development and provides the foundation for continued innovation and sociotechnical advances.

A clear overview of current computing capacity is a prerequisite for strategic planning and for developing robust infrastructure in the foreseeable future. It also enables governments to identify the potential need for increased digital autonomy and promotes the responsible use of AI for the benefit of society. The following actions will therefore be taken:

- Analysis of current computing power and future needs: Data will be collected on access to and use of supercomputers and data centres. A forecast will be prepared of Iceland's future computing capacity requirements, taking into account application possibilities in science, research, industry, and public services. Particular attention will be paid to factors such as sovereign AI and the handling of sensitive information, identifying which sectors or projects may require domestic computing capacity to ensure appropriate data protection.
- Assessment of current electricity supply and data transmission security, and future needs: This assessment will examine how electricity generation and telecommunications infrastructure meet the current needs of supercomputers and data centres, and will inform decisions on investment and infrastructure priorities to meet growing future demand.

**Product** An analysis of Iceland's current computing capacity and opportunities for growth.

|                                                      |                                                                                                                                                                                                            |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Time frame                                           | Spring 2026.                                                                                                                                                                                               |
| Responsible ministry                                 | Ministry of Culture, Innovation and Higher Education.                                                                                                                                                      |
| Implementing body                                    | Ministry of Culture, Innovation and Higher Education.                                                                                                                                                      |
| Co-operating partners                                | Prime Minister's Office, Ministry of Industries, Ministry of Infrastructure, Ministry of the Environment, Energy and Climate, Ministry of Health, Confederation of Icelandic Employers, Almannarómur, etc. |
| Links to the UN Sustainable Development Goals (SDGs) | Goal 8 – Decent Work and Economic Growth, Goal 9 – Industry, Innovation and Infrastructure.                                                                                                                |

## 9 Collaboration with a European AI Factory

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective</b> | To increase access to AI infrastructure and expertise, equalise opportunities, encourage the application of AI, and to promote domestic specialisation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Action</b>    | To develop collaboration with a European AI Factory, with the aim of providing Icelandic stakeholders – such as researchers, enterprises, and public institutions – with rapid access to dynamic computing ecosystems and expertise. This access is intended specifically for those who would otherwise have limited opportunities to use such technology – for example, start-ups and small and medium-sized enterprises – thereby contributing to more equal opportunities for innovation and the application of AI solutions. Such access is a key factor in advancing fields such as healthcare, the environment, energy, language technology, fisheries, cybersecurity, education, and public services. The collaboration will also provide valuable experience and knowledge acquisition that will strengthen domestic specialisation and digital capabilities, while laying the foundation for future infrastructure development in Iceland. |
| <b>Product</b>   | A co-operation agreement with a European AI Factory.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

|                                                             |                                                                                                                                                  |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Time frame</b>                                           | Spring 2026.                                                                                                                                     |
| <b>Responsible ministry</b>                                 | Ministry of Culture, Innovation and Higher Education.                                                                                            |
| <b>Implementing body</b>                                    | Icelandic Centre for Language Technology<br>Almannarómur.                                                                                        |
| <b>Co-operating partners</b>                                | University of Iceland Science Park, University of Iceland, Reykjavík University, Icelandic Meteorological Office, Árni Magnússon Institute, etc. |
| <b>Links to the UN Sustainable Development Goals (SDGs)</b> | Goal 8 – Decent Work and Economic Growth,<br>Goal 9 – Industry, Innovation and Infrastructure,<br>Goal 17 – Partnerships for the Goals.          |



## 10 Iceland's Data Strategy

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective</b> | To improve access to data and its responsible sharing across society, and to increase the use of AI in both the public sector and in business and industry – for example, in innovation and data-driven decision-making.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Action</b>    | A comprehensive data strategy for Iceland will be developed with the aim of boosting growth and prosperity through the data economy. Emphasis will be placed on the value and opportunities inherent in the use of data in business, in the public sector, and in society more generally, as well as on the development of data infrastructure. Based on the strategy, a legal framework will be developed for secure and reliable data sharing between public entities, private entities, and the public. Clear rules increase transparency and trust in how data can be used and for what purposes. This will include, among other things, adapting national legislation to EU regulations on data governance (the Data Governance Act), on uniform rules for fair access to data and its use (the Data Act), and on high-value datasets. Special attention must be paid to security and personal privacy. Work is also underway on legislation concerning state IT operations, which will give the Ministry of Finance and Economic Affairs the authority to set rules regarding technical criteria. |
| <b>Product</b>   | A data strategy for Iceland, setting out a vision and actions to strengthen the country's data economy.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

|                                                             |                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Time frame</b>                                           | Spring 2026.                                                                                                                                                                                                                                        |
| <b>Responsible ministry</b>                                 | Ministry of Culture, Innovation and Higher Education.                                                                                                                                                                                               |
| <b>Implementing body</b>                                    | Ministry of Culture, Innovation and Higher Education and Ministry of Finance and Economic Affairs.                                                                                                                                                  |
| <b>Co-operating partners</b>                                | Statistics Iceland, Directorate of Internal Revenue, National Register of Iceland, Institute of Regional Development, Data Protection Authority, Ministry of Justice, academic community, various associations of employers and entrepreneurs, etc. |
| <b>Links to the UN Sustainable Development Goals (SDGs)</b> | Goal 3 Good Health and Well-being, Goal 9 – Industry, Innovation and Infrastructure, Goal 16 – Peace, Justice and Strong Institutions.                                                                                                              |

## 11 Harnessing Data Resources in the Fisheries Sector and AI Utilisation

**Objective** To strengthen the basis for using AI and data science in the fisheries sector by improving the data environment and improving public access to data on marine resources.

**Action** Infrastructure in government computer systems and databases on fisheries will be reinforced to ensure traceability of data, from catch to export, and to promote targeted and secure data collection. Data is a valuable resource, and the targeted processing and integration of data can create opportunities to strengthen the Icelandic fisheries industry globally, improve sustainability, increase value creation, and contribute to improved treatment of marine resources.

The first part of the project aims to improve and increase access to public data and use AI and digital technology to maximise profitability and sustainability, for example, through increased research on fish stocks and the marine environment, as well as through risk-based monitoring of marine resources. The project is part of a larger project that will strengthen the foundation of marine research and increases the potential for monitoring fish stocks and environmental factors in the ocean, while contributing to greater transparency about the origin and carbon footprint of marine catches. Through targeted use of data and AI, waste of resources can be reduced, sustainability in the fisheries sector can be increased and biodiversity can be protected.

The latter part of the project is a collaboration with fisheries companies to collect additional data on marine resources, including through image analysis and the use of AI, to open up opportunities for increased value creation, risk-based monitoring and development of Iceland's unique position in the application of AI in the field of marine research and marine resources.

**Product** An improved data environment and technical framework for collecting, handling, and enhancing the traceability of, and access to, public data in the fisheries sector; and a valuable virtual data warehouse for marine resources supporting risk-based monitoring of the use of AI solutions.

**Time frame** Autumn 2027.

**Responsible ministry** Ministry of Industries.

**Implementing body** Ministry of Industries.

**Co-operating partners** Fisheries enterprises, Directorate of Fisheries, Marine Research Institute, and Matís.

**Links to the UN Sustainable Development Goals (SDGs)** Goal 12 – Responsible Consumption and Production, Goal 13 – Climate Action, Goal 14 – Life Below Water





### 3 Evolving Education

This pillar reflects the important role of the education system in preparing society for the ongoing digital transformation and in promoting that all use of AI aligns with human rights, ethical values, and the diverse needs of society.

The actions in this chapter aim to strengthen skills and to support and expand access to education relevant to AI in schools and in society more broadly. Emphasis will be placed on implementing solutions that support individualised learning, improve the learning experience, and empower teachers in their role. Standards and a competency framework for AI use in schools will be developed, based on international models, with an emphasis on ethics, digital citizenship, and data protection. Efforts will also focus on analysing the educational needs of different groups and on strengthening continuing education, including through an accessible information website that provides an overview of courses and educational materials for people both within and outside the labour market.

12 AI Solutions in the Icelandic Education System

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Objective | To improve education through the use of AI solutions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Action    | Ways will be explored to develop, test and implement AI solutions in the Icelandic education system, with a focus on enhancing teacher competence. The needs of students, teachers and parents will be examined, along with the costs of implementation, technological applications, and how these solutions can contribute to individualised instruction and support, increase technological literacy, and improve students’ learning experiences and academic performance. Consideration must be given to challenges relating to ethics and personal privacy, as well as to ensuring the secure and responsible use of technology. The effectiveness of such solutions will be assessed through a pilot project in several schools. |
| Product   | A summary of the project’s implementation, with an emphasis on individualised learning, support for teachers, and improved information flow between schools and parents, along with proposals for further implementing AI literacy in the Icelandic school system                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

|                                                      |                                                                                                                                             |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Time frame                                           | Spring 2027.                                                                                                                                |
| Responsible ministry                                 | Ministry of Education and Children.                                                                                                         |
| Implementing body                                    | Directorate of Education and School Services.                                                                                               |
| Co-operating partners                                | The School of Education of the University of Iceland, the University of Akureyri, primary and secondary schools, technology companies, etc. |
| Connection to other strategies/plans:                | Education Policy for 2020-2030 and Action Plan 2 2024-2027.                                                                                 |
| Links to the UN Sustainable Development Goals (SDGs) | Goal 4 – Quality Education,<br>Goal 9 – Industry, Innovation, and Infrastructure.                                                           |



## 13 AI and Digital Citizenship in Teaching and Learning

**Objective** To ensure that children and young people will be able to use AI and digital solutions responsibly, guided by human rights, ethical values, critical thinking, and the principles of digital citizenship. They will be aware of the risks and act as safe and responsible users of digital technology.

**Action** Standards and guidelines for AI in education and teacher qualifications will be developed, based on international models. Particular attention will be paid to the ethical and practical aspects of AI in the education system, along with issues such as digital citizenship and discrimination, sustainability, social relations, the collection and processing of personal data, and copyright of the content used by AI. These standards will be reflected in both internal and external school evaluations and the competency framework for teachers.

**Product** Standards, rules, and guidelines for the use of AI in schools.

|                                                             |                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Time frame</b>                                           | Spring 2027.                                                                                                                                                                                                                                                                         |
| <b>Responsible ministry</b>                                 | Ministry of Education and Children.                                                                                                                                                                                                                                                  |
| <b>Implementing body</b>                                    | Directorate of Education and School Services.                                                                                                                                                                                                                                        |
| <b>Co-operating partners</b>                                | Educational institutions, universities, the Icelandic Association of Local Authorities, the Media Commission, the Icelandic Centre for Research Rannís, the organisation Home and School, the Icelandic Teachers' Association (KÍ), and the National Youth Council of Iceland (LUF). |
| <b>Connection to other strategies/plans:</b>                | Education Policy for 2020-2030 and Action Plan 2, 2024-2027.                                                                                                                                                                                                                         |
| <b>Links to the UN Sustainable Development Goals (SDGs)</b> | Goal 4 – Quality Education,<br>Goal 9 – Industry, Innovation and Infrastructure.                                                                                                                                                                                                     |

## 14 Increased Public Knowledge and Skills in AI and Data Literacy

**Objective** To raise interest and awareness of AI among diverse groups, and to promote digital skills and data literacy within Icelandic society.

**Action** The needs of different groups, both within and outside the labour market, for education and retraining related to AI and data literacy will be analysed. Based on this analysis, a national action plan will be developed to set out how to systematically support the business community and employees in adopting new technologies and acquiring relevant skills, including through collaboration with educational institutions, employers, and unions.

A central, accessible website will be established to provide information about courses and events related to AI and data literacy. The website will serve as a platform for sharing information and is intended to spark interest and make it easier for people, within and outside the labour market, to find relevant learning opportunities.

Special emphasis will be placed on reaching groups that are often excluded from educational opportunities, such as older people, jobseekers, and residents of non-urban areas. Extensive collaboration between educational providers, lifelong learning centres, unions, and municipalities will be encouraged to co-ordinate and promote these offerings nationwide. There will also be a focus on increasing trust and interest within society by sharing practical examples of how AI can improve daily life and work.

**Product** An analysis of the needs of different groups, within and outside the labour market, for education and retraining related to AI and data literacy. In addition, an information website will be created providing an overview of courses and events related to AI and data literacy.

|                                                             |                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Time frame</b>                                           | Spring 2026.                                                                                                                                                                                                                                          |
| <b>Responsible ministry</b>                                 | Ministry of Culture, Innovation and Higher Education.                                                                                                                                                                                                 |
| <b>Implementing body</b>                                    | Ministry of Culture, Innovation and Higher Education.                                                                                                                                                                                                 |
| <b>Co-operating partners</b>                                | Ministry of Education and Children, the Icelandic Association of Local Authorities, lifelong-learning centres, universities' continuing education and retraining units, unions, and other educational actors nationwide, the academic community, etc. |
| <b>Links to the UN Sustainable Development Goals (SDGs)</b> | Goal 4 – Quality Education, Goal 8 – Decent Work and Economic Growth, Goal 10 – Reduced Inequalities.                                                                                                                                                 |



## 4 New Approaches to Public Services

This pillar reflects the government's emphasis that, alongside the digital transformation of the business sector and the education system, the public sector must make greater use of digital technology to improve services to increase the efficiency and effectiveness of public administration.

The actions in this chapter aim to strengthen the digital capabilities of the public sector, improve data quality, and develop a clear framework for the use of AI in services and administration. Emphasis will be placed on the co-ordination and sharing of public data in accordance with government policy. Standards and guidelines will be formulated for the responsible use of AI by public entities, while emphasising security, ethical considerations, and reliability. A comprehensive policy will also be developed for Government Offices on the application of AI in the activities of ministries, with a focus on education, safe implementation, and the adaptation of solutions to different project areas. AI will also be used to improve the application and allocation processes of competitive funds through integrated solutions and data-driven decision-making.

15

Increased Quality, Harmonisation, and Coordination of Public Entities’ data

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Objective | To improve the quality, harmonisation, and coordination of data and its transfer between public entities, which is a prerequisite for the further use of AI.                                                                                                                                                                                                                                                                                                                                                                                                 |
| Action    | Public entities’ data will be mapped, particularly that relates to services to individuals and businesses, as well as data that is useful for administrative decision-making. Technical and operational standards will be developed for public entities to support the use of data in service provision and decision-making. Work will also be undertaken to develop guidelines on information technology and data management for public entities in accordance with the policy of the Ministry of Finance and Economic Affairs and its technical standards. |
| Product   | A mapping and overview of public entities’ data and standardisation of processes and implementation in line with best practices.                                                                                                                                                                                                                                                                                                                                                                                                                             |

|                                                      |                                                    |
|------------------------------------------------------|----------------------------------------------------|
| Time frame                                           | Autumn 2026.                                       |
| Responsible ministry                                 | Ministry of Finance and Economic Affairs.          |
| Implementing body                                    | Digital Iceland.                                   |
| Co-operating partners                                | Public entities and ministries.                    |
| Links to the UN Sustainable Development Goals (SDGs) | Goal 9 – Industry, Innovation, and Infrastructure. |

16

Improved Standards and Guidelines on the Use of AI by Public Entities

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Objective | To ensure that public entities exploit the opportunities offered by AI to improve public services and operational efficiency in a responsible, transparent, and reliable manner.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Action    | Work will continue on developing and expanding a centralised set of standards and guidelines for public bodies at different levels of government to utilise AI safely and effectively. This will build on the foundation already laid through collaboration between the Ministry of Finance and Economic Affairs, the Ministry of Culture, Innovation and Higher Education, and the Norwegian Agency DigDir, cf. the guidelines available on the Government Offices’ website. Emphasis will be placed on security, personal privacy, transparency, and reliability, while ensuring responsible use in policy and decision-making, and improving services to the public and increasing effectiveness in public operations. |
| Product   | An updated, central set of guidelines and standards for the use of AI in the public sector, including guidelines for the procurement of AI solutions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

|                                                      |                                                                                                                                   |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Time frame                                           | Spring 2027.                                                                                                                      |
| Responsible ministry                                 | Ministry of Finance and Economic Affairs.                                                                                         |
| Implementing body                                    | Ministry of Finance and Economic Affairs.                                                                                         |
| Co-operating partners                                | Ministry of Culture, Innovation and Higher Education, DigDir, other ministries.                                                   |
| Links to the UN Sustainable Development Goals (SDGs) | Goal 9 – Decent Work and Economic Growth, Goal 16 – Peace, Justice and Strong Institutions, Goal 17 – Partnerships for the Goals. |



## 17 Implementation of AI Solutions in Government Offices

|                  |                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective</b> | To improve services and achieve more efficient public administration through a more targeted and responsible implementation of AI in the activities of ministries.                                                                                                                                                                                                                                  |
| <b>Action</b>    | The action involves identifying ways to utilise AI in Government Offices in a responsible, transparent, and effective manner. A comprehensive policy on the use of AI will be formulated within Government Offices. Emphasis will be placed on education relating to the use of AI solutions and on identifying areas where AI can contribute to simpler administration and operational efficiency. |
| <b>Product</b>   | A clear policy, set of guidelines, and training on the responsible and safe use of AI solutions in Government Offices, along with the evaluation and insights gained from initial testing of solutions in selected ministries. The results will be used to inform further decision-making on the implementation of AI in public administration.                                                     |

|                                                             |                                                                                                       |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>Time frame</b>                                           | Autumn 2026.                                                                                          |
| <b>Responsible ministry</b>                                 | Ministry of Finance and Economic Affairs.                                                             |
| <b>Implementing body</b>                                    | Umbra – the service centre of Government Offices.                                                     |
| <b>Co-operating partners</b>                                | Ministry of Culture, Innovation and Higher Education, School of Central Government, other ministries. |
| <b>Links to the UN Sustainable Development Goals (SDGs)</b> | Goal 9 – Industry, Innovation and Infrastructure.                                                     |

## 18 AI in the Application and Allocation Processes of Competitive Funds

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective</b> | To increase effectiveness, transparency, and cost-effectiveness in the administration of public competitive funds through digital solutions and the use of AI in the application, data-processing, and allocation processes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Action</b>    | <p>Public competitive funds play an important role in supporting innovation, research, education, and social development. The large number of different funds, their separate application systems, and standalone databases reduce efficiency and complicate applicants' access to funding, while also limiting public authorities' oversight of the allocation of funds. By coordinating application processes and integrating data, the public authorities' overview can be improved and the use of funds made more effective. Utilising AI technology can also promote more efficient decision-making, shorten response times, and assist applicants. The project forms part of the government's streamlining efforts and comprises three interrelated steps that contribute to increased efficiency and lower administrative costs:</p> <ul style="list-style-type: none"> <li>• A common application portal will be established, which is being developed by Digital Iceland.</li> <li>• A common database will be established so that allocations from all funds can be analysed at a whole.</li> <li>• Business processes will be defined and administrative costs reduced by utilising AI to increase efficiency in the application, processing, and allocation processes.</li> </ul> |
| <b>Product</b>   | An efficient solution that integrates application processes, data-processing, and allocations through the use of AI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|                                                             |                                                       |
|-------------------------------------------------------------|-------------------------------------------------------|
| <b>Time frame</b>                                           | Autumn 2027.                                          |
| <b>Responsible ministry</b>                                 | Ministry of Finance and Economic Affairs.             |
| <b>Implementing body</b>                                    | Ministry of Finance and Economic Affairs.             |
| <b>Co-operating partners</b>                                | Ministry of Culture, Innovation and Higher Education. |
| <b>Links to the UN Sustainable Development Goals (SDGs)</b> | Goal 9 – Industry, Innovation and Infrastructure.     |





## 5 Healthcare System of the Future

This pillar reflects the importance of harnessing the potential of AI to strengthen the healthcare services of the future by improving diagnostics, enhancing treatment, and supporting the working environment of healthcare professionals. Responsible and targeted decisions in the application of the technology are a prerequisite for the use of AI to increase accessibility, improve services, and reduce strain on the system.

The actions under this chapter aim to identify opportunities and challenges in the use of AI in healthcare and to create the conditions for its responsible and targeted implementation. Efforts will focus on mapping challenges and formulating proposals that will support public authorities in policymaking and implementation. A strategy for healthcare data will be developed with an emphasis on safe use, protection of privacy, and standardisation, which will lay the foundation for coordinated and ethically responsible implementation of AI solutions within the healthcare system.



## 19 AI in Healthcare: Opportunities and Challenges

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective</b> | To address the main challenges of using AI in the healthcare system to ensure greater efficiency and improved quality.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Action</b>    | <p>The challenges and opportunities involved in the development, testing, and implementation of AI in healthcare will be analysed and mapped. This will include an analysis of the technical, managerial, ethical, and regulatory challenges that may hinder or delay the responsible implementation of AI. Practical proposals will be drafted to help remove obstacles and facilitate the integration of AI systems into the operations of healthcare institutions.</p> <p>As part of the project, a conference on innovation in healthcare technology will be held in autumn 2025 under the auspices of the Ministry of Health and the Ministry of Culture, Innovation and Higher Education. The conference will provide a platform for stakeholder dialogue, which will, among other things, be used to shed light on the main challenges and opportunities in the development, testing, and implementation of AI in the healthcare system.</p> |
| <b>Product</b>   | An innovation conference on healthcare technology and a report presenting an analysis of the main challenges and proposals for the targeted and responsible implementation of AI in healthcare.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

|                                                             |                                                                                                                                                                                                  |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Time frame</b>                                           | Spring 2026.                                                                                                                                                                                     |
| <b>Responsible ministry</b>                                 | Ministry of Health.                                                                                                                                                                              |
| <b>Implementing body</b>                                    | Ministry of Health.                                                                                                                                                                              |
| <b>Co-operating partners</b>                                | Ministry of Culture, Innovation and Higher Education, research institutes, universities, technology companies, the Directorate of Health, healthcare institutions, and healthcare professionals. |
| <b>Links to the UN Sustainable Development Goals (SDGs)</b> | Goal 3 – Good Health and Well-being,<br>Goal 9 – Industry, Innovation and Infrastructure.                                                                                                        |



20      **A Strategy for Healthcare Data**

Objective

To ensure responsible use of healthcare data when implementing AI solutions.

Action

A data strategy will be formulated for the healthcare system that covers data architecture, access to healthcare data when using AI solutions, the use of cloud solutions, data security, personal privacy, and the standardisation of data and metadata, among other aspects.

Emphasis will be placed on co-ordination with developments in Europe, particularly the European Health Data Space (EHDS), and on ensuring the strategy supports Iceland's future vision in healthcare. The data strategy will also lay the foundation for the necessary regulation, the development of technical infrastructure, and the responsible introduction of new technology in Iceland’s healthcare services.

Product

A public sector strategy on health data and its use in connection with AI.

|                                                      |                                                                                                                                            |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Time frame                                           | Spring 2027.                                                                                                                               |
| Responsible ministry                                 | Ministry of Health.                                                                                                                        |
| Implementing body                                    | Ministry of Health.                                                                                                                        |
| Co-operating partners                                | Research institutes, universities, technology companies, the Directorate of Health, healthcare institutions, and healthcare professionals. |
| Links to the UN Sustainable Development Goals (SDGs) | Goal 3 – Good Health and Well-being,<br>Goal 9 – Industry, Innovation and Infrastructure.                                                  |







**Government of Iceland**  
Ministry of Culture, Innovation  
and Higher Education