

Minister for Foreign Affairs report on foreign and international affairs

Thursday 19 March 2015

Introductory speech

- I now present my second report to the Althingi on foreign- and international affairs since assuming the office of minister for foreign affairs. It is my hope that this report will provide the parliament with issues which will form the basis of a positive and substantive discussion on Iceland and the world.
- The report is the result of work performed by all departments of the ministry and it provides a clear picture of the scope and volume of the matters handled by the ministry as well as illustrating how few of all these important fields handled by the ministry ever come to the attention of the Althingi. It is therefore a welcome occasion to be able to devote an entire day here in the parliament to substantive discussions regarding all matters pertaining to international- and security matters, trade, development cooperation, international law, services rendered to Icelanders abroad and matters of administration. This report thus provides a sound model for the regular provision of information from the ministry to the Althingi as well as describing the most important focus areas in foreign- and international affairs at any given time.
- Our foreign policy is continuously being molded and shaped and when we speak on Iceland's behalf, our viewpoints are centered on our core values and vital interests. These foundations are solid as a rock. Iceland is populated by an independent, resourceful Nordic nation that has its place in the forefront of western democracies and participates actively in collaboration with its neighbours, friendly nations and allies in pursuing peace, democracy and prosperity.
- Moreover, there is consensus on all major aspects of Icelandic foreign policy. This is the way things have been in the last years, practically irrespective of what government is in power, although individual

decisions can be disputed. The Icelandic people know where their interests lie and Icelanders know what they stand for.

Consular services and consuls

Mr. President

- I would like to begin with the issues closest to us. It is one of the primary obligations of the Ministry for Foreign Affairs to provide the citizens with protection and assistance vis-à-vis foreign authorities, institutions and individuals. This work, usually called consular services of the Ministry for Foreign Affairs, is a main theme in all work performed by the diplomatic service, both in Iceland and abroad. It is clear that increased travel abroad by Icelanders, more citizens living abroad for periods of time due to studies or work, and lastly but not least due to ever increasing business activities of Icelanders in foreign markets, the scope of this part of the Ministry's activities has increased steadily in the last years.
- The diplomatic service and its representatives are thus often the first instance for Icelanders in need of assistance and the ministry handles such matters with care and attention, even though such matters do not appear in the headlines of the media, sensitive as they may be. In the last few years we have attempted to improve these services, for instance there has been established a round-the-clock emergency service for incidents abroad and a database has been set up where Icelanders staying abroad for longer or shorter terms can register. An emergency response plan has been made to deal with emergency situations abroad and a response team of ministry staff is on stand-by all year long in case the emergency plan has to be mobilised.
- Among the main issues dealt with by the consular services are assistance due to illness, accidents or deaths of Icelanders abroad, the issuing and extension of validity of passports, assistance in criminal cases and with serving of sentences, absentee polling, certification of documents, assistance due to private legal matters such as custody over or abduction of children, assistance with finding lost persons abroad and finally assistance with bringing home deceased, ill or displaced citizens. In short

it can be said that the diplomatic service handles many of the issues covered by social services in many other countries.

- There is much strain on the staff in our diplomatic missions in connection with matters handled by the consular services. This obviously varies according to the number of Icelanders in the area, but in many of them, especially in the embassies in the capitals of the Nordic countries and in London, the cases number hundreds per month – even thousands. From the beginning of last year the ministry has collected data on this part of the Ministry's services and the data shows that each month around 700 cases are logged in the main office of the ministry in Reykjavik.
- A far larger number is logged with the diplomatic missions. The highest figures are in the embassies in Copenhagen, Oslo and London and as an example the embassy in London handled over 600 cases last January. Overall it has been estimated that the consular service handles over 30 thousand cases per year which equals 2500 cases every month. This number is growing.
- One cannot discuss the consular service without mentioning the role of Iceland's honorary consuls. All members of parliament are aware of the fact that Iceland's diplomatic service is one of the smallest in Europe. We have diplomatic missions in only 20 cities, most of them in Europe and North-America. Such a small diplomatic service would amount to little if it was not able to rely on the service of a net of honorary consuls all over the world.
- Every single day all year long the diplomatic service can rely on the 243 honorary consuls of Iceland now serving in 89 countries. They perform these services for our country and citizens without any compensation and in most cases Iceland's honorary consuls are foreign nationals prepared to go to extraordinary lengths on a voluntary basis in order to assist Icelanders.
- The honorary consuls are Iceland's prolonged arm and it is invaluable to be able to rely on their assistance in cases of dire need. It was therefore a special and welcome occasion for the government to be able to provide a warm welcome for these outposts of Iceland last autumn and thus show the gratitude of Icelanders.

Global security and national security

- The debate on Europe's security has been revitalized. The grave situation in the Eastern part of Europe has exposed that some of Europe's old ghosts of hostility have been resurrected. We have witnessed with great horror the atrocities by the terrorist organisation ISIS and their alarming tactics. Terrorist actions in our close vicinity and among our closest friends underscore the fact that no country is safe. It is the supreme duty of the Government to ensure the security of the citizens as mentioned earlier. This means that preparations have to be made in order to be able to respond in case such a threat arises.
- Why is this mentioned? It is mentioned to underline the importance of obtaining as much consensus as possible on a national security policy for Iceland. The preparation of a parliamentary resolution is currently in its final stages of preparation and is based on the proposals of a parliamentary committee, as known. I emphasise that by adopting a national security policy a very important milestone will be passed as it will be the first time since the republic was founded where substantial steps are taken towards a holistic policy with regard to national security.
- The national security policy will be founded on the solid pillars on which Iceland's security- and defence have been based throughout most of the republic's history, membership of the North Atlantic Treaty Organisation and the bilateral Defence Agreement with the United States of America. The national security of Iceland is thus an integral and inseparable part of international cooperation and in this context we must continue to nurture the good cooperation Iceland has with its allies in the field of security and defence. Work on reinforcing these pillars will be continued through active collaboration with United States and other neighbouring countries, as well as developing Nordic cooperation with their common interests in mind.

The Ukraine and NATO

- The current conflict in Ukraine and Russia's intervention has made European leaders acutely aware of the necessity to defend core values such as respect for international law, freedom of speech, human rights and the rule of law. These are the values that Iceland's foreign policy centres on. Icelandic authorities still emphasise the pursuit of peaceful solutions but underline at the same time that the people of Ukraine must have the freedom to choose the future path of their country in a democratic manner. As a member state of international organisations on peace and security in Europe, Iceland will continue to support international cooperation working towards peace and security in all of Europe.
- The illegal annexation of Crimea by Russia and Russia's ongoing support of separatists in Ukraine marks a watershed in relations with Russia and the consequences have been extensive. The restrictive measures taken by western countries in support of Ukraine are clearly a severe measure undertaken because the actions of Russian authorities have few, if any, precedents in international relations in recent times. International law and agreements have been violated and state boundaries changed by the use of armed force. This cannot be tolerated. As far as Iceland is concerned the principle is that international law must be upheld and that relations between countries are not dictated by the use of force.
- The volatile security situation in Europe is of concern to Iceland and our neighbours take the threat seriously, including our friends in the other Nordic countries and in the Baltic states. Iceland must remain vigilant and ensure that operational capabilities and necessary precautionary measures are in place. During the NATO Summit in September important decisions were made in this regard.
- These decisions are important. They reflect the determined will of the Allies and are supported by the values that I mentioned earlier.
- In international relations the wagon is both pushed and pulled. At the same time as we formulate and agree on our determined view regarding this issue at NATO the Organization for Security and Co-operation in Europe has proven to be an important venue for response to the conflict in Ukraine. The OSCE has thus performed its primary duty of maintaining a platform to ensure that the relations of the participating states are not disrupted, not least when a conflict is ongoing and great differences exist

between parties. OSCE has thus been one of the major venues for Ukrainian authorities to express their opinions, for other countries to reiterate their position and last but not least, for Russia to voice its arguments.

- It is important to reiterate that relations must continue and that opposing sides do not avoid bilateral discussions until a permanent solution to the issue has been achieved.

The Arctic

- In the last few years there have on several occasions been discussions on the Arctic and it is therefore appropriate that I mention this issue here. The Arctic is our immediate vicinity and as has been mentioned numerous times, many threats pose a challenge in the Arctic, but there are many opportunities as well. It is clear that in order to respond to the challenges in this part of the world it is necessary to engage in active international cooperation regarding matters of security, environment, resources and business. As members of the Arctic Council we are clearly among the states that will stake out the journey ahead of us, we push the wagon and pull it simultaneously.
- We are fortunate to have as a roadmap the Arctic policy which the Althingi unanimously agreed on a few years ago. This government has raised Arctic issues on the agenda by establishing a Committee of Ministers on Arctic Affairs, which started its work last year with the participation of the Minister for Foreign Affairs and External Trade, the Minister of the Interior, the Minister of Industry and Commerce, Minister for the Environment and Natural Resources with the Prime Minister serving as Head of Committee.
- In accordance with the aims of the government, last year has been used to work intensively on an assessment of Iceland's interests in the Arctic. This is done by looking to Icelandic interests from a wide perspective and by attempting to analyse both opportunities and possible perils. We are pleased to announce that this assessment was finalized earlier this week and is now open to interested parties for comments until the end of this month.

The United Nations

- One is often stunned by daily news of conflict all over the world. We still have a long way towards achieving the objectives of the United Nations Charter and to find solutions to many complex problems and conflict issues of current times. It is impossible to excuse the fact that hundreds of thousands have been killed in armed conflicts in the Middle East and that millions of refugees are in dire need there. It is horrifying to hear news of terrorist groups taking civilians as hostage or murdering them in a savage manner, including innocent children. It is unacceptable that in 2014 a part of a European state was annexed by another state, that human rights are abused and that millions of children in the developing world are dying every year from poverty and curable diseases.
- It is often claimed that the objectives set forth in the United Nations Charter are lofty and apparently unrealistic. But we tend to forget that incredible things have been achieved in the seven decades that have passed since the United Nations were founded and this year we celebrate this milestone. In historical context the last few decades have been more peaceful than earlier, ever more countries become democratic and huge strides have been made in the fight against poverty and hunger.
- It is appropriate to remind people of the fact that during this year a certain turning point will be passed in the United Nations. New Sustainable Development Goals, replacing the Millennium Development Goals, will be adopted by the United Nations Summit in September and in December a new international agreement on climate change will be finalised.

Development cooperation

- Iceland wants to invest in long-term peace and to improve the living conditions of the poorest people in the world. The best way to do that is by effective development cooperation which returns real added value in limited areas where the contributing country can provide significant input.
- International development cooperation is one of the main foundations of Icelandic foreign policy and it seeks to ensure internal consistency with

regard to global, economic-, environmental and security issues. The main objective of Iceland is to support government efforts in developing countries to eradicate poverty and hunger, encourage economic- and social development, ensure international security and provide humanitarian- and emergency assistance when needed. We emphasise three main fields: establishment of social infrastructure, sustainable use of natural resources and support of peace efforts as well as providing humanitarian assistance when the need arises. We also emphasise respect for human rights and gender equality, democracy and justice as well as highlighting environmental and climate issues.

- This assembly has debated the contributions of Iceland to development issues in the past years and it is clear that the government has been forced to reduce funding to development cooperation due to austerity measures in the state budget, in order to improve the fiscal status of the treasury. I do share the concerns of those who have criticized the austerity measures but want to reiterate that we are serious when we say that this government will provide as generous funding to this issue as is realistic at any given time. The priority ranking is thus the same in that respect. It is estimated that Iceland's contribution to development cooperation will remain at 0,21% of GDP in 2015 according to the general budget and latest economic forecasting. In a proposal for a parliamentary resolution on a policy for Iceland's development cooperation, which will be presented soon, a realistic plan will be put forth with regard to funding of this policy area in the coming years.

Foreign trade

- Democracy, peace, prosperity and stability do not appear out of the blue. The security of people and of human society is established when there is a dialogue and that dialogue lays the foundation for trust. And what better way to establish trust than to engage in business?
- A central theme in Icelandic foreign policy has always been to increase prosperity by opening markets for Icelandic products, culture and know-how. It is apparently unimportant from what political orientation we address that issue, the result is clear. Iceland has done well in guarding its

interests abroad and I have previously mentioned from this podium that Iceland's foreign trade position is in many respects enviable.

- Our access to our main-market area, the European Economic Area, is ensured by the EEA agreement and the government has actively built up a more powerful monitoring of protecting our interests in this field with their European policy, as known. It is important that all work together to ensure the smooth functioning of the agreement. Vital interests are at stake here not least for the industry, to make certain that industry in Iceland has the same regulatory framework as its counterparts in Europe. This is the centrepiece of our policy with regard to the implementation of the EEA agreement.
- Icelandic companies have, as explained in detail in the report, access to a large net of free-trade agreements which cover 69 countries via the EFTA Agreement, the EEA Agreement, the 25 free-trade agreements made by the EFTA states and bilateral free-trade agreements of Iceland with the Faroe Islands, Greenland and China.
- A claim can be made that few nations have as free access to foreign markets as Iceland these days on the basis of these agreements. In this field the diplomatic service has made an invaluable contribution. Free trade is a vital global issue and to come back to our ideas on security in the broader context, one can certainly claim that Iceland has through protecting its interests abroad and the underlying values and criteria that Icelanders stand for, made a contribution to strengthening bonds between people and nations through trade and business.
- At the same time there are ominous signs with regard to international business- and economic cooperation. In the coming weeks it will become clear whether the negotiations within the World Trade Organisation will be revitalised and what will be the outcome of the impressive free trade negotiations that the United States of America is engaged in for the time being. The development of issues within the WTO and the progress of diverse free-trade negotiations will have a considerable impact on free-trade agreements in the coming years.
- It is important for Icelandic interests that WTO continues to be a credible and realistic venue for negotiations on the main principles regarding

international trade. But at the same time it is clear that many countries in the world are ready to go further in negotiating for free trade in business than can be realistic to achieve consensus on within the WTO.

- This development underlines the importance of Icelandic authorities continuing to develop and enlarge the net of free trade in order to lay the foundation for further growth and prosperity of Icelandic export companies. The diplomatic service will continue to observe closely the development of matters, apply itself in the service of guarding Icelandic interests, thus ensuring that Icelandic companies enjoy as open access to important markets as companies in main competition countries.

Summary

- Keen observers in this hall may have noticed that a central theme in this speech has been security in a wide context. I started my speech by referring to the imperative obligation of the authorities to defend its citizens and therefore many important matters have to be handled by the Minister for Foreign Affairs and External Trade and the Ministry for Foreign Affairs. We also have ample duties vis-à-vis the rest of the world and there we have as a foundation our interests, our values and our criteria. We stand guard for these every day, both at home and through our representatives abroad.
- I have mentioned here a few important issues, that are high on the agenda on an international level. I hope that this report that I have presented can be the basis of a good dialogue here today.