APPENDIX

Table A1. Iceland's Climate policies and mitigation measures

Climate policies and mitigation measures	Performance measures	Impact on the treasury	Impact on emissions
A.1 Infrastructure for active mobility • Development of infrastructure to increase the number of people using active transport. • Support the construction of footpaths for pedestrians and cyclists both in urban areas and between urban areas. • A major effort on construction of new cycle paths in the capital area in cooperation with local authorities. In addition, consideration will be given to bicycle paths along highways. • The development of infrastructure and concessions for active means of travel will be based on information from regularly travel habits survey (see action A.2).	Percentage of people who use bicycles, scooters, and electric bikes and make their journeys on foot. The goal is that walking and cycling will be 30% of all trips in the capital area by 2040.	A total of ISK 10 billion will be allocated in the period 2020–2034 for bicycle and pedestrian paths.	The measure is jointly assessed with measures on incentives for active transport (A.2). It is estimated that with these synergistic measures, emissions from road transport in 2030 will have decreased by 10,000 tonnes of CO_2-equivalents compared to the forecast of development according to the basic scenario.
A.2 Incentives for active mobility • Tax subsidies that encourage people to use active transportation. • Abolition of value added tax (VAT) on all bicycles, electric bicycles, and electric scooters. • Transport allowances for employees.	Number of imported bicycles, electric bicycles and electric scooters.	Up to ISK 325 million annually in the years 2020–2023.	See A.1.
A.3 Encouraging public transport • Strengthening public transport to reduce the need for private cars. • The 'City Line' project will become the backbone of the public transport system in the Capital Area. • The public buses will use domestic renewable energy sources. • Public transport in the countryside organised with the aim to strengthen the competitiveness of public buses.	Percentage of people using public transport.	The contribution to The City Line, minimum of ISK 45 billion from 2020–2033. Subsidy for the bus system, 12 billion in the period 2018–2024.	Emissions from road transport in 2030 will have decreased by almost 16,000 tonnes of CO_2-equivalents compared to the forecast of development according to the basic scenario.
A.4 Initiatives for low-and zero emissions vehicles • Tax incentives to increase the share of ecological vehicles in the country's vehicle fleet until the end of 2023. • By an amendment to the law on VAT incentives were implemented for the	Percentage of ecological vehicles in new registrations,	Tax subsidies are estimated at 3,000 to 4,000 million ISK per year in	Measures A.4–A.7 is evaluated together –– as well as the impact of measure G.1 (Carbon Tax).

purchase of new ecological vehicles as well as for the secondary market if certain conditions were met. • The concessions are temporary and will be reviewed regarding success.	by category of vehicle and energy source.	the years 2021 through 2023.	Based on the synergy, it is estimated that emissions from road transport in 2030 will have decreased by 51,000 tonnes of CO_2 equivalents compared to the forecast of development according to the basic scenario.
A.5 Infrastructure for low-and zero emissions vehicles • Development of infrastructure for eco-friendly vehicles. • Funding projects for the development of infrastructure. • Fast charging stations and installation of charging stations at accommodation and at public buildings, by shops and frequented tourist destinations. • All supported stations published on a map website. • A network of fast charging stations has been installed throughout the country. • Investment grants for companies that operate car fleets, either with passenger or group vehicles.	The share of renewable energy in land transport and the number of electric and plug-in hybrid vehicles at a charging station. Number of charging, methane, and hydrogen stations.	1.75 billion ISK over a five-year period (2019–2023). Funds have also been secured for 2024.	See A.4.
A.6 Legislation and regulations for clean energy transition • Ensuring that laws and regulations support the energy transition. Several laws and regulations have been changed and updated. • Two regulations have been updated as a part of the implementation of the European directive on infrastructure for alternative fuels no. 2014/94/EU. • The policy framework appears in various policy documents and plans.	A plan for the development of infrastructure for energy exchange. Implementation of regulations and laws.	No cost other than the amount of planning for the development of infrastructure for ecological energy sources.	See A.4.
A.7 Ban on new registration of diesel and gasoline vehicles after 2030 • New registrations of passenger cars powered by fossil fuels will not be allowed in Iceland in 2030. • In recent years, most newly registered passenger cars were eco-friendly. • Definition of the provision; whether the provision shall apply to only cars that run exclusively on fossil fuels or if it should also cover hybrid vehicles and whether to grant exemptions. • A clear vision will be set for a future without passenger vehicles powered only by fossil fuels.	The number of new registrations of petrol and diesel vehicles.	Effect on the tax revenue of the Treasury. Work has been started to evaluate taxes and fees on vehicles and fuel.	See A.4.

A.8 Energy transition in heavy transport • About 15% of greenhouse gas emissions from road transport come from transport vehicles. • The main obstacles to the energy transition in heavy transport are the lack of supply of fuel and equipment for longer distances, the lack of infrastructure and, consequently, the lack of demand for eco-friendly vehicles. • Analysing the possibilities and support energy exchange in heavy transport through the Energy Fund f.ex. by subsidies. • Support for, in collaboration with stakeholders, research and the development of hydrogen and electric fuel production as well as for transport and exporting of hydrogen. • Possible support through tax incentives, support for start-up projects or pilot projects, grants for research projects, contributions to fuel production, infrastructure, or direct equipment purchases. • Roadmap for hydrogen and electric fuel for Iceland.	Number of new registrations of eco-friendly heavy transport vehicles.	The impact on the treasury is not known, but now it only consists of costs for analysis.	Not known. To give an idea of dimensions, a goal of 15%-25% of heavy transport vehicles in Iceland as clean energy vehicles in 2030 would result in a reduction in greenhouse gas emissions of up to 14,000 tonnes of CO_2-equivalents compared to the forecast of development according to the basic scenario. As the measure is still being formulated, the impact on the reduction of greenhouse gas emissions is not currently included in the measure plan.
A.9 Low-emission rental cars (in preparation) • An analysis has been made to determine the need of infrastructure for rental cars with special attention to infrastructure at Keflavík Airport. Support will be provided for the installation of charging stations at accommodation and popular tourist destinations, cf. operation A.5. • Identify the main obstacles and opportunities to speed up the energy exchange in car rental fleets, through detailed needs and cost analysis. • About 40% of newly registered cars in Iceland are rental cars. Temporary concessions are now in effect to promote energy conversion in rental cars. • An amendment was made to the law on VAT, so that the sale of used eco-friendly cars on the secondary market would be exempt from VAT if certain conditions were met. See also measure A.4.	Percentage of environmentally friendly vehicles from newly registered vehicles of car rental companies.	Not known.	Not known. A goal of 30–50% of rental cars becoming ecological by 2030 would result in a reduction in greenhouse gas emissions of 28–46,000 tonnes of CO_2-equivalents compared to the forecast of development according to the base scenario. As the measure is in the formative stage, the impact on the reduction of greenhouse gas emissions is not included in the measure plan.
A.10 Low-emission vehicles in government and state enterprises • An obligation for government entities to purchase environmentally friendly vehicles when renewing their vehicle fleet. • Governments are still authorised to purchase vehicles that are not eco-friendly	Percentage of eco-friendly vehicles in new state	The value of cars is ISK 1.84 billion. It can be assumed that the annual	It is estimated that emissions from road transport in 2030 will have shrunk by almost 900 tonnes of CO_2-

as required by their safety or operational requirements. • The aim of transforming the vehicle fleet is to reduce the emission of greenhouse gases, but also to follow the conditions for the ban on the new registration of petrol and diesel cars (see operation A.7) and achieve a ripple effect in society. • Electric charging stations are now at all ministries, and the number of charging options there has been systematically increased.	vehicle registrations.	renewal needs amount to almost ISK 300 million. Although the initial cost of purchasing a vehicle will increase because of the operation, lower operating costs for each vehicle can be assumed.	equivalents compared to the forecast of development according to the base scenario. It can be assumed that the operation has a ripple effect, i.e. that more will follow with a corresponding reduction in emissions. However, that decline cannot be estimated.

Source: Umhverfis- og auðlindaráðuneytið, 2020, https://www.stjornarradid.is/library/02-Rit--skyrslur-og-skrar/Adgerdaaetlun%20i%20loftslagsmalum%20onnur%20utgafa.pdf

Table A2. Tourism share of local labour income in Icelandic municipalities in 2008 and 2018
Source: Statistics Iceland

Note: Municipalities ranked according to their position in 2018

Rank	Municipality	2008	2018	Change	Region	Distance to Reykjavík (km)	Distance to Akureyri (km)
1	Skútustaðahreppur	22.0%	46.8%	113%	N	471	83
2	Mýrdalshreppur	8.6%	43.7%	409%	S	184	572
3	Skaftárhreppur	15.9%	43.5%	173%	S	258	646
4	Reykjanesbær	12.6%	35.8%	183%	SP	48	436
5	Bláskógabyggð	6.8%	30.1%	341%	S	96	484
6	Suðurnesjabær	8.3%	26.6%	220%	SP	56	444
7	Sandgerðisbær (Suðurnesjabær in 2018)	8.0%	24.9%	212%	SP	56	444
8	Sveitarfélagið Garður (Suðurnesjabær in 2018)	8.5%	24.8%	192%	SP	56	444
9	Sveitarfélagið Hornafjörður	5.9%	24.7%	322%	S	452	506
10	Grímsnes- og Grafningshreppur	3.8%	18.7%	394%	S	76	464
11	Rangárþing eystra	6.1%	17.3%	184%	S	130	518
12	Sveitarfélagið Vogar	6.1%	16.1%	167%	SP	35	423
13	Helgafellssveit	0.0%	15.1%	∞%	W	167	393
14	Grindavíkurbær	5.7%	14.8%	160%	SP	50	438
15	Hrunamannahreppur	7.7%	13.9%	80%	S	102	490
16	Garðabær	7.6%	13.6%	77%	CA	8	396
17	Hafnarfjarðarkaupstaður	5.8%	12.5%	118%	CA	11	399
18	Rangárþing ytra	4.2%	12.5%	196%	S	92	480
19	Kópavogsbær	6.0%	11.8%	97%	CA	5	393
20	Þingeyjarsveit	7.1%	11.7%	64%	N	450	62
21	Reykjavíkurborg	5.4%	11.7%	117%	CA	0	388
22	Borgarbyggð	3.7%	11.5%	209%	W	81	307
23	Stykkishólmsbær	5.8%	11.2%	93%	W	172	398

24	Seltjarnarnesbær	5.8%	10.9%	89%	CA	3	391
25	Norðurþing	4.1%	9.3%	128%	N	546	158
26	Hörgársveit	4.4%	9.3%	113%	N	368	20
27	Svalbarðsstrandarhreppur	6.7%	9.2%	37%	N	400	12
28	Mosfellsbær	4.5%	9.1%	103%	CA	15	373
29	Hveragerðisbær	4.6%	9.0%	97%	S	44	432
30	Eyjafjarðarsveit	5.5%	9.0%	64%	S	400	12
31	Breiðdalshreppur (Fjarðabyggð in 2018)	0.0%	8.8%	∞%	N	610	340
32	Akureyrarkaupstaður	5.1%	8.6%	67%	N	550	0
33	Fljótsdalshérað	3.9%	8.5%	116%	E	650	262
34	Sveitarfélagið Árborg	3.6%	8.4%	136%	S	60	448
35	Snæfellsbær	2.4%	8.2%	239%	W	200	426
36	Seyðisfjarðarkaupstaður	3.6%	8.0%	120%	E	663	275
37	Flóahreppur	6.1%	8.0%	30%	S	66	454
38	Grundarfjarðarbær	2.7%	7.4%	173%	W	177	403
39	Húnaþing vestra	3.1%	7.3%	134%	N	193	195
40	Fjallabyggð	1.9%	7.1%	274%	N	393	69
41	Sveitarfélagið Ölfus	3.1%	6.3%	100%	S	51	439
42	Kjósarhreppur	0.0%	6.2%	∞%	CA	47	341
43	Akrahreppur	0.0%	6.2%	∞%	N	309	79
44	Dalvíkurbyggð	1.7%	6.1%	263%	N	413	44
45	Hvalfjarðarsveit	4.5%	5.7%	26%	W	50	338
46	Tálknafjarðarhreppur	1.2%	5.6%	375%	W	401	520
47	Skeiða- og Gnúpverjahreppur	5.0%	5.5%	10%	S	98	486
48	Ásahreppur	0.0%	5.4%	∞%	S	72	460
49	Ísafjarðarbær	3.5%	5.3%	52%	W	444	563
50	Djúpavogshreppur	2.4%	5.3%	123%	E	551	402
51	Vesturbyggð	2.1%	5.1%	144%	W	375	494
52	Dalabyggð	0.2%	4.4%	2093%	W	153	349
53	Sveitarfélagið Skagafjörður	2.3%	4.1%	76%	N	308	80
54	Grýtubakkahreppur	0.3%	3.9%	1168%	N	432	44
55	Vestmannaeyjabær	1.9%	3.5%	84%	S	250	638
56	Akraneskaupstaður	1.9%	3.4%	78%	W	48	340
57	Borgarfjarðarhreppur	0.0%	2.7%	∞%	E	706	318
58	Fjarðabyggð	1.3%	2.6%	104%	E	667	283
59	Sveitarfélagið Skagaströnd	0.0%	2.5%	∞%	N	266	122
60	Blönduósbær	2.2%	2.4%	11%	N	244	144
61	Strandabyggð	0.6%	2.1%	244%	W	233	295
62	Langanesbyggð	0.8%	2.0%	146%	N	629	241
63	Húnavatnshreppur	0.6%	2.0%	242%	N	217	171
64	Súðavíkurhreppur	1.4%	1.7%	22%	W	477	596
65	Bolungarvíkurkaupstaður	1.0%	1.7%	75%	W	468	587
66	Eyja- og Miklaholtshreppur	0.0%	1.4%	∞%	W	124	350
67	Vopnafjarðarhreppur	2.3%	1.1%	-50%	E	605	217
68	Árneshreppur	0.0%	0.0%		S	318	380
69	Fljótsdalshreppur	0.0%	0.0%		E	653	265
70	Kaldrananeshreppur	0.0%	0.0%		W	280	342
71	Reykhólahreppur	0.0%	0.0%		W	220	339
72	Skagabyggð	0.0%	0.0%		N	266	122
73	Skorradalshreppur	0.0%	0.0%		W	87	301
74	Svalbarðshreppur	0.0%	0.0%		N	625	237

75	Tjörneshreppur	0.0%	0.0%		N	483	95
76	Sveitarfélagið Álftanes (Garðarbær in 2018)	6.8%			CA		
77	Aðaldælahreppur (Þingeyjarsveit in 2018)	1.0%			N		
78	Arnarneshreppur (Hörgársveit in 2018)	0.0%			N		
79	Bæjarhreppur (Húnaþing vestra in 2018)	0.0%			N		