

ACT

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on the Institute of Regional Development

CHAPTER I

Purpose and Organisation

Article 1

Administration and Location

The Institute of Regional Development is an independent institution owned by the Icelandic state. The supreme authority of the Institute is held by the Minister of Industry. The Minister of Industry shall determine the location of the Institute of Regional Development, following the recommendation of the Board of Directors of the Institute.

Article 2

Purpose

The purpose of the Institute is to work toward the strengthening of regional and economic development in

Iceland outside the greater Reykjavík area.

In accordance with its purpose, the Institute engages in the preparation, organisation, and funding of projects and the granting of loans with the aim of supporting settlement, strengthening local economies, and encouraging industrial innovation. Funding of projects shall be conducted in co-operation with other parties, as appropriate.

The Institute shall monitor regional and economic development in Iceland, by collecting data and conducting research. The Institute shall organise and engage in industrial counselling in co-operation with industrial development associations, municipalities, and other parties.

The Institute may prepare plans for the development of local communities and economies in order to strengthen settlements in Iceland and the country's economy as a whole. The Institute may also participate in drafting regional plans in accordance with the Planning and Building Act.

Article 3

Annual Meeting and Board of Directors

The Annual Meeting of the Institute of Regional Development shall be held before 1 July each year. The conduct of the Annual Meeting shall be described further in a Regulation.

During the Annual Meeting, the Minister of Industry shall appoint seven people as Members of the Institute's Board of Directors for a term of one year at a time, and seven alternate members. The Minister shall appoint a chairman and vice-chairman of the Board, and decide the Board's remuneration.

Decisions at meetings of the Board of Directors shall be taken by majority vote.

Article 4

Duties of the Board of Directors

The duties of the Board of Directors of the Institute of Regional Development are as follows:

1. To decide on the organisation of the work of the Institute to the extent that this is not determined by Government Regulation.
2. To formulate policy regarding chief points of emphasis,

projects and working procedures, and ensure that the policy is implemented.

3. To determine operating and work plans for a period of one year at a time.

4. To encourage co-operation with other institutions and funds working towards strengthening the economy with the aim of co-ordinating industrial counselling and support actions and making them more effective.

5. To discuss plans which the Institute is working on as well reports regarding the Institute's activities.

6. To discuss and approve the annual accounts.

7. To decide on the total amounts to be borrowed, cf.

Article 15.

8. To decide on share acquisitions and participation in holding companies, investment companies, and development associations.

9. To establish rules regarding loan terms and project funding.

10. To make decisions and establish rules regarding the granting of loans and guarantees.

11. Other regional and industrial development tasks that the Minister of Industry may assign to the Board of Directors.

Article 5

Director

The Minister of Industry shall appoint the Director of the Institute of Regional Development for a term of five years at a time, upon receiving the recommendation of the Board of Directors.

Article 6

Tasks of the Director

The tasks of the Director of the Institute of Regional Development are the following:

1. To administer the daily operations of the Institute.
2. To submit proposals to the Board of Directors regarding:
 - a. The organisation of the Institute;
 - b. A plan of operation and activities;
 - c. Points of emphasis in operations;
 - d. Borrowings and total lendings by the Institute;
 - e. Rules regarding loan terms.