

# Enabling Social Innovation in Faroe Islands

## Country Snapshot

**Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." <sup>1</sup>**

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Faroe Islands's social innovation ecosystem.

✓ Direct focus on social innovation    🔗 Connected but indirect focus on social innovation    ✗ No focus on social innovation

## INSTITUTIONAL FRAMEWORK

### Official Definition of Social Innovation

Public evidence of a standalone, official definition of "social innovation" in the Faroe Islands was not identified.

Relevant adjacent framing appears through research, development and innovation (RDI) policy, where public support aims to strengthen RDI and create societal value. <sup>2</sup>

### Government Body for Social Innovation

Responsibility appears distributed across ministries rather than concentrated in a dedicated unit. <sup>3</sup>

Relevant bodies include:

- Government ministries with cross-cutting mandates (e.g. Social Affairs and Health; Children and Education). <sup>3</sup>
- RDI governance structure, including the national RDI Council advising government and industry. <sup>2 4</sup>
- Faroese Health Authority (est. 2023), contributing to data and analysis for public-sector innovation. <sup>5</sup>

### Government Strategy for Social Innovation

While no standalone strategy exists, related priorities appear in:

- SDG baseline reporting used for national planning and monitoring. <sup>6</sup>
- Digitalisation programme "Talgildu Føroyar 2.0". <sup>7</sup>
- Association to Horizon Europe supporting research and innovation cooperation. <sup>8</sup>

### Policies, Laws & Regulations

Key enabling frameworks include:

- RDI law establishing advisory and support mechanisms. <sup>2</sup>
- Business innovation funding law (Vinnuframagrunnur). <sup>2</sup>
- Public procurement frameworks and tendering laws. <sup>10 11 12</sup>
- National business register (Virðisskráin). <sup>13</sup>
- No identified legal framework for social enterprises specific to the Faroe Islands. <sup>14</sup>

### Official Statistics

Statistics Faroe Islands provides relevant datasets, including:

- Institutional sectors and NPISH data. <sup>15</sup>
- Innovation and R&D statistics. <sup>16 17</sup>
- Electoral and governance statistics. <sup>18</sup>
- No official statistics explicitly labelled "social innovation" were identified.

## Government Programs



Relevant programmes include:

- Vinnuframi grants supporting innovation and diversification. <sup>19</sup>
- Digitalisation programme “Talgildu Føroyar 2.0”. <sup>7</sup>
- Global Humanitarian Assistance funding for international development projects. <sup>20</sup>

# ECOSYSTEM

## Stakeholders



Key actors include:

- Íverksetarahúsið (entrepreneurship support hub). <sup>21</sup>
- Hugskotið (free advisory services for entrepreneurs). <sup>22</sup>
- FARBAN (angel investment network). <sup>23</sup>
- Research Council Faroe Islands (EU programme coordination). <sup>24</sup>
- University of the Faroe Islands (research and education). <sup>25</sup>

## Support Initiatives



Support is primarily entrepreneurship-oriented:

- Mentorship programmes through Íverksetarahúsið and Hugskotið. <sup>26</sup>
- Advisory support via Vinnuframi schemes. <sup>27</sup>

## Collaboration



Collaboration occurs mainly through events and ecosystem activities:

- National entrepreneurship event (“Ársins Íverksetaradagur”). <sup>28</sup>
- Innovation events such as TONIK. <sup>29</sup>

# FINANCE

## Financing Schemes



Main channels include:

- Vinnuframi innovation grants. <sup>30</sup>
- Public investment in digitalisation programmes. <sup>7</sup>
- Access to Horizon Europe funding. <sup>25</sup>
- Angel investment via FARBAN. <sup>23</sup>

## Financing Inclusivity



Inclusivity is supported indirectly through open-access services:

- Free counselling services (Hugskotið; Íverksetarahúsið). <sup>21 22</sup>
- No targeted funding schemes for specific underrepresented groups were identified.

# SOCIETY

## Public Awareness of Social Innovation



Awareness is primarily embedded within broader sustainability and innovation discourse:

- SDG reporting and national policy framing. <sup>6</sup>
- Nordic regional policy context linked to Agenda 2030. <sup>40</sup>

## Research

Research is supported through:

- National R&D statistics and benchmarking. <sup>17</sup>
- Participation in Horizon Europe. <sup>25</sup>

## Education & Human Capital

Human capital development includes:

- Entrepreneurship training and mentoring. <sup>21</sup> <sup>26</sup>
- Events and informal learning through innovation hubs.

## Entrepreneurship



### Business Environment

Faroese R&D expenditure: 1.5% of GDP (2022). <sup>17</sup>



### Innovation Capacity

Denmark benchmark

Global Innovation Index (2025). <sup>24</sup>



### Social entrepreneurship prevalence

GEM data limited (latest public data 2014). <sup>41</sup>

## Social & Environmental Consciousness



### Solidarity

Denmark EPI ranking used as proxy (10th, 2024). <sup>30</sup>



### Political participation

Political participation tracked via official statistics. <sup>18</sup>



### Volunteering



### Sustainability

Environmental data available through national statistics and World Bank datasets. <sup>42</sup>