



# PILOT STUDY ON AI

3 March 2026

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*To leverage AI responsibly and thereby strengthen the people, the language, and the economy.*

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**GJALDSTOVAN**

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This is the complete English translation of the Faroese pilot study report "Forkanning um vitlíki" (March 2026), prepared by Gjaldstovan. The original Faroese edition is available at [vitliki.talgildu.fo/forkanning](http://vitliki.talgildu.fo/forkanning).

## Executive Summary

How can AI contribute to increasing productivity, fostering innovation, and growing competitiveness, while at the same time helping society stand up to sustainability challenges and a language and culture that are under continuous pressure?

These are the questions the Government has set out to answer in a comprehensive AI strategy.

In our neighbouring countries, AI has become an important tool to future-proof society. Common to these countries is that they have produced national strategies that map out a shared direction for AI for the entire nation. AI shall help solve major challenges while also safeguarding rights and ensuring ethics and language. The goals being set are ambitious. In Estonia, the goal is for AI to drive 50% GDP growth within 10 years, while one goal Denmark has set is for AI to free up labour in the public sector equivalent to 30,000 person-years over the next 10 years.

This pilot study is the first step towards creating a comprehensive AI strategy for the Faroe Islands.

In summary, the findings of the pilot study are that Faroese society has come a short way in the use of AI, and that we are lagging behind our neighbouring countries. Most of those who participated in the study see major opportunities and have a willingness to use AI, but are particularly held back by legal uncertainties, and by a lack of preparation and skills. It is also considered a major obstacle that Faroese can only be used in AI tools to a very limited extent. In addition, participants pointed out that there is a lack of clear positioning and planning regarding our own technical infrastructure for AI, including collaboration between business and the public sector in this area.

On the other hand, the assessment is that, thanks to our well-developed digital infrastructure and our size, we can move forward relatively quickly. This will, however, require bold strategic decisions.

The pilot study has the following concrete recommendations that should be acted upon:

- The first and most pressing step is to **complete the comprehensive AI strategy** with concrete actions and a timeline for the coming years. The work to complete the strategy must be rooted in all sectors and in the political system. The plan is to begin work on the strategy immediately after the pilot study is delivered, so there is no delay in the work. It is recommended that the strategy be completed in good time so it can become part of the budget bill for 2027, and that the strategy is then grounded in legislation for AI.
- Secondly, **pilot projects** should be initiated at institutions and municipalities so experience, knowledge, and skills can be developed and shared between stakeholders. These should be

pilot projects with significant potential to streamline or improve workflows, e.g. through automated documentation and case management.

- Thirdly, an **AI unit** should be established, responsible for coordinating the country's use of AI and advancing joint actions across all sectors. The AI unit should be organised under an existing institution, work across central and municipal government, and have close collaboration with industry. The AI unit's task should be to set a shared direction and drive the progress of joint actions.

In addition to these recommendations, the pilot study has identified recommendations to be included in the comprehensive strategy itself. These are addressed under the heading "Possible actions in the strategy".

# 1. Background and purpose

This report describes the results of the pilot study on AI for the Faroe Islands.

In connection with AI becoming a policy area for the Ministry of Finance last year, the Office of the Prime Minister, in consultation with Gjaldstovan, which has been given the task of executing this policy area, took the initiative for this pilot study.

The approach builds on the experience with Talgildu Føroyar (Digital Faroe Islands), where the first step towards the comprehensive strategy was also a pilot study, and where close collaboration and co-creation between all key social sectors was the key to a successful digitalisation. With this approach, we ensure consistent services for institutions, municipalities, and citizens, regardless of where in the country or in the administration we are talking about.

The work takes its starting point in the most recent comprehensive strategy for digitalising society, "Digitalisation of Society Continues – 2025-2027", which the Løgting (Faroese Parliament) adopted as legislation in spring 2025.

In Action 15 of the comprehensive strategy for digitalisation of society, the Government has set itself the goal of:

*Producing a comprehensive AI strategy that maps out how society can get the most out of the technology, and how we best protect ourselves from the risks.*

The work brief for the pilot study was to formulate a **vision** that can create a clear shared direction for how the country shall use and leverage AI, and to **be the foundation for a comprehensive strategy** for all of society.

The foundation was created by gaining insight into where Faroese society stands in relation to AI, and by gathering knowledge and inspiration from neighbouring countries about what plans they have, and what actions they have tested in practice.

The pilot study was organised through workshops, interviews, analyses, and written material. The work was carried out in the period October 2025 through February 2026.

The pilot study was led by a project group, staffed with consultants from the companies Usable and Vitlíkisstovan, together with subject experts from Gjaldstovan. Jaspur Højgaard from Usable has been project leader, and along with him, Ólavur Ellefsen from Usable, Gunnleygur Clementsen

from Vitlíkisstovan, and Hóri Ranason, Halgir Winther Nagata and Nicolai Balle from Gjaldstovan have been part of the project group.

Above the project group there has been a steering group, which has included Björgfríð Ludvig, Director General of the Ministry of Social Affairs and Health, Bjarni Askham Bjarnason, Director General of the Ministry of Finance, and Leif Abrahamsen, Director of the Faroese Treasury.

## 2. Vision

The project group has worked with various formulations of the vision and, now that the pilot study has come to an end, has arrived at the following proposal:

*The Faroe Islands shall be a pioneering country, demonstrating how a small society can responsibly leverage AI to strengthen its people, its language, and its economy.*

The proposal is based on the idea that we should not just follow the trends set by others, but lead the way ourselves and demonstrate how our agility and strong sense of community can be used as a strategic advantage. By making Faroese a living and active language in the AI era, we secure our cultural sovereignty, while at the same time using technology to strengthen business and create efficient public services that truly serve all citizens. The goal is to show the world that a small, tightly-knit society like ours can move faster and reach further when we leverage AI responsibly, openly, and on our own terms.

### Supporting pillars

When the pilot study began, seven pillars were identified beneath the vision.

#### **Faroese first and foremost**

AI shall be usable in Faroese, and reflect our cultural values and identity.

#### **Ethics and morality at the forefront**

AI shall align with Faroese norms, shall be used responsibly, show respect, be inclusive, accommodate diversity, and be transparent.

#### **Understanding and skills at a high level**

Broad understanding of AI shall exist across generations, and the skills to lead and develop AI shall be at a high level.

#### **Effective public sector**

AI shall help modernise the public sector, including increasing productivity and operational capacity, and form the basis for better decisions and better, faster services to citizens.

### **Competitive business**

Business shall have AI frameworks and infrastructure to operate within, that support innovation, growth, and competitiveness in industry.

### **Technical infrastructure**

Planning and implementation of secure and resilient technical infrastructure shall be advanced. We shall also develop a Faroese language corpus for large language models.

### **Rights shall be respected and laws shall be ready for AI**

Copyrights for creative works shall be respected, and the legal and regulatory framework shall keep pace with the new technology.

The pilot study is largely organised around these seven pillars.

## 3. The situation in the Faroe Islands

The workshops have been a very decisive part of the pilot study. The supporting pillars in the vision were the themes for which topics were addressed in the workshops. The titles and order of the workshops were: 1) Competitive business, 2) Faroese first and foremost, 3) Ethics and morality at the forefront, 4) Understanding and skills, 5) Effective public sector, 6) Technical infrastructure.

A core principle for the work was co-creation with stakeholders, and here the workshops were a key part. The workshops were therefore organised as co-creative workshops, where participants were heard in order to understand the current situation and aspirations.

### Uncertainty about use

The pilot study shows a clear picture that interest in using AI is great, and many see major opportunities. The situation in the Faroe Islands is, however, still characterised by small and scattered experiments and a feeling of being behind. It is not the willingness that is lacking, but rather the frameworks that make it easy to get started in a safe way.

The obstacle that comes up most often is uncertainty about rules, responsibility, and especially the handling of personal data. This is seen both in the public sector and in business. At the workshop on "effective public sector" the uncertainty was particularly high, and therefore there were also not many examples of AI use in the public sector. The situation was somewhat better for business, although it was assessed that they too had not come particularly far.

Because trustworthy public tools are missing today, employees turn to free, unapproved tools online, also called shadow AI. A risk is that employees enter sensitive data into these tools, which means we lose control of our data. There are already examples of this, and it confirms the need described above and how pressing it is.

### Trustworthy services

At the workshop on ethics and responsibility it was also clear that trust from citizens is a precondition for AI being used in public services. Two requirements in particular were repeated:

- AI must not replace necessary human contact
- Transparency must be such that the citizen knows when they are interacting with a machine.

At the same time, it was pointed out that clear guidelines and frameworks are missing today, and that existing councils and committees are not sufficiently equipped professionally to handle the

specific challenges that AI brings.

## **Lack of understanding and skills**

Regarding understanding and skills, it was confirmed in almost all workshops that the need is very large, and it was assessed that understanding comes before skills. This is not just about being able to code, but about leaders, employees, and citizens getting a better understanding of what AI is, what it is suited for, and how to work safely with data, quality, and responsibility issues. Particularly in the public sector it was pointed out that understanding and skills are a major obstacle to getting started using AI. The education sector is also under pressure and needs clear guidance, so AI can be used sensibly and not just be seen as a problem.

The pilot study also confirms that there is a need for new skills, at different levels and for different groups. Leaders and decision-makers have different needs from those employees who deliver the services, and those who are to build and operate AI systems have yet another need. There is a need for AI skills in many different areas, and they are missing today.

## **AI in Faroese**

The Faroese language was identified as one of the most pressing areas. At the workshop on language, participants were concerned that linguistic cohesion is weakening, especially among the young. That the latest AI technology does not work well in Faroese will make this situation even more serious. It is already creating challenges in schools, and it can also have the consequence that interaction with computers in the workplace gradually shifts even more to other languages, if AI tools continue to perform significantly worse in Faroese than in other languages. The message was at the same time that the opportunities are great, but that this requires strategic investments, coordination, and clear agreements about data and rights, including reasonable compensation, so that Faroese becomes truly usable in the changing digital world.

When it comes to "Faroese-ifying" AI, there are indications that this can succeed in Faroese. If we in the Faroe Islands are to have control over which way this develops, and not just the tech giants, it is critical that we in the Faroe Islands gather a large amount of Faroese data. Some good work has been done in this area, including the Ravnur project, which can be built upon. An example of an initiative working with this challenge is a network of public institutions and companies that collaborate to gather data that can be safely and legally used to support Faroese in language models. The Centre for Language Technology at the University of the Faroe Islands is an undeniably important player in this work, but several initiatives are also being run privately. A comprehensive strategy would benefit such initiatives and tools, with prioritisation and overall coordination.

## Data collection

It can be confirmed that Faroese data is part of our infrastructure. It is therefore important that we, as in our neighbouring countries, prioritise and fund the work of collecting data. This investment can become a key to major savings. Good Faroese language in AI is a precondition for being able to use AI broadly in the public sector. If we do not make this investment now, it can have consequences either for the benefit AI can provide, or for the survival of the Faroese language overall.

At the workshop on business it also emerged that access to public data feels "locked", and that this limits the opportunities to create value and innovation. There is a need for the public sector to have a mindset that data should, as a starting point, be accessible. The Faroe Islands already have a secure digital infrastructure for sharing data via Heldin. Heldin is a technology that makes it significantly easier and safer to share sensitive data between institutions, and it is precisely this that is needed if we are to get the most out of AI in the public sector.

Data problems are not always technical problems, but can also stem from being overly cautious. The reality is that much data is not sensitive, and therefore should as a starting point be available to all.

Existing legislation is a challenge, which has also been identified at e.g. the EU level and in Estonia. Here, attention is being paid to how laws and technology can keep pace with each other.

## Technical infrastructure

The workshop on technical infrastructure revealed that the Faroe Islands have almost no publicly available AI compute capacity, and the market is paralysed from behind. Providers hesitate to make major investments without clear demand and strategy. It is therefore proposed to investigate a solution where the public sector can give a clear signal by acting as an "anchor customer", so the investment risk is reduced and Faroese capability is strengthened.

The lack of Faroese technical infrastructure makes the Faroe Islands very vulnerable, the more AI is used. If we become entirely tied to foreign providers, there is a risk that we lose our operational capacity if we lose the connection to the outside world.

At the same time, it was emphasised that technical infrastructure is about strategic security, rather than complete self-sufficiency. We must have local capacity for socially critical services, but at the same time leverage international solutions where it makes sense.

As AI becomes more widely used, other risks also emerge in security. Systems that handle sensitive data can be exposed to new types of attacks. It is therefore important to think about cybersecurity in AI projects from the start.

AI systems, and especially those using large language models, can quickly require substantial compute. This is a consideration when assessing infrastructure, both when looking at building local capacity, including energy supply, and when entering into international collaboration. The com-

prehensive strategy should therefore address this area more closely. In particular, an analysis of what use will be can give us a clearer picture of this.

## **Summary**

In summary, the observations point out that AI is not only a technical task, but also a question of direction, trust, and digital sovereignty. The willingness and ideas are there, but without centralised leadership, common frameworks, concrete working methods, and funding, progress will be small and uneven. Instead there is a risk of both unsafe use, and that other languages will gradually be used more in society.

## 4. International comparison

It is critical for a Faroese AI strategy that we look beyond our borders. We are not alone in facing these challenges, and the countries around us have already taken positions on how they choose to address these challenges.

There are particularly four main areas where the project has gained inspiration:

- **The Faroese language:** As confirmed at the workshops, the Faroese language is a challenge in relation to AI. The challenge particularly concerns the small amount of data, and here we must see how other small languages have solved this.
- **Implementation:** How do you go from plan to reality? We must understand how other countries have managed to move from strategic documents to concrete actions that create value.
- **Technical infrastructure:** The diversity of AI tasks means it is necessary to understand what should be built in the Faroe Islands to ensure sovereignty, and what can be solved through international collaboration.
- **Comprehensive strategies:** Our neighbouring countries have worked long with comprehensive strategies, and have recently updated their strategies. These give us a picture of how we can prioritise correctly in the Faroe Islands.

### Iceland

When looking at small languages and their position in technology, the project paid particular attention to Iceland. Iceland is in a similar situation to the Faroe Islands, but has, through systematic work, managed to make Icelandic an active part of modern AI systems. Critical in the Icelandic approach is Almannarómur, which works to advance Icelandic in the latest technology.

An observation from Iceland is that when the preparatory work is well done, as it is in Iceland, it is also possible to engage with tech giants and have them support small languages. This is seen in the collaboration Iceland had with OpenAI, where Iceland early on became a partner. What we can confirm is that good preparation opens doors, and we should learn from them and accelerate these initiatives at home.

### Norway – data collection

Data collection is a critical part of strengthening the Faroese language in technology. Here Norway was looked at for inspiration. This was done through the AI network, which works on setting up

data banks. After a presentation from the Norwegian National Library, there are indications that the approach in Norway fits well with how Faroese society is organised. There it is the Norwegian National Library that runs the data collection. Other institutions and companies provide curated data that gets stored in the collection. This data can then be shared and used to develop tools within e.g. AI. As described above, it is critical for the Faroe Islands that progress is made on this work.

## Estonia and Denmark – implementation

When it comes to implementation more broadly, Estonia and Denmark were looked at in particular. When the original Talgildu Føroyar work began, Estonia was a country that provided major inspiration. Estonia has continued to develop digitally and is also at the forefront of AI. It was therefore natural to look at how Estonia has worked with AI. Estonia has gathered a large part of its initiatives in a centralised AI unit. The work of the Estonian AI unit has spanned widely: establishing the right educational programmes, research, improving skills, launching pilot projects and other areas. The workshops gave clear indications that there is, among other things, a need for better understanding and skills, and Estonia has experience here and there from smaller projects. These show that such projects must be of a size such that, when they are completed, the investment has been small enough that it is not a requirement that the work continue into a larger project, but that the lesson learned has enough value in itself, and it is fine to stop after the pilot project is complete. The Estonian approach shows a working method that starts small and works towards something larger, where it proves itself.

In Denmark they have organised a Task Force, and pilot projects are also driven by this team. However, Denmark has now moved from pilot projects to larger projects (large-scale projects). Their experience with pilot projects is that these projects lose value over time, and it becomes more relevant with larger projects. They have therefore moved to particularly three larger projects:

- **Automated documentation:** Use of speech-to-text to reduce the time that healthcare and care workers spend on documentation.
- **Digital assistants for citizens and business:** Moving from static self-service to AI-powered assistants that can provide better and more personalised guidance.
- **Decision support for employees:** Giving caseworkers tools that can support complex decisions and make case processing faster and better.

These are examples of projects that could have been very interesting to do in the Faroe Islands. The feedback from the Danish task force was also that they assess that there are stages in the maturity journey that Denmark has been through, that we in the Faroe Islands can leap over and thus reach good results faster with less risk.

In summary regarding implementation, and getting off to a fast and good start in the Faroese AI journey, it can be confirmed that there is much to learn from our neighbouring countries.

## **Technical infrastructure: International collaboration is key**

Regarding technical infrastructure, conversations showed that collaboration is the way forward. As described in the current situation, there is some technical infrastructure that must be built, but our neighbouring countries also get a large part of the necessary compute through partnerships. One example of such collaboration is LUMI in Finland. We should therefore prioritise collaboration on technical infrastructure early in the journey. What is required is that the Faroe Islands position themselves as an active participant in the Nordic and European AI environment – rather than standing outside.

One Nordic collaboration is New Nordics AI, where one of the initiatives also focuses on using renewable energy for AI.

## **Comprehensive strategies in neighbouring countries**

When looking at comprehensive strategies, it is clear that most of our neighbouring countries have one. These have also been updated in recent years, and it can also be seen that AI is very high on the EU agenda. Although they vary, most of them cover roughly the same areas as those addressed in the vision described above. The division of areas varies, but the content is similar.

Looking again at Iceland, their plan is organised into five areas of responsibility: AI for all · Competitive business · Development of education · New approach to public services · Healthcare for the future. Under the responsibility areas there are between 2 and 6 initiatives with a total of 20 initiatives. The initiatives are described with a goal, what should be done, and what the expected outcome is. At the same time a person responsible is assigned to the initiative, and who collaboration will take place with. Iceland has chosen to place this responsibility with the relevant ministries. That is also an option in the Faroe Islands.

Comprehensive strategies are increasingly being made as action plans today. The Icelandic example above is one such, and in the USA they also have one. The differences in the comprehensive strategies are reflected in which underlying values shape the plans. This shows, as before, that collaboration with our neighbouring countries is critical, because they are the countries most similar to us.

## 5. Possible actions in the strategy

In the work on the pilot study, many possible actions have come to light. Many of these actions are opportunities that can be considered in the work on a comprehensive strategy. However, the actions named are not bound by a comprehensive strategy, and those who own the areas can consider these actions today.

These actions emerge directly from what stakeholders pointed out at the workshops, from the experiences of our neighbouring countries, and from the vision and pillars that were set out at the start of the work.

The possible actions named here are only some of many possible actions, and a more comprehensive list of possibilities is in the Faroese report's Appendix: Action list (31 actions).

### Establish an AI unit

Both the workshops and engagement with other countries have confirmed that there is a need for a coordinating AI unit to drive the comprehensive strategy forward. This AI unit should be positioned so that it can span both central and municipal government. Concretely, it was mentioned that it could fit well as an extension of the activities at Talgildu Føroyar. Such a unit would, among other things, be able to work on:

- Setting a shared direction and developing tools and procedures for the use of AI
- Ensuring that the Faroe Islands learn together rather than each on their own
- Initiating new projects and leading them from start to finish, where relevant
- Acting as an anchor for international collaboration
- Ensuring progress and accountability across all pillars in the comprehensive strategy.

It is recommended that the AI unit, as one of its first acts, organise a task force that can support and help institutions and municipalities get started and implement pilot projects.

### Strengthen the Faroese language

The workshops also clearly showed that the Faroese language is under great pressure in the AI era. AI tools are used in many areas today, and this use will increase going forward. There is a need for AI tools to work significantly better in Faroese. If not, there is a risk that other languages, especially English, will be used even more going forward. This use is everything from school to work.

Possible actions, that can be considered, also in work on a comprehensive strategy in this area, are to:

- Support the work of developing organised data collection of high-quality Faroese text with consideration for rights holders
- Strengthen the work to make AI Faroese. This is an area that creates the foundation for usable tools
- Develop international collaborations, e.g. by joining the Nordic language model network under New Nordics AI.

## **Initiate pilot projects**

The experiences from Estonia show value in starting small with focused pilot projects, learning from both successes and failures, and building skills gradually. The Danish approach with so-called "Large-scale projects" emphasises gathering effort in areas where the technology is proven and the value is established.

This gives indications that it would benefit the Faroe Islands to initiate a series of pilot projects. Pilot projects should be selected where they have a strong likelihood of continuing, creating concrete value, and being reusable.

Such pilot projects would also have been used to reduce the uncertainties identified in the workshops. This involves working concretely with the challenges that are the cause of the uncertainties. It is critical that the experiences from such projects are shared in the public sector.

## **Develop guidance materials and lift AI understanding**

The workshops showed time and again that one of the major obstacles is not lack of will, but lack of understanding and skills around AI – what it can and cannot do, and what is allowed under the law. This is a shared responsibility for authorities, business, and professional associations.

Possible actions that can be considered in a broader approach are to:

- Develop common guidelines for public institutions, covering approved tools, data handling, requirements for human oversight and procurement requirements, in addition to simple guides that remove the uncertainty
- Establish a centralised support function – a named place where employees and managers can get advice and training
- Analyse and describe what specific AI skills are needed by different groups, such as managers, employees, specialists, teachers, and citizens. And then make a coordinated plan to develop these skills in collaboration with educational institutions, professional associations, and other relevant parties

- Strengthen councils, such as the ethics council, with professional expertise on AI, to ensure proper consideration in the implementation of new technology
- Follow the EU AI Act framework closely. Although the Faroe Islands are not in the EU, our suppliers, partners, and systems are influenced by EU rules – we must develop our own simple procedures that align with these requirements.

## **Establish relevant international collaboration**

The pilot study has confirmed that small countries do not build AI infrastructure alone – they get access through the right partnerships.

Some opportunities to be worked on further are:

- Securing access to shared Nordic compute capacity.
- Formally participating in New Nordics AI, particularly regarding collaboration on language models.

## 6. Next steps

If work is to continue on producing a comprehensive strategy, the following next steps are recommended. The steps are divided into three areas:

- Collaboration
- Inspiration
- Implementation

Specific dates have not been set, because when work begins is decisive for when things can happen. The assessment is, however, that if work begins immediately, it is feasible to have a comprehensive strategy ready within 4 months.

A precondition for much of what is assessed to be next steps is, however, that work also begins on establishing an AI unit that can take the work further once a comprehensive strategy is ready.

### Collaboration

In the pilot study, work has been done broadly to involve as many as possible. This should continue, and follow-up should be done with those who have already participated in workshops and shown interest in continued involvement. This is an obvious opportunity that work on the comprehensive strategy should investigate further.

It is critical that if the comprehensive strategy is to have concrete projects or actions that fall outside the policy area of the Ministry of Finance, there is a need to ensure strategic collaboration with those stakeholders whose policy areas are covered by these actions.

Work should also continue on ensuring international collaboration and rooting those connections well in Talgildu Føroyar. As pointed out, there are several areas where this is a precondition.

Gathering people even more broadly than has been done at the workshops has all along been a goal. Such an opportunity could have been to have a working day on AI, where many people would be invited to participate. The working group should work further on this.

### Inspiration

It has become very clear in the pilot study that there is much inspiration to gather from neighbouring countries. Several of the international partners we have spoken with have mentioned the possibility of a visit. Based on experience, the assessment is that, in work on a comprehensive strate-

gy, this would have provided great value in terms of inspiration regarding what is right to do, and how we should organise this work.

Work going forward should also continue gathering inspiration from international trends. With the pace at which the field is moving at the moment, it is very critical to keep continuously updated on knowledge. It can be considered whether some conference can provide inspiration here, but this can be assessed when the work begins.

## **Implementation**

Work on the comprehensive strategy should begin with the action list in the appendix and build further on it together with stakeholders, so relevant pilot projects can be identified.

Finally, the work should pick up the thread and analyse how large the estimated need for compute is in relation to AI going forward, so progress can be made on the work to investigate prices and begin the process of procuring necessary AI hardware and equipment.

## 7. Conclusion

In summary, the AI pilot study has confirmed that there is uncertainty that means both the public and private sectors are hesitating to use AI. At the same time, almost all see major opportunities with AI and assess it as pressing that something is done about the situation.

International analyses and conversations gave indications of possible actions. Workshops confirmed that there is a need for similar actions in the Faroe Islands as in our neighbouring countries. The opportunities described for a comprehensive strategy are therefore the result of analyses and conversations, made both with the outside world and at home with us, and the working group assesses that these actions are the best way to accelerate Faroese use of AI.

In the further work, there is a need to strengthen those collaborations that ensure that we get off to the best possible start with this approach. Defining concrete actions for implementation also requires interaction with stakeholders that we should engage immediately.

The pace at which AI is developing is, however, so rapid that it also becomes critical to keep up with the latest international trends, so the Faroe Islands can be among the leading countries in the world, also when it comes to AI.

In summary, we should as quickly as possible move forward with the three decisive steps that ensure a shared direction: completing the comprehensive strategy, establishing a centralised AI unit, and initiating concrete pilot projects. With these we can prevail over challenges and uncertainty, exploit opportunities in the best way, and at the same time strengthen Faroese language and culture, to the benefit of Faroese society.

## 8. The pilot study in perspective

This pilot study has given us important insight into where the Faroe Islands stand in relation to AI today. Looking back at the journey and forward to the coming work, there are some observations we want to highlight.

### Breadth before depth

The pilot study was deliberately designed with a broad approach, where we had six themed workshops across public sector, business, language, ethics, skills, and technical infrastructure. This breadth has been valuable: it has given us a broad picture of the situation in the Faroe Islands and shown a coherent picture across very different areas.

But breadth has its price. There are areas where we did not get to go in depth – where conversations opened doors that time did not allow us to enter. The workshops gave good observations, and participants showed real interest in deep insight. It would have been very valuable to have follow-up meetings with several of them, to test the conclusions that emerged, dig down into concrete challenges, and co-create the first solutions. This is something that the work on the comprehensive strategy itself, or a coming nationwide AI unit, should take up as one of its first priorities.

The same applies to international collaboration. When we have spoken with people from other countries – researchers, professionals, and decision-makers – the recurring experience has been that they are open to collaboration. There is a real desire out there to collaborate with the Faroe Islands. What is missing at the moment is someone who takes the initiative and leads in building these connections. A nationwide AI unit would have been well suited to take on this role, so the Faroe Islands become an active part of the Nordic and international AI environment, rather than a passive observer.

### AI as a transformative force

AI is not just a new tool for existing workflows, but a real transformative technology. The technology will overturn how we work, deliver services, make decisions, and create knowledge. The pace and scope of this change is so great that we have rarely seen its like. Therefore, this is not just an IT question, but a societal challenge that will require political decisions in the coming years.

This should not lead to fear, but to action. Societies that take an active part and adapt the technology to their own needs stand significantly better than those that just receive it. For a small country like the Faroe Islands, much is at stake. The systems that are developed out in the world

are not made with us in mind. If we do not set the direction ourselves, others will set the conditions.

## **A comprehensive strategy must not become a pillow**

It is critical that the work and outcome of a comprehensive AI strategy does not cause other work to halt in this regard. From the workshops and conversations that have been part of this project, it is clear that there are areas in the public sector that are working actively with AI, both planning for the areas and putting it into use. The project has avoided taking control over such initiatives, but instead mapping the actions that exist. The thinking has been that when a comprehensive strategy is made, it can to a greater extent point to actions that are already in the public sector. The comprehensive strategy can ensure prioritisation and that the actions play well together in the larger whole.

## **Need for a thorough risk assessment**

The work on the pilot study has revealed that, in addition to major opportunities, AI also brings risks. A clear conclusion is therefore that a coming comprehensive strategy should make a thorough and deep risk assessment.

AI is currently spreading at great speed across borders and sectors. For example, OECD figures show that the use of AI in companies has doubled in just two years. This international trend also affects the Faroe Islands, and therefore it is in itself a risk to let things stand. The technology is already being put into use in Faroese society and in public administration, but often without the necessary frameworks to ensure rights, language, and security.

A thorough risk assessment therefore requires that the comprehensive strategy take a concrete position on a series of decisive questions. This includes among other things data protection, cybersecurity, ethical considerations, shadow AI, and the protection of the Faroese language. These areas are, however, only part of a larger picture, and the comprehensive strategy must therefore include a framework that can handle both known and new risks, as the technology and use evolves.

## **The newest AI technology has received the most attention**

In the pilot study the focus in the discussion has largely been on the newest language models. The reason is the overturning change that this technology brings with it. The technology means that computers can to a much greater extent be used for tasks involving language.

That this technology fills so much in the workshops and in the report is for the simple reason that the bulk of the core work in our modern society is connected to language. Almost everything we do is built on language:

- The nurse writes the journal after talking to a patient using language on a computer.
- The caseworker reads applications, laws and writes decisions using language on a computer.
- The teacher prepares teaching material using language on a computer.
- The politician and civil servant write laws, regulations, emails, and guidelines using language.

Discussion, news reporting, decisions about ethical rules and collaboration all happen through language, mostly on computers. Previously the computer was just a tool to write and store this language, without understanding the content. Now AI systems can take an active part where we use language as a tool, and we do that everywhere.

Therefore the pilot study has not covered as broadly all the older, traditional branches within AI (such as machine learning). We have instead concentrated on the newest language and text technology, because it is precisely here that the technology now enters the core of human work. This causes the major uncertainties that participants in the workshops pointed out, but it is also here that the greatest opportunities for advancing significant changes in Faroese society lie.

# Appendices



## Appendix 1. Workshop summaries

This appendix contains summaries of each of the six themed workshops held during the pilot study.

The workshops were:

1. Competitive business
2. Faroese first and foremost
3. Ethics and responsibility
4. Understanding and skills
5. Effective public sector
6. Technical infrastructure

### 1. Competitive business

Faroese companies have begun trying AI in their operations, but the situation is marked by major differences between companies. Most have done little more than scattered experiments or have not really started, while only a few companies have come somewhat further by establishing internal guidelines or attempting to integrate AI more closely with core operations.

Even at the leading companies, use is still limited compared to what is possible internationally. At the workshop, participants pointed out clear obstacles holding back broader and more useful adoption:

- Uncertainty about rules and responsibility.
- The need for a common place to get advice.
- Difficulties accessing public data — described in stark terms as the Faroe Islands feeling "locked".
- That AI tools do not work well enough in Faroese.

These structural obstacles cannot be solved by individual companies, and to address them, common regulations and targeted actions are needed to improve AI in Faroese together with a general advisory service.

## 2. Faroese first and foremost

The collected findings from this workshop were:

- Cohesion in the Faroese language is weakening. The language is under great pressure in the AI era, and the gap between spoken and written language is becoming greater.
- If we do not ourselves ensure Faroese in AI, foreign tech giants will dictate how the language works digitally.
- Faroese must be available in AI so it can continue to be the main language in working life.
- For language models to work well in Faroese, there is a need for many more good Faroese data. It is necessary to make agreements about reasonable payment to those who have created the material.
- AI can be leveraged to strengthen the language in various areas, if done correctly.
- Key stakeholders must align.
- Funding is a key precondition for ensuring the Faroese language in the AI era.

*"We see that cohesion in the Faroese language is failing"*

This was said by a participant at the workshop. The statement describes the core of the concern that most participants identified with. The challenge is not just about preserving the language, but about a concrete erosion of linguistic structure and culture that participants notice in everyday life, especially among the young.

The workshop gathered key stakeholders within language, culture, education, and technology, to understand what common challenges and opportunities they see with AI for the Faroese language. There was broad consensus that the Faroese language is under great pressure in the AI era. Although much creative work happens in Faroese, it was pointed out that young people increasingly have difficulty expressing themselves in their mother tongue, and that the gap between spoken and written Faroese is growing.

A recurring challenge, which connects with the statement above, is uncertainty about what role Faroese will play in the digital future. One participant put it this way:

*"If we don't do something about Faroese in AI, they'll do it in Silicon Valley."*

This uncertainty shows that the challenge with AI is not only technical, but to a large extent a question of sovereignty and cultural self-evidence. Without strategic action, foreign tech giants will determine what Faroese should be, and how it should function in digital systems.

That this is also a question of democratic rights and access became clear when opportunities were discussed. One statement, when concrete opportunities were on the table, was:

*"People have a right to their own language, wherever they are in the digital world."*

This shows that to understand what AI is today, and what tasks it is well suited to, requires not only technical knowledge, but also awareness of fundamental rights and values. This is therefore something we must think about going forward: how we lift the level of knowledge so we can leverage AI in the best way with respect for the language.

It was however pointed out that there are some areas in digitalisation where the situation for the Faroese language is fine. One example of this is computer data. It is clear, however, that when it comes to language models, this is not just a matter of something we do not have control over, but also something that does not yet work well enough in Faroese.

An important part of the core also concerned rights and data. It was pointed out that if Faroese is to work well in language models, there is a need for many more good Faroese data. Several believe that existing legislation is an obstacle here regarding rights. It was pointed out that the challenge is more a lack of clarity about the laws. The solution lies in making agreements between parties about use and reasonable compensation. It is therefore necessary, if approval is to be given for digitalisation or development, that money also be set aside to compensate those who have created the material that the technology is built on.

Possible AI projects were discussed at the workshop, and several good and concrete proposals were made for how AI can strengthen the Faroese language and culture. Some concrete examples mentioned are subtitling, translation, and transcription to make Faroese material accessible to the outside world, and as aids for e.g. people with disabilities or hearing impairments.

It was confirmed that AI is fundamentally changing workflows in the Faroe Islands, and the Faroese language is under pressure here. If our digital assistants do not handle Faroese well enough, then Faroese can come under pressure as our working language.

This is a strategic risk: that Faroese loses its value as a professional language and ends up as a domestic language. To make Faroese available in AI tools is decisive if we want to ensure that Faroese remains the main language in Faroese working life. Faroese people must be able to use their mother tongue in their work.

Although this was confirmed, it was also pointed out that several good digital initiatives have been taken to advance the language, which provide a good foundation for Faroese AI. First and foremost the work at the Centre for Language Technology, but also projects such as Ravnur.

There are many stakeholders, both public and industry-related, who must work together for this to succeed. It was confirmed that it is very important that these stakeholders align. In addition, suffi-

cient funding was mentioned as one of the largest preconditions for ensuring the Faroese language in the AI era.

### 3. Ethics and responsibility

The opinion of citizens is decisive for whether we should use AI in public services. At the workshop "Ethics and responsibility" it became clear that participants expect AI to have a major impact in the next five years. They saw not just opportunities for easier administration, but also major advantages in strengthening citizens to solve various challenges. With AI, people can become more self-sufficient and solve tasks that previously required help, and thus the technology can help lift quality of life significantly.

However, they emphasised two decisive preconditions for public approval, particularly within health and care: clear rules must ensure that AI never replaces necessary human contact, and complete transparency must ensure that citizens know when they are interacting with a machine.

Today these preconditions are not in place, because clear guidelines and accountability frameworks are missing, and this creates concrete obstacles to responsible use.

In addition, it emerged that existing councils and committees — such as the Ethics Council and the Data Inspectorate — are at present not sufficiently equipped professionally to address the specific ethical and technical challenges that AI brings. It was therefore recommended to consider whether existing institutions should be strengthened, or whether there is a need for entirely new arrangements.

### 4. Understanding and skills

In summary, the conclusions from the workshop on understanding and skills in AI were:

- It becomes important to learn about AI already in primary school.
- It will be important that the Faroe Islands can educate AI specialists.
- Those who do not go to school must have the opportunity for further education and thereby get a lift.
- There is a need for a common direction and prioritisation.
- There is a need for a place that has AI as expertise and can provide advice and help.

To the question "How pressing do you assess the need is for understanding and skills in AI in the Faroe Islands?", to be assessed from 1 (not at all) to 5 (very much), all participants assessed that the situation is at a 4 or 5.

*"Understanding is the important thing, then the skills come afterwards."*

It was clear that participants assess that we should put as much emphasis on getting a broad understanding of AI in society, as on deep technical skills.

For the citizen, it is clear that people do not understand how to themselves get the most out of the technology, and how to themselves protect themselves from the risks.

With this in mind, the questions were turned around — are AI and digital skills basic skills that compare with reading and writing? In the room, the assessment was that AI belongs to digital skills, and digital skills are at the same level as reading and counting. The educational sector works with this, but it can be necessary to think more broadly, so others than schoolchildren also get a lift.

The teacher's situation filled much, and rightfully so. The teacher is challenged, because learning and teaching is an area that is very challenged by new technology. The use of AI is often seen as cheating rather than skill. It is important that the educational sector well describes how AI can be properly used in teaching.

It is, however, completely clear that regarding AI, the need is not only to introduce learning in schools — there are also many others who must learn to use AI. A concept like "lifelong learning" was mentioned, and fits very well with AI today, where so much new is happening all the time. It becomes necessary for people to keep updated on this new technology in various areas. To meet this need, certain actions will be required, and there was broad consensus that the country, business, and professional associations all have a responsibility here — both financially and organisationally.

Something that became completely clear in the discussion was that we do not know which way to go at the moment. Strategic direction and political prioritisation are missing. People and institutions try forward with smaller actions, but a higher-level framework and common goals are missing. Without this direction, AI ends up as incoherent experiments, and that increases both the risk of incorrect use and the risk that we do not get any real benefit from the technology.

In the goals of the comprehensive strategy it will be said that we shall produce a comprehensive AI strategy that shows both how society gets the most out of the technology, and how we protect ourselves best from the risks. In reality, that protection begins with understanding and skills: that people understand what AI is (and what it is not), can use it sensibly, and can assess data, security, and quality risks in everyday life. The same understanding is also a precondition for individual employees to find the right use cases in their work and create concrete improvements.

When we talk about understanding and skills in AI, we should not only see this as technical skills, but as a societal basic skill that both gives benefit and reduces risks.

## **5. Effective public sector**

The summary from the workshop can be said to be:

- Uncertainty and fear regarding personal data, and what it is allowed to use AI for today. This is a very large obstacle to advancing actions. There is therefore a need for standardised policies. Rather than each institution interpreting the law from scratch, we should develop approved patterns, so institutions can move forward without fear of making mistakes.
- There are many opportunities to see where AI can help improve public services. Here the opportunities are great, and it is decisive what it is best to help with.

The workshop gathered key stakeholders in the public sector to understand what common challenges and opportunities they see with AI. There was broad consensus that the Faroe Islands are behind in adopting AI. There was at the same time broad consensus that they see very major opportunities by using AI in various areas. Some actions have long been launched, but several are at an even earlier starting point. Examples can be mentioned such as chatbots and the use of ChatGPT and similar services. AI will also, in collaboration with institutions in Denmark, be used in some areas in healthcare to improve services to citizens. A recurring challenge is uncertainty about what is allowed and what is not, and not least about handling personal data. This uncertainty indicates that the challenge with AI is not just a technical challenge, but to a large extent a question of law and understanding. That this is a question of understanding was also seen when concrete opportunities were discussed. One statement in this regard was: "It is hard to see far in AI applications and other technology trends."

This gives an indication that it is limited by the understanding of what AI is, and what tasks it is well suited to solve. This is therefore something we must think about going forward — how we lift the level of knowledge among specialists, decision-makers, and others who shall work with AI, so we leverage AI in the best way.

Possible AI projects were discussed at the workshop, and several good and concrete proposals came up about how AI can be used to lift the service standard at the public sector in various areas. Some concrete examples that were mentioned are processing of zoning permits, automated documentation and journaling, in addition to several others. The workshop participants also pointed out some more overall needs. Among these can be mentioned the need for:

- An AI unit, which also encompasses a task force.
- Common policies and guidance for institutions.
- Infrastructure where services can be securely hosted.

## 6. Technical infrastructure

The summary can be said to be:

- That there is a critical lack of local AI infrastructure today, because the market is paralysed from behind. Providers wait for a clear sign before major investments are made, and this increases the risk that the Faroe Islands become tied to foreign providers regarding socially critical systems.

- That we must hold fast to the strategy on digital sovereignty by ensuring we have local compute to operate critical AI services, so we are protected against disconnection if connection to the outside world is broken.
- That the goal is "strategic security", not complete self-sufficiency. We shall continue to use solutions in the cloud where they make sense, but we must build local compute that can host the most necessary services.

*"AI can become socially critical."*

This statement from the workshop on technical infrastructure shed light on a fundamental shift in our digital readiness. Historically, the Faroese strategy has been that socially critical systems shall be hosted in the Faroe Islands. Until now this has been done with traditional IT infrastructure. But with AI, new challenges come up with the lack of compute (GPU), which is necessary to operate these new systems.

The workshop revealed a "wait-and-see" situation, which has resulted in the Faroe Islands today having almost no publicly accessible AI compute. Providers hesitate to make major investments in expensive equipment without a clear market. In an environment where technical development moves at rocketing pace, it is a financial risk to invest in heavy compute without a secure customer.

The workshop showed that the small compute that is available is limited to research purposes at the University of the Faroe Islands, and both business and the public administration lack the means to host and operate genuine AI services domestically. Because the public sector has not yet announced clear demand or described its need, the market stands still. There is much to suggest that it is important the public sector makes this clear. Providers indicated that business cannot bear the risk of these investments alone, but that several are willing to participate, and that knowing the public sector's need would minimise the risk. There is therefore a need for the public sector and business to collaborate on what needs to be described.

The lack today affects our data sovereignty and national resilience hard. As an island society we are particularly exposed; being entirely dependent on foreign connections makes us vulnerable. If undersea cables break, or the connection to the outside world is broken, and our specialists do not have the local capacity to operate critical services, we would not be able to handle data ourselves.

And although we today can rent compute abroad, this is a deceptive security. Everything points to compute becoming a tight resource in the future. When demand exceeds supply, the major providers prioritise their strategic customers and own nations. There is a risk that the Faroe Islands end up at the back of the queue or lose access entirely. Without local power we are completely tied to a market we have no influence over.

Despite these challenges, the solution is not necessarily to build huge supercomputers to compete with international tech giants. As one provider expressed his thinking about how to begin:

*"Start small, but think big."*

There was consensus that we should not aim to build the large infrastructure required to train new fundamental language models from the ground — that is a task for international collaboration and shared Nordic capacity. Rather, our strategic focus should be on operational security. We should own enough infrastructure in the Faroe Islands to ensure that socially critical services are accessible at all times, even if connection abroad is broken, or the international market closes for us. At the same time we should leverage international solutions in the cloud, where it makes sense, e.g. for training models or less important work.

The signals to the political system are clear: business waits for leadership. Without public participation — through funding, strategy and by being an "anchor customer" — providers cannot make the necessary investments. Each day without action increases the risk that we become too tied to foreign providers, and the risk that the Faroe Islands end up as a passive user of AI rather than an active player with digital sovereignty.

## Appendix 2. International comparison – in depth

As described in the report, several themes are addressed here. Rather than the comprehensive strategies themselves, this appendix focuses on the broader international trends that are described.

### The Faroese language: Icelandic experience and research

When looking at how other small-language communities have managed to secure a place for themselves in the digital world, Iceland stands out. Iceland has the same major challenges as the Faroe Islands, but has nevertheless managed to make Icelandic an active part of modern AI systems.

From direct conversations with the people behind the Icelandic project *Almannarómur*, we can confirm that this requires a deliberate political prioritisation that reaches far in time. Icelandic authorities took a clear decision to make major investments and established *Almannarómur* to coordinate the work between government, research, and business. They set the pace for data collection, and this systematic work made Iceland the first language to be incorporated by one of the world's most-used AI tools — because Iceland had done the preparatory work. Iceland was chosen as a pilot project by AI giant OpenAI.

For the Faroe Islands the lesson is clear: we cannot wait for the major tech companies to "find" us. We must ourselves take the step to a coordinated approach to gather data and make ourselves into an interesting partner.

Plans to gather data are being made. In this connection particular attention has been paid to Norway and their work on data collection. The way they have done it fits well with how Faroese society is structured. There it is the Norwegian National Library that is responsible for data collection. Other institutions and companies provide curated data that becomes stored in the collection. This data can then be shared and used to develop tools within e.g. AI. As described above, it is critical for the Faroe Islands that progress is made on this work.

From the research environment we get another technical perspective. Research shows that the solution for small languages does not need to be to build everything from scratch. Rather the strategy is to build on what already exists. We can use existing Nordic language models as the foundation and then fine-tune them with what is specifically and originally Faroese. But the research also confirms clearly that the quantity and quality of data is itself the foundation — and the

gap between what we have today, and what is required, is large. This is a confirmation that we must take this task seriously.

The summary shows both examples that international collaboration stands open, but that we ourselves must take the step to enter through the gate. Major actors and research institutions in the Nordic countries want to collaborate, but the precondition is that we in the Faroe Islands have the basic frameworks in order. It requires that we have a structure or unit that can lift the task (like *Almannarómur*), that we have data of the right quality, and that we have the funding in place. If we get this foundation in place, then there are rich opportunities to lift Faroese into the digital future together with others.

## **Implementation: Experience from Estonia and Denmark**

When the original *Talgildu Føroyar* work began, Estonia was an important source of inspiration. It was natural, because we in this project look back to Estonia again. Although Estonia has more inhabitants than the Faroe Islands, it is in international terms a small country.

In recent times it has managed to become one of the world's leading digital societies, and most recently also one of the most innovative when it comes to organised use of AI in the public sector.

At meetings with those who have been at the forefront of Estonian work with data and AI since 2018, we have got a clear picture of how this was done. The approach was not built on big long-term plans or heavy projects from the start. Rather they began small and target-precisely: they began by building basic skills, established appropriate education programmes, and launched a series of smaller pilot projects with limited budgets.

Some of these projects succeeded, others did not succeed as well, but both what succeeded, and what did not, contained the lesson. The most important thing was that the institutions learned, prepared and got an understanding of what AI can and cannot solve. A decisive factor was that Estonia placed emphasis on measuring and showing results quickly to maintain political support across 14 different ministers over seven years.

The lesson for the Faroe Islands is to consider the mindset: start with pilot projects, accept that mistakes are part of the learning, identify problems before the technology, and ensure that understanding and skills among decision-makers grow alongside technical skills.

Estonia has in January 2026 launched a new plan, "Eesti.ai", with a forward-looking vision of doubling the value of the Estonian people's work by 2035. The goals are concrete: GDP growth of 25% within five years or 50% by 2035. The plan picks out projects with major impact potential within areas such as education, health, and industry, and these are advanced in focused 18-month phases. This confirms that Estonia, which has years of experience, sticks fast to working in focused, small ringed areas rather than trying to do everything at once.

One factor that has made the Estonian work agile is that they have long had a common and secure way to let systems exchange data: X-Road. It is described as the marrow in e-Estonia and

means that data can be moved directly between institutions with clear permissions and traceability. This is also a precondition for AI to be genuinely usable in practice, because much of the strongest use cases require that the right information can be found and pieced together across systems — without each institution building its own solutions.

The Faroe Islands have long had this infrastructure. We have taken X-Road into use and given the platform the name Heldin, and that gives us the opportunity to "leap over" an entire stage in the implementation. Instead of first using many years on building bridges between systems, we can faster choose some few pilot projects, where the value is clear, where several institutions have a need to share data — and at the same time hold fast to security and clear rules about who is allowed to see what. The journey of the Faroe Islands can therefore to a great extent be determined by how quickly we get common working methods and simple, clear agreements about data sharing in place, rather than by the technology itself.

Denmark offers another perspective, which is interesting because they have long been through a pilot phase. In December 2025 the Danish government, the municipalities, and the regions made an agreement to gather forces around three major AI projects rather than scattering effort. With a budget of DKK 266.7 million they have selected three areas, where the technology is mature, and the value is proven:

1. **Automated documentation:** Use of speech-to-text to reduce the time that healthcare and care workers spend on journaling, so more time becomes available for the citizen.
2. **Digital assistants for citizens and business:** Moving from static self-service to AI-powered assistants that can provide better and more personalised guidance.
3. **Decision support for employees:** Giving caseworkers tools that can support complex decisions and make case processing faster and better.

These projects are all good signals about something that could have made a difference in areas that are under pressure today. Note that speech-to-text is being used. Also in this area there is a need for development in Faroese.

In Denmark they have also established a task force within AI. This task force has been set up to accelerate the implementation of AI in the Danish public sector. The task force is a critical part of advancing the projects mentioned above. Decisive for this task force is access to various skills. In this case it is not about technical skills, but more about broader skills. The composition of the team is according to which skills are missing and which skills should be brought in in the immediate environment of the team. The team has fixed members but can also have members brought in for limited periods from other institutions as needed. The task force has seen the journey, from launching pilot projects to more centralised projects, as described above. Asked which pilot projects are decisive for developing skills and pointing direction, the answer was that we in the Faroe Islands could learn from their experiences. Pilot projects can be valuable for us, but it is not necessary to do as many, and we can learn from them in terms of what gives the best meaning to start with.

In summary Estonia and Denmark represent two different strategies. Estonia points the way with smaller, recurring pilot projects that develop skills and reduce risk. Denmark points instead to an approach where forces are gathered around large projects in few areas, after the technology is proven. For the Faroe Islands it can be said that it is right to start with pilot projects, where we have the knowledge from e.g. experiences in Estonia. Denmark can lay before us a model, what is right and likely that the project will succeed. When we have built up skills in implementation of AI, we can ourselves assess which approach is best suited to our situation — or whether we should choose a solution that combines the best from both.

## **Technical infrastructure: International collaboration is the key**

One of the most important lessons from our investigation work is that small countries do not build their own technical infrastructure for AI alone. They get access through partnerships.

At meetings with Almannarómur in Iceland it became clear that, although Iceland has worked with language technology for many years, they do not operate their own compute for heavy tasks. To train large language models, Iceland uses LUMI — the EuroHPC supercomputer in Finland, which is one of the strongest in Europe.

The same pattern was seen in conversations with a leading language technology company in the Baltic countries. Although the company has decades of experience and participates in major European projects, their main infrastructure for training is also hosted at LUMI. The message is clear. Even well-established players do not build their own "supercomputers". They secure access through the right collaboration agreements.

This is a very important lesson for the Faroe Islands. The question is not whether we should build our own large-scale compute, but rather how we can secure access to the technical infrastructure we need through international collaboration. Both Iceland and players in the Baltic countries have found their solution through the LUMI and EuroHPC framework. This route is also open for us, if we create the right structural and political foundation.

The conclusion is that we should prioritise such collaboration early in the journey. The infrastructure exists already. What is required is that the Faroe Islands position themselves as an active participant in the Nordic and European environment for AI, rather than standing outside.

## **Trends across countries**

This part covers more than the three examples above. In each individual case we ask: what does this have to say for what we should build in the future?

## **EU: Rules and implementation**

Europe is not choosing between regulation and use. They are doing both. The law on AI (AI Act) came into force on 1 August 2024. Most of the provisions apply from 2 August 2026. A longer

transition period until 2 August 2027 is in force for certain high-risk AI systems, especially those that are part of regulated products. Some duties apply already now, including a requirement that employees have basic skills in AI from 2 February 2025. On 8 October 2025 the EU Commission announced its "Apply AI Strategy". This is a direct push to make practical use of AI, especially among smaller communities. At the same time the EU is building shared capacity within AI. They have widened the network of AI workshops (AI Factories) to 19 sites in 16 member countries. Together the EU and participating EuroHPC countries have committed over 2.6 billion euros to the AI Factories and AI Antennas initiatives. In short, this is shared infrastructure and support to help communities to learn, try and use AI responsibly.

The message is clear. The regulations become more responsible use will be made easier in practice. Competitiveness is also pressing for simplifying legal certainty and reducing administrative burdens, even though the EU sticks fast to the main timeline for the AI Act. Joint investments make it easier for smaller communities to participate. Organised test environments (Supervised Test Environments) under the AI Act work now without prohibition against certain uses and without distortion in the rules. They are controlled environments where companies can try solutions, learn, and document what is safe and lawful.

**Why this has importance for us.** We are not in the EU, but our suppliers, partners, and systems are influenced by EU rules. If we do not develop our own simple, national working methods, then we will stand back behind EU requirements that we are not able to handle in a coordinated way across the public sector.

This is very relevant for us. In the workshops, participants reported that they hesitate, because they lack clear and approved ways to work. The comprehensive strategy shall produce simple operating rules, standard templates, and a centralised support function that makes lawful use practical.

### **New Nordics AI: Why partnership matters for a small language**

On 22 October 2025 the Nordic Council of Ministers supported the establishment of New Nordics AI, a Nordic-Baltic centre with an initial allocation of over EUR 30 million in initial funding for over three years. It is a foundation of national AI institutions from Denmark, Finland, Norway, Iceland and Sweden, with expected participation from the Baltic states. The centre aims to reduce duplication of work, move faster together, and build common tools and methods that smaller countries can reuse.

The first important prioritisation is language. On 29 October 2025 the Nordic Cultural Ministers agreed to fund a Nordic network for language models for AI to ensure that the languages in the area become supported in future AI tools. This network is one of the first concrete tasks tied to New Nordics AI.

**Why this has importance for us.** It is not necessary for us alone to build everything that is needed to ensure and strengthen the Faroese language in technology. The comprehensive strategy should include a concrete initiative to connect us into the Nordic-Baltic collaborations that have

the greatest value for us, including linguistic material, common methods and learning about legal certainty. The Faroe Islands have long had a place in MR-DIGITAL. What is needed is a clear direction, so we in the Faroe Islands know what we need and what we can contribute in such collaborations.

Our workshops showed time and again that linguistic capability is not optional. It is fundamental for equal access and continued use of Faroese as a language in working life. To join the Nordic language collaboration is a practical step to advance the Faroese language. We must also recognise that Faroese researchers have long participated in Nordic and Baltic AI work through international research grants. That is worth a lot. But to strengthen self-driven Faroese language support in our public services, we still need a language-targeted strategy for what we do in the area, and the comprehensive strategy is where we lay it.

### **USA: Understanding where the tools come from**

The USA operates on a completely different scale. The Stanford AI Index 2025 (with figures from 2024) shows that institutions in the USA produced 40 leading AI models, compared to 15 from China and 3 from Europe. Reuters estimates that in 2024 investors put almost 1.6 trillion dollars into AI since 2013, and Reuters' forecasts for 2025 add about 375 billion dollars more. The lesson for us is not to imitate this. The lesson is to recognise that many tools we will use are formed by this ecosystem.

**Why this has importance for us.** To be a careful user of global tools requires clear procurement rules, clear rules for handling data, and approved tools with secure working methods. Our workshops showed that the use of AI is already widespread, also informally and not approved, when there is no secure option. Participants requested clear guidance about what data can be recorded, which tools are safe, and who can approve use. The comprehensive strategy shall lay a plan for how we turn informal use into approved use, and how we get safe tools into the hands of those who can benefit from them.

### **The broader Nordic pattern: from strategy to reality**

Across the Nordic region, countries are moving from strategic documents and pilot projects to practical advancement. They build the parts that make use real: common ways to put tools to work in the public sector, reusable templates, organised test environments, organised skills plans for public employees, and clearer ways to work with sensitive data.

The common signal is not that they are finished. They are not. But they have built a delivery line. This makes political decisions into reality.

**Why this has importance for us.** The pilot study gives us a solid foundation. But a pilot study is not implementation. The next step is to build our own implementation plan through the comprehensive strategy: clear responsibility, a common support service, standard templates, a simple

approach to approving use cases, and pilot projects that take administrative burdens off areas where pressure on service personnel is great.

Our workshops confirmed this. Stakeholders requested clearer regulations, common support and faster pilot projects. Providers told us they are waiting for a clear public sign before they make investments. Without that sign, the ecosystem stands still.

None of our Nordic peers have a passive approach to AI. They engage actively with national strategies, updated prioritisation, and funded implementation actions. The Faroe Islands can either adapt AI on our own terms — in our language, in our services and with our rules — or accept that others set the conditions for us. The win from acting is great. The risk of fragmented use and damage that could have been avoided is large.

## Appendix 3. Action list

Here is a list of actions that both stakeholders and international examples support. For each action the source workshop is given, an illustrative quote where one was given, and a relevant international example.

### 1. Sharing and collection of media data for AI training

Make clear agreements so media archives can be used to develop Faroese AI, while rights and consent are protected.

- **Workshop:** Ethics and responsibility
- **Quote:** "In Norway they have an agreement that everything that NRK creates will be made available to AI companies for training."
- **International example:** Norway (a concrete and publicly announced licensing agreement is in place giving the Norwegian National Library access to Norwegian newspaper material — over a year old — for training Norwegian and Sami language and AI technology; at the workshop this was raised in connection with NRK, but the documented agreement concerns newspapers and the National Library).

### 2. Development of Faroese AI models

Use national archives to build a strong Faroese AI capability that the public sector and business can reuse.

- **Workshop:** Faroese first and foremost
- **Quote:** "An example: The National Library in Norway makes the largest model."
- **International example:** Norway (the National Library as the carrier for language and AI).

### 3. Free course in AI literacy for all

A free and simple course so people can use AI safely and with confidence in everyday life and at work.

- **Workshop:** Understanding and skills
- **Quote:** "'Elements of AI', a free online course in AI from Finland. Could be replicated in the Faroe Islands."

- **International example:** Finland ("Elements of AI" as a foundational course model).

## 4. Real-time democratic fact-checking

AI that can help check factuality during live debates and broadcasts to reduce false information and increase trust.

- **Workshop:** Ethics and responsibility
- **Quote:** "Factiverse: Made in Lund (Sweden). Can be used so that, for example, during an election debate, a red light could be on with each participant, indicating whether that participant is lying. This has long been used in Sweden."
- **International example:** Norway (Factiverse is a Norwegian company; at the workshop it was bundled under "Sweden/Lund", but the company itself states that it has its head office in Norway and collaborates with, among others, the Lund University and University of Stavanger).

## 5. Establish a public data and AI ethics council

A standing body that provides concrete advice and sets frameworks so the use of AI becomes fair, safe, and responsible.

- **Workshop:** Ethics and responsibility
- **Quote:** "We should have had a data ethics council."
- **International example:** The Data Ethics Council in Denmark.

## 6. Centralised national data foundation

A common arrangement for finding and reusing important data archives, so AI can really work with reliable Faroese data.

- **Workshop:** Competitive business
- **Quote:** "The Faroe Islands shall collaborate on data. A data bank."
- **International example:** Estonia (strong national tradition for reuse of data and shared data foundation).

## 7. AI rules on copyright

Clear rules for employees about what they can put into or use in AI tools, so the copyright of creative people is respected and risks are reduced.

- **Workshop:** Ethics and responsibility

- **Quote:** "Our message to country leadership is: ensure that companies, institutions, and users of AI know about and respect copyright laws. We recommend that companies, institutions, etc. formulate an AI policy or procedure that clarifies how use will proceed when material from AI is taken into use, and likewise what considerations should be taken when a new piece of material from AI emerges."
- **International example:** Sweden and Denmark (Digg/IMY and Digitaliseringsstyrelsen recommend the public sector to set clear internal guidelines on what employees can put into AI tools, and on how what the tool produces can be used — with consideration for copyright and other rights).

## 8. Real-time automated subtitling and translation

AI that creates Faroese text (and translations) live to make material more accessible and strengthen the Faroese language digitally.

- **Workshop:** Competitive business
- **Quote:** "All TV and video should be subtitled in Faroese."
- **International example:** United Kingdom (UK Parliament has introduced live subtitling of meetings in the Lower and Upper House, which can be tracked in the streaming).

## 9. AI to address sustainability challenges

AI can take on much of the recurring work — answering common questions from citizens around the clock, helping fill out applications, and doing rough work in case processing (reading documents, finding rules, drafting). It frees up time for staff to do what requires human judgement and help — and reduces waiting times, so we get more out of the few hands available.

- **Workshop:** Faroese first
- **Quote:** "AI can help well to solve sustainability problems. Get going!"
- **International example:** Denmark — Large-scale projects.

## 10. AI-driven personalised medicine and diagnosis

AI that helps find patterns in health data to ensure faster diagnosis and better targeted treatment.

- **Workshop:** Ethics and responsibility
- **Quote:** "Personalised medicine, where genetic data can be used as a tool to diagnose and treat patients. Today we have a lot of data, but the challenge has been to find patterns in this data. AI is best placed to solve that."
- **International example:** Finland (safe use of health and personal data, as we know from Findata).

## 11. Automated administration in the public sector

Automation in recurring case processing (permits, applications, oversight), so citizens get faster answers, and employees use less time on routine work.

- **Workshop:** Competitive business
- **Quote:** "More automated processing, to get building permits and so on."
- **International example:** Denmark (extensive plans in the public sector cover automated case processing).

## 12. Transparency in public expenditure

A service in everyday language where you can "ask the budget", so it becomes easier for citizens to understand where the money goes, and what they fund.

- **Workshop:** Ethics and responsibility
- **Quote:** "In a welfare society there will always be a question about where the money goes; can AI help to clarify what every krona is for?"
- **International example:** Nigeria (BudgIT – "Bimi"): An AI assistant that allows citizens to ask in everyday language about budgets, expenditures and public finance policy and get fast, understandable answers based on public budget data (e.g. allocations, revenues and expenditures).

## 13. Updating copyright law for AI development

Clear and updated rules so it is clear what is allowed when Faroese AI is developed, while rights holders are protected.

- **Workshop:** Faroese first and foremost
- **Quote:** "Update legislation, so Faroese AI can more easily be developed. There are many limitations in copyright that should also be respected. Funded work in AI."
- **International example:** Denmark/Norway (frameworks like "sandboxes" and formal guidance show in practice what is allowed when new technology comes).

## 14. Strategic collaboration with major tech companies

Formal collaborations that ensure Faroese is supported in the AI tools people actually use, rather than being forgotten.

- **Workshop:** Faroese first and foremost
- **Quote:** "1) Get connected with tech companies, that shape the area, and get an agreement, that Faroese is part of the systems we use in the Faroe Islands. 2) Prioritise the area financially,

e.g. with increased funding to the Centre for Language Technology and continuing education for teachers."

- **International example:** Wales (collaboration approach between small languages and providers of language models).

## 15. AI in curricula and continuing education for teachers

Teach pupils and continuing-educate teachers, so AI becomes a natural skill, and people early on learn responsible use.

- **Workshop:** Understanding and skills
- **Quote:** "Tech literacy ought to have been a school subject."
- **International example:** Estonia (AI in schools and actions within national education).

## 16. Environmentally friendly and sustainable AI solutions

Use AI to reduce waste and emissions through better planning and smarter operations, built on real data.

- **Workshop:** Ethics and responsibility
- **Quote:** "Find sustainable energy solutions = less pollution (environmental ethics)."
- **International example:** Finland (energy management trials in Helsinki as a model).

## 17. National search index for Faroese material

An index that allows searching across publicly funded Faroese material, so people (and AI tools) can quickly find reliable Faroese knowledge.

- **Workshop:** Faroese first and foremost
- **Quote:** "Access to search ALL Faroese material:
  - An overview (index) of everything that is produced with public funds.
  - Make a Faroese knowledge repository, where access is given to a large amount of Faroese material.
  - Can ensure that culture is woven into AI models.
  - A tool to fight against false information.
  - It will force us to communicate in another way."
- **International example:** Estonia (registry arrangements like RIHA and helper applications that require material to be easy to find).

## 18. Funding mechanism with a levy on IT projects

Set aside a small share of the budget framework in all IT projects to fund common AI tools over time (data, language material, secure deployments).

- **Workshop:** Understanding and skills
- **Quote:** "Idea: A specific percentage (1-2%) of all IT projects could go to fund an AI infrastructure."
- **International example:** Denmark (substantial national funding of major public AI initiatives).

## 19. Public AI directorate

A public institution that sets common standards, tools, and support, so AI work becomes coordinated and can be reused across the public sector.

- **Workshop:** Faroese first and foremost
- **Quote:** "Major financial investments in research and development of Faroese AI. Public institution: 'AI Directorate'."
- **International example:** Denmark (centralised lever for the spread of AI in the public sector).

## 20. National testing facility for AI

A common place to safely test ideas with real-world challenges, learn quickly, and reuse what works across institutions.

- **Workshop:** Competitive business
- **Quote:** "If we are really to take a step up, the University of the Faroe Islands must be involved. A common place to do experiments with AI, where you must have training within AI. In collaboration with other universities and companies."
- **International example:** Sweden (collaboration similar to "AI Sweden" and shared environments).

## 21. Secure AI working environments for sensitive data

Approved closed environments where employees can use AI for sensitive data, without it leaving the protected systems.

- **Workshop:** Ethics and responsibility
- **Quote:** "Otherwise AI is being used much more actively. Agreements are made with Microsoft for example, who provide closed environments for private data."
- **International example:** Finland (frameworks and procedures around Findata as a model for secure use of sensitive health and population data in "closed" environments).

## 22. Regulatory sandbox and clear approval process

A practical way to get "yes, but..." answers: what is allowed, what oversight is required, and who can approve.

- **Workshop:** Competitive business
- **Quote:** "Time, money, and regulations are the largest obstacles. Who can approve?"
- **International example:** Denmark and Norway (sandboxes that are tied to teams that produce regulations).

## 23. Common digital assistant for public services

A common assistant that helps employees (and later citizens) find knowledge, do summaries, and find their way around services — built once and then reused.

- **Workshop:** Competitive business
- **Quote:** "Personal AI advisor, from cradle to grave."
- **International example:** Sweden (Svea-helper as a longer service example) and Estonia (helper applications and strong registry tradition).

## 24. Digitisation of cultural heritage and rights analysis

Fund digitisation, cleaning, and rights review of cultural material, so it can be safely reused in education, services, and language tools.

- **Workshop:** Faroese first and foremost
- **Quote:** "Money for digitisation of cultural heritage."
- **International example:** Norway/Iceland (language and cultural heritage data are addressed as standing public infrastructure).

## 25. Standards for data quality and data description

Common rules for data quality and clear descriptions (ownership, purpose, usefulness), so AI becomes more reliable and better suited for reuse.

- **Workshop:** Faroese first and foremost
- **Quote:** "AI is a good servant, but a bad master. Remember to ensure data quality."
- **International example:** Estonia (data in primary class and quality-assured registers as a foundation).

## 26. AI testing facility in the blue economy for fisheries and aquaculture

Common pilot projects and data archives in fishing and aquaculture, so AI can improve reporting, oversight, planning, and daily operations.

- **Workshop:** Competitive business
- **Quote:** "Said about the possibilities for predictions regarding fishing by measuring chemicals in the water. Take more quality-assured decisions with AI predictions."
- **International example:** Norway (initiatives on responses on reports in fisheries from the Nordic survey) and Japan (examples of smart aquaculture).

## 27. Compensation to rights holders and licensing of training data

A clear licensing and payment model, so creative people get a fair share when their work is used to train AI. This promotes collaboration rather than dispute.

- **Workshop:** Faroese first and foremost
- **Quote:** "I will appeal to you to ensure that the rights to material that will be used to feed AI with are valued, and that rights holders get fair compensation for it."
- **International example:** New Zealand (licensing and management practice at Te Hiku).

## 28. Establish a centralised coordinating AI unit

A clear "owner" of cross-cutting AI work in the public sector, so initiatives go the same way, and shared tools become reused.

- **International example:** In our neighbouring countries, such centralised ownership is now a reality: Denmark has set up a cross-sectoral "Digital Task Force" for AI in the public sector, Norway has Digdir with shared guidance and oversight of AI projects, and Finland has shared guidelines from the Ministry of Finance, applicable to all public administration; OECD.AI also indicates that this is common in much of the world (over 60 countries).

## 29. Public registry and impact assessment of public AI systems

A simple registry of public AI systems and a basic impact assessment before use, to support transparency and trust.

- **International example:** United Kingdom (ATRS and algorithm registries) and Canada (lever for impact assessment of algorithms).

### 30. Nordic-Baltic collaboration on shared infrastructure and AI models

Use Nordic-Baltic collaboration to share building blocks (registries, common tools, and language material), so smaller administrations do not need to build everything themselves.

- **International example:** New Nordics AI and the Nordic-Baltic collaboration pattern described in the Nordic study.

### 31. Shared access to compute via AI factories and national supercomputers

Access to powerful compute through shared facilities and partnerships, so demanding AI work is possible without owning the equipment yourself.

- **International example:** Finland (LUMI AI Factory), Denmark (Gefion) and Sweden (frameworks around AI workshops as described in the Nordic study).