



Copenhagen, Oslo, Helsinki, Stockholm, 4 July 2024

To Nordic Investment Bank (NIB)

Response from the Nordic Security & Defence Industry Associations to the Nordic Investment Bank (NIB) Renewed Sustainability Policy Consultation

As leaders of the Nordic Defence and Security Industry Associations, our members and within our common MOU the Joint Nordic Defence Industry Cooperation Group (JNDICG), we are committed to support the Nordic Armed Forces, EU partners and our NATO Allies. We consider it paramount to increase Nordic cooperation and investments, not least, in the field of armaments and defence industries, to strengthen the ability to deter adversaries and to defend our societies and people.

Russia's brutal attack on Ukraine has profoundly and permanently changed the security situation in Europe and in the Nordic and Baltic region.

Therefore the undersigned Nordic Security & Defence Industry Associations welcome the invitation to comment on the Nordic Investment Bank's [Sustainability Policy](#)¹ renewal.

While we welcome the draft proposal for that the policy would permit the Bank to offer financing for dual-use equipment and projects, the exclusion of "weapons and ammunition" from eligible financing is in complete contradiction with ongoing political and regulatory efforts and actions made by the member countries to address the changed geopolitical and security situation, as recognized by the Bank's Board of Directors at its meeting on 4 June 2024.

Russia's war against Ukraine has unfortunately completely changed the entire security order in Europe, triggering Sweden and Finland to join NATO and Denmark to join in to EUs Defence Cooperation area. This response to the ongoing paradigm shift means that all countries are taking substantial measures to meet requirements and expectations on a political, military and industrial level.

¹ <https://www.nib.int/files/34180e23ea822536d2607747fb03a75a5cc9ebaf/sustainability-policy-2024-07-watermark.pdf>



Member countries of the Bank have also taken important decisions and actions, including in the EU and NATO context, to enable the European defence industry to meet the increased demand by governments, so that they can continue supporting Ukraine whilst protecting and defending Europe.

In light of this, we are deeply concerned to see that the Bank's draft proposal for a renewed Sustainability Policy undermines the above-described decisions and efforts by the political leadership of the Bank's member countries.

Furthermore, we would like to draw attention to the Security and Defence Plan, adopted by the European Investment Bank Group. The plan states that EIB will waive a previous requirement that dual-use projects eligible for financing in the area of security and defence derive more than 50% of their expected revenues from civilian use. The bank will also update its rules for security and defence SME financing. EIB has created a dedicated Security and Defence Office, providing a one-stop shop for security and defence investment, operational since 1 May 2024. It offers streamlined financial support and expert assistance aimed at strengthening Europe's security and defence capabilities. The European Council, in its conclusions from the meeting on 27 June 2024, welcomed the Security and Defence Action Plan adopted by the European Investment Bank Group and called for its swift implementation. It also called on the European Investment Bank to assess and further adapt, as appropriate, its policy for lending to the defence industry, while safeguarding its financing capacity. We believe that the NIB should take action in line with what is now being implemented by EIB.

We would like to emphasize the critical importance of the Nordic and European defence sector for a safe and secure European society. At this critical point of time, we would like to recall the declaration by NATO Sec. Gen Jens Stoltenberg that [without industry there is no defence, no deterrence and no security](#).²

We therefore urge the Board of Directors to align the Bank's policy with the current situation and commitments by member countries, and therefore remove "weapons and ammunition" from the Exclusion List.

The defence industry is de facto Europe's "insurance policy" for which a premium must be paid in order for it to be effective in times of crisis and war. It is fundamental for a sustainable and resilient society. As any other sector the defence sector is committed to transition the sector according to European politics, to green the sector and contribute to climate mitigation. If financing is limited, investments and cross-sectorial collaboration would be limited.

Due to decades of under-investments, access to finance remains critical. The unique role and responsibility of the defence industry in relation to our governments must be fully taken into account when evaluating the ESG performance of the defence industry.

² https://www.nato.int/cps/en/natohq/news_219571.htm

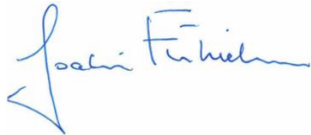


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This message was strongly endorsed by EU Defence Ministers in November 2023 in their [Joint Statement on strengthening the EDTIB's access to finance and its ability to contribute to peace, stability, and sustainability in Europe](#). The statement emphasizes the importance of enhancing the EDTIB's access to both public and private finance, deemed critical for sustaining industrial operations, fostering innovation, and enhancing competitiveness.

We urge the Bank to include the defence industry within its lending policy framework beyond dual-use applications. This would align the Banks's policy with the member countries' commitment to protect the people and our democratic society in the Nordics and the rest of Europe.

Please do not hesitate to contact us if you have any questions or need more information.



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