

## The Security Paradox: More Defense, Less Stability – Nordic Countries

This appendix to the ONE Campaign's 2026 report *Paying Later: How Today's Security Spending Undermines Tomorrow's Stability* provides a 2024 snapshot of defense, development, and diplomacy spending in Nordic countries to assess whether the 3D imbalance identified among the top 10 OECD defense spenders is also visible among Nordic countries.

### 3D Spending Shares, Nordic Countries, 2024

Country	Defense	Development	Diplomacy
Denmark	73%	23%	4%
Finland	79%	16%	5%
Iceland	0%	44%	56%
Norway	65%	31%	4%
Sweden	70%	28%	2%

While Nordic countries continue to outperform most OECD peers on ODA and diplomatic capacity in absolute terms, their current spending profiles increasingly resemble the pattern identified in this report: elevated defense investment alongside comparatively constrained prevention-oriented spending, with the exception of Iceland which does not have a standing military. Consequently, the 3D imbalance is not limited to the largest military powers. Rather, it reflects a broader reordering of security priorities. As such, the analytical framework and policy recommendations outlined in this report are equally relevant for countries seeking to preserve historically balanced security models under new geopolitical pressures.

### Methodology

**Denmark:**<sup>1</sup> Diplomacy spending for Denmark is measured using appropriated expenditures in § 6 Ministry of Foreign Affairs (*Udenrigsministeriet*) under the 2024 Finance Act (*Finansloven for 2024*), which operates on a calendar-year basis. It includes funding for § 6.11 Foreign Service (*Udenrigstjenesten*), covering diplomatic

<sup>1</sup> Denmark, "Finansloven for 2024 (Finance Act 2024)," *Danish Ministry of Finance*, enacted December 14, 2023, accessed January 14, 2026, <https://fm.dk/udgivelser/2024/februar/finansloven-for-2024/>.

missions, foreign-policy administration, consular services, and public diplomacy, as well as non-ODA contributions to international organisations reported under § 6.21 Nordic cooperation (*Nordiske formål*) and § 6.22 Other international organisations (*Øvrige internationale organisationer*). Expenditures related to § 6.3 Development assistance to developing countries (*Bistand til udviklingslandene*) are reported separately and are excluded. All figures represent authorized budget appropriations.

**Finland:**<sup>2</sup> Diplomacy spending is measured using expected (draft) appropriations for the Ministry for Foreign Affairs (*Ulkoministeriö*) in the government's 2024 budget proposal (*Valtion talousarvioesitys*). Figures cited for operating expenses and other foreign affairs functions are proposed allocations, not actual expenditures, as the budget at this stage is a draft pending parliamentary approval. Finland's central government budget operates on a calendar year basis. Diplomacy spending includes proposed operating expenses of the Foreign Service (*Ulkoministeriö*), support for bilateral and multilateral diplomatic engagement, consular services, and non-ODA (assessed and voluntary) contributions to international organisations. Expenditures related to International development cooperation (*Kansainvälinen kehitysyhteistyö*), humanitarian aid, and defence or military crisis management are reported separately in the budget and are excluded here.

**Iceland:**<sup>3</sup> Diplomacy spending is measured using central government expenditure reported under the functional category Foreign Affairs (*Utanríkismál*) in Table 6 Framework expenditure by expenditure area (*Rammi útgjalda eftir málefnasviðum*) of the 2024 Budget Bill (*Fjárlög 2024*). According to the budget documentation, expenditure areas are presented in accordance with the International Monetary Fund's Government Finance Statistics (GFS) standard. The Foreign Affairs (*Utanríkismál*) category therefore corresponds to the GFS functional classification for foreign affairs, covering the operating expenditures of the Ministry for Foreign Affairs (*Utanríkisráðuneytið*), including diplomatic missions, multilateral engagement, and consular services. International development cooperation is reported separately and excluded. Figures represent authorized budget appropriations for the calendar year.

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<sup>2</sup> Finland, Ministry for Foreign Affairs, "Foreign Ministry's draft budget for 2024 focuses on support for Ukraine and Finland's NATO membership," *Finnish Government*, September 20, 2023, <https://valtioneuvosto.fi/en/-/foreign-ministry-s-draft-budget-for-2024-focuses-on-support-for-ukraine-and-finland-s-nato-membership>.

<sup>3</sup> Iceland, Ministry of Finance and Economic Affairs, "Budget Bill 2024 Appendix Tables (Fjárlög 2024), Table 6: 'Framework expenditure by expenditure area,'" accessed January 14, 2026, [https://www.stjornarradid.is/library/02-Rit--skyrslur-og-skrar/Iceland%20Budget%20Bill%202026\\_appendix%20tables\\_September%202025%20-%200002\\_lei%C3%B0r%C3%A9tt.xlsx](https://www.stjornarradid.is/library/02-Rit--skyrslur-og-skrar/Iceland%20Budget%20Bill%202026_appendix%20tables_September%202025%20-%200002_lei%C3%B0r%C3%A9tt.xlsx).

**Norway:**<sup>4</sup> Diplomacy spending is measured as expenditures under Program Area 02: Foreign Service / Foreign Affairs Administration (*Programområde 02: Utenriksforvaltningen*), covering foreign-policy administration, diplomatic missions, multilateral engagement, and public diplomacy. Expenditures reported under Program Area 03: International Development Assistance (*Programområde 03: Internasjonal bistand*) is excluded. Norway's budget figures are based on appropriated expenditures and the fiscal year follows the calendar year.

**Sweden:**<sup>5</sup> Diplomacy spending is proxied by Expenditure Area 5: International cooperation (*Utgiftsområde 5, Internationell samverkan*), which funds civilian foreign-policy functions including multilateral engagement, peace and security diplomacy, regional cooperation, public diplomacy, and foreign-policy institutions. We exclude expenditures related to development cooperation, which are reported separately under Expenditure Area 7: International development cooperation (*Utgiftsområde 7: Internationellt bistånd*). Figures represent budgeted allocations. Sweden's central government budget operates on a calendar year basis.

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<sup>4</sup> "Prop. 1 S (2023–2024) Gul bok," *Norwegian Ministry of Finance*, accessed January 14, 2026, <https://www.regjeringen.no/contentassets/3a5bbc8bfbf54ead9b6a44f84a964dbb/no/pdfs/prp202320240001guldddpdfs.pdf>.

<sup>5</sup> "Central Government Annual Report 2024 – Summary," *Government Offices of Sweden*, accessed January 14, 2026, <https://www.government.se/contentassets/bcbe8b3d7f084e89b6d1ca3a47aef723/central-government-annual-report-2024--summary.pdf> and "Foreign and Security Policy in the Budget," *Government Offices of Sweden*, accessed January 14, 2026, <https://www.government.se/government-policy/foreign-and-security-policy/foreign-and-security-policy-in-the-budget/>.