



MAIN TAKEAWAY of the month

In March, the war in Iran had significant global ripple effects, particularly benefiting Russia. Rising oil prices increased Moscow's revenues, indirectly supporting its war effort in Ukraine. Meanwhile, international focus, especially from the United States, shifted away from Ukraine toward the Middle East conflict. This shift was also reflected in military resource allocation: large numbers of PATRIOT interceptor missiles were used by the U.S., Israel, and Gulf states in just a few days, highlighting a strain on supplies that Ukraine relies on for defense against Russian ballistic and hypersonic attacks. Ukraine responded by strengthening ties with Gulf countries, with President Zelensky visiting the region and sending experts to assist in countering Iranian drones. Despite some diplomatic engagements between Russian, Ukrainian, and American representatives earlier in the month, negotiations to end the war in Ukraine remained stalled. However, a notable development was the visit of a Russian State Duma delegation to the United States, marking the first resumption of parliamentary dialogue between the two countries in over a decade.

March saw intensified fighting across the Russia-Ukraine war, with Ukraine conducting sustained long-range strikes on Russian military infrastructure, including logistics hubs, oil refineries, and defense factories inside Russia. Russian forces continued pressure on Ukrainian cities and infrastructure, repeatedly targeting energy systems while making incremental advances in frontline areas, particularly in Donetsk, Sumy, and Kharkiv regions. At the same time, Ukraine received continued Western military assistance, and expanded defense-industrial cooperation, alongside new financial support from the IMF, EU, and bilateral partners.

Russia is expanding its new Unmanned Systems Forces to about 78,800 personnel by 2026, building a large UAV and robotics structure recruited from students, specialists, conscripts, and existing military staff. Despite economic pressure from rising deficits, falling GDP, and spending cuts, higher oil prices have temporarily boosted revenues, while China's role in the Russian economy continues to grow significantly. Moscow is also deepening defense ties with India through potential additional S-400 missile system sales. At the same time, reports of possible Russian influence activity in Europe and attention to Hungary's upcoming elections add to its broader geopolitical activity.

In March, Moldova advanced its withdrawal from the CIS and addressed energy and environmental challenges by declaring a state of emergency and a river alert following regional disruptions. Peacekeeping forces regained the right to display national symbols, while Moldova hosted a Black Sea security conference and signaled support for Ukraine. The country also strengthened bilateral ties with Romania, and Lithuania pledged military aid to support defense modernization.

March saw political and defense developments across the Balkans. Bulgaria prepared for early elections on April 19 with a new coalition led by Rumen Radev, while Kosovo remained in deadlock after the court annulled the presidential dissolution. Defense cooperation advanced regionally: Greece deployed Patriot missiles to Bulgaria, NATO held joint exercises, Albania, Croatia, and Kosovo planned joint drills, and Romania hosted U.S. forces and strengthened defense industry ties. In energy, Serbia cut crude oil excise duties by 60% and extended the U.S. sanctions waiver for NIS.

Ukraine sustained a high tempo of strikes throughout March, Ukrainian forces [reported destroying a \\$1 billion S-400 system](#), [multiple radar installations in Crimea](#), and [command-and-control nodes](#) for drone operations, while also striking [ammunition depots](#), [logistics hubs](#) and [troop concentrations across](#) occupied territories. Maritime and air operations targeted Russian positions [on offshore platforms](#) in the Black Sea, as well as [logistics vessels in the Kerch Strait](#). Long-range strikes extended into Russia itself, hitting [aircraft production and repair plants](#) in Ulyanovsk and Novgorod, [a military electronics factory in Bryansk](#), oil infrastructure in [Krasnodar](#), [Saratov](#), [Primorsk and Ufa](#), [Yaroslavnfteorgsintez](#) (one of Russia's largest oil refineries) and [metallurgical and chemical plants](#) linked to the defence sector. Ukrainian drones also triggered fires and disruptions at key export nodes, including [the Primorsk oil terminal](#), while resistance elements [sabotaged rail logistics in Bryansk](#). At the front, Ukrainian forces continued counteroffensive actions, reporting [the liberation of multiple settlements](#) and [over 400 km² of territory in southern sectors](#), while [maintaining pressure along](#) the Oleksandrivka axis.

Russian operations over the same period combined continued frontline pressure with a sustained campaign against Ukrainian infrastructure and urban areas. Strikes hit a [Naftogaz gas facility](#) in the Kharkiv region, and critical energy infrastructure in [Odesa and Mykolaiv](#), contributing to power outages affecting several regions, including [Dnipropetrovsk, Sumy and Chernihiv](#). Railway infrastructure emerged as a frequent target, with at least [18 recorded attacks damaging 41 objects](#), including [locomotives](#), depots and railcars, indicating persistent pressure on Ukraine's transport and logistics network. Russian forces also launched missile strikes, including [Kh-22 attacks on Snake Island](#), while [drone and missile activity](#) continued across [multiple regions](#). On the ground, Russian forces also posted incremental gains in several border and frontline areas, advancing near [Markove, Rivne, Hryshyne, Udachne and Stupochky](#) in Donetsk region, occupying [Sopichy and moving near Popivka, Vysoke, Komarivka and Bezsaliivka](#) in Sumy region, while also attempting cross-border [incursions toward Zybiv and Kruhly](#) in Kharkiv region. Pressure remained visible [around Hulyaivka](#) in Zaporizhzhia, even as Kyiv rejected claims of Russian gains in [Vovchansk and Synkivka](#).

On the military assistance side, France [is expected to provide additional Mirage 2000-5](#) fighter jets, while Germany and several European partners [organized the delivery of around 35 PAC-3 Patriot interceptor missiles](#), even as concerns grew over broader shortages and Ukraine's rising missile requirements. Germany also [allocated EUR 200 million for medium-range drones](#) and agreed [to finance the production of 15,000 Ukrainian STRILA](#) interceptor drones. Defence-industrial cooperation also expanded: a [Polish-Ukrainian venture](#) is preparing to produce Bohdana self-propelled howitzers in Poland; Ukraine and the Netherlands [agreed to deepen joint weapons production](#) and discussed radar deliveries; Kyiv also signaled interest in a [future drone-production arrangement](#) with the United States and described its new [agreement with the UK](#) as the basis for a long-term defence-industrial partnership focused on air defence, drones and long-range systems.

In terms of financial assistance, Ukraine [received the first USD 1.5 billion tranche](#) under the IMF's new four-year Extended Fund Facility, while Norway [committed an additional USD 200 million](#) through the World Bank's PEACE program. At the EU level, Ursula von der Leyen [confirmed plans for a EUR 90 billion loan package](#) for 2026–2027, while European governments also discussed a fallback option of around [EUR 30 billion in bilateral loans](#) if the larger package remains blocked. On EU accession, Ukraine [received conditions for the final three clusters](#), completing all six benchmarks. At the same time, support remained uneven across the Union: [EU ambassadors rejected the Commission's](#) reported "reverse enlargement" idea, which would have granted Ukraine a quasi-membership status before full accession, while [Slovak Prime Minister Robert Fico suggested](#) he could align with Hungary in blocking the broader EUR 90 billion support package.

Tensions between Ukraine and Hungary remained elevated in March over both the Druzhba pipeline and the Oschadbank cash-transfer dispute. Budapest [repeatedly accused Kyiv](#) of politically blocking Russian oil transit through Druzhba and [linked the dispute](#) to broader EU support for Ukraine, while [Kyiv and the EU argued that the disruption was caused](#) by damage from Russian strikes and [moved forward with technical and financial solutions](#) for repairs, including [work on the Brodi pumping station](#). In parallel, a separate row unfolded after Hungarian authorities [detained seven Ukrainian Oschadbank-linked personnel](#) and seized two armored cash-in-transit vehicles [carrying roughly USD 40 million, EUR 35 million and 9 kg of bank gold](#). Although [Hungary agreed to return the vehicles](#), the goods remain seized, with Oschadbank [pursuing legal steps](#) to recover them.

PEACE NEGOTIATIONS

The escalation of conflict in Iran during March triggered a sharp rise in global oil prices, with Brent crude reaching its [highest levels in several years](#) and recording one of its steepest monthly increases since 2020, [according to Reuters](#). This price surge significantly improved Russia's export revenues, as hydrocarbons remain a central pillar of its fiscal system despite sanctions. Analysts from the International Energy Agency (IEA) noted that higher energy prices have partially offset Western restrictions, [strengthening Moscow's budgetary capacity](#) and indirectly [sustaining its military expenditure](#) in Ukraine.

At the same time, the Iran conflict contributed to a redistribution of Western strategic attention and military resources. The United States and its allies increased deployments of integrated air defense systems in the Middle East, placing additional [strain on Patriot interceptor inventories](#) (PAC-2 and PAC-3), which are [also a core component of Ukraine's](#) air defense architecture. Defense analysts highlight that these systems are limited in production and high in demand, creating bottlenecks when multiple theaters require simultaneous coverage.

Diplomatically, Ukraine sought to counterbalance shifting attention by intensifying outreach to Gulf partners. President Volodymyr [Zelensky conducted engagements with regional states](#)—including the UAE, Qatar, and Saudi Arabia—by offering battlefield-proven expertise in air defense and counter-drone operations, particularly against Iranian-designed Shahed-type systems used by Russia. In exchange, Kyiv is seeking deeper military ties, investment, and access to advanced air defense capabilities as it works to strengthen its long-term defensive capacity.

Meanwhile, negotiations aimed at ending the war in Ukraine remain stalled. On March 11, a high-level meeting took place in Florida between Kirill Dmitriev, special envoy of President Vladimir Putin, and the leaders of the U.S. working group on Russian-American economic cooperation. According to Dmitriev's statements, the discussions focused on promising economic projects aimed at relaunching bilateral relations, as well as on [developments in global energy markets](#). The meeting took place shortly after the March 9 phone conversation between Presidents Vladimir Putin and Donald Trump, initiated by the American side. According to Russian presidential adviser Yuri Ushakov, the Iran crisis was the main priority of the conversation, in which Moscow [offered its mediation services](#) and the two heads of state assessed [the progress of trilateral negotiations](#) aimed at identifying a solution to the conflict in Ukraine.

On March 12, the U.S. Office of Foreign Assets Control (OFAC) issued a new waiver, also valid for 30 days, allowing [any country to purchase Russian petroleum products](#), provided that the cargo had already been loaded on board vessels at the time the decision was issued.

U.S. and Ukrainian delegations held talks in [Miami on March 22](#), led on the American side by Steve Witkoff and Jared Kushner, and on the Ukrainian side by Rustem Umerov and David Arakhamia, focusing on a potential peace framework. However, key disagreements persist, particularly over security guarantees and territorial concessions. Volodymyr Zelensky [reiterated that](#) Ukraine requires firm U.S. security guarantees before agreeing to any settlement. At the same time, Zelensky warned that reported U.S. conditions—linking guarantees to Ukrainian [concessions in the Donbas](#)—would undermine Ukraine's defense and embolden Russia, accusing Washington of pushing for a rapid resolution amid competing priorities such as tensions in the Middle East. Alongside negotiations,

Ukraine has deepened strategic cooperation with the United States, including [discussions on a \\$1.4 billion energy-sector loan](#) and [multiple agreements with American companies](#) to strengthen energy.

Between March 26–27, a delegation from Russia’s State Duma visited the United States at the invitation of U.S. Congresswoman Anna Paulina Luna, marking the first high-level contact between Russian and American legislators in 12 years. During the visit, the [Russian lawmakers held meetings with](#) representatives of both major U.S. political parties and reportedly [met on March 27](#) with the National Security Council within the Executive Office of the President. According to member of the State Duma Nikonov, the [sides agreed to relaunch a parliamentary working group](#) on Russian–American relations.

RUSSIA - internal and external dynamics

Russia’s Ministry of Defense is planning a major expansion of its newly created Unmanned Systems Forces, aiming to [recruit about 78,800 personnel](#) by the end of 2026. The force structure is expected to include 7 brigades, 15 regiments, 70 battalions, 12 “Rubikon” detachments, along with 12 heavy UAV companies and 12 ground robotic systems companies. An additional 10,800 personnel are expected from conscripts transitioning to contract service, while about 10,000 will be reassigned from existing military units. Recruitment efforts have heavily targeted at least [207 educational institutions](#) across Russia and occupied territories, with growing reports of [coercion](#).

The energy market crisis driven by the Middle East conflict has significantly boosted Russia’s oil revenues, with [Urals crude averaging \\$93.69](#) per barrel in March and peaking at \$114, potentially exceeding the federal budget benchmark [by around 40%](#). While the full fiscal impact will be seen in April, Russia has already suspended foreign currency and gold operations [to replenish reserves](#). At the same time, seaborne oil exports [averaged 3.6 million barrels](#) per day but remain below previous highs due to sustained Ukrainian strikes, which have disrupted [up to 40% of Russia’s export capacity](#) by targeting ports, refineries, and infrastructure. [Key facilities](#) such as Primorsk and Ust-Luga, as well as major refineries, have faced repeated attacks, prompting a [gasoline export ban](#) from April 1, while incidents like the drone strike on the tanker “Altura” highlight [ongoing risks](#) to transport. Meanwhile, China and India are deepening energy ties with Russia, with [Chinese imports rising sharply](#) and new agreements under discussion for increased oil flows and the [resumption of LNG deliveries](#) to India.

Domestically, Russia faces growing economic strain despite these energy gains, with the government implementing spending cuts outside the defense sector while attempting to stabilize the economy through gradual interest rate reductions, [now at 15%](#). Industrial output continues to decline, with most sectors in recession—particularly metallurgy—and even defense-related production [showing signs of slowdown](#), while major companies like KamAZ are [reducing work schedules](#) due to falling demand. Inflation is accelerating, nearing the Central Bank’s annual target range, and continues to pressure the broader economy.

Beyond its purchases of Russian oil, India is strengthening its strategic partnership with Moscow through [plans to acquire five additional S-400 “Triumph” air defense missile systems](#). According to the newspaper Kommersant, each system will be equipped with 12 launchers and is estimated to cost between \$1.3 and \$1.5 billion per system. This potential transaction follows New Delhi’s authorization in February 2026 of the purchase of 288 interceptor missiles for previously delivered systems, under a contract worth approximately \$1.1 billion.

Against the backdrop of Hungary’s parliamentary elections scheduled for April 12, information circulating in the public domain points to possible attempts to influence the electoral context by Moscow. According to leaked information published by *The Washington Post*, a unit of the Russian Foreign Intelligence Service (SVR) allegedly [proposed staging a simulated assassination attempt](#) against Prime Minister Viktor Orbán. The aim would have been to strengthen support for Prime Minister Orbán’s Fidesz party, whose close relations with Moscow have over the years provided the Kremlin with an important lever of influence within the European Union and NATO. At the same time, Viktor Orbán also benefits from visible support from the United States. U.S. Vice President JD Vance is scheduled to make [an official visit to Hungary on April 7–8](#), 2026, just days before the election.

Evolutions in the Republic of MOLDOVA

The Republic of Moldova experienced a series of significant events on different levels. Early in the month, the country took a significant step in distancing itself from Moscow's influence by advancing its disengagement from post-Soviet structures, formally moving forward with withdrawal from the [Commonwealth of Independent States](#) (CIS). On March 16, the government declared a [15-day alert along the Dniester River](#) following pollution caused by a Russian attack on a [hydroelectric facility](#) in Ukraine, which posed risks to environmental resources and water security. Furthermore, the Parliament approved a [60-day state of emergency](#) in the energy sector after a critical power line connecting Moldova to the European network was damaged. Prime Minister Alexandru Munteanu [announced urgent measures](#) to stabilize the energy sector, including amendments to transport tariffs, and urged citizens to use energy resources responsibly.

Later in the month, peacekeeping forces of Republic of Moldova deployed in the Security Zone restored the right to display the [national flag on their uniforms](#). This change follows [official requests](#) from veterans of the 1992 war, who had highlighted that previous regulations, dating back to 1993, allowed only Russian personnel to wear national insignia, while Moldova's soldiers were restricted to symbols marked with Cyrillic letters "MS" for peacekeeping forces.

On March 23, Moldova hosted in Chişinău the third Black Sea Security Conference under the International Crimea Platform, co-organised by the Ministries of Foreign Affairs and Defence of Moldova and Ukraine with EU support. It brought together over 200 officials and experts to discuss regional security, maritime threats, and strategies for countering Russian aggression. [President Maia Sandu](#) also announced that Moldova is prepared to join the "Coalition of the Willing" to support Ukraine, signaling an increased commitment to collective security efforts. [Lithuania will provide 6M EUR](#) in military aid to Moldova between 2026 and 2028 to support its development and modernization, an announcement made by Lithuanian President Gitanas Nausėda during a bilateral visit to Vilnius.

The Balkans

Bulgaria's political landscape was dominated by preparations for the upcoming early [parliamentary elections](#) scheduled for 19 April 2026, following the resignation of the previous government. A new political coalition called "[Progressive Bulgaria](#)" led by former President Rumen Radev was officially registered earlier this month, adding momentum to the campaign ahead of voting.

At the defense level, Greece deployed a Patriot missile defence system and F-16 fighter jets [to support the neighboring](#) country in countering potential threats from Iran, following a request from Sofia - a move that reinforces NATO's regional defence posture amid ongoing tensions and public concern. Additionally, on March 26 and 27, the NATO joint exercise [Neptune Strike 26-1](#) took place in Bulgarian airspace and over the Novo Selo training range, with participation from Romania, Bulgaria, Albania, Croatia, Finland, France, Germany, Greece, Italy, the Netherlands, Spain, and the United States.

Defense procurement and strategic posture also drew attention when Serbia confirmed it possesses [Chinese-made CM-400AKG supersonic missiles](#), a development highlighted by President Aleksandar Vučić and noted in regional security discussions. On the other hand, Albania, Croatia, and Kosovo strengthened [defense cooperation](#) under their 2025 memorandum, planning three joint military exercises—two in Zagreb and one in Tirana—alongside experience exchanges and deeper operational coordination. While Serbia [criticized the agreement](#) as targeting its security, analysts note NATO's KFOR remains the primary security actor in Kosovo, and the cooperation reflects a defense strategy typical of small states. Meanwhile, Kosovo's political deadlock continued after the Constitutional Court annulled President Vjosa Osmani's decree to [dissolve parliament](#), giving MPs

[34 more days](#) to elect a president and avoid a third election in just over a year. In the energy sector, President Aleksandar Vučić announced a [total reduction of 60 %](#) in excise duties on crude oil to help stabilize local markets amid rising prices, while the U.S. extended its sanctions waiver for Serbia's Russian-linked oil company NIS through [April 17](#).

Romania continued to play an active role in regional security and defence cooperation. On March 11, the country's Supreme Council of National Defence (CSAT) approved the request by the United States to deploy American aircraft, equipment and additional military personnel at [Romanian bases](#) to support ongoing operations related to the Middle East conflict. In this context, [Romania's foreign ministry](#) also publicly addressed a diplomatic warning from Iran over the use of Romanian military bases by the U.S., clarifying that Romania is not a party to the conflict and remains committed to its defensive role within NATO. On 19 March, the President of Romania, Nicușor Dan, paid an official visit to [NATO Headquarters in Brussels](#), where he met with NATO Secretary General Mark Rutte, portraying the country's active role in collective defence. Furthermore, Romania also advanced defence industrial cooperation, with state-linked firm IAR Braşov holding industry discussions with Airbus about [potential collaboration on H225M multi-role helicopters](#) under the SAFE (Security Action for Europe) programme, signaling steps toward strengthening domestic defence manufacturing and NATO interoperability.

On the political front, coalition tensions within the ruling government persisted, with the Social Democratic Party (PSD), the largest party in Parliament, announcing it will decide by 20 April 2026 whether to remain [part of the governing coalition](#), following disagreements over fiscal reforms and budgetary measures.

In the meantime...



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Hungary will hold parliamentary elections on April 12, and in the days leading up to the vote, U.S. Vice President JD Vance is [scheduled to make an official visit](#) to Hungary (April 7–8, 2026), which is widely seen as a high-profile show of U.S. political engagement ahead of the election.



Parliamentary elections are scheduled to be held in [Bulgaria on 19 April](#) 2026 following the resignation of the Zhelyazkov government on 11 December 2025 caused by a series of protests. This will be the country's seventh snap election since 2