



MAIN TAKEAWAY of the month

September highlighted the growing economic and military costs of Russia's war effort, alongside the Kremlin's continued consolidation of political control. United Russia secured 349 of 450 seats in the State Duma, with official turnout at 59.8%, while 46 war participants were elected, 41 of them from United Russia. At the same time, economic growth remained weak, energy revenues declined and the federal deficit widened, prompting greater reliance on domestic taxation and borrowing. Defence spending is set to rise further in 2027, with military and equipment procurement allocations expected to reach 17.1 trillion roubles, or around 35% of total federal expenditure. Despite these pressures, Moscow maintained diplomatic engagement with the United States and selected European actors, keeping political and economic channels open amid continued confrontation with the West.

September brought renewed US-led diplomatic engagement, but no breakthrough toward a comprehensive settlement. US representatives Steve Witkoff and Jared Kushner met with Russian and Ukrainian leaders, while Trump and Putin maintained a direct channel. Territorial demands and Ukraine's insistence on credible security guarantees remained the principal obstacles, while discussions increasingly shifted toward narrower arrangements, including a possible energy-infrastructure ceasefire and the reopening of the Black Sea grain corridor.

Ukraine continued its long-range strike campaign against Russian energy, military and industrial infrastructure while facing an increasingly intensive Russian aerial campaign. Kyiv targeted refineries, ports, military facilities and defence-industrial sites across Russia, while Russia launched more than 2,000 drones, 1,700 guided bombs and 19 missiles in one week. On the ground, Ukraine also reported territorial gains in the Lyman sector, with Operation Vivaldi reclaiming more than 125 square kilometres by late September. Western military assistance remained substantial, including approximately €3.2 billion in EU-approved Patriot procurement and a further €3.3 billion in EU military procurement. Ukraine also continued reforms linked to EU support, completing 84 of 95 Ukraine Facility milestones, although Hungary continued to block progress on parts of the accession process.

September combined political uncertainty with continued defence and European integration efforts. Serbia's 25 October elections will shape its political direction and relationship with the EU, while Montenegro, having closed 18 EU negotiating chapters, faced delays over disputes with Croatia. Bulgaria planned to acquire more than 10 anti-drone systems, while in Romania, the rejection of Siegfried Mureșan's cabinet by Parliament on 30 September prolonged the political crisis, leaving the country facing continued uncertainty over the formation of a fully empowered government.

Moldova's September agenda centred on energy security, EU integration and growing exposure to the war in Ukraine. Parliament approved a 60-day energy and hydrological state of emergency, while Moldova fulfilled 18 of 20 EU reform commitments and moved closer to receiving €157 million under the EU Growth Plan. Security pressures also increased, with President Maia Sandu reporting 39 airspace violations since the beginning of 2026, compared with 17 during all of 2025, following drone incursions linked to Russian attacks on Ukraine.

In September, Ukraine continued to intensify its long-range strike campaign against Russian energy, military, industrial and logistics infrastructure. On 24–25 September, [Ukrainian forces targeted facilities in](#) Ulyanovsk, Tula and Voronezh, including the Iskra plant, which is part of the Almaz-Antey defence concern and is involved in the production of components for Kh-59M2/M2A missiles and the Pantsir-S1 system. Earlier in the month, Ukrainian strikes also increasingly affected Russia's energy sector. On the final day of the State Duma elections, a [major Ukrainian drone attack targeted the Moscow region](#), with Russian authorities reporting that more than 1,600 drones had been intercepted, including around 450 headed toward Moscow. Drones also struck the Moscow oil refinery, [forcing the facility to suspend crude processing](#). The attacks formed part of a broader campaign that placed sustained pressure on Russian refining capacity: [according to the International Energy Agency](#), Russian refinery throughput fell to 3.8 million barrels per day in June, its lowest level in more than two decades and around 30% below the previous year. At the same time, Ukraine reported territorial gains in the Lyman sector of Donetsk Oblast, where [Operation Vivaldi](#) reportedly reclaimed more than 125 square kilometres by late September, with Ukrainian officials subsequently putting the area recovered at approximately 176 square kilometres. Taken together, the developments illustrate Ukraine's continued efforts to combine long-range strikes against Russia's military and economic infrastructure with localized territorial gains on the battlefield. In parallel,

Russian forces increasingly used large mixed salvos combining Shahed-type drones, ballistic missiles and other missile systems; on 17 September, for example, Russia launched [172 drones alongside Iskander-M/KN-23 and S-300 missiles](#), while another overnight attack involved [161 drones, including 82 jet-powered systems](#). President Volodymyr Zelensky [reported](#) more than 2,000 drones, 1,700 guided aerial bombs and 19 missiles launched in a single week, highlighting the scale and persistence of the campaign. Strikes increasingly targeted Ukraine's economic and critical infrastructure, contributing to the shutdown of [three major steel plants](#), disrupting [industrial production](#), and causing [power outages](#). In the south, repeated attacks on the [Orlivka–Isaccea ferry crossing](#) and infrastructure in southern Bessarabia threatened transport links with Romania and Moldova, while a [drone strike near the Polish border](#) that hit a passenger train highlighted the growing spillover risk to NATO's neighbourhood. Overall, Russia combined massed aerial attacks with increasingly diversified pressure on Ukraine's industrial, energy and transport infrastructure.

Among the most significant military assistance measures this month were the [UK's announcement](#) of a £100 million NATO-supported package, including Patriot missiles; [Germany's pledge](#) of additional air-defence missiles and systems; and [Denmark's acceleration](#) of a \$276 million package focused on air defence. The European Commission approved approximately [€3.2 billion for Patriot procurement](#) and later provided a [further €3.3 billion for military procurement](#), including drones and missiles. Beyond immediate deliveries, Ukraine advanced efforts to strengthen its domestic defence production, with President Volodymyr Zelensky stating that [Donald Trump had approved licences for Ukraine](#) to produce missiles for Patriot air-defence systems. Together, these measures reflect continued Western efforts to strengthen Ukraine's immediate air-defence capabilities while supporting longer-term domestic defence production.

Financial assistance remained substantial, combining immediate budget support with longer-term reconstruction and reform-linked financing. Ukraine received [\\$841 million from the World Bank](#) through the PEACE in Ukraine programme, while at the EU level, support remained increasingly tied to reforms, with Ukraine completing ten additional reforms and unlocking nearly [€3 billion under the Ukraine Facility](#), while further reforms could enable access to more than [€20 billion in additional EU assistance](#). Canada is also discussing participation in the EU's broader [€90 billion Ukraine loan framework](#), underscoring the increasingly multilateral nature of efforts to sustain Ukraine's finances. Most significantly, on 18 September, Zelensky launched [the Carpathian Eight initiative](#) involving Ukraine, Romania, Poland, Slovakia, Czechia, Austria, Hungary and Serbia. More than 50 agreements

worth over €1 billion were reportedly signed, with more than half concerning renewable energy, alongside cooperation on trade, logistics, infrastructure and security.

Ukraine's EU accession process advanced on the technical and reform fronts in September, but further negotiations remained politically constrained. The European Commission said Ukraine had fulfilled the requirements to open additional negotiating clusters, yet Hungary continued to block the approval of screening results for [Clusters 2 and 3](#), citing concerns over the rights of the Hungarian minority. Meanwhile, Ukraine continued implementing reforms linked to both accession and EU financial support, completing [84 of 95 milestones](#) under the Ukraine Facility, including ten newly verified reforms. September therefore highlighted the gap between Ukraine's technical progress and the political obstacles affecting the pace of further accession negotiations.

PEACE NEGOTIATIONS

Diplomatic efforts to end the war intensified in September, but remained exploratory and constrained by major differences between Moscow and Kyiv. The US renewed its mediation efforts, with [Steve Witkoff and Jared Kushner visiting Moscow and Kyiv](#) in early September and holding talks with Vladimir Putin and Volodymyr Zelensky. The meetings were described as substantive and constructive, but produced no breakthrough. Putin reiterated that a settlement would ultimately require [direct Russia-Ukraine negotiations](#), while the Kremlin said it did not rule out a future [Russia-Ukraine-US trilateral format](#). By mid-month, territorial concessions remained the central obstacle, with Kushner indicating that Russia's territorial demands were holding up an agreement, while Kyiv continued to stress the need for credible security guarantees.

A [Trump-Putin phone call](#) kept the US-Russia channel active, while Zelensky and Trump later discussed possible de-escalatory measures in New York. On the sidelines of the UN General Assembly, [Zelensky also met with Turkish President](#) Recep Tayyip Erdoğan, who reaffirmed Türkiye's readiness to support efforts to revive direct negotiations. The two discussed Black Sea security, the restoration of maritime food exports and a potential ceasefire at sea, while Zelensky said Ukraine was open to Türkiye hosting a future trilateral leaders' meeting with Russia. These diplomatic efforts increasingly focused on narrower arrangements, including a possible [ceasefire covering energy infrastructure](#), the reopening of the Black Sea grain corridor and a potential trilateral meeting. Zelensky said Ukraine was prepared to halt strikes on Russian energy infrastructure if Moscow stopped attacking Ukraine's energy system. Overall, September saw renewed diplomatic engagement but no substantive breakthrough, with territorial and security questions continuing to impede a comprehensive settlement while limited sectoral agreements emerged as a parallel track.

RUSSIA - internal and external dynamics

Russia's domestic political landscape remained firmly under Kremlin control in September, with the State Duma elections held on 18–20 September consolidating United Russia's parliamentary majority. According to the [final results](#) approved by the Central Election Commission, United Russia secured 58.21% of the party-list vote, up from 49.82% in 2021, and won 209 of the 225 single-member constituencies, giving it 349 of the Duma's 450 seats. The Communist Party followed with 13.47%, the LDPR with 8.88%, New People with 7.82%, and A Just Russia with 5.34%. Official [turnout reached 59.8%](#), with approximately 67.4 million voters participating. As in 2021, voting took place over three days and included extensive use of electronic voting, with more than 3.6 million people using the federal electronic system and around 3.17 million voting electronically in Moscow. The new parliament also includes 46 participants in the war in Ukraine, 41 of them from United Russia, further integrating war veterans into Russia's political system. The political environment remained tightly controlled: Yabloko, the only party to campaign federally on an explicitly anti-war platform, was [excluded from the Duma elections](#) by a Supreme Court decision in August, although it subsequently [entered the Novgorod regional legislature](#).

The consolidation of political control coincided with continued expansion of Russia's military-industrial complex. On 18 September, Vladimir Putin stated that [weapons production and deliveries had increased 22-fold](#) since the beginning of the full-scale invasion. The expansion is particularly visible in the drone sector, where Russia is preparing to increase production capacity at the Alabuga complex in Tatarstan, its main center for Geran attack drones based on the Iranian Shahed design. According to documents obtained by *Politico*, the [Alabuga-Volokno facility plans to increase annual carbon-fibre production](#) by around 500 tonnes by 2029, potentially providing the material required for approximately 28,000 additional Geran drones per year—around 78% above current capacity. Russia is also increasingly deploying jet-powered drones: Ukrainian estimates put [monthly production above 3,000 units](#), while their higher speed and operating altitude have reduced Ukraine's interception rate to around 60%, compared with more than 90% for conventional variants. In August alone, Russia reportedly used more than 2,800 jet-powered drones against Ukraine. Russia's drone-production chain also continues to rely on foreign inputs, with a Chinese state-owned company reportedly [supplying 46 tonnes of materials](#) to Alabuga-Volokno, while a sanctions-monitoring report estimated that [up to 25,000 North Korean citizens](#) may be working in Russia's drone industry, including at Alabuga.

These developments come as Russia's broader economic performance shows increasing signs of stagnation. GDP grew by only 0.6% year-on-year in January–July 2026, while [industrial production fell 0.6% in August](#) and remained virtually unchanged over the first eight months. Federal budget revenues increased by 9.2% in January–August, driven largely by an 18.1% increase in non-oil and gas revenues, while [oil and gas revenues fell by 16.7%](#) to 5.02 trillion roubles. The federal budget deficit reached 5.795 trillion roubles, equivalent to 2.5% of GDP and around 1.5 times the amount originally planned for the entire year. The government is consequently shifting toward higher domestic taxation and borrowing, with the [proposed 2027–2029 fiscal package](#) including higher taxation of passive income and extractive industries, while the reference oil price used in the budget rule is expected to fall from \$59 to \$50 per barrel. Moscow has also [revised down its forecast for pipeline gas exports](#), projecting 115 billion cubic metres in 2028, 10 billion below its previous forecast.

Military spending, meanwhile, remains a major source of fiscal pressure and is set to increase further in 2027. According to Finance Ministry data cited by [Reuters](#), allocations for the military and procurement of military equipment are expected to reach 17.1 trillion roubles, 32% above the 12.9 trillion planned for 2026, and approximately 35% of total federal expenditure. This would represent the highest share of federal spending devoted to defence since the Soviet period. Already, according to the [Stiftung Wissenschaft und Politik](#), Russia spent approximately 10.7 trillion roubles on the military during the first half of 2026, around 30% more than during the same period in 2025, underscoring the growing weight of defence spending amid weaker economic growth and declining energy revenues.

The economic pressure is particularly visible in the energy sector, where Russian refining has been affected by both Ukrainian attacks and structural constraints. According to [Rosstat](#), petroleum-product production fell by 21.7% year-on-year in June, 19.3% in July and 17.8% in August, bringing the cumulative decline for the first eight months of the year to 10.3%. The [International Energy Agency](#) reported that Russian crude processing fell to 3.8 million barrels per day in June, its lowest level in two decades and approximately 30% below 2025 levels. The IEA attributed the deterioration to Ukrainian strikes on oil infrastructure, shortages of technological components and delays in maintenance, and estimated that average refining capacity could remain at around 4 million barrels per day through the remainder of 2026 and into 2027.

Internationally, September saw Russia maintain diplomatic engagement with both the United States and European actors while continuing to preserve channels for economic and political cooperation. Moscow and Washington remained in contact at senior levels, including a [meeting between Foreign Minister Sergey Lavrov and US Secretary of State Marco Rubio](#) on the margins of the UN General Assembly on 23 September. The US also [invited Vladimir Putin to the December G20 summit](#) in Miami, while Kremlin economic envoy Kirill Dmitriev [travelled to the United States](#) for meetings with US officials, indicating that Washington–Moscow contacts extended beyond the highest political

level. [Relations with Germany](#) also saw limited diplomatic movement, with Lavrov meeting his German counterpart on the sidelines of the UN General Assembly, although the roughly 20-minute meeting was described by Berlin as tense and produced no indication of a broader improvement in relations. At the same time, Moscow continued to cultivate political and economic links with actors in Germany: representatives of the AfD [met Gazprom CEO Alexei Miller](#) to discuss the potential resumption of Russian gas supplies, with a [possible AfD visit to Moscow](#) also reportedly under discussion.

Evolutions in the Republic of MOLDOVA

Moldova's energy security remained under pressure in September, prompting the government to introduce emergency measures while seeking to secure supplies and contain rising costs. On 22 September, Parliament approved the government's request to introduce a [60-day state of emergency](#) in the energy and hydrological sectors, with 54 votes in favour and 20 against, following a meeting of the National Security Council.

Meanwhile, Prime Minister [Vasile Tofan](#) warned that contracted gas volumes do not guarantee fixed prices and that final costs will depend on market conditions at the time of delivery between November and January. Risks to diesel supplies are also increasing following damage to refineries in the Middle East and Russia, while Mediterranean diesel prices have significantly risen. The emergency regime gives the executive flexibility for procurement and financing. It also signals that Moldova's energy security remains exposed to price rather than to physical supply alone. Higher tariffs are [already being requested](#) by Energocom and planned at municipal level (Bălți), which will add social and inflationary pressure.

At the same time, the Energy Ministry asked ANRE to extend Moldovagaz's mandate as gas supplier to Transnistria until [30 April 2027](#). Although Moldovagaz is 63% controlled by Gazprom, gas for the region has since February 2025 been supplied through Hungary's MET Group and intermediaries, with Transnistrian authorities citing Russian financial support. The arrangement would also require reserves equivalent to 15% of annual consumption.

Following a call with Prime Minister Tofan, EU Enlargement Commissioner Marta Kos announced that the release of the next [€157 million tranche](#) under the EU [Growth Plan](#) had entered its final stage. Moldova has fulfilled 18 of the 20 reform commitments set for the first half of 2026, with further discussions expected at the EU–Moldova Association Council on 5 October. EU-backed connectivity also advanced, with the government approving ratification of the Romania–Moldova agreement on the new Ungheni–Ungheni road bridge and associated infrastructure linking western Moldova to the TEN-T network. Romania will finance most of the project, while Moldova will contribute around [€5 million](#) for a 0.5 km section.

Meanwhile, Moldova temporarily restricted its airspace twice in September following [drone incursions](#) linked to Russian attacks on Ukraine. The incidents disrupted civilian flights and included at least four drones entering Moldovan airspace on 24 September. President Maia Sandu [reported 39 airspace violations](#) since the beginning of 2026, compared with 17 during the whole of 2025.

The Balkans

Serbia's political trajectory became increasingly uncertain in September ahead of the [25 October early parliamentary elections](#). On 27 September, Vučić [resigned as president](#) to campaign for the premiership, with Parliament Speaker Ana Brnabić assuming presidential duties on an interim basis. The election comes after nearly two years of anti-government protests and will determine the direction of Belgrade's relationship with the EU. At the same time, at the defense level, Vučić inaugurated a [new factory assembling Israeli-designed combat drones](#), operated through cooperation between Elbit Systems and state-owned Yugoimport-SDPR, with at least three

additional facilities reportedly planned. The development follows Serbia's acquisition of [French Rafale fighter jets](#) and continued defence cooperation with China and Russia.

Montenegro's EU accession process faced increasing pressure as its target of completing negotiations in time for a possible 2028 accession came up against unresolved disputes with Croatia. Podgorica has already [closed 18 negotiating chapters](#), but [Zagreb continues to oppose](#) the closure of several chapters [until progress is made](#) on issues including war-crimes cases, missing persons, property claims, the maritime boundary and the *Jadran* training ship. The [EU has also sought to facilitate a resolution](#) to the dispute..

In Kosovo, on 13 September, the Assembly approved Albin Kurti's cabinet by [62 of 120 votes](#), amid an opposition boycott, with Kurti identifying EU candidate status as his government's main strategic priority. The immediate institutional challenge remains the election of a president: the Constitutional Court has given parliament until [6 October](#) to complete the process, failing which new parliamentary elections would have to be held within 45 days. Meanwhile, NATO continues to maintain KFOR's role as the central international security presence.

In Bulgaria, security concerns increasingly focused on the protection of defence-industrial infrastructure and the threat posed by drones. Following the identification of security deficiencies at ammunition and explosives warehouses near Dryanovo, the government announced plans to acquire [more than 10 anti-drone systems](#) and strengthen surveillance and protection around critical sites, with procurement potentially supported through the EU's SAFE mechanism. Sofia is also preparing to [increase defence spending in its 2027](#) budget despite fiscal constraints. At the regional level, Bulgaria and other Western Balkan and Central European states also continued to deepen practical defence cooperation: a September [CEDC–Western Balkans ministerial meeting](#) focused on defence readiness, military mobility, defence-industrial cooperation and the integration of Western Balkan partners into European security initiatives.

Romania's defence planning continued to move toward a longer-term expansion of military capabilities despite an unresolved political situation. On 7 September, the Supreme Council of National Defence approved the [2027–2036 Army Equipment Plan and the “Romanian Army 2044” transformation programme](#), while reaffirming the commitment made at the 2025 NATO Hague Summit to reach defence-related spending of 5% of GDP by 2035, including 3.5% for core defence and 1.5% for defence-related expenditure. The plan places greater emphasis on modernisation, mobility and new capabilities, while also creating opportunities for Romania's defence industry and cooperation with European and international suppliers.

The political crisis continued in September, as on 17 September President Nicușor Dan designated MEP Siegfried Mureșan as [prime minister](#), his third nominee since the Bolojan cabinet fell in May. Mureșan sought to form a government with PNL, USR and UDMR, but the coalition lacked the 233 votes required for investiture. The situation deteriorated further when PSD announced it would [not support the proposed government](#), while AUR also opposed it. On 30 September, Parliament [rejected the Mureșan cabinet](#), which received 182 votes in favour and 15 against. The rejection prolonged the political deadlock and opened the constitutional possibility of early elections, although President Dan said early elections were not a solution and announced [new consultations with the parliamentary parties](#) before nominating another prime minister. The prolonged uncertainty continues to put pressure on Romania's investment-grade rating and complicates fiscal consolidation, the preparation of the 2027 budget and the implementation of EU-backed projects.

In the meantime...



Following Parliament's rejection of Siegfried Mureșan's cabinet on 30 September in Romania, President Nicușor Dan is [expected to](#) hold further consultations with parliamentary parties before deciding on the next prime ministerial nomination, while the possibility of early elections remains on the political agenda.



On 25 October, [Serbia will hold early parliamentary elections](#) following President Aleksandar Vučić's dissolution of parliament on 9 September, with the vote expected to shape the country's domestic political trajectory and its relationship with the EU.



[Bulgaria will hold presidential and vice-presidential elections](#) on 25 October, with a potential second round on 1 November. The vote will be closely watched given the president's role in foreign and security policy and the country's evolving political landscape.