



# Outcome of the meetings of EU leaders, 19 March 2026

European Council President António Costa declared 2026 'the year of European competitiveness', emphasising the significance that the European Council places on the topic. Given the current geopolitical context, Costa put substantial efforts into maintaining the EU leaders' focus on this agenda point. Despite predictions that competitiveness would be sidelined, the European Council followed up on the discussions at the informal competitiveness retreat at Alden Biesen on 12 February, launching a 'One Europe, One Market' agenda to be implemented in the next two years.

Two other crucial points were on the table. First, the enactment of the €90 billion loan to Ukraine, on which EU leaders did not convince Hungary to lift its veto on a required implementation law. This time around, leaders did not shy away from speaking bluntly, calling Hungarian Prime Minister Viktor Orbán's behaviour 'disloyal', or even 'a betrayal'. For the sixth time in a row, a separate text was adopted on Ukraine, with the firm support of 25 EU leaders. The second central point was the escalating situation in the Middle East, on which EU leaders displayed unity in condemning Iran's indiscriminate military strikes against countries in the region and in rejecting US President Donald Trump's demands – and threats regarding the future of NATO – to help unblock the Strait of Hormuz.

The European Council also discussed – albeit briefly – security and defence, migration, European democratic resilience, the protection of children online, the EU's eastern border regions and the situation at the Dniester river. Back-to-back with the European Council, EU leaders met for a Euro summit in inclusive format to discuss the euro-area economy in light of the war in the Middle East.

## 1. General

Ahead of the European Council meeting, Italy [hosted](#) a pre-summit on competitiveness as well as a meeting on migration, which gathered 16 EU leaders. At the latter meeting, the potential arrival of [migrants](#) from the Middle East was raised, an issue reflected in the European Council conclusions, showcasing the contribution of these pre-summit meetings to better coordination among EU leaders. The European Council meeting itself started, as usual, with an [address](#) by European Parliament President Roberta Metsola. Her [preparatory meetings](#) for the summit with Costa and other leaders such as German Chancellor [Friedrich Merz](#) testify to the [Parliament President's increased interactions](#) with the European Council and its members in recent years.

## 2. European Council meeting

### Ukraine

At the centre of discussions on Ukraine was the enactment of the EU's €90 billion loan, already [agreed by the European Council](#) in December 2025. EU leaders were unsuccessful in convincing Hungary to approve the revision of the multiannual financial framework (MFF), a [piece of legislation](#) necessary for the implementation of the loan and requiring a unanimous decision. Hungary, supported by Slovakia, which [expressed reservations](#) over the loan, made the lifting of its veto [conditional](#) on the resumption of Russian oil deliveries through the Druzhba pipeline, seen as crucial for its energy security. Despite Hungary (and Slovakia) raising this condition: 1) alternative supply routes such as the Adriatic pipeline can fully meet the two countries' energy needs, as [emphasised](#)



by Croatian Prime Minister Andrej Plenković, who added that [orders for 13 tanker-loads](#), four of which had already been unloaded in Croatia ... and transported to Hungary, had been made by the Hungarian company Mol; 2) Ukraine has, after an [exchange of letters](#) between Presidents Ursula von der Leyen and Costa, and President Volodymyr Zelenskyy, [accepted](#) an EU offer of 'technical support and funding' to help repair the damaged pipeline; 3) Hungary and Slovakia (as well as Czechia) would bear no financial consequences of any mobilisation of resources to guarantee the loan, which would be established through enhanced cooperation.

Hungary's behaviour was [criticised](#) by many EU leaders, with Finnish Prime Minister [Petteri Orpo stating](#) that 'he (Orbán) betrayed us' and [Merz pointing out](#) that 'colleagues ... were deeply angered by what happened today', underlining that Orbán's actions amounted to 'a gross act of disloyalty'. Merz added that this behaviour was unprecedented and would, [in his view](#), 'leave deep marks'. Although EU leaders have asked the Commission to check what could legally be done to ensure the payment of the loan, Belgian Prime Minister [Bart de Wever stated](#) after the meeting that EU leaders were 'annoyed but not nervous'. It was 'unreasonable that the entire EU should wait because there are elections in one country', yet the enactment of the loan 'is a matter of time'.

Thus, for the [sixth time](#), EU leaders adopted a separate text on Ukraine – 'firmly supported' by 25 Member States, with both Hungary and Slovakia refusing to endorse it – in which they reiterated their 'firm and unwavering support for Ukraine's independence, sovereignty and territorial integrity'. Hungary has not endorsed any conclusions on Ukraine since December 2024; Slovakia refused to agree to the past two sets. Moreover, EU leaders expressed their determination to increase pressure on Russia further, noting that they 'look forward to swift adoption of the [20th sanctions package](#)', also [blocked](#) by Hungary; the package aims to further weaken Russia's war economy by reducing its energy revenues, constraining its banking system, and curbing its shadow fleet operations. Amid concerns over Ukraine's financial position, and even if a new [US\\$8.1 billion support package](#) from the International Monetary Fund is expected to ease pressure until mid-May, EU leaders have called for 'intensified outreach to third countries to close the €30 billion gap in Ukraine's finances'.

Following an [Estonian proposal](#) aimed at restricting visas for former Russian fighters in Ukraine, and [raised](#) by Prime Minister Kristen Michal on the doorstep, EU leaders underlined the 'threat posed to the EU's internal security by Russian ex-combatants having participated in the aggression against Ukraine', inviting the Commission to assess possible ways of addressing this issue. Finally, they reiterated that Ukraine's future lies within the EU, hailing the significant progress achieved under difficult circumstances. However, unanimity is required to open any new enlargement chapter, and as Merz [underlined](#), Hungary is, again, blocking any decision-making.

European Parliament President Roberta [Metsola](#): 'If you commit to something, it must be followed through. This has always been the spirit of the European Council. It is the spirit of loyal cooperation between institutions.' The Parliament has voted on the loan, and it has been signed in plenary.

## Middle East

This European Council was the first EU leaders' meeting since the joint Israeli-US attack on Iran on 28 February. The military escalation in the Middle East, as well as its geopolitical and economic fallout, was a central focal point for EU leaders. Even if they had initially expressed [diverging views](#) on the assessment of the war (notably on its legality, with Spanish Prime Minister Pedro Sánchez being a frontrunner in [condemning the attacks](#)), at the meeting they demonstrated unity in their approach to the conflict. The change of mood was apparent when Iran started indiscriminately targeting civilian and energy infrastructure across the Gulf, imperilling [critical supply chains](#) and blocking [maritime traffic](#) through the Strait of Hormuz. Strongly condemning the escalation, EU leaders called for maximum restraint, respect for international law by all parties, and a [moratorium – advocated](#) by French President Emmanuel Macron – on strikes against water and energy facilities. They also recalled the EU's aims regarding Iran, which are to: i) prevent Iran from acquiring a nuclear weapon; ii) end its destabilising activities in the region, including its ballistic missile programme.

There was unity in rejecting US [President Trump's demands](#) to help unblock the [Strait of Hormuz](#) and his threats that the NATO alliance would face a '[bad future](#)' in case of refusal. As [underlined](#) by many EU leaders (and by the High Representative, [Kaja Kallas](#), who said that 'the EU is not involved'), it is not the EU's war, with [Merz](#) stressing that 'the US and Israel did not consult us prior to this war'. France, Germany, Italy, Japan, the Netherlands and the UK released a [joint statement](#) expressing their readiness to 'contribute to appropriate efforts to ensure safe passage through the Strait', but only once hostilities have stopped, and [based on a UN mandate](#). However, extending the mandate of the EU's defensive naval Operations [Aspides](#) and [Atalanta](#) was [ruled out](#).

The European Council also stood united in its 'firm and unequivocal' support for the sovereignty and territorial integrity of the affected countries, in line with [UN Security Council Resolution 2817](#), and in its solidarity with their people, demonstrated by a €458 million EU [humanitarian assistance](#) package to the region. It also committed to concerted action, including the [help](#) of Ukrainian experts, to strengthen their counter-drone and air defence capabilities. Previously, France, Greece, Italy, Spain and the Netherlands had deployed military assets in the Mediterranean to [protect Cyprus](#), which had been targeted by [drones](#) – an 'act of European [solidarity in practice](#)', but also showcasing how close the Iran conflict is to Europe's borders, and the extent to which it affects its security and economic interests.

Although less than 7 % of the [EU's crude oil imports](#) transit through the Strait, the [weaponisation](#) of the Strait of Hormuz strongly impacts the EU through its effect on energy prices. The EU imports 90 % of its oil and gas, which makes it more vulnerable than the US to the energy price increases; these in turn affect the EU's competitiveness. As [Metsola pointed out](#), 'geopolitics and competitiveness are two sides of the same coin'; thus, far from being sidelined by the situation in the Middle East, the competitiveness discussion was closely interlinked, justifying short-term measures to alleviate the impact on the most affected citizens and businesses (see below). In that context, the European Council invited the Commission to report regularly to the Council on developments and their impact on energy security and energy prices. However, despite the scarcity of oil supply and its impact on prices, the US decision to lift sanctions on Russian oil to ease tensions on the markets drew [criticism from some EU leaders](#), such as Merz and Macron.

As expected, EU leaders expressed their deep concern about the increased hostilities in Lebanon and their severe impact on civilians, with almost [one million people](#) displaced and more [than 1 000 dead](#). They condemned Hezbollah's attack on Israel in support of Iran, which triggered an extended military campaign against the Iranian proxy. Welcoming the ban on Hezbollah's military activities, the European Council reiterated its support for 'the Lebanese State's sovereignty, territorial integrity and State-building efforts', while calling for the implementation of the 27 November 2024 ceasefire deal and of [UN Security Council Resolution 1701](#). To help people in Lebanon, the EU has [mobilised](#) its ReliefEU stocks and will further draw on its [emergency reserves](#) to assist affected people.

On Gaza, the European Council expressed grave concern about the deteriorating situation, as well as the continuing catastrophic humanitarian situation there. Reiterating its [December 2025 conclusions](#), notably the call to implement [UN Security Council Resolution 2803](#) establishing the Board of Peace and a temporary International Stabilisation Force (ISF), the European Council stressed the need for permanent disarmament of Hamas and all other non-state armed groups, unimpeded access for humanitarian aid, the full withdrawal of Israeli forces from the Gaza Strip, and the deployment of the ISF. EU leaders also condemned: i) 'Israel's unilateral actions aiming to expand its presence in the West Bank, including East Jerusalem' – a practice declared illegal by the International Court of Justice in [a 2024 advisory opinion](#); and ii) growing settler violence against Palestinian civilians, including Christians; leaders asked the Council to move forward on restrictive measures against violent settlers, the adoption of which is again being [blocked](#) by Hungary.

## Competitiveness and single market

President Costa made substantial efforts to maintain the focus on competitiveness, addressing this agenda point first both on the [doorstep](#) and in the [press conference](#), and insisting that 'in the current

geopolitical context, a strong Europe is more important than ever'. Thus, despite predictions that the discussion on competitiveness would be sidelined, the European Council did follow up on its reflection work – initiated at the leaders' informal [competitiveness retreat](#) at Alden Biesen on 12 February 2026 – and its conclusions contain a series of immediate measures to minimise the impact of rising energy prices as well as longer term initiatives to improve Europe's competitiveness. Notably, EU leaders 'launch[ed] a "One Europe, One Market" agenda, to be implemented in 2026 where possible and by the end of 2027 at the latest'. Although [announced](#) for ahead of the March meeting, the Commission did not publish the accompanying roadmap and action plan for the implementation of the agenda. As von der Leyen confirmed after the meeting, the roadmap is to be presented soon and agreed by the European Parliament, the Council and the Commission. It would then be signed at the [informal European Council meeting on 23-24 April](#) in Cyprus.

The Israeli [strike](#) on a key Iranian gas field on 18 March and the overnight Iranian strikes on energy facilities in the neighbouring Gulf states sent energy prices [soaring](#), with gas prices [rising](#) by 30 % in Europe at market opening. As [oil prices surged](#) over US\$119 a barrel, some experts warned of an '[Armageddon scenario](#)' of lasting disruption, considering the fact that repairing broken infrastructure will take [3-5 years](#). Against this backdrop, EU leaders discussed energy as the most pressing competitiveness challenge, and called on the Commission to find urgent solutions.

In the press conference, von der Leyen [announced a plan](#) addressing the four components which determine energy prices, with temporary and targeted measures for 'immediate relief where possible and structural changes where necessary'. It envisages: i) flexible use of State aid measures to compensate for energy cost increases; ii) legislation to improve the productivity of grid infrastructure, allowing Member States to reduce grid charges for energy-intensive industries; iii) a mandate to lower tax rates on electricity, at least below taxation on fossil fuels; and iv) measures affecting carbon pricing.

The emissions trading system (ETS), which aims to curb emissions and help the EU achieve climate neutrality by 2050, has been a central point of attention. A [10-country coalition](#) (Austria, Bulgaria, Croatia, Czechia, Greece, Hungary, Italy, Poland, Romania and Slovakia) sees the ETS as a threat to their industries, arguing that it increases energy prices, and favours a quick overhaul of the ETS. Conversely, the pro-ETS countries (Denmark, Finland, Portugal, Spain and Sweden) argued [in a letter](#) to Costa ahead of the meeting that 'Europe's limited access to fossil resources and its exposure to geopolitical pressures make decarbonisation an economic imperative'. Further countries joined the group in support of the system – the Netherlands, with Prime Minister [Rob Jetten](#) stating that it makes Europe 'greener and stronger in the long term', as well as [Germany](#), [Luxembourg](#) and [Slovenia](#). EU leaders ended up [asking](#) the Commission to present a review of the ETS by July 2026 at the latest, 'while preserving the essential role of the ETS in the climate and energy transition'. As von der Leyen [underlined](#) after the meeting, the ETS is working, and decarbonisation is the right strategy in the long run. She added, however, that measures will be needed to modernise the ETS and make it more flexible, with: in the short term, i) an update of the benchmarks for free allocations, and ii) a strengthening of the market stability reserve to reduce volatility; and in the medium term, iii) a review of the ETS, providing free allowances beyond 2034, and iv) an ETS investment boost with a €30 billion budget, financed by 400 million ETS allowances.

On the broader competitiveness agenda, the European Council discussed a series of measures outlined in von der Leyen's [competitiveness letter](#) to EU leaders. First, simplification, with leaders calling on the co-legislators to finalise all the pending omnibus packages by the end of 2026, and the AI omnibus by July 2027, while von der Leyen [announced](#) the 'introduction of a simplicity by design approach for future rules'. Second, key proposals on the competitiveness agenda, notably the [Industrial Accelerator Act](#), the 28th regime (renamed [EU Inc](#)), and the upcoming review of merger guidelines, to be presented [in April](#). Third, in view of the crucial role of banks for funding EU business, the Commission will advance the banking report to better position and integrate the EU's banking system; work will continue in parallel on the savings and investment union. Finally, the

European Council called for the digital euro proposal and for the mapping of dependencies in strategic sectors to be finalised by the end of 2026 at the latest.

## Security and defence

There is a sense of urgency in the European Council conclusions on defence and security. While EU leaders underline that Russia's war on Ukraine remains 'an existential challenge for the EU', the war in the Middle East has reinforced the exigency of ramping up Europe's defence readiness by 2030, using a 360° approach. EU leaders notably stressed that 'the defence of all EU land, air and maritime borders contributes to the security of Europe as a whole'. In that context, they call for accelerated work on: i) priority capability areas, insisting that concrete projects be launched in the coming months, and calling on Member States to make full use of the [SAFE](#) and [EDIP](#) instruments; ii) the strengthening of the European defence technological and industrial base to enable accelerated supply; iii) the further integration of the European defence market; and iv) relevant military mobility proposals, on which the co-legislators are invited to make progress.

In view of the evolution of the threats and challenges facing the EU since the adoption of the [2022 Strategic Compass](#), the Council was invited to update the common understanding of threats, based on a comprehensive 360° analysis, to be prepared by Kallas in cooperation with Member States. During the meeting, Cyprus President Nikos Christodoulides referred to [Article 42\(7\) TEU](#), the EU's mutual assistance clause, [calling](#) for a structured debate at the 23-24 April informal meeting.

## Migration

As has become a regular feature of European Council discussions on migration, the meeting was informed by a [letter](#) from von der Leyen, in which she made the link between migration and competitiveness, arguing that 'boosting the Union's capacity to attract talent can help strengthen its competitiveness'.

The [warning](#) issued by Danish Prime Minister Mette Frederiksen and Italian Prime Minister Giorgia Meloni that the conflict in the Middle East could potentially lead to further migration waves to Europe was echoed in the [conclusions](#). In the context of the conflict in the Middle East, EU leaders stated that 'to avoid a similar situation [to 2015], the EU is ready to fully mobilise its diplomatic, legal, operational and financial tools to prevent uncontrolled migratory movements to the EU' and preserve security in Europe. Moreover, EU leaders called for intensified work on all strands of migration policy, including on the external dimension and comprehensive partnerships.

## Multiannual financial framework

Due to time constraints, the [expected](#) discussion on the next long-term EU budget did not take place. As flagged up by the [EPRS outlook](#), the MFF is expected to be on the agenda of all upcoming regular European Council meetings in 2026, of the informal meeting in April, and to be the exclusive topic for the 26-27 November special meeting.

## Multilateralism

Against the backdrop of a deteriorating international context in which international law is under strain, UN Secretary-General António Guterres joined EU leaders for a highly symbolic working lunch to discuss multilateralism and the Middle East. With the war in Iran [considered by some](#) to be 'outside international law', the European Council reiterated its firm commitment to the UN Charter, notably to the principles of sovereignty, territorial integrity, political independence and self-determination. It also stressed the need to respect freedom and security of navigation in accordance with international law and the [UN Convention on the Law of the Sea](#). Finally, EU leaders expressed support for the internal reform process of the UN institutions – [the UN80 initiative](#).

### 3. Euro Summit

The first [Euro Summit](#) of the year took place in inclusive format back-to-back with the European Council meeting. European Central Bank (ECB) President Christine Lagarde and the [new Eurogroup President](#), Kyriakos Pierrakakis, took part. The [customary letter](#) from Pierrakakis to Costa described the currently solid situation of the euro-area economy and outlined priorities for future work, including the need to address global imbalances, strengthen the international role of the euro, accelerate progress on the savings and investments union, and ensure fiscal sustainability, while supporting strategic priorities and preparing Europe's financial system for the digital age.

The situation in the Middle East and the ripple effects on the EU economy were also discussed. EU leaders [underlined](#) that 'considerable uncertainty weighs on confidence and on the outlook for growth and inflation, notably in light of the impact on energy prices of recent global developments'. Rising energy prices could indeed create inflationary pressure, with a possible peak of [up to 6.3 % in 2027](#) according to the most severe ECB scenario; [some reports](#) even suggest that the rise in inflation could lead to a complex situation of 'stagflation'. However, Pierrakakis [stated](#) that it was too early to take drastic measures to reduce soaring energy prices resulting from the war. Ahead of the meeting, Lagarde said that the ECB would do ['everything necessary'](#) to keep inflation under control and that the situation was different from the last inflation crisis in 2022–2023. The ECB Governing Council did not adapt interest rates at its 19 March meeting, but said that it was [closely monitoring](#) the situation.

### 4. Other topics

#### Strengthening Europe's democratic resilience

Strengthening Europe's democratic resilience is one of the three main priorities outlined in the European Council's [Strategic Agenda 2024–2029](#). Democracy has [rarely been discussed](#) at regular European Council meetings until recently, and there has been no reference to related topics in the conclusions. The fact that the March 2026 meeting has dedicated a specific section to the issue in its conclusions is therefore worth underlining. EU leaders specifically recalled the legal responsibility of online platforms in fighting the dissemination of disinformation and illegal content.

#### Protection of children online

Despite [differences in views](#) among Member States on ways of protecting children online, EU leaders managed to agree on common conclusions on this matter. Stressing the importance of protecting children in the digital sphere, they outlined possible action to address the issue, by: i) implementing the Digital Services Act and its guidelines; ii) setting a digital age of majority for accessing social media; and iii) prohibiting AI systems that allow the creation of non-consensual intimate images and child sexual abuse material.

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