



Delhi Policy Group

Advancing India's Rise as a Leading Power



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Author

Ruchira Kamboj

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Author

Ambassador Ruchira Kamboj, Senior Fellow for International Security and Global Affairs, Delhi Policy Group

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Cover Images:

1. The European Council summit held on March 19–20, 2026, chaired by President António Costa, was centred on European competitiveness, support for Ukraine, and the escalating situation in the Middle East. Source: [X/António Costa](#)
2. President of the European Council, Mr António Costa, the President of the Republic of Cyprus, Mr Nikos Christodoulides, and the President of the European Commission, Ms Ursula von der Leyen at the press conference following the informal meeting of the members of the European Council held in Cyprus on 23–24 April 2026. Source: [Cyprus presidency of the Council of the European Union](#)
3. Informal Meeting of the European Council and regional partners (including Egypt, Lebanon, Syria, Jordan and the Gulf Cooperation Council) took place in Lefkosia and Agia Napa, Cyprus, on April 24, 2026. Source: [Cyprus Presidency of the Council of the EU 2026](#)

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European Council at a Strategic Inflection Point

by

Ambassador Ruchira Kamboj

Executive Summary

The European Council held two meetings in early 2026: a formal session on March 19-20 in Brussels, and an informal one on April 23-24, hosted in Cyprus.

At its first formal meeting of the year on March 19-20, discussions centred on two external crises, Ukraine and West Asia, while also advancing an internal agenda on competitiveness through the “One Europe, One Market” initiative, alongside defence and economic security.

As European Council President António Costa observed in his remarks to the European Parliament afterwards, the world had become “even more geopolitically unstable,” shaped by the continuing war in Ukraine and escalating tensions in Iran and the Middle East.

The presence of UN Secretary General António Guterres at the summit added a distinct multilateral dimension, signalling the European Union’s continued preference for diplomacy and UN-led multilateral processes even as geopolitical tensions intensify.

The second meeting, an informal hosted for the first time under the Cyprus presidency on April 23–24, was no less significant. It built on the March meeting with a continuing focus on West Asia; energy and the economy; the EU budget and competitiveness; and defence, specifically the mutual assistance clause of the EU Treaty.

The presence of West Asian leaders at the meeting was remarkable: this was the first time that so many regional players, including Syria, Lebanon, Egypt, Jordan, the UAE, and Saudi Arabia, had joined an informal European Council meeting. This in itself signalled that the EU is prepared to match words with action on energy security, most concretely in its stated readiness to fund corridors that would not be held hostage to the war. The formulation that followed was equally pointed: the EU is not party to the conflict, but it will be part of the solution.

Taken together, the two meetings reflect some of the more consequential European Council deliberations in recent memory, reflective of a Union under pressure, externally from conflict and internally from fragmentation, yet increasingly conscious of its need to act decisively as a strategic entity.

Ukraine

The EU reaffirmed its unwavering support for Ukraine, with financial assistance reaching around €194.9 billion, including €69.7 billion in military aid.

Leaders committed to accelerating the delivery of air defence systems, ammunition, drones and missiles, sustaining financial assistance frameworks, and aligning with G7 sanctions on Russia.

Volodymyr Zelenskyy's presence at both meetings underscored the political weight of this commitment.

Significantly, the EU managed to unblock both the 20th sanctions package and the €90 billion macro-financial assistance plan for the next year, which had been held up by Hungary and Slovakia at the March meeting. In Zelensky's words, it was a good day for Ukraine and for Europe, moving forward on both strengthening Ukraine and increasing pressure on Russia, where the March meeting had stalled.

The Council also introduced a new internal dimension at its March meeting, flagging the risk posed by returning Russian ex-combatants and the potential for hybrid threats within Europe. Follow-up discussions at the April meeting confirmed that this will remain a matter of continuing concern, particularly given the ongoing war in Ukraine and the implications for Schengen security.

West Asia

The protection of maritime routes emerged as a central concern. Recent disruptions to the Strait of Hormuz have led to sharp price increases of fuel, estimated at nearly 50 percent, underscoring the direct impact on European inflation, industrial output, and energy transition timelines. Yet, despite these significant stakes, the European Union opted for restraint, refraining from imposing new sanctions on Iran and avoiding participation in U.S.-led naval or military operations.

Commissioner Kaja Kallas made it clear that the crisis lay outside NATO's operational scope, and there was "no appetite" for expanded engagement.

The West Asian conflict's economic spillover was a major theme. With its immediate impact on energy prices, the Council underlined the need for a coordinated response, including concrete actions to lower electricity prices and to address excessive price volatility. The summit called for both short-term emergency measures and longer-term structural changes to reduce European energy dependence.

The statement by European Commissioner President Ursula von der Leyen on April 23 that the EU was ready to work with Persian Gulf countries on new projects conveying energy to global markets, projects that would not be held hostage to war or geopolitical strife, was telling. Clearly, the EU wants to support alternate energy

routes through the Gulf to avoid future bottlenecks. European Council President Costa reaffirmed the sentiment at a press conference: the EU is not part of the conflict, but it will be part of the solution. The presence of six or more regional leaders was a deliberate political signal - Cyprus being the EU's "front porch" to the Middle East - that the region is core to Europe's security.

On Lebanon, the Council condemned Hezbollah's attack on Israel and urged an immediate cessation of hostilities. It called for full implementation of the November 2024 ceasefire and United Nations Security Council Resolution 1701, while urging Israel to exercise restraint and avoid further escalation, including through air or ground operations. The EU further reaffirmed its support for Lebanon, committing emergency assistance to affected civilians and continued backing for the United Nations Interim Force in Lebanon (UNIFIL).

Overall, this reflects a deliberate strategy of risk minimization: European states seeking to avoid direct entanglement in a conflict they view as externally driven and strategically uncertain. Yet, where energy security is concerned, the EU is willing to act autonomously, forging new relationships with Gulf states with a clarity of purpose that stands in contrast to its caution elsewhere.

Defence and Strategic Autonomy

The most significant shift at the two summits was in defence.

Leaders called for increased defence spending, strengthened joint procurement and industrial capacity, and faster implementation of capability coalitions.

This builds on initiatives such as the European Defence Industry Programme (EDIP)¹ and SAFE².

The concept of "strategic autonomy", long championed by France, is now gaining wider acceptance, driven by growing uncertainty about U.S. commitments.

Yet, structural gaps remain: the absence of a unified command structure, divergent threat perceptions, and continued reliance on NATO.

Most significant was the discussion on Article 42(7), the EU's mutual defence clause. While the March meeting had touched on the topic, the April meeting was sharper: the clause now needed to move from theory to practice. Not a question of if, but of how fast. Leaders concluded by calling for an operational plan, a playbook for how mutual defence would function in reality.

¹ European Commission, "EDIP: Forging Europe's Defence", https://defence-industry-space.ec.europa.eu/eu-defence-industry/edip-forging-europes-defence_en.

² European Commission. "SAFE | Security Action for Europe", 2025. https://defence-industry-space.ec.europa.eu/eu-defence-industry/safe-security-action-europe_en.

The direction of EU policy is clear. Europe is moving from rhetoric to institution-building, and while strategic autonomy is no longer simply an aspiration, its credibility will rest on delivery. On mutual assistance, the Transatlantic assumptions that long underpinned European security have firmly broken down: Europe will need to provide for itself. As one formulation from the meeting put it, when the sovereignty of a member state is threatened, the response is not a question of if, but how fast.

Energy and Economic Security

The Iran crisis has reinforced the link between geopolitics and economics.

The Council emphasised managing energy price volatility, reviewing the Emissions Trading System by July 2026, and preserving long-term climate commitments.

This reflects a balancing act: ensuring energy security without diluting climate goals.

The U.S. Factor

The shadow of U.S. President Donald Trump loomed large over the summits.

The United States' decision to launch military action against Iran without consulting allies, and then seek their support, triggered sharp tensions within the North Atlantic Treaty Organization. NATO declined involvement, noting that the conflict did not fall within Article 5 obligations. Washington criticised allies for 'free-riding', with Trump escalating rhetoric by calling NATO a 'paper tiger' and signalling that U.S. commitments could no longer be taken for granted.

Following discussions with NATO Secretary General Mark Rutte in early April, the U.S. initiated a review of its NATO commitments, deepening uncertainty across the alliance.

European responses combined restraint with increasing firmness. President Macron described proposals to "forcibly" secure the Strait of Hormuz as unrealistic, and there was little appetite among EU partners to join U.S.-led operations. The episode reinforced a broader shift already underway in Europe.

That shift had begun earlier. The January 2026 episode, in which Washington exerted pressure on Denmark over control of Greenland, raised, for the first time, the possibility of coercion within the NATO alliance itself. Although the immediate crisis subsided, it triggered deeper reflection in Europe on contingency planning in the event of U.S. unpredictability or disengagement.

Against this backdrop, the European Council's defence agenda, expanding industrial capacity through instruments such as SAFE³ and the European Defence Industry Programme, alongside capability coalitions, appears less an expression of ambition than of necessity. Europe is signalling that while it will continue to support Ukraine and engage the United States, it can no longer assume unconditional American backing.

Discussion around Article 42(7) of the Treaty on European Union adds another layer to this shift, reflecting a growing emphasis on Europe's own security responsibilities in a more uncertain Transatlantic environment.

Internal Agenda

Beyond its external focus on Ukraine and the Middle East, the European Council placed strong emphasis on its internal agenda. The 'One Europe, One Market' initiative reflects a push towards a more unified and resilient Europe, where economic strength underpins security.

The message is clear: the internal agenda is becoming the external security agenda. Initiatives such as the single market drive, the AI omnibus, and regulatory simplification are not merely economic reforms; they are seen as essential to strategic sovereignty. A fragmented, uncompetitive economy cannot sustain defence capabilities, absorb energy shocks, or project influence.

The 'One Europe, One Market' agenda aims to remove barriers to the four freedoms⁴ by 2027, finalise key legislative packages by 2026, and advance an AI framework by July 2026.

This may not be seen as just economic reform. It is strategic. A competitive Europe, in the EU's own framing, is a sovereign Europe.

EU Budget and Competitiveness

Discussions on the next Multiannual Financial Framework (MFF)⁵, the EU's seven-year budget, covering 2028 to 2034, are also underway, with defence, Ukraine, enlargement and energy as the central priorities. EC President Costa captured the

³ Council of the European Union, "SAFE: Council Adopts €150 Billion Boost for Joint Procurement on European Security and Defence", May 27, 2025, <https://www.consilium.europa.eu/en/press/press-releases/2025/05/27/safe-council-adopts-150-billion-boost-for-joint-procurement-on-european-security-and-defence/>.

⁴ European Commission. "2026 Annual Single Market and Competitiveness Report", January 30, 2026. https://single-market-economy.ec.europa.eu/publications/2026-annual-single-market-and-competitiveness-report_en.

⁵ European Commission. "EU Budget 2028-2034". https://commission.europa.eu/strategy-and-policy/eu-budget/long-term-eu-budget/eu-budget-2028-2034_en.

stakes plainly: “We know very well that we cannot fund the security and prosperity of the future with the tools of the past. To give true substance to our sovereignty, we must have the financial backbone to support it.”

The upcoming June European Council meeting is expected to finalise the package.

Looking Ahead

The March and April European Council meetings have set the strategic direction for the year ahead, outlining themes that will carry into upcoming engagements.

Several trends stand out from these meetings. Strategic autonomy is moving from vision to structure. Transatlantic alignment can no longer be assumed. And economic strength is seen as increasingly central to external power. The discussions around Article 42(7) are likely to take firm shape, reinforcing mutual defence as a concrete EU commitment rather than a treaty abstraction. Energy security emerges as the central nexus, the issue that most directly links external crises to internal stability, for Europe and for partners further afield, including India.

The next discussions, including the upcoming formal European Council meeting in Brussels, will assess progress on defence readiness, energy resilience, the single market agenda, and the 2028-2034 MFF. In parallel, the forthcoming meeting of the North Atlantic Treaty Organization in Turkey will test alliance cohesion at a moment of visible strain.

The trajectory is clear. Europe is being pushed towards a more independent strategic role, even as it navigates internal divisions and external pressures. Its response so far shows broad coherence: sustained support for Ukraine, studied restraint in West Asia, and a sharper focus on defence and economic integration. The question now is not direction, but delivery, and whether internal alignment will hold under the pressures that implementation inevitably brings.

Implications for India

As Europe strengthens its internal cohesion while broadening its external partnerships, India should sustain a steady, cross-sectoral engagement to drive shared growth and long-term progress. As Commissioner Kaja Kallas has observed, the current geopolitical uncertainty only reinforces the case for a closer EU-India partnership.



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