

Winning the Future: Strategies for a Resilient Europe and a Secure Ukraine

Policy Paper



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EXECUTIVE SUMMARY:

This paper addresses the global crisis triggered by Russia's unjustified aggression against Ukraine, focusing on actionable steps to prevent Ukraine from becoming a permanent "trolley problem." Amid ongoing uncertainty and contradictions surrounding U.S.-led peace efforts—alongside Washington's growing deprioritisation of European security—Russia's core strategic objectives remain firmly unchanged. The objective is clear: ensure Ukraine's future as a strong Western democracy, not a devastated buffer state falling under Russian control due to wavering support.

Recent turmoil within the alliance of Western countries—marked by isolationist currents, short-sighted "pragmatism," rising populism and nationalistic moods, and NATO's vulnerabilities—has only reinforced the consequences of past half-hearted policies. Calls for "realism," voiced since Ukraine's independence, have repeatedly meant accommodating Russia at Ukraine's expense. The result: hundreds of thousands dead and wounded, millions forcibly displaced, the loss of 20% of Ukrainian territory, and over \$400 billion in economic devastation.

Beyond Ukraine, Russian aggression has accelerated the efforts of authoritarian regimes to re-write the rule-based order guidebook, jeopardized global security, and exposed weaknesses in the West's strategic posture. Repeating past mistakes in even graver circumstances will yield far worse results. The trajectory is clear: unless reversed, the war threatens to escalate into a larger European conflict by 2030 with global consequences.

Following that the EU must act urgently to ensure its own autonomous security, strengthening its partnerships with like-minded partners,¹ this paper provides expert reflections, encompassing short and mid-term strategies for governments of the 'democratic family'. The policy paper was a result of the Firewalling the Future Conference, conducted at the University of Cambridge immediately after the Munich Security Conference 2025 and integrates recent expert comments on the US-European security relations evolving rapidly.

Key Recommendations:

Defense and Security

- **Provide Unwavering Military Support to Ukraine in the Face of Aggression:** Continue supporting Ukraine with both defensive and offensive military aid, ensuring it remains a robust partner in European strategic defense.
- **Enhance European countries preparedness and defensive posture in cooperation with Ukraine:** European NATO-members must recognize Ukraine as an asset to European security, not a liability. Ukraine, with its largest and most capable military in Europe, already contributes significantly to European defense readiness, particularly in modern hybrid warfare. European allies and NATO partner countries should apply a forward-looking approach, integrating Ukraine as an indispensable part of the global security architecture, and developing its defense capabilities as Europe's eastern flank stronghold.

¹ https://www.europarl.europa.eu/doceo/document/TA-10-2025-0034_EN.pdf



- The joint Ukraine-European allies operational architecture must be designed as a fully integrated, multi-domain effort—encompassing the generation, sustainment, and deployment of capabilities across land, air, maritime, cyber, and information spheres. Executing such a strategy will be an inherently complex endeavour, demanding rigorous planning and significant contributions from coalition partners. At present, we can identify seven prospective formats through which Western forces could engage in the operation.
 - Enhance coordination between Ukraine and the European Union (EU) using the “Danish model” (procuring arms and military equipment manufactured in Ukraine), integrating Ukraine’s capabilities into the European Defence Industry Programme (EDIP), providing war insurance for critical projects inside Ukraine.
- **Secure the Black Sea Region:** Reinforce littoral states’ military capacity and reinforce diplomatic engagement of Mediterranean partners.
- **The “Sky Shield” initiative** will be a committed form of partners integrated into the active policing of Ukrainian airspace—particularly over its western and central regions—to defend against Russian missile and air strikes. This initiative could establish an expansive safe zone, fostering social stability and enabling economic recovery, while simultaneously allowing the Ukrainian Air Force to concentrate its assets on defending the eastern front.
- **Ensure European Defense Readiness:** Strengthening beyond Europe’s ability to defend itself, integrating Ukraine’s defence industry into the European Defence Technological and Industrial Base (EDTIB). Expand defense industry, increase defense spending for European countries to minimum 3 % or strategic 5% of GDP, boost European and Ukrainian defense production, expand procurement from the allies, and strengthen deterrence capabilities. Accelerate and improve decision-making processes and crisis response instruments inside of the EU, minimizing impact of the individual political agendas on the strategic level of joint defence and security policies.
- **Enhance Intra-Industry Cooperation:** Streamline and make more effective European defense industry cooperation by reducing bureaucratic barriers and coordinating. This will ensure a more agile and responsive defense ecosystem.
- **Invest in Ukraine’s Military-Industrial Complex:** Explore and expand investment opportunities to increase defense manufacturing in Ukraine. Strengthening Ukraine’s military-industrial complex will not only ensure long-term self-sufficiency for European security but also enhance cost-effectiveness.
- **Consider security guarantees:** Given that NATO membership for Ukraine is off the table in the near-term perspective, Ukraine should be able to make full use of existing bilateral security agreements and available deterrence measures. Ukraine’s full integration into the European Union shall be accelerated. If Ukraine is left in geopolitical limbo, risking gradual erosion of its sovereignty through imported destabilization or creeping occupation, it should reconsider its nuclear status.
- **Agree on a workable plan for the “coalition of the willing”:** Once a true ceasefire is established “coalition of the willing” should consider options for a “reassurance force” to be deployed within Ukraine to deter renewed Russian attacks against the country should a ceasefire be agreed. Deployment of the deterring military capabilities in the territory of Ukraine (including



assigned military personnel) shall be an indispensable part of the settlement of the armed conflict instigated by Russia. It should also consider the commitment to respond to the Russian resumed aggression.

- **Counter Russian Influence:** Take adequate measures to disrupt the authoritarian axis of power—Russia, China, Iran, North Korea—and their potential allies. Counter and restrict Russia’s malevolent propaganda across the world, in particular in Europe and the U.S. Identify, detect and effectively block channels of the Russian influence on the European media and political environment, including through additional resources to be allocated to the intelligence and counter-intelligence activities, as well as anti-corruption measures.



Sanctions and Economic Deterrence

- **Prevent Premature Full Sanctions Relief:** Premature desanctioning is an investment in European instability and new Russian aggression. A stringent export control regime to prevent Russia from developing or significantly increasing high-tech weapons production should remain in place for several years or even decades to ensure that Russia’s intentions can be reliably verified before any trust can be established regarding its compliance with international security norms.
- **Confiscate and Redirect Frozen Russian Assets:** Allocate \$300 billion in frozen Russian assets to Ukraine’s defense and reconstruction efforts. It is crucial to prevent the premature return of frozen assets due to unadjusted financial regulations. However, this amount does not cover the losses Ukraine has already incurred due to Russian aggression, which various estimates place between 500 billion and 1 trillion U.S. dollars.
- **Strengthen Sanctions Enforcement:** Strengthen sanctions by closing loopholes that allow Russia to access high-tech goods and continue benefiting from energy resource sales. This loophole enables Russia to allocate significant resources to its military, with defense spending projected to reach \$145 billion in 2025. Russia remains critically dependent on the import of high-tech equipment and dual-use components from G7 countries, making it essential to tighten sanctions on third countries and entities facilitating logistics. Overall, Russia’s war economy is now too deeply embedded to be swiftly dismantled or redirected toward a civilian model, thus, de-escalation itself appears unlikely to be a strategic objective in the short-term.
- **Impose a War Tax on Russian LNG:** Redirect revenues from Russian energy exports into Ukraine’s defense and recovery.
- **Enhance Energy Independence from Russia:** To prioritize implementation of the European Commission’s “REPowerEU” Plan, which guides the EU in diversifying energy sources and strengthening energy security to reduce dependence on Russian fossil fuels and accelerate the transition to renewable energy.



Ukraine's Recovery and Reconstruction

- **Continue Strengthening Democratic Institutions and Rule of Law in Ukraine:** It is critical not to reduce support for Ukraine's democratic development. Continued assistance is essential to ensure the country's progress toward a more robust democracy. The rise of populism and right-wing sentiments in the West, coupled with economic challenges and a shift toward internal priorities, poses a risk of abandoning Ukraine at its most vulnerable—during the recovery from the largest war in Europe since WWII.
- **Continue Strengthening Civil Society Efforts:** Ukrainian civil society has proven its resilience and courage, playing a pivotal role in supporting the Ukrainian military right after the full-scale invasion and advocating for the country's interests. Strengthening civil society will be crucial for ensuring long-term stability and democratic resilience in the years ahead. This includes efforts to achieve sustainable peace, support the revitalization of the democratic process before and after the lifting of martial law, and facilitate societal healing. Given the protracted nature of the war and Russia's unchanging geopolitical goals, these efforts should not be contingent on the war's conclusion.
- **Implement Strict Oversight on Reconstruction Funds:** Ensure purpose-compliance, transparency and accountability in the allocation of aid for rebuilding Ukraine.
- **Secure Long-Term Economic Stability for Ukraine:** Implement policies to attract investment, rebuild infrastructure, and create sustainable economic growth of Ukraine.
- **Enhance Historical and Cultural Resistance to Russian Narratives:** Combat Russian propaganda by reinforcing Ukraine's national identity and historical accuracy and actively promote them among allies to counter Russia's malignant narratives around Ukraine.
- **Refrain from Immediate Initiatives on Ukraine-Russia Reconciliation:** Any attempts to foster reconciliation initiatives by the West should be postponed until significant political and societal reforms are undertaken within Russia to ensure that any engagement does not undermine Ukraine's sovereignty or security. Without such shifts in government and society, only a coexistence marked by minimal trust, respect, and shared values, is feasible. Historical precedents indicate that Russia has consistently pursued an agenda of regional/global domination, fuelled by renewed imperialism, over the past 30 years. Premature initiatives will damage Ukrainian societal healing, which is already a challenge given the variety of war-affected groups and lacking funds to provide well-tailored support to millions of people.



INTRODUCTION

The world order is undeniably changing. The U.S. and Europe are confronted with a challenge to safeguard values and norms of the democratic family, while Ukraine is fighting for survival. The war is happening at Europe's geographical center demanding adoption of a highly strategic and innovative approach to prevent complete dismantling of the rules-based international order, as well as cracks in the Trans-Atlantic cooperation and within the EU.

As global efforts intensify to seek an end to the ongoing Russian war against Ukraine, security risks will not vanish as a result of a peace deal. Europe must act decisively to preserve its significant role in shaping the global agenda in 2025 and beyond, as well as safeguard its defense capabilities, otherwise, a slow reaction to underestimated risks could transform it into a battleground for competing global powers seeking to reshape spheres of influence.

The Russian Federation sees violence as a means of coercion, as a way to instill fear and to force adversaries to comply with demands. More than 200 rounds of Russia-Ukraine negotiations since 2014 confirm that Russia views compromise as weakness, using concessions solely to buy time, rebuild military capabilities, strengthen authoritarian alliances, and ultimately resume violence until its objectives are fully achieved. Alternatively, an unjust peace deal, propped up by hollow security assurances, risks leaving Ukraine empty-handed, wounded, and ripe for hybrid subjugation by Russia—this time through political and economic coercion once global attention shifts to new crises.

While the world hopes for peace—ideally not 'at all costs covered solely by Ukraine'—the outcomes of upcoming negotiations will have profound implications for the international system's future and Europe's role in safeguarding it. The talks will shape not just Ukraine's geopolitical standing and immediate future but also mark another turn in turbulent relations between Russia and the Euro-Atlantic community, test America's commitment to European security, and expose whether Europe can take charge of its own destiny and self-sustainability.

The present paper presents extended recommendations elaborated for Ukraine-2032 Scenarios, a document foresighting Ukraine's possible future, compiled by Olena Davlikanova and Victoria Vdovychenko.² The scenarios aim to remind us of a path to secure Ukraine's victory and a stable, peaceful Europe, while also presenting grimmer alternatives that serve as a stark warning to the international community, urging a renewed commitment to democratic principles and human rights at this pivotal moment in history.

The recommendations were developed through a rigorous, multi-step process to ensure relevance, accuracy, and practicality in addressing the evolving geopolitical landscape. The process involved:

1. Scenario Development

- A total of 16 scenarios were designed and analyzed by Victoria Vdovychenko and Olena Davlikanova, focusing on potential geopolitical outcomes for Ukraine and Europe.

² E.Davlikanova, V. Vdovychenko. "Ukraine 2032 Scenarios: A Decade Past the Full-Scale Invasion. (2024). Source: <https://shorturl.at/HssLJ>



- The scenarios emphasized various factors such as defense and security, European security architecture, economic strategies, and Ukraine's integration with global institutions.

2. Expert Consultations

- Ten experts from diverse fields and geographies contributed to shaping the recommendations. These experts hailed from Georgia, Armenia, Romania, Belgium, Germany, Italy, the UK, the US. Their input ensured a broad perspective and multi-disciplinary approach.

3. Validation and Refinement

- Iterative feedback from stakeholders, including policymakers, academics, and practitioners, was integrated to refine and validate the recommendations.

The recommendations are designed for a wide range of stakeholders who play critical roles in shaping Europe's geopolitical future and supporting Ukraine's trajectory. Key target audiences include: decision-makers in national governments and international organizations such as NATO, the EU; security professionals addressing challenges in European security architecture and designing adaptive defense policies; stakeholders focusing on economic resilience, recovery, and the development of sustainable growth strategies for Ukraine and neighboring regions; scholars, think tank representatives, student specializing in geopolitics, international relations, and European studies, as well as the general public who seek evidence-based insights on the current geopolitical developments.



PART 1. STRENGTHENING DEFENCE AND SECURITY

While the notion that economies win wars holds true, especially given economic sanctions as a primary means of deterring Russia, it remains incomplete. Without a well-equipped, well-trained army with cutting-edge technologies and strategies for modern warfare, victory is not an option. Alliances of such armies under a nuclear umbrella, coupled with leaders sending clear messages of readiness to make bold decisions rather than fearing escalation, represent the strongest form of deterrence. Acceptance of these realities demands appropriate actions.

While the West has never articulated collectively a clear vision of Ukraine's victory³, instead calling for acceptance of 'realities' shaped by indecisiveness, the upcoming 'peace deal' should not reward Russia for its invasion or encourage further aggression. Taking into account the great contribution of Ukraine in European security, western allies should ensure a place for Ukraine in the newly-shaped global security architecture.

The Alliance must finally move beyond deliberating around Russia's so-called red lines, many of which have long been crossed, moreso, ungrounded hopes to normalize relations with the Russian Federation without changes in its domestic policies and geopolitical goals. Only in 2022 NATO finally recognized Russia as "the most significant and direct threat" to the Alliance after over 30 years of attempts to build a partnership with it through dialogue and cooperation.⁴

For the 2024 fiscal year, the Pentagon allocated \$14.7 billion for the "Pacific Deterrence Initiative," compared to \$3.6 billion to the "European Deterrence Initiative."⁵ This China-first approach creates competition for America's limited military resources and results in a shift of military production priorities, centered primarily on air, maritime, space, cyber, and technology domains.

A 2019 comprehensive scenario-based study by the International Institute for Strategic Studies (IISS) estimated that it would require as much as \$357 billion in investment for European countries to build a force capable of addressing a serious Article 5 contingency in the Baltic region without significant U.S. support.⁶

The European Commission has looked into proposals to shift to a "war economy," reconfiguring national economic structures to prioritize strengthening the European defense industrial base and

3 Vdovychenko, Victoria. Navigating the new world order? Reflection on the NATO Summit in Washington. July, 12, 2024. <https://www.friendsofeurope.org/insights/critical-thinking-navigating-the-new-world-order-reflection-on-the-nato-summit-in-washington/>

4 Vdovychenko, Victoria. "NATO after the Madrid and Vilnius Summits: In the Search of Shades". UA: Ukraine Analytica · 2 (31), 2023. <https://ukraine-analytica.org/wp-content/uploads/Vdovychenko2.pdf>

5 Robertson, Noah. "Pacific Leaders Say They Need More Funding to Compete with China." Defense News, 14 Mar. 2024, <https://www.defensenews.com/pentagon/2024/03/14/pacific-leaders-say-they-need-more-funding-to-compete-with-china/>.

6 International Institute for Strategic Studies (IISS). Defending Europe: Scenario-Based Capability Requirements for NATO's European Members. May 2019, <https://www.iiss.org/research-paper/2019/05/defending-europe/>.



addressing military shortfalls.^{7,8} However, the traditionally slow EU decision-making processes and complex budget cycles are ill-suited for times of war. If no steps are being taken, Europe may encourage Russia to continue its policy of enlargement of its sphere of influence. A key recommendation as of 2025 is to temporarily, for instance for the next 15 years (roughly coinciding with two MFF periods) remove defence investments from the calculation when imposing a 3% limit to the budget deficit of Member States under the Stability and Growth Pact.

The cost of Ukraine losing the war would extend far beyond its borders, burdening Europe and the world with profound economic and geopolitical consequences.⁹ As of the end of 2024, European nations, including the UK, had allocated 118 billion euros in aid to Ukraine, while U.S. support amounted to 85 billion euros—barely 0.1% of U.S. GDP and 0.2% of EU and UK GDP combined. If the U.S. withdraws support, Europe's continued aid, at 7 billion euros monthly, would require less than 0.4% of its annual GDP. However, Ukraine's defeat could trigger a refugee crisis, with 9–19 million Ukrainians potentially emigrating. Using a median estimate, this could cost Europe an additional 84 billion euros annually, disproportionately impacting countries like Germany and Poland.

The economic fallout would also include lost trade with Ukraine, costing Germany alone up to 7 billion euros in exports and 2 billion euros in written-down assets. Furthermore, a Russian victory would embolden aggressors globally, sparking higher oil prices, disrupted trade, and geopolitical instability, jeopardizing global economic growth. Russian victory would also necessitate an additional \$808bn in US defense spending over five years.¹⁰



Therefore, the strategy must prioritize the timely and comprehensive provision of weapons to Ukraine while it still has the manpower above 26 y.o. conscription age.¹¹ The demands to lower the conscription age to 18, when already conscripted troops lack weapons and ammunition, does not make strategic sense. As of now, European industry and governments have struggled to meet Ukrainian demands in a timely manner, while the USA self-imposed restrictions allowed Ukraine to partially preserve with no full victory option on the table. These delays have significantly undermined Ukraine's defense efforts, directly contributing to the underwhelming results of the 2023 offensive.¹²

7 European Commission, "European Defence Industry Strategy (EDIS) Factsheet", 2024, https://defence-industry-space.ec.europa.eu/document/download/333faee1-a851-44a6-965b-713247515d39_en?filename=DEFIS_EDIS_factsheet.pdf.

8 Reuters. "EU Aims to Shift European Arms Industry into War Economy Mode." Reuters, 4 Mar. 2024, <https://www.reuters.com/world/europe/eu-aims-shift-european-arms-industry-war-economy-mode-2024-03-04/>.

9 Reuters Breakingviews, "Ukraine Support Is Cheaper Option for Europe," 19 November 2024, <https://www.reuters.com/breakingviews/ukraine-support-is-cheaper-option-europe-2024-11-19/>.

10 Center for European Policy Analysis, "Beware a New World Order Built on Ukraine's Dead," 14 January 2025, <https://cepa.org/article/beware-a-new-world-order-built-on-ukraines-dead/>.

11 Center for European Policy Analysis, "Don't Pressure Ukraine To Feed Its Youth Into the Mouth of Russia's War Machine," 22 January 2025, <https://www.themoscowtimes.com/2025/01/22/dont-pressure-ukraine-to-feed-its-youth-into-the-mouth-of-russias-war-machine-a87698>.

12 Al Jazeera, "Ukraine Commander Irked by Lack of Arms Promised for Offensive," 1 July 2023, <https://www.aljazeera.com/news/2023/7/1/ukraine-commander-irked-by-lack-of-arms-promised-for-offensive>.



The efforts to rebuild and expand stocks of ammunition and equipment for Ukraine and the EU, have been slow and uneasy, even when European NATO allies purchased equipment from non-European suppliers. Only half of one million rounds of ammunition pledged by the EU had been delivered.¹³ President Zelensky stated that Ukraine has received less than half of the \$177 billion the United States allocated to support Kyiv during the full-scale war.¹⁴ In case the new administration in the USA refuses to provide military support to Ukraine, European countries should find ways to cover the gap.

The new EU policies to support the integration of the European Defence and Industrial Base (EDTIB) has already incorporated Ukrainian companies in the industrial consortia that benefit from financial incentives and should be better coordinated in the future¹⁵. After nearly three years of war, Ukraine manages to cover over a third of its battlefield weapon needs through domestic innovations.¹⁶ Notably, Ukrainian-developed weapons like the 2S22 Bohdana self-propelled howitzer, Stuhna-P and RK-3 Corsar anti-tank missiles, and various unmanned aerial systems have proven effective and are more cost-efficient to produce locally. According to a recently declassified report, the United States supported Ukraine by funding drone manufacturers, supplying essential components, and deploying intelligence officials to assist in developing and enhancing Ukraine's drone program, according to sources familiar with the initiative.¹⁷

Meanwhile, Russia's military plants are operating at full capacity, reportedly producing as many missiles in three months as all NATO members do in a year, while North Korea continues to expand its ballistic missile program and supply ammunition and troops to Russia, Iran advances its drone technology and accelerates its nuclear weapons development, and China builds hypersonic missiles, strengthens its navy, and expands its military presence in the Indo-Pacific region—all enabling Russian aggression and enhancing each other's military capabilities through advanced technological exchange, space cooperation, and joint drills.^{18,19}



Russia, as well as its allies, should not be underestimated as a disruptive force in European security

13 Euractiv, "Where Does the EU Stand on Its Ammunition Pledge to Ukraine?" 17 April 2024, <https://www.euractiv.com/section/defence/news/where-does-the-eu-stand-on-its-ammunition-pledge-to-ukraine/>.

14 The Moscow Times, "Don't Pressure Ukraine To Feed Its Youth Into the Mouth of Russia's War Machine," 22 January 2025, <https://www.themoscowtimes.com/2025/01/22/dont-pressure-ukraine-to-feed-its-youth-into-the-mouth-of-russias-war-machine-a87698>.

15 Example: The "Danish model" enables EU countries to finance contracts with Ukrainian manufacturers for the production of weapons for the UAF. Ukraine sets the orders, selecting manufacturers and weapon types, while European nations conduct independent audits of the producers.

This approach accelerates weapon deliveries and boosts production volumes compared to European manufacturing timelines. It also strengthens Ukraine's industrial capacity, as domestic companies, underfunded until now, can finally leverage their full potential.

16 Euromaidan Press, "Ukraine's Domestic Arms Production Triples, Reaching 33% of Military Supply," 15 January 2025, <https://euromaidanpress.com/2025/01/15/ukraines-domestic-arms-production-triples-reaching-33-of-military-supply/>.

17 Julian E. Barnes, "U.S. Reveals Once-Secret Support for Ukraine's Drone Industry," The New York Times, 17 January 2025, <https://www.nytimes.com/2025/01/17/us/politics/ukraine-drones-biden-support.html>.

18 "Zelensky Full Speech at World Economic Forum WEF 2025," YouTube, 25 January 2025, <https://www.youtube.com/watch?v=FhBxvQltM3Y>.

19 Facebook post by Ukrainian MP Halyna Yanchenko, 23 January 2025, <https://www.facebook.com/share/1BZ538mzAM/>



for at least the next decade. Its offensive strategies, encompassing both hard and soft power, as well as hybrid attacks, must be met with serious and sustained containment efforts.

Alongside the war fought on the battlefield, Russia is waging a non-kinetic war against the West, designed to undermine the political resolve and democratic foundations of Western societies. Moscow is fully aware of the potential of this strategy and has structured its efforts around hybrid campaigns, whose toolkit generally includes election interference, weaponized immigration, cyberattacks, disinformation, sabotage of critical infrastructure, and other destabilizing actions. In many ways, therefore, the primary thrust of Russia's efforts is not the kinetic confrontation on the ground, but rather the cognitive war waged on European nations. By manipulating public opinion and destabilizing democratic institutions, Russia seeks to weaken the political will of these countries, attempting to generate the impression of an inevitable Russian victory.

Acknowledging the scope and impact of this threat is the first step in countering it. The West must come to terms with the fact that Russia, along with other systemic rivals such as Iran and North Korea, has not only identified the inherent vulnerabilities within liberal democracies but is actively exploiting them. These threats are, in fact, strategically tailored to target the vast and often unguarded attack surface of our political, economic and social systems.

It is essential to establish permanent platforms for intelligence sharing on information threats, coordination of counter-propaganda efforts, and joint responses to hybrid attacks—from infrastructure cyberattacks to disinformation campaigns. These could include the integration of strategic communications centres, media literacy programs for the public, and joint exercises to counter psychological operations.

Joint mechanisms for information security must be developed to counter hostile information operations, propaganda, and subversive activities. The EU and Ukraine have already agreed to deepen cooperation in enhancing resilience to cyberattacks and foreign information manipulation. A collective information defence approach will protect public opinion and democratic institutions from hostile influence, thereby enhancing societal resilience in the face of modern hybrid threats.

Furthermore, just as during a military emergency resources are allocated to weapons, or to vaccines during a pandemic, massive resources should be allocated to education and the preservation of the young's cognitive abilities, treating it as the existential problem it is.

Equally important is the recognition of the significance of educating decision-makers. In democratic societies, leaders are not chosen based on technical expertise; rather, we trust them to determine which issues merit their attention. However, it is essential that they recognize the nature and extent of these systemic threats if we are to successfully address the challenges they present.



In parallel, allied cyber reserve forces could rapidly exchange threat intelligence, conduct joint cyber exercises, and coordinate responses to cyberattacks. This distributed cyber contingent would offer an asymmetric counter to adversaries, improving regional resilience to cyber sabotage and ensuring collective cybersecurity around the clock.

Russia's full-scale invasion of Ukraine, coupled with a noticeable shift in the United States' geopolitical and geoeconomic priorities, has prompted European Union member states to adopt a more strategic approach to defence and security policy. This recalibration is evidenced by recent



initiatives such as the European White Paper on the Future of European Defence and the ReArm Europe program²⁰. On March 4, the European Commission unveiled a proposed €800 billion defence package aimed at reinforcing Europe's rearmament capacity. However, the financial composition of this package reveals significant limitations: €650 billion is not new funding, but rather constitutes a spending ceiling allocated to national budgets under the Commission's guidance. Only €150 billion represents new borrowing currently under negotiation with the European Investment Bank (EIB).

As recently discussed at the Paris Defence and Strategy Forum, this funding structure implies that meaningful defence cooperation with Ukraine will rely less on centralized public funding and more on robust business-to-business engagement, particularly through joint production frameworks. Ukraine's domestic defence manufacturing capacity has expanded significantly since 2022²¹.

Innovative models of cooperation have begun to emerge. The Danish approach, which involves direct financing of Ukraine's defence industry rather than subsidizing Western arms exports, provides a compelling alternative. However, this model is more viable for states with smaller defence sectors.

While large European defence firms retain access to credit markets, financing remains severely constrained for small and medium-sized enterprises in the defence technology (deftech) sector—despite their increasingly critical role in driving innovation. This asymmetry in financial accessibility threatens to hamper the agility and technological advancement of Europe's defence base.



Until the conclusion of peace talks with firm security guarantees for Ukraine, the coalition of democratic nations should continue to supply Ukraine with a consistent and comprehensive range of defensive and offensive military means to enhance Ukraine's military capabilities. This commitment must also include a firm refusal to agree to Russia's ultimatum of reducing Ukraine's army to pre-invasion levels, curtailing its vividly developing military-industrial complex and, crucially, to close NATO's decades-long open doors for Ukraine.

The misconception that NATO enlargement provokes Russia should be debunked by recognizing that Russia is actually provoked by the lack of it, as well as by perceived weakness and indecisiveness of decision-makers. Russia's invasions of Ukraine and other states over the past decades have never been NATO-related but were clearly driven by RF desire to preserve or expand its sphere of influence. The Kremlin's claims of NATO rapprochement are inconsistent: Finland's membership prompted no response, yet Russia's ambition to occupy Ukraine serves as yet another effort to expand the Russia-NATO border by 1600 km. Meanwhile, neutral Ukraine's shifting restlessly at NATO's doorstep since 2008 only provoked invasions in 2014 and 2022. In 2014, it was caused by nothing else but the signing of a trade agreement with the EU and protests against a Russia-oriented government. In 2022, it was completely unprovoked, except for the Kremlin's broken dreams of Ukraine's willful return under Moscow's indirect control'.

Although Ukraine is deepening cooperation with the Western allies through bilateral agreements

20 https://ec.europa.eu/commission/presscorner/detail/en/ip_25_793

21 <https://www.easterncircles.com/pdsf-2025/>



on security cooperation,²² a higher level NATO presence in Ukraine and NSATU in Germany, they are not yet robust security guarantees, paving a way to Ukraine's sustainable recovery and development.

Developing separate bilateral and small multilateral arrangements based on shared mutual interests could be examples to be better explored. The 100-year partnership between Ukraine and the UK, from one side, while the Joint Expeditionary Force (JEF), from another side, provides another glimpse into future cooperation between Ukraine and its partners.

A new collective security framework, incorporating Ukraine, should be developed to complement and enhance European NATO-members' capabilities. Within this new framework, the formation of multinational military units involving service members from various countries is envisaged. However, this is just another 'security placebo' in the long run.

If peace negotiations result in a genuine ceasefire and sustainable peace agreement, European peacekeepers should be deployed along the line under the condition that their countries commit to joining Ukraine militarily in the event of another Russian attack.

Ukraine should consider renewing its nuclear status as a legally-justifiable instrument of self-defence in case of no robust security guarantees or workable plan from the "coalition of the willing". This will align with broader concerns of countries that have relied on the U.S. nuclear umbrella within the framework of nuclear proliferation efforts, as well as those that have not, making them vulnerable to aggression in a shifting global balance of power, especially given the U.S.'s uncertain stance on its security role in the XXI century.

Not only did Russia violate its obligations under the Budapest Memorandum, but the 2013 Ukraine-China Cooperation Agreement, which elevated China's assurances of Ukraine's territorial integrity to a guarantee, failed to prevent the 2014 invasion. Furthermore, other signatories of the Budapest Memorandum were unable to preserve Ukraine's territorial integrity and deflected from Ukraine's calls for consultations enlisted in the document. However, their role in diplomatically working to prevent a potential nuclear strike on Ukraine by Russia should be acknowledged.



Currently, European allies should advance their deterrence efforts against Russia by considering innovative approaches for Ukraine. The "Sky Shield" initiative deploying fighter jets from European countries, independent of NATO over Ukrainian territory (at least its Western border and Black Sea) may help to safeguard Ukraine's airspace as part of a comprehensive airspace protection plan. Experts estimate that defending Ukrainian airspace effectively may require up to 200 modern fighter aircraft. This would involve allied air forces conducting joint Combat Air Patrols from European bases, capable of rapid response to airspace violations and defending Ukraine's rear regions against missile strikes and drone attacks.

The failure to heed Ukraine's calls to close the sky has cost not only countless human lives but also resulted in billions of dollars in damage. Moreover, there should be no formal or informal limitations on strikes on military targets on the territory of the Russian Federation with western

22 Ukrainian Week, "Ukraine's Bilateral Security Agreements: Crutches on the Long Path to NATO", 26 January 2024, <https://ukrainianweek.com/ukraine-s-bilateral-security-agreements-crutches-on-the-long-path-to-nato/>.



weapons as under international law the entire territory of Russia is part of the battle space on account of the invasion.

The integration of early warning systems—including radar, satellite surveillance, and AWACS—with Ukrainian air defences into a unified system would enable timely threat detection and coordinated neutralisation, effectively establishing a functional air shield over Ukraine and the eastern flank of Europe.

Coordinated efforts should be launched to monitor and protect energy, transportation, and telecommunications infrastructure across Europe—including undersea cables and pipelines in the Baltic and Black Seas. This would involve deploying sensors, unmanned systems, and naval patrols.

In addition to physical protection, strengthening the cybersecurity of energy grids and transport systems is essential. These measures would deter potential provocations while reinforcing Ukraine's integration into the broader European air and infrastructure security architecture.

At the same time, European armed forces should integrate lessons from the Ukrainian Armed Forces and consider their recommendations in the full spectrum of their DOTMLPF-P analysis.²³ As an example, NATO inaugurated the NATO-Ukraine Joint Analysis, Training, and Education Centre (JATEC) in Poland in 2025 to consolidate and expand lessons learned from three years of war in Ukraine.²⁴ The center will focus on cutting-edge areas such as drone warfare, artificial intelligence, space communications, air defenses, and civilian infrastructure resilience, while also addressing how modern technology integrates with traditional battlefield tactics like trench warfare and artillery. JATEC aims to enhance NATO's preparedness for potential high-intensity conflicts, ensuring strategic credibility and fostering deeper interoperability with Ukraine's armed forces.

Broader analysis is needed to recognize critical lessons that Ukraine may not explicitly articulate but are vital for understanding modern conflict dynamics. This should include the ability of low-cost, innovative autonomous systems to overwhelm expensive countermeasures, a tactic effectively demonstrated in Ukraine and the Red Sea. Additionally, European allies will benefit from studying Ukraine's unconventional approaches, particularly in naval operations, which challenge and transcend traditional military doctrine, ensuring such innovative strategies are incorporated into future defense planning as a preparation for the complexities of future conflicts.

23 DOTMLPF-P is the acronym describing non-materiel solutions for capability requirements and stands for:

- Doctrine: the way we fight (e.g., emphasizing maneuver warfare, combined air-ground campaigns)
- Organization: how we organize to fight (e.g., divisions, air wings, Marine-Air Ground Task Forces)
- Training: how we prepare to fight tactically (basic training to advanced individual training, unit training, joint exercises, etc).
- materiel: all the "stuff" necessary to equip our forces that doesn't require a new development effort (weapons, spares, test sets, etc that are "off the shelf" both commercially and within the government)
- Leadership and education: how we prepare our leaders to lead the fight (squad leader to 4-star general/admiral - professional development)
- Personnel: availability of qualified people for peacetime, wartime, and various contingency operations
- Facilities: real property, installations, and industrial facilities (e.g., government owned ammunition production facilities)
- Policy: DoD, interagency, or international policy that impacts the other seven non-material elements.

24 Politico, "Future of Warfare: How NATO Will Learn from Ukraine", 5 February 2024, <https://www.politico.eu/article/future-warfare-how-nato-will-learn-from-ukraine-vladimir-putin-war/>.



Handing Ukraine over to Russia, whether by design or neglect, would ‘gift’ the Kremlin a new generation of Ukrainians—poisoned by propaganda and drawn from a people famed for their battlefield courage—ready to bolster Moscow’s military ranks. A better way suggests making Ukraine one of the strongest pillars of the European security architecture.

Based on the misleading idea on possible decoupling of Russia and China through another futile attempt of West-Russia relationships ‘reset’, it is essential to highlight the evolving rapprochement between the United States and the Russian Federation. China’s infrastructure and transportation initiatives under the One Belt, One Road project, particularly the potential engagement of Black Sea countries, have become a source of growing concern in Washington. Of particular significance is China’s interest in acquiring control over critical infrastructure in the region, exemplified by its involvement in the development of the Anaklia deep-sea port on Georgia’s Black Sea coast.²⁵

It is well established that, under the Montreux Convention, Türkiye plays a decisive role in regulating the presence of non-regional naval forces in the Black Sea²⁶. Beyond this, Ankara actively seeks to advance its economic interests in the region. Additionally, the American Black Sea Security Act, enacted in July 2022, designates Türkiye as “a key ally in the Black Sea region and a bulwark against Iran” (Congress, 2022).

A fundamental aspect of ensuring maritime safety is the implementation and effective enforcement of legal mechanisms within international maritime law, aimed at safeguarding the nation’s priority interests at sea. As a signatory to the United Nations Convention on the Law of the Sea (UNCLOS), Ukraine remains committed to the principles and obligations established under international maritime law²⁷.

The so-called “shadow fleet” in the Black, Baltic Seas, as well as other regions, constitutes more than a mere economic loophole for the Russian Federation; it also represents a substantial threat to global maritime security. These vessels frequently operate beyond the boundaries of international law, utilizing falsified registrations and engaging in clandestine activities²⁸. Conventional international maritime regulations, originally designed for peacetime, require adaptation to address the complexities of wartime conditions. Decisive and innovative measures are imperative to effectively impede Russia’s oil exports.

Baltic states’ suggestions regarding the need to not only sustain professional armed forces but consider conscription, which could help create more combat-ready reserve forces to deter

25 Vdovychenko, Victoria, Albu, Natalia, Chitadze, Nick. “Navigating the Trilemma of (In)security: Strategic Competition in the Black Sea Region.” *Connections: The Quarterly Journal* 23, no. 2 (2024): 117-128.

26 Chitadze, Nick, Vdovychenko, Victoria, Albu, Natalia. “Russia-Ukraine War and Geopolitical Competition in the Black Sea Region”. *ENC Analysis*, June, 2024. <https://encouncil.org/wp-content/uploads/2024/06/ENC-Analysis-Russia-Ukraine-War-and-Geopolitical-Competition-in-the-Black-Sea-Region.pdf>

27 Vasylenko, Volodymyr, Ryzhenko, Andriy, Musiienko, Oleksandr. *Legal Means of Ensuring Maritime Security of Ukraine*. Centre for Defence Strategies, Kyiv, 2022. <https://defence.org.ua/wp-content/uploads/doslidzhennya/CDS-Legal-Means-of-Ensuring-Maritime-Security-of-Ukraine-eng.pdf>

28 Vdovychenko, Victoria. Conference materials. *Beyond borders: Shaping the future of security in the Black Sea region*, Dec.5, 2024. LUISS, Rome. <https://www.cfg.polis.cam.ac.uk/news/beyond-borders-shaping-the-future-of-security-in-the-black-sea-region-2/>



Russia, should be carefully looked into. As NATO Military Committee Chairman Admiral Rob Bauer stressed, there is the need for the Alliance to transform and be ready for an era where unexpected events, including the outbreak of war, could happen at any time.²⁹

The transformation should start with the most pressing issue—defense funding. As military power regains prominence in today's geopolitical landscape, it is crucial to prevent any threats to Trans-Atlantic cooperation within NATO³⁰. The defence spending for the European NATO members should be 3-5% GDP with granting 0.5% (or even more) to the defence spending and military aid to Ukraine. At the moment, some European states struggle to justify increased defense spending and fail to convincingly argue that Russia poses a growing threat to their security.

The strategy of dividing responsibilities—where the U.S. focuses on countering China while European NATO members take charge of European security—requires careful execution, especially since Europe has not yet become a self-sustaining security pillar. U.S. policymakers, across the political spectrum, are increasingly concentrating their foreign and security policy on the Indo-Pacific, Middle East, the Arctic and the growing competition with China. Despite the ongoing war in Ukraine and the persistent threat from Russia, Europe no longer holds the central place in U.S. defense planning that it once did, nor does it receive the majority of resources.

Finally, no single country on this side of the Atlantic can hope to withstand this competition in isolation. The policies of EU member states on critical issues such as investment screening and research security must align, or we risk being played against one another. While the EU's economic security strategy represents an important step toward greater awareness, it cannot suffice as long as the Union remains constrained by the requirement of unanimity. Reforms to the rules are necessary, even if they require a fundamental restructuring of the EU.

29 RBC Ukraine, "NATO Calls on Politicians to Prepare for Prolonged Conflict", 17 January 2024, <https://newsukraine.rbc.ua/news/nato-calls-on-politicians-to-prepare-for-1705488223.html>.

30 The call to not only reach the 2 % "Defence Investment Pledge" by all Alliance members but raise the defense spending to at least 3% of NATO member-states' GDPs should be heeded. During the Cold War, European countries typically spent over 3 % of their GDP on defense.



PART 2. DETERRING RUSSIA'S HARD AND SOFT POWER THROUGH SANCTIONS AND ECONOMIC SUPPORT OF UKRAINE

In order to undermine Russia's ability to continue its aggression in Europe and beyond, the EU gradually introduced a wide range of sanctions, targeting its financial, commercial, transport, energy, and media sectors.³¹ Financial sanctions include freezing the Russian Central Bank's assets (while they should be ultimately confiscated for Ukraine's recovery), prohibiting financing of the Russian government, excluding some Russian banks from the SWIFT system, banning crypto and trust services, and barring Russia from EU public contracts and funds. Commercial measures encompass bans on exporting dual-use goods, advanced technologies, and equipment for Russia's industrial and defense capacities, as well as prohibitions on importing key revenue-generating goods like iron, steel, gold, and diamonds. Transit bans and restrictions on re-exporting sanctioned goods to third countries have also been implemented. Russian aircraft and freight operators are barred from EU airspace and ports, with restrictions on private flights and maritime activities.

Moreover, certain Russian state-owned outlets are banned from broadcasting in the EU, as they act as a propaganda machine aimed at undermining European unity and values. Travel bans, asset freezes, and economic restrictions target over 1,200 individuals and 108 organizations, guided by EU Council decisions from 2014 and beyond. The White House has directed the **State Department** and the **Treasury Department** to compile a list of sanctions on Russia that could potentially be eased.



Confiscation of the Russian assets, amounting to €300 billion (\$325 billion), would signal China on the high costs of a potential attack on Taiwan. Given that Russia might be reluctant to agree on any reparations to Ukraine for its aggression, Kyiv is entitled to not only the interest from the frozen funds, which amount to €4-6 billion (\$4.3-6.5 billion) annually in the EU alone, but the whole amount of the frozen assets. At the current interest rate, it would take 200 years to cover all the damage, not accounting for inflation. It should be noted, though, that the €300 billion do not cover the losses Ukraine has already incurred due to Russian aggression, which various estimates place between 500 billion and 1 trillion U.S. dollars.

Western financial institutions immobilized approximately \$300 billion in Russian state assets after the start of the full-scale invasion of Ukraine by the Russian Federation. However, almost three years into the full-scale war, these assets remain immobilized and no definitive public accounting of them exists. The majority of Russian state assets consisted of debt securities—primarily in the form of sovereign bonds. These instruments were held in custody by central

31 European Commission, "Sanctions Adopted Following Russia's Military Aggression Against Ukraine," https://finance.ec.europa.eu/eu-and-world/sanctions-restrictive-measures/sanctions-adopted-following-russias-military-aggression-against-ukraine_en.



securities depositories such as Euroclear, placing them under the jurisdiction of Belgium and, by extension, the European Union³².

Since then, nearly all of these bonds have matured and been converted into cash holdings—that is, currency deposits maintained by central depositories on behalf of the Russian state in banks across multiple jurisdictions. This transformation from securities into cash has altered the legal character and jurisdictional oversight of the assets. In addition to remaining under the authority of the original custodians, these cash assets are now also subject to the jurisdiction of the issuing states of the respective currencies in which the deposits are held.

A long-overdue reckoning is needed to strip away secrecy and pave the way for meaningful reparations for Russia's victims. First, governments must identify and publicly disclose Russian state assets within their jurisdictions, whether held directly or through intermediaries like Euroclear. Second, banks should be required to isolate Russian funds in separate accounts, preventing them from being commingled with other depository holdings. Third, clear and consistent rules must be set for managing and reinvesting these assets, ensuring they are neither misused nor quietly returned. Finally, a dedicated international trust fund should be established to oversee these assets, ensuring they serve the victims of Russia's aggression. None of these measures prejudge the ultimate fate of Russia's frozen assets, but they are essential first steps in bringing transparency, accountability, and strategic alignment among G7 nations.³³

One of the examples of possible erosion of financial leverage over Russia is a potential return of £25 billion in reserves of the Central Bank of Russia (CBR), currently frozen and held by Euroclear as early as July 2025. There is a real and growing concern that these EU sanctions might lapse, particularly if a member state such as Hungary, exercises its veto power to block their extension. Should that occur, the £25 billion in question, although held within UK jurisdiction, could legally be transferred back to Russia—thus strengthening the Kremlin's capacity to finance its war of aggression³⁴.



Decreasing EU energy dependence on Russia remains essential. The implementation of the European Commission's "REPowerEU" Plan, which guides the EU in diversifying energy sources and strengthening energy security to reduce dependence on Russian fossil fuels and accelerate the transition to renewable energy, should be prioritised. Important aspects here are the change of energy suppliers and acceleration of renewable energy, which also requires a drastic reduction of dependency on China for the supply of critical raw materials.

Continuation of energy sanctions on Russia is essential for limiting investments into the Russian military-industrial complex and strengthening of siloviki bloc. This requires preservation of the

32 Yuliya Ziskina, Jamison Firestone, Aaron Burnett, and Tetyana Nesterchuk (Feb. 24, 2025); Yuliya Ziskina, Anton Moiseenko, & Jamison Firestone, "Resolving Accountability Over Russian State Assets: New Understandings of Jurisdiction and Policy Opportunities," New Lines Institute (Jan. 21, 2025);

33 Ukraine Reparations: The Urgent Case for Action. New Lines Institute for Strategy and Policy, 2025. Source: <https://newlinesinstitute.org/wp-content/uploads/2025116-Ukraine-Reparations-NLISAP-fwd.pdf>.

34 Several articles written by: Yuliya Ziskina, Jamison Firestone, Aaron Burnett, and Tetyana Nesterchuk (Feb. 24, 2025); Yuliya Ziskina, Anton Moiseenko, & Jamison Firestone, "Resolving Accountability Over Russian State Assets: New Understandings of Jurisdiction and Policy Opportunities," New Lines Institute (Jan. 21, 2025); Philip Zelikow, "A Fresh Look at the Russian Assets: A Proposal for International Resolution of Sanctioned Accounts," Stanford U. Hoover Press (Jan. 8, 2024).



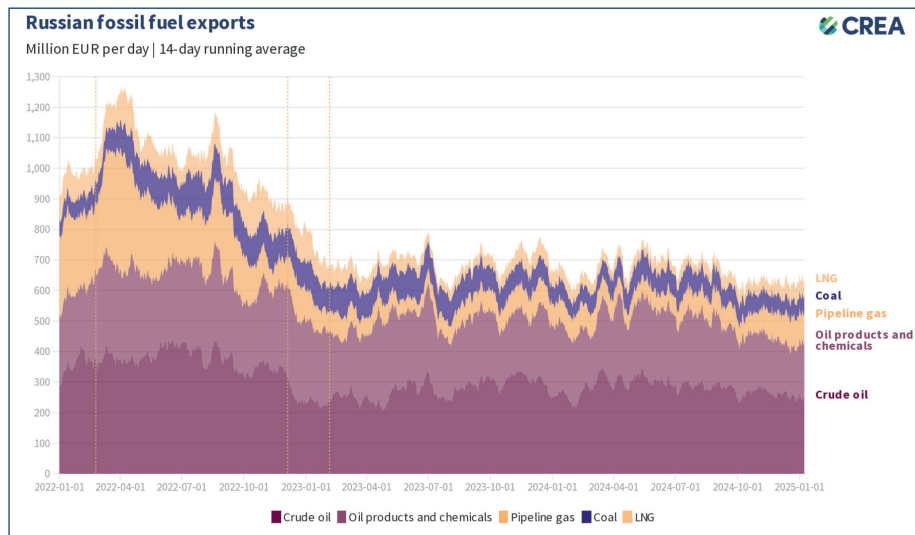
prohibition on new investments in the sector, the export of goods for oil production, and the import of Russian coal, LPG, and seaborne crude oil, alongside implementing the oil price cap.

Russia is earning record profits from LNG, surpassing revenues from its former pipeline exports through Ukraine and exposing weaknesses in Western sanctions. As of October 2024, the EU paid Russia nearly €13 billion for LNG, making it the largest buyer of Russian LNG (49% of exports), followed by China (22%) and Japan (18%). Despite plans to decouple from Russian fossil fuels by 2027 and recent sanctions on LNG transshipment, countries like Belgium, France, and Spain remain reliant on Russian LNG through long-term contracts extending to 2040.

The EU should impose a war tax on Russian LNG, redirecting profits to Ukraine's defense as part of a phased embargo.³⁵ Russian LNG is paradoxically taxed at 0%, even after the EU revoked Russia's most-favored-nation status in 2022, a decision that remains largely symbolic.

It is important to emphasize that the issue of Russia's maritime crude oil exports must remain a central focus, as it constitutes the Kremlin's primary financial lifeline for funding its war efforts. All the more so, considering that half of these oil exports transit through the Baltic Sea, a region largely controlled by European countries—many of whom are Ukraine's close allies and partners³⁶.

While Europe claims the shift towards energy independence, Novatek, Russia's Arctic gas giant, has doubled its share of EU LNG imports, using competitive spot prices to undercut U.S. suppliers and sustain its foothold.³⁷ This approach has proven effective: although EU LNG imports fell in 2024, Russia's share rose to 18.9% in Q3 2024, up from 9.8% in Q3 2023. Thus, while the official numbers of Russia's gains from energy resources export has been decreasing, they are still significant enough to keep Russia afloat. In this regard, claims of the new American Administration to lower oil prices even more may be key to slowing down Russia's military capabilities expansion.



Source: <https://energyandcleanair.org/weekly-snapshot-russian-fossil-fuels-6-january-to-12-january-2025/>

35 International Centre for Ukrainian Victory, "War Tax as a Tool to Weaken Russian Military Machine and Support Ukraine," 28 October 2024, <https://ukrainianvictory.org/publications/war-tax-as-a-tool-to-weaken-russian-military-machine-and-support-ukraine/>.

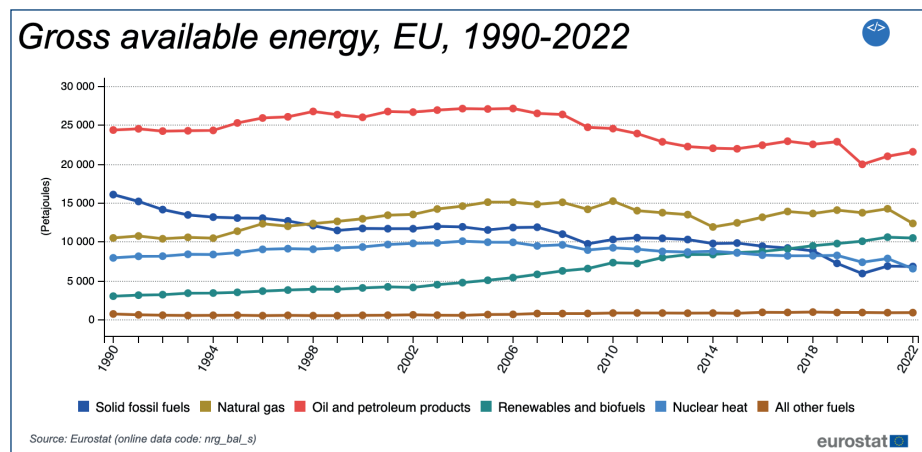
36 <https://www.blackseanews.net/en/read/227990>

37 Savytskyi, Oleh. "Novatek: Putin's Sanctions-Proof Gas Weapon Hiding in Plain Sight," Euromaidan Press, 21 January 2025, <https://euromaidanpress.com/2025/01/21/novatek-putins-sanctions-proof-gas-weapon-hiding-in-plain-sight/>.



Given that the world continues to purchase Russia's energy resources, another measure beyond the existing price cap should be implemented to further reduce Russia's revenue and help Ukraine's reconstruction. Ukrainian MP Olexiy Honcharenko recommended establishing a rent fee set at 30% of the average price at the CEGH gas hub.³⁸ This measure could generate a minimum of 50 billion UAH annually for Ukraine.

One more important aspect is the continued growth of the green energy sector in the EU. While the green shift is still a work in progress, returning to atomic energy is a viable path forward.

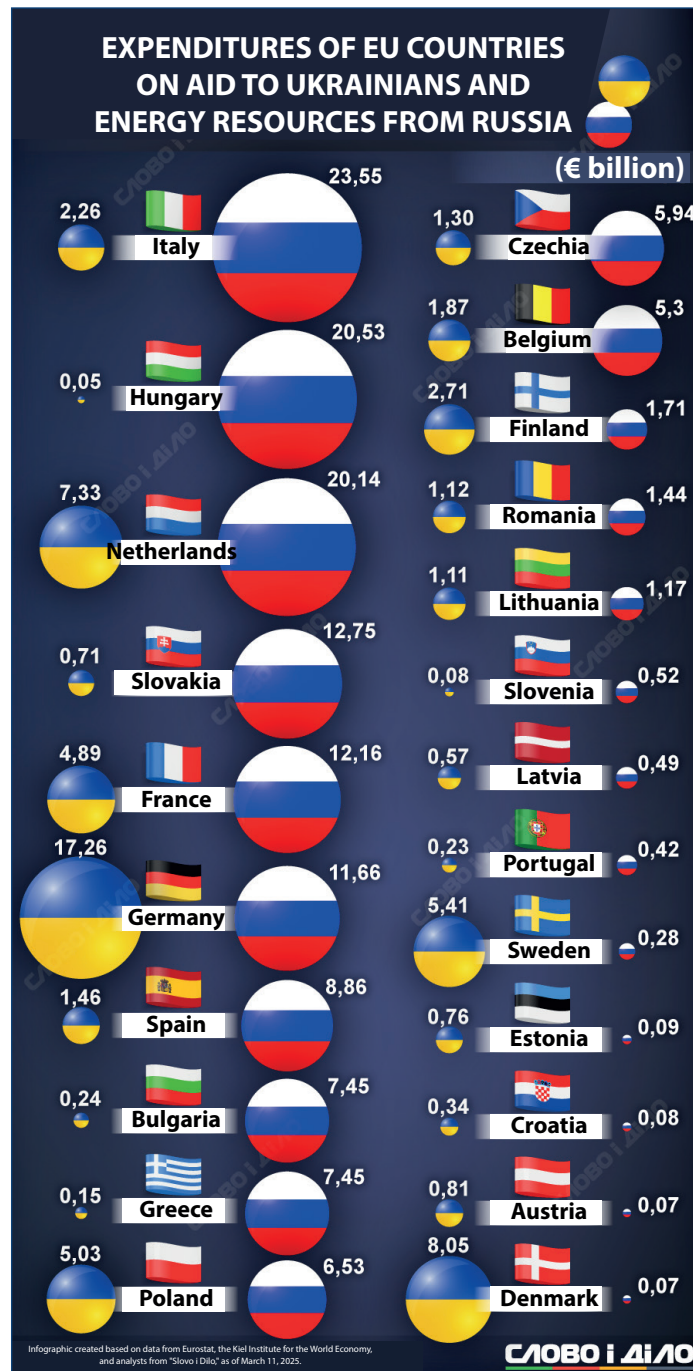


Source: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Energy_statistics_-_an_overview

It should be noted that in 2024, the EU spent 39% more on importing Russian fossil fuels than it allocated to Ukraine.³⁹

38 Goncharenko, Oleksiy. "Ukraine Can Earn 50 Billion Hryvnias Annually from Russia," *Ukrainska Pravda*, 1 January 2024, <https://blogs.pravda.com.ua/authors/goncharenko/66b0af526d50e/>.

39 Korrespondent.net. "The EU Spends More on Oil and Gas from Russia than on Aid to Ukraine – Report." *Korrespondent.net*, 2025. Source: <https://ua.korrespondent.net/business/economics/4758454-yes-vytrachaie-na-naftu-ta-haz-z-rf-bil-she-nizh-na-dopomohu-ukraini-zvit>.



Source: <https://www.slovoidilo.ua/2025/03/12/infografika/ekonomika/dopomoha-ukrayini-vs-import-rosijskoho-hazu-ta-nafty-skilky-hroshej-vytratyly-krayiny-yes>



Russia remains critically dependent on the import of high-tech equipment and components from G7 countries—particularly CNC machinery, industrial electronics, microchips, optoelectronics, specialized software, high-precision bearings, pumps, turbines, and materials essential to its aerospace and missile industries.



Given that domestic production of such items is either limited or technologically outdated, preventing the resurgence of Russia's military capabilities requires not only the maintenance of current sanctions but also a significant enhancement of their effectiveness. This includes robust enforcement measures, notably through the use of the Commercial High-Priority List (CHPL)—a registry of strategically sensitive goods whose export to Russia and Belarus is subject to strict controls to deny them access to advanced technologies—as well as other targeted sanctions instruments.

Despite the adoption of 16 sanction packages by the EU, in 2025 Russia plans to heavily invest in its military sector amounting to 6.31% of its GDP (175 billion U.S. dollars).⁴⁰ Moreover, according to the National Anti-Corruption Commission (NAKO) over 2,000 components from 30 samples of Russian weaponry, including fighter jets, Ka-52 helicopters, Kalibr and North Korean KN-23/24 missiles, and Iranian drones, originate from 22 countries, mainly the USA, Switzerland, the UK, and the Netherlands⁴¹.



A 2024 joint study “Challenges of Export Controls Enforcement: How Russia Continues to Import Components for its Military Production” by the Yermak-McFaul International Working Group on Russian Sanctions and the Kyiv School of Economics demonstrates that export controls remain effective in limiting access to many high-tech products.^{42,43} Still, inconsistency of sanction policies across different jurisdictions creates loopholes for designated companies to continue their operations despite imposed restrictions.

Russia has adapted its supply chains and continues to receive significant volumes of military inputs and goods supporting its economy. This is one example of sanction evasion, while other critical ones are still functioning Russian shadow fleet and liquefied natural gas (LNG) shady deals.

It is important to emphasize that the issue of Russia's maritime crude oil exports must remain a central focus, as it constitutes the Kremlin's primary financial lifeline for funding its war efforts. All the more so, considering that half of these oil exports transit through the Baltic Sea, a region largely controlled by European countries—many of whom are Ukraine's close allies and partners.⁴⁴

40 Militarnyi, “Russia Has Planned a Military Budget of \$175.5 Billion in 2025,” 1 December 2024, <https://mil.in.ua/en/news/russia-has-planned-a-military-budget-of-175-5-billion-in-2025/>.

41 Globalization, Weaponized: Foreign Components in Weapon and Equipment used by the Russian Army. NAKO, 2023. https://nako.org.ua/en/research/globalization-weaponized-foreign-components-in-weapons-and-equipment-used-by-the-russian-army?fbclid=IwY2xjawIMcBZleHRuA2FlbQlXMAABHR370ensC0uM-dRqCghvUaeD-q4vtEM9ZHXUSSR1jFdx-fon-hvJ5WXAfMA_aem_3kfPsjn_KBQTIKlydx2-eg

42 Olena Bilousova et al., “Challenges of Export Controls Enforcement: How Russia Continues to Import Components for Its Military Production,” January 2024, <https://kse.ua/wp-content/uploads/2024/01/Challenges-of-Export-Controls-Enforcement.pdf>.

43 Yermak-McFaul International Working Group on Russian Sanctions, “Yermak-McFaul Group,” Kyiv School of Economics, <https://sanctions.kse.ua/en/yermak-mcfaul-group/>.

44 <https://www.blackseanews.net/en/read/227990>



On the bright side, after three years of slowly unfolding efforts, the International Monetary Fund projects that Russia's economic growth will decline significantly in the coming years. Growth is expected to slow from 3.4% in 2024 to 1.6% in 2025 and just 1.1% in 2026.⁴⁵ This deceleration is attributed to weaker private consumption and investment growth, driven by slower wage increases and tighter monetary policies. This finally challenges the notion that "sanctions do not work," as they have evolved into a comprehensive mechanism, though there remains room for improvement.

Another reason for the delayed effect is heavy support from the other members of the "quartet of chaos." Apart from Russia, it includes China, North Korea and Iran, with a big "fan club" in the Global South. The relationships within this bloc of authoritarian regimes are strategic rather than opportunistic, encompassing trade, military cooperation—including arms sales, joint weapons production and drills, and technological advancements—space programs, cybersecurity, and intelligence sharing. These efforts are bolstered by attempts to establish broader economic alliances and undermine U.S. dominance through dedollarization. The role of states aiding Russia in sanction evasion must be thoroughly investigated, focusing on their growing cooperation with countries like the UAE, Türkiye, Armenia, and Kazakhstan.

The West should be cautious with Russia's open or covert allies. For instance, the long-term trade deficit with China has systematically harmed U.S. manufacturing and job sectors. As of 2023, the EU and China are each other's largest trading partners, with China accounting for 9% of EU goods exports and 20% of EU goods imports. The technological exchange and turning a blind eye on massive corporate espionage, combined with the lure of lower salaries in the East, are likely to backfire. China now constitutes around 31% of global manufacturing, and U.S. and European companies face \$1 trillion in costs to relocate their supply chains from China.⁴⁶ For the first time in 40 years, a range of factors has led to a situation where more money is leaving China than is being invested by stakeholders from the United States, Europe, Japan, and Korea.⁴⁷



Amid growing calls for concessions to Russia in exchange for an unsustainable peace ahead of potential negotiations, there are voices advocating for partial sanctions relief, while the Kremlin expects complete desanctionization.⁴⁸ Special Envoy for Ukraine and Russia Keith Kellogg proposes partially easing sanctions against Russia in exchange for an agreement to cease fire,

45 The New Voice of Ukraine, "World Bank Lowers Ukraine's 2025 GDP Growth Forecast to 2% Amid Ongoing Conflict," 17 January 2025, <https://english.nv.ua/nation/world-bank-lowers-ukraine-s-2025-gdp-growth-forecast-to-2-amid-ongoing-conflict-50482443.html>.

46 Renew Democracy Initiative, "American Companies Are Rethinking China," 18 April 2024, <https://rdi.org/articles/american-companies-are-rethinking-china/>.

47 Renew Democracy Initiative, "American Companies Are Rethinking China," 18 April 2024, <https://rdi.org/articles/american-companies-are-rethinking-china/>.

48 BC-Ukraine, "Orbán Wants to Lift EU Sanctions Against Russia Due to New Trump Era," 17 January 2025, <https://new-ukraine.rbc.ua/news/orb-n-wants-to-lift-eu-sanctions-against-1737107691.html>.



freeze the front line, and establish a demilitarized zone in Ukraine.⁴⁹ If Russia signs a peace deal, sanctions would be lifted entirely.

This is a huge downgrade from the position on the abolishment of sanctions in exchange to the complete withdrawal of Russian troops from Ukraine, reparations and compensation for damage to the country. According to World Bank estimates, the damage for Ukraine currently stands at 486 Billion USD.⁵⁰

Moreover, the complete ‘desanctionization’ of Russia and another “reset” before it fundamentally changes its foreign and domestic policies would be a grave mistake. Even if driven by a desire for peace or to decouple Russia from China, such a move would allow Russia to exploit the relief to bolster its military capabilities. This would pave the way for an even larger war in Europe, particularly if its allies fully commit their support. Sanction relief should be conditioned to a wider range of demands, beyond Ukraine, for example internal reforms. For example, diminishing the size (and influence) of Russian law enforcement is crucial, as they are key pillars of the regime. Russia should also be encouraged to revise its historical memory policies, as these are foundational for societal change and a necessary prerequisite for significant shifts within the country.

Overall, Russian democratization, while not excluded completely as an option, should not be viewed as a primary or fallback strategy in Russian policy⁵¹. Even the formal change of figures in the Kremlin continuing the same or similar line as the current regime should not be casually considered as part of a return to pre-2014 or pre-2022 norms through negotiations at Ukraine’s expense. Short-term solutions often lead to higher long-term costs, as evidenced by Ukraine’s experience.

Proposals for peacekeepers carry their own risks. Deploying troops sympathetic to Russia could destabilize Ukraine further, while Western peacekeepers may prove ineffective if their governments are unwilling to respond militarily to provocations.



Language, religion, and culture also remain potent weapons in Russia’s soft-power arsenal. Moscow’s insistence on protecting the Russian language and church in Ukraine is a thinly veiled strategy to maintain influence and sow discord. Russian narratives about Ukraine oppressing religious rights is pure propaganda, especially given Russia’s own malpractices. It is a good sign that Russian soft power used as an instrument of disruption in the EU is finally recognized and first measures are taken.

Meanwhile, the prospect of a tribunal for Russia’s leadership appears limited to legal debates with no practical outcomes. This raises the concern that Ukraine may never see justice served—already a significant not-by-choice concession.

49 Kizilov, Yevhen. “Peace Plan Proposed by Trump’s Envoy Involves Lifting Sanctions Against Russia – CNN,” *Ukrainska Pravda*, 29 November 2024, <https://www.pravda.com.ua/eng/news/2024/11/29/7486940/>.

50 United Nations Development Programme, “Updated Ukraine Recovery and Reconstruction Needs Assessment,” 15 February 2024, <https://www.undp.org/ukraine/publications/updated-ukraine-recovery-and-reconstruction-needs-assessment>.

51 Expecting that Russia will become more democratic is an obsolete approach. This is a fundamental mistake that Armenia made in relation with Azerbaijan, expecting that this autocratic country will become internally more democratic.



Ukraine and its partners should persist in developing comprehensive reconstruction plans and robust mechanisms for fund oversight. This necessitates a multifaceted strategy, encompassing detailed research for optimal solutions and the enhancement of anti-corruption measures and civic oversight.



To significantly boost Ukraine's economic growth and export capabilities, it is crucial to expedite EU membership without political delays. The country should continue implementing reforms to strengthen governance, improve the business environment, and enhance anti-corruption measures, thereby boosting investor confidence. The midterm perspective on the reform process is presented in the Ukraine Facility Plan for 2024-2027.⁵² Securing export roots under constant threat and supporting high-value industries will help the recovery of Ukraine's economy and may serve repatriation. A comprehensive approach to containing Russia should be central to peacekeeping policies in the region, as detailed in the CEPA report "Containing Russia, Securing Europe".⁵³

To sum up, the uncritical embrace of globalization should be reconsidered, as prioritizing economic interests without a values-based approach can lead to significant risks, especially when dealing with militarily capable countries. Such an approach risks losing decades of hard-won economic gains in a matter of weeks in the fire of war. Relationships with countries like Russia are inherently unstable, as the geopolitical and personal interests of their elites often overshadow the benefits of inter-state cooperation.

52 Ministry of Economy of Ukraine, "Indicators of the Ukraine Plan," 10 April 2024, https://www.ukrainefacility.me.gov.ua/wp-content/uploads/2024/04/indikator-PU_Ukr.pdf.

53 Greene, Sam, et al. Containing Russia, Securing Europe. Center for European Policy Analysis (CEPA), 31 Jan. 2024, <https://cepa.org/comprehensive-reports/containing-russia-securing-europe/>.



PART 3. SUSTAINING UKRAINE'S STRENGTH AND UNITY

A robust and dynamic civil society will likely remain the driver of positive change in Ukraine. Encouraging active citizen participation through education and public engagement initiatives will enhance democratic processes and social cohesion. Investing in capacity-building and providing platforms for diverse voices will empower civil society to contribute significantly to national development and democratic resilience.

Western governments should refrain from pressuring Ukraine to pursue immediate normalization with RF or Ukrainian-Russian reconciliation.⁵⁴ Genuine reconciliation will necessitate profound political and social changes within Russia, which may be guided by Russia's defeat or learning from Ukraine's experience of transformation as a post-Soviet state, its democratization and nation-building. As of now Russia has weaponized all classical reconciliation mechanisms- historical, structural, and instrumental-remaining an existential threat to Ukraine and all other nations that fell victims to its imperialism.

Though, initial steps towards reconciliation could include restorative justice measures such as holding accountable those responsible for war crimes, providing reparations, repatriating abducted children, and addressing distorted historical narratives.

In the context of Ukraine's ongoing war and recovery, premature initiatives for reconciliation with Russia risk undermining Ukrainian society. The diverse impact of the conflict on various affected groups, coupled with insufficient resources for tailored support, makes careful consideration imperative, ensuring that Ukraine's sovereignty or recovery process are not compromised.

In September 2024, a study titled “(Dis)United: Polarization in Ukrainian Society” by Civic Network OPORA and the Kyiv School of Economics offered a closer look at the supposed fractures within Ukraine.⁵⁵ The findings were striking—not for the depth of division but for the gap between perception and reality. While the data revealed minimal polarization, the belief that Ukrainian society is deeply fragmented remains widespread, amplified by social media, anonymous Telegram channels, and political rhetoric.

This perception is not accidental. It is the product of a relentless, well-orchestrated campaign. Russian disinformation has long relied on the divide-and-rule strategy, exploiting cultural, linguistic, and regional distinctions to erode Ukraine's internal cohesion. Narratives of division—whether between soldiers and civilians, those who fled and those who stayed, or Ukrainian and Russian speakers—are carefully seeded in anonymous online spaces. Over time, even those who recognize these tactics begin to internalize the idea of a fractured society.

54 Davlikanova, Elena. The Narrow Bottleneck of Ukraine-Russia Reconciliation. Center for European Policy Analysis (CEPA), 8 Aug. 2024, <https://cepa.org/comprehensive-reports/the-narrow-bottleneck-of-ukraine-russia-reconciliation/>.

55 Civic Network OPORA and Kyiv School of Economics. “(Dis)United: Polarization in Ukrainian Society.” OPORA, September 2024, <https://oporaua.org/viyana/roz-yednani-polyarizaciya-v-ukrayinskomu-suspilstvi-25505>.



But Ukraine's true strength lies in the opposite direction. The war has forged an unprecedented sense of unity, built on shared sacrifice and a collective determination to resist annihilation. Differences exist, as they do in any society, but they are neither entrenched nor insurmountable. The real danger is not polarization itself, but the acceptance of polarization as an unavoidable reality.⁵⁶



Conclusions

As of the beginning of 2025, the stakes for Ukraine and the global order could not be higher. The past years have exposed the vulnerabilities of the international system, as Russia's aggression against Ukraine has not only destabilized the region but also tested the resilience of democratic values worldwide. The West's response thus far has been a mix of commitment and hesitation, but the lessons of the past have been clear: half-measures and indecision only embolden aggressors and lead to greater instability. The future of Ukraine, and by extension the broader security of Europe and the democratic world, depends on how we act now.

To prevent Ukraine from becoming a victim of geopolitical complacency, Europe and its partners must take a bold, strategic approach. First and foremost, military support must remain resolute until a just and sustainable peace is achieved. Ukraine's ability to defend itself, while extraordinary, cannot be left to falter in the face of a ruthless aggressor that has a history of commitment violation. Most importantly, policies must include strengthening Ukraine's capacity to defend its sovereignty for the long haul.

Alongside defense, Ukraine's economic recovery will be a crucial determinant of its resilience. The war has ravaged Ukraine's economy and human capital, and rebuilding will require sustained international investment and human-oriented programs. This assistance must come with robust mechanisms to ensure accountability and transparency, ensuring that every euro and dollar spent goes toward rebuilding Ukraine as a prosperous, democratic nation.

Yet, perhaps the most important dimension of support will lie in Ukraine's democratic development. Ukraine has proven itself to be a resilient and democracy-aspiring society, but the war has exacted a heavy toll on both authorities and civic institutions. Despite the immense challenges posed by Russia's full-scale invasion, Ukraine has made significant strides in aligning its legal and institutional frameworks with European standards, securing the status of an EU candidate country and achieving key reforms in areas such as judicial independence, anti-corruption measures, and public administration.

Finally, there is the question of Russia. While the need for a lasting peace is clear, it must not come at the cost of Ukraine's sovereignty. Weak security guarantees for Ukraine will invite further aggression. Any premature efforts to reconcile Ukraine with Russia would be misguided and ultimately undermine the very foundation of Ukraine's recovery. Russia has shown no signs of changing its imperialistic goals and aggressive means, and until that happens, diplomatic overtures should be carefully calibrated to ensure Ukraine's security remains the foremost priority.

56 Odarchenko, Kateryna, Davlikanova, Elena. 2024. "How Divided Are United Ukrainians?" Wilson Center, December 17, 2024. <https://www.wilsoncenter.org/blog-post/how-divided-are-united-ukrainians>.



In sum, Ukraine's allies must adopt a long-term vision for Ukraine—one that not only addresses its immediate needs but also helps secure its future as a sovereign, democratic nation at the heart of Europe. This will require a steady, unwavering commitment to Ukraine's defense, economy, and democratic institutions, as well as a refusal to be swayed by the temptation of far-fetching compromises with an unrepentant Russia. The choice is clear: the West either stands with Ukraine and ensures its future, or risks the collapse of a democratic bulwark at the heart of Europe, with consequences felt far beyond its borders.

In this context, Ukraine's perspective on Russia cannot be dismissed as just another regional grievance—it is rooted in the lived experience of two genocides within a century, systematic russification through repression, and the brutal targeting of pro-Ukrainian and pro-Western populations in occupied territories. These are not historical footnotes but an unbroken pattern of imperial control, offering a firsthand account of Russia's true nature.

For more than 30 years, warnings from Eastern Europe and the Baltic states were met with polite indifference or strategic wishful thinking in the West. The result has been catastrophic: an emboldened Russia, unchecked aggression, and a full-scale war on European soil. Now, as Ukraine continues its fight against all odds, its insights into the Russian Federation must be treated as a strategic resource—not ignored until the next 'unimaginable' crisis.



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