CEE: Risks of a bad deal for Ukraine—and Europe

- An unfavorable ceasefire deal would leave Ukraine without robust security guarantees, ease sanctions on Russia, and accommodate Moscow's demands for a new European security framework.
- Despite limited leverage, Kyiv would not automatically approve a deal that effectively amounts to its surrender.
- A bad deal would heighten the risk of renewed Russian aggression against Ukraine and other CEE countries while emboldening Putin to challenge global institutions and the international order.

The first US-Russia ceasefire talks on Ukraine offered little cause for optimism for Kyiv. Washington has signaled willingness to consider several Russian demands that undermine Ukraine's long-term security, while the bilateral format and thawing US-Russia ties raise concerns about a ceasefire deal that may be highly unfavorable for Ukraine. US President Donald Trump's criticism towards Ukrainian President Volodymyr Zelensky is driving anti-American sentiment in Ukraine and heating up Transatlantic tensions.

A 'bad' deal

A bad deal would omit robust long-term guarantees for Ukraine's security, such as a NATO membership, a deployment of a sufficiently capable peacekeeping forces to enforce a ceasefire, or significant investments into Ukraine's own military capabilities. In addition, a swift and significant easing of sanctions on Russia's energy, financial, technological and military-related sectors as well as the release of frozen central bank assets would also constitute major risks for Kyiv as it would facilitate Russia's economic recovery and military reconstitution. Finally, any bilateral agreement between the US and Russia on a new security architecture in Europe would pose significant risks not only to Ukraine but also other European countries. Some of the most notable Moscow's demands outlined in December 2021 included: (1) pulling back NATO and US military forces from Russia's perceived sphere of influence (Eastern Europe, the South Caucasus and Central Asia) and banning military exercises in these regions; (2) stopping further NATO expansion; (3) placing limits on the deployment of nuclear weapons as well as short-and medium-range missiles in Europe. Essentially, these demands require the US and NATO to pull back from Russia's perceived sphere of influence, which largely coincides with former USSR/Warsaw pact countries.

Would Ukraine accept it?

With limited options and little chance of sustaining the war without US military support, Ukraine is unlikely to approve a deal negotiated by Trump that effectively amounts to a surrender. Such an agreement would lack public backing, and Zelensky would be reluctant to risk his legacy after three years of unyielding defense and significant sacrifices. In this scenario, Kyiv would seek greater European military support and a broader European strategy to address the crisis, potentially even engaging non-European countries like China. Before signing any deal, Zelensky might call for elections—possibly alongside a referendum on the agreement—aiming to secure reelection, buy time, and gain public rejection of an unfavorable agreement. However, holding a free and fair election after three years of war would require overcoming significant security and logistical challenges.

Local and regional implications

Without credible security guarantees, Ukraine would face a high risk of destabilization or another Russian invasion, threatening its sovereignty. Moscow would use sanctions relief to stabilize its economy, rebuild military capabilities, and learn lessons from the failed 2022 offensive. A European peacekeeping force without US military backing or NATO's Article 5 protection would serve as a weak deterrent to Putin— assuming one could even be put together. The persistent war threat, combined with the lifting of martial law restrictions, could drive millions of Ukrainians westward, thereby further weakening the country's undermanned military and deterring foreign investment critical for post-war recovery. If occupied or subjugated, Ukrainian resistance would likely shift to a prolonged insurgency, turning Europe's second-largest country (after Russia) into an ongoing source of regional instability.

A Russian takeover of Ukraine—directly, or indirectly through a puppet administration—would deliver a significant economic boost to Moscow and embolden Putin to expand Russian influence across Central and Eastern Europe (CEE). Moldova could be the next target, given its frozen conflict, deep social divisions, and preliminary steps toward EU accession. Russia may also escalate pressure on the Baltic states despite their NATO membership, exploiting narratives about alleged ethnic Russian rights violations in Estonia and Latvia or Lithuania's supposed territorial claims over Kaliningrad. Any NATO pullback or internal divisions within the alliance would increase the risk of Russian destabilization or even military action against these countries, posing a risk of a wider war with other European/NATO countries. In parallel, the Kremlin would likely escalate hybrid warfare against Western Europe and intensify efforts to challenge US interests globally.

A Russian victory would erode trust in Western security guarantees and the rules-based international order. A weak ceasefire deal rewarding Putin could set a dangerous precedent, encouraging other leaders to pursue political objectives through force. This could trigger new conflicts in the wider region, including in Europe, where Serbia might seek to take over Kosovo, Hungary could set its sights on Ukraine's Transcarpathia region, and Azerbaijan might use force to establish the Zangezur corridor through Armenian territory.

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