



THE RETURN OF GLOBAL RUSSIA

Russia's Vaccine Diplomacy Is Mostly Smoke and Mirrors

GRACE KIER AND PAUL STRONSKI

In August 2020, Russian officials hailed the launch of the Sputnik V COVID-19 vaccine as a major victory for Russian science, innovation, and diplomacy. They claimed Russia had trumped the West by bringing an effective two-shot vaccine to the global market faster and that the breakthrough would reverberate worldwide. Twelve months later, Sputnik V has failed to live up to the hype, and its developers at the state-run Gamaleya Institute in Moscow and the Russian Direct Investment Fund (RDIF), the country's sovereign wealth fund, are growing uncomfortable under global scrutiny.

MORE HASTE, LESS SPEED

Data published in the UK medical journal *The Lancet* indicate that the Sputnik V vaccine is safe, boosts survival rates of people infected, and slows transmission of the deadly disease. However, lingering questions about data discrepancies and the lack of transparency caused an international group of scientists

to question the findings in an [open letter](#) to the journal. Part of the problem is that the Gamaleya Institute [rushed](#) through clinical trials to get it on the market before all others, raising questions about the vaccine's safety and slowing important regulatory approvals from the EU and the WHO.

The RDIF also misplayed global marketing of the vaccine. Distribution in Russia and neighboring countries as well as exporting of the vaccine have been hampered by [production problems](#) and a failure to manage global supply chains. International sales and distribution are increasingly overshadowed by reports of inflated prices and [corruption allegations](#). Customers in various countries now [want](#) their money back for overpriced or undelivered supplies. Worse, COVID-19 is ravaging the Russian people in yet another deadly wave this summer, due in large part to Russian citizens' own vaccine [hesitancy](#) and [questions](#) about Sputnik V's efficacy—issues that Moscow's rush to be first in the world helped to create.



Despite all the Russian government's propaganda about Sputnik V, average Russians do not [trust it](#), a problem that is now reverberating across [the former Soviet Union](#). Low trust in government actions and fatalistic attitudes are hardly new phenomena in Russia. However, Russian government efforts to [downplay](#) the virus during the first wave of the pandemic in 2020 and to play up the mistakes of Western countries led many Russians to become [skeptical](#) of the need for enhanced public health measures to reduce the virus's spread. Russian [disparagement](#) of other vaccines since then has enhanced overall skepticism toward vaccination in general, with Russians often expressing hesitancy to receive any shot, not just Sputnik V.

While vaccine distribution centers across Russia initially had a glut of vaccines for months, the latest wave of COVID-19 has led some Russians to reconsider that reluctance to get vaccinated, increasingly leading to Sputnik V supply shortages at home. Furthermore, the [less effective](#) and lesser-known Russian-produced EpiVac vaccine is sometimes the only option for residents of smaller cities and remote areas. As a result, Russia's vaccination rate is just [16 percent](#), one of the lowest in Europe and behind many countries including Azerbaijan, Cuba, El Salvador, and Morocco.

A BOTCHED ATTEMPT TO ENCOURAGE VACCINATIONS

To redress the problem, Russia rolled out new requirements for certain groups of workers and within specific regions that [mandate](#) or incentivize vaccination, including providing vaccinated Russians easier access to restaurants and recreational activities if they uploaded proof of vaccination to a central database. They received a [specialized QR code](#) to show at arrival.

However, instead of increasing vaccination rates, this QR code policy led to new corruption schemes as Russians sought ways around the system, including via purchasing [doctored vaccine records](#) on the black market. Technology [hiccups](#) related to the QR code also reduced

the program's efficacy. All these problems caused the city of Moscow to scrub the program in late July 2021.

SPUTNIK V'S SLICK GLOBAL MARKETING

Despite these problems at home, RDIF, headed by Kirill Dmitriev, has been marketing Sputnik V globally on behalf of the Russian state. Dmitriev, a [Kremlin insider](#) with a bachelor's degree in economics from Stanford and a master's degree in business administration from Harvard, is fluent in English and serves as a public champion of Sputnik V internationally. In fact, he has been deployed by Russian President Putin in the past to conduct [sensitive operations](#) for the Kremlin, including late 2016 through early 2017, when Dmitriev was involved in back-channel diplomacy arranged by the Emiratis to the then incoming administration of former U.S. president Donald Trump. Recently, Dmitriev has sought to improve the vaccine's (and Russian science's) public image through numerous [interviews](#) and has helped to broker high-profile deals with influential countries to buy the vaccine—again often through back channels and through his existing connections to the UAE.

Argentina, Ghana, Hungary, India, Mexico, Nigeria, Peru, the Philippines, and the UAE are among almost seventy countries that have all authorized Sputnik V's use and distribution. They and other states have struck deals with the RDIF to buy millions of doses, and in some cases, even made agreements to [produce it domestically](#). Such deals made sense in late 2020 and early 2021 when there were limited other options. Russia's Sputnik V was particularly attractive when Europe and the United States struggled with vaccination rollouts, amid [accusations](#) the West was hoarding vaccines while leaving others unprotected for years to come. The deals also likely boosted Dmitriev's personal reputation within the Kremlin, and this bid for improved patronage in Russian elite circles was as much a motivator for him as the lucrative financial benefits to the RDIF and vaccine middlemen.

DASHED EXPECTATIONS

Yet Russia's COVID-19 vaccine diplomacy has fallen far short of its original goals and has disappointed global public health officials eager for alternatives to the mRNA vaccines that are difficult to produce and store. Although Russian officials initially suggested the Sputnik V vaccine would be a key part of the global solution to the pandemic, Moscow has made only minimal contributions to the COVAX program, a WHO initiative to supply vaccines to poorer countries and emerging economies. The EU, United States, and other developed economies are major contributors to COVAX, although the program has been badly hobbled by rich countries' stockpiling of vaccines for their own populations. However, Moscow essentially opted not to participate in COVAX, either through financial contribution or in-kind doses of Sputnik V. Instead, the RDIF has focused on commercially based bilateral deals in various parts of the world.

However, the RDIF is also having trouble fulfilling its commercial contracts for the vaccine. As of May 2021, Russia reportedly had produced only 33 million doses out of 800 million it had promised. Dmitriev and the fund instead appear to be part of a smoke and mirrors exercise. With few exceptions, Russia has failed to deliver on many of its signed agreements, leaving some recipient countries, particularly in Africa, with only enough doses to vaccinate a few thousand elites. While the fund continues to push snappy public relations materials and social media campaigns lauding Sputnik V's global success, international supply problems have left countries that rely on Sputnik V without enough doses to vaccinate their populations, including the elderly and other vulnerable groups.

Argentina is witnessing a public uproar because several million people have been waiting for over three months for their second Sputnik V dose due to supply problems. The RDIF's failure to deliver forced the Argentine government to raise the issue with Moscow in a scathing letter critical of Russian missteps that was leaked to the

Argentine press. Buenos Aires's decision to rely largely on Sputnik V has created political uncertainty for the center-left Argentine President Alberto Fernández, who suffered a COVID-19 breakthrough case of his own two months after being inoculated with Sputnik V. Since assuming office in 2019, Fernández broke with his predecessor Mauricio Macri's skepticism toward Moscow and pivoted toward a more Russian-friendly stance reminiscent of former president Cristina Fernández de Kirchner (who incidentally is back in government as Argentina's vice president.) The current Fernández government is accused of making a geopolitical choice in its decision to spurn vaccines of European or American origin and to rely on Sputnik V instead, although current supply problems have caused Buenos Aires to start seeking alternatives in recent weeks. Similar delays with Sputnik V deliveries have been documented in Bolivia, Guatemala, Mexico, and the Philippines, complicating those countries' ability to fully immunize at-risk populations.

SHADY DEALS AND PROFITEERING

Unfortunately, there is a growing body of evidence indicating that the RDIF's marketing arrangements have involved overpricing and potential corruption schemes. In November 2020, the fund officially announced that Sputnik V would be sold for \$10 a dose, cheaper than the Pfizer vaccine but still more expensive than the AstraZeneca-Oxford University shot, which is sold at cost. However, it appears that in many cases Sputnik V is being sold for much more than the initially announced price. Furthermore, Dmitriev's ties to the UAE appear to be coming back to haunt him in a new context. Investigative reporting in Russia has uncovered a convoluted scheme in which the RDIF gave a UAE firm exclusive Sputnik V resale rights at inflated prices to at least five countries in Africa, Asia, and the Middle East.

The government of Ghana, for example, recently cancelled a commercial contract to purchase Sputnik V through a UAE broker at \$19 per dose (roughly double



the normal price) amid a parliamentary inquiry over corruption in vaccine procurement and non-delivery of the required doses. Similarly, Kenya blocked the use of Sputnik V after the country's first 75,000 doses were revealed to have been delivered through the same UAE middleman, at twice the suggested price, as opposed to directly from the RDIF as Nairobi had expected. Kenyan health authorities initially were concerned the doses the country had received were counterfeit, particularly after Russian Embassy officials in the country confirmed there was no deal between the Kenyan and Russian governments on importing Sputnik V. Yet they were legitimate Sputnik V doses, imported and procured by a private Kenyan pharmaceutical company and offered to consumers at some local clinics for up to \$70 per shot.

A LACK OF DATA

Despite the EU's stated willingness to consider Sputnik V for emergency use, the vaccine's Russian developers have repeatedly missed deadlines to pass key data on its use to the European Medicines Agency—the EU regulatory body that decides on emergency use authorization for the entire bloc. Scientists and regulators in other countries, including the RDIF's priority marketing targets like Brazil and South Africa, have raised questions about vaccine efficacy and the timely provision of data. Although Brazil and South Africa are partners of Russia in the BRICS consortium, Brazil's regulator flagged concerns about the vaccine's safety before only allowing some states to import the vaccine under highly constrained conditions. South Africa has a rolling emergency authorization approval process and has yet to officially approve the vaccine. There initially were concerns in spring 2021 about its efficacy against the South African variant of the disease, and the continued delay in approval now appears tied to insufficient data being supplied from the Russian side.

Russian officials respond to questions about Sputnik V with fury. When international regulators or scientists question the vaccine's efficacy and refuse to authorize its

use, Russian developers do not rush in with additional data. They instead complain about market access and unfair competition from Western pharmaceutical companies in key markets. Russian officials also play to anti-Western sentiment, even claiming France's hesitancy to approve Sputnik V is akin to “racism, imperial hegemony and neo-Nazism,” a message that likely is intended to sully Paris's image on the African continent where the two countries have been locked in a media disinformation campaign. Russian-friendly media in Africa appear to be trying to amplify that message.

OVERPROMISING, UNDERDELIVERING

Sputnik V's problems, however, are illustrative of Russia's domestic and international challenges. The Russian population is skeptical of its own government and quick to find ways around government measures, which has exacerbated the public health crisis and prolonged Russia's economic distress. Internationally, Russia's growing aspirations for great power status have been far more symbolic than substantial, and its attempt to bolster its reputation in the Global South (Africa, Latin America, Asia) through marketing Sputnik V is running into reality.

Restricted by significant resource problems and hemmed in by its own narrative of Sputnik V's promise, Russia has had only limited successes in working toward its goals. Further, by overpromising and underdelivering, Russia is losing a real opportunity to provide vaccines to those countries in dire need of them, especially amid rising global concern about wealthy Western countries stockpiling doses. Moscow's decision to effectively abstain from the COVAX program has done little to address the global public health emergency.

The distribution of Sputnik V is increasingly looking like an opportunity for personal enrichment and patronage for Kremlin insiders and middlemen. Instead of bolstering Russia's image and its reputation for

innovation, corrupt deals like those offered to Kenya or Ghana and the failure to deliver on its contract requirements in Argentina tarnish the image of Russian science and industry. Sputnik V is proving to be another example of Russia's ambitions exceeding its capabilities.

ABOUT THE AUTHORS

Grace Kier was a James C. Gaither Junir Fellow in the Russia and Eurasia Program 2020-2021.

Paul Stronski is a senior fellow in Carnegie's Russia and Eurasia Program, where his research focuses on the relationship between Russia and neighboring countries in Central Asia and the Southern Caucasus.



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