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THE RETURN OF GLOBAL RUSSIA

In Mexico, the Window on Russia's Vaccine Diplomacy Is Closing

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Throughout the presidency of Andrés Manuel López Obrador, the Mexican government has looked for symbolic and tangible ways to diversify the country's economic, trade, and foreign policy dependence on the United States. The offer by Russian President Vladimir Putin in January 2021 to provide 24 million doses of the Sputnik V vaccine to Mexico gave his populist counterpart a chance to do just that.

Since the earliest days of the coronavirus pandemic, Russia has promoted itself as a provider of crucial humanitarian and technical assistance to countries struggling to respond. Created by the Gamaleya National Center of Epidemiology and Microbiology with financing from a sovereign wealth fund, the Russian Direct Investment Fund (RDIF), the Sputnik V COVID-19 vaccine took center stage in this effort. Yet, as demonstrated by earlier Carnegie research in this series, Moscow has pursued a "style-over-substance" approach to promoting the jab. Failures to gain speedy regulatory approvals or to navigate global supply chains have hampered the rollout of Sputnik V in key regions. This inability to deliver doses in a timely manner and unfulfilled promises to transfer production to the Global South have damaged Sputnik V's image in large parts of Latin America and elsewhere. The war in Ukraine has eroded its prospects even further. Events in Mexico stand as an important case study of the broader pattern.

BACKGROUND

Engagement between Russia and Mexico dates back to the Soviet era. Moscow has eyed several of the largest economies in the Western hemisphere—such as Argentina, Brazil, and Mexico—as potential partners in the pursuit of its vision of a multipolar world. It has also been eager to grow its economic and political footprint in the region to unnerve the United States. Although Russia largely disengaged from Latin America after the Cold War, successive Mexican government and business leaders have repeatedly welcomed their Russian counterparts, including two visits by Putin and multiple ministerial-level engagements. This cooperation has facilitated a limited amount of Russian trade and investment in Mexico, focused primarily on the aviation, fertilizer, and hydrocarbon sectors. The two countries have also signed several agreements to cooperate in the spheres of science, technology, innovation, and tourism. Much of this engagement has been symbolic, but that aligns with the agenda of López Obrador, who has been critical of Mexico's overreliance on the United States.

That set the stage for Russia to target Mexico in its vaccine diplomacy. RDIF dispatched 2,000 doses of Sputnik V as a marketing gambit just weeks after formal Russian government approval in autumn 2020. Eager to highlight worldwide interest in the vaccine, RDIF announced a deal in September 2020 to sell 32 million doses to the country, pending approval by the Federal Commission for the Protection Against Sanitary Risk of Mexico (COFEPRIS). RDIF eventually received regulatory approval for a smaller quantity, 24 million, which was sufficient to fully vaccinate about 10 percent of the Mexican population. Both countries hailed the deal as key to Mexico's and Latin America's pandemic recovery.

A RUSHED DEAL

News of the Sputnik V deal came just days after López Obrador tested positive for COVID-19 in January 2021 and amid accusations that his administration had poorly handled the pandemic. Death rates reached their highest level in early 2021; hospital occupancy in some places was over 90 percent; and the virus had spread through the senior levels of government. The administration hoped to turn the tide with an early inoculation campaign. Launched in December 2020 using the Pfizer mRNA vaccine, the campaign stumbled immediately due to production interruptions at the company's factory in Belgium. By mid-January 2021, Pfizer had shipped only 219,000 of 436,000 expected doses to Mexico, highlighting the disparities in vaccine access experienced throughout the developing world.

López Obrador reached out to newly inaugurated U.S. President Joe Biden on January 22, 2021, with

a request for vaccine assistance, showing he is not averse to seeking U.S. help. The Biden administration initially denied the request due to its own struggles in launching the mass inoculation of the U.S. population. The Mexican president then turned to Putin. After a January 25 phone call, he announced that 24 million Sputnik V doses would arrive within two months. López Obrador found alternatives elsewhere too, signing deals with the COVAX program and with several Chinese manufacturers.

Mexico's decision to use Sputnik V was controversial because the country's authorities had yet to receive a formal application for it emergency use, according to Undersecretary of Prevention and Health Promotion Hugo López-Gatell. COFEPRIS thus found itself under intense pressure from López Obrador and his team to approve the jab, although health officials were reticent due to missing data from Sputnik V's stagethree clinical trials. That data gap continues to stymie approval of a request for emergency use authorization by the World Health Organization (WHO).

López Obrador dispatched López-Gatell to Argentina, which had approved Sputnik V a few weeks before. The Argentine authorities, with the permission of Russia, handed over the stage-three trial data in Spanish that they possessed. Approval by COFEPRIS came on February 3, just a week after the Putin and López Obrador phone call. The rushed process raised concerns among the Mexican president's political opponents, some of whom expressed concern efforts to weaken oversight and transparency at COFEPRIS, once known as one of Latin America's most stringent regulators. Opposition politicians questioned the decision to sign such a large deal for a vaccine that had yet to receive major international approval, dismissing Sputnik V as an untested drug whose developers had skipped over important stages, questions, and procedures in their haste to produce the world's first COVID-19 vaccine.

Concerns have lingered in Mexico over political interference in fast-tracking the regulatory process and the decision to purchase Sputnik V before its



Russian Foreign Minister Sergei Lavrov (right) and his Mexican counterpart, Marcelo Ebrard, hold a joint press conference following their talks in Moscow on April 28, 2021. (Photo by YURI KOCHETKOV/POOL/ AFP via Getty Images)

stage-three results were widely available. Public health experts suggest this state of affairs has contributed to vaccine hesitancy and perceptions of vaccine inequality in communities where only "second-class vaccines" are available.

Revelations about counterfeit Sputnik V doses further compounded these concerns. On March 18, 2021, the Mexican authorities seized a batch of these fake vaccines in transit to Honduras. A week later, over 1,000 people, including factory workers, were injected with counterfeit Sputnik V doses in the town of Campeche. Given these problems and the lack of WHO approval, many Mexicans have preferred other vaccines, whenever available.

DELIVERY DELAYS

Russia dispatched the first 200,000 Sputnik V doses to Mexico on February 22, 2021, filling most of the shortfall caused by Pfizer's production interruption in Belgium. Yet, deliveries slowed in spring 2021 amid Sputnik V's well-documented global manufacturing problems. Only about 1.9 million of the promised 24 million doses had arrived on schedule by May 2021, leading Foreign Minister Marcelo Ebrard to fly to Moscow to try to break the logjam. However, with limited supplies globally, there was no quick solution.

Ebrard announced that the Mexican state-owned pharmaceutical company Birmex would address the shortfall by establishing a local, finish-and-fill bottling operation for the Russian vaccine. Yet, it appears that the details were not worked out in advance. The first test batches of locally filled Sputnik V vials were only produced in July, while the negotiations over establishing the plant lingered until October. By the time Birmex signed a Sputnik V production agreement on October 14, 2021, Mexico was already bottling the Chinese CanSino vaccine and the British-Swedish AstraZeneca vaccine. The local bottling of Sputnik V had not started as of late March 2022, with the Russian side having failed to transfer the vaccine technology and Birmex not having built a production facility. New U.S. and EU sanctions imposed against RDIF in response to Russia's invasion of Ukraine will likely add more complications to Sputnik V's global rollout, although

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the Mexican government still maintains that it intends to move forward with the project.

Given the Sputnik V delays, López Obrador has benefited from a decision to order vaccines from multiple suppliers. As a result, the problems created by Sputnik V shortages have been less acute in Mexico than in many other countries, like Argentina or Guatemala, that highly depended on the Russian jab. By May 2021, 27.1 million vaccine doses reportedly had been delivered to Mexico, but less than 2 million of these were Sputnik V, according to Mexican officials. The public was aware of the delays. López-Gatell admitted to these, declaring "the quantity of first doses [Sputnik V] managed to produce got out of alignment with the quantity of second doses they were able to produce." Sputnik V representatives in Moscow dismissed this as "not true."

TOO LITTLE, TOO LATE

Recognizing Sputnik V's growing public relations problems, Russia began to address delivery shortfalls in three ways. First, Russian scientists expanded the recommended window between the vaccine's first dose and the harder-to-manufacture second dose to six months. Second, Sputnik V's backers began to market the first dose as a one-shot "Sputnik Light," allegedly providing full inoculation, and the second dose as a "booster" to be given six months later.

Third, Russia worked to ramp up production to address global shortages. By October 2021, Sputnik V factories reportedly had resolved many of their production problems. Large shipments began arriving in Mexico in fall 2021, with 19 million doses reportedly delivered by November, according to Russian media sources. Yet that was still 5 million doses short of the initial pledge. Russian press reports also contain large discrepancies about the actual number of doses delivered to Mexico.

SPUTNIK V'S WINDOW CLOSES

López Obrador remains a public advocate of Sputnik V. He continues to urge the WHO to issue swift emergency approval for the vaccine (and for CanSino) and has claimed the organization's delays are biased, inefficient, and irresponsible, a message Russia amplifies. The two countries reportedly have pushed within the G20 for universal recognition of all COVID-19 vaccines regardless of WHO approval. López Obrador's continued global advocacy for Sputnik V likely has less to do with any strong belief in its efficacy and more with the fact that its failure to receive WHO emergency-use licenses has become a domestic liability for him.

The coronavirus pandemic has had a devastating toll on Mexico due to multiple shortfalls and inefficiencies in responding to it, ranging from the failure to stand up adequate testing to mixed messaging on enhanced public health measures and the failure to push through an economic stability package. With over 62 percent of the population fully vaccinated by April 11, 2022, inoculation has emerged as one of the few bright spots in an otherwise dismal performance by the López Obrador administration.

Meanwhile, the Biden administration's decision to reopen U.S. borders in November 2021 to all international travelers with proof of either a WHOapproved or U.S. Food and Drug Administration– approved vaccine has spurred greater Mexican-U.S. cooperation on pandemic-related issues. Geographic proximity dictates that López Obrador follows the United States' desire for Mexico to use WHO-approved vaccines in the border areas and key resort towns all places where Americans and Mexicans mingle. A newfound willingness by Washington to supply vaccines to countries by the middle of 2021 and in 2022, including Mexico, has facilitated greater crossborder cooperation and economic activity. However, Mexicans inoculated with Sputnik V or another vaccine that is not WHO-approved still have difficulty traveling internationally. Some who received Sputnik V or CanSino have chosen to re-vaccinate themselves with a WHO-approved vaccine to resume cross-border travel.

Despite all of Russia's Sputnik V promises in Latin America, the window, for now, seems to have closed on the country's ability to use vaccine diplomacy to boost its soft power and economic ties with Mexico. While Sputnik V represented only 40 percent of vaccines administered, it was still the most widely used vaccine in Mexico City as of February 2022. Health officials also decided to use it in combination with AstraZeneca, although they have yet to articulate why. Although Mexico has neither joined international sanctions on Russia in the wake of the Ukraine war nor ceased its cooperation with Russia on Sputnik V, the prospects for a joint Mexican-Russian bottling facility remain uncertain. Sputnik V manufacturers in other third countries have begun to scale back production due to dampened demand, difficulties conducting crossborder transactions, reputational risks, and renewed supply chain and logistics problems that the war in Ukraine has exacerbated. With alternative vaccine suppliers ramping up, it is now easier for countries in Latin America and the Caribbean-once seen as the primary market for Mexican-bottled Sputnik V-to source vaccines from elsewhere. Sputnik V's moment in the Western Hemisphere may be closing.

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NOTES

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