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NETWORKS OF POWER

Russia's Shadow Influence in Germany

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ANALYSIS

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List of Abbreviations

AfD	Alternative für Deutschland / Alternative for Germany (political party)
AG	Aktiengesellschaft / Stock company
AHK	Auslandshandelskammer Russland / German Foreign Chamber of Commerce in Russia
AML	Anti-Money Laundering
bcm	Billion cubic metres
BSW	Alliance Sahra Wagenknecht
CAATSA	Countering America's Adversaries Through Sanctions Act
CDU	Christian Democratic Union (political party)
CNC	Computer numerical control
CSD	Center for the Study of Democracy
DOC	Dialogue of Civilizations
DRUW	Deutsch-Russischer Wirtschaftsbund / German-Russian Business Association
EEU	Eurasian Economic Union
EU	European Union
FPÖ	Freiheitliche Partei Österreichs / Freedom Party of Austria
GDR	German Democratic Republic
GmbH	Gesellschaft mit beschränkter Haftung / Company with limited liability
LNG	Liquefied natural gas
MV	Mecklenburg-Vorpommern (a state in Germany)
NATO	North Atlantic Treaty Organisation
NGO	Non-governmental organisation
OA	Ost-Ausschuss der Deutschen Wirtschaft / German Eastern Business Association
RT	Russia Today
SMEs	Small and medium enterprises
SPD	Social Democratic Party of Germany
TFP	Tradition, Family, Private Property
UAE	United Arab Emirates

Executive Summary

Germany has markedly reduced its reliance on Russian energy supply in the aftermath of the 2022 invasion of Ukraine. However, Germany's economy and political system remain susceptible to Russian influence. The extensive networks of influence that Russia has established over many years are alive and well. These networks play an instrumental role in fostering dependencies, promoting disinformation, and exploiting institutional and societal vulnerabilities, all while adapting to new geopolitical realities. The following report analyses the strategies and mechanisms by which these networks continue to influence policy and public opinion in Germany. It also provides targeted measures on how to improve Germany's resilience and strengthen Europe's economic security.

The Kremlin Playbook is centred on a state capture model, where Russia uses its sprawling security apparatus to entrench and leverage long-term dependencies in the private and public sectors of Germany and the European Union. Russia has fostered an environment where strategic energy partnerships constrain Germany's policy options. Russian state-owned enterprises, such as Gazprom and Rosneft, have been instrumental in locking in the German private sector and camouflaging the true nature of these dependencies, granting Moscow political leverage while weakening Germany's institutional autonomy, democratic resilience, and policy resolve.

Russia employs a combination of traditional economic, political, and social instruments over and above heightened covert, malign operations. These include elite capture and the exploitation of governance gaps in key institutions. Kremlin-sponsored disinformation campaigns have sought to further polarise German society, taking advantage of grievances over internal political debates, energy costs and the nation's support for Ukraine. By blending economic interests with social manipulation, aggressive diplomatic and military threats and active measures, the Kremlin has cultivated a fear and capture-based ecosystem that amplifies its influence across multiple domains.

The mapping of German-Russian networks reveals a deeply interconnected web of actors, ranging from business leaders to cultural organisations. Organisations such as the German-Russian Forum, the German Eastern Business Association and Germany-Russia – the New Generation at the centre provide high-profile formal platforms, on and around which Russian influence could be built out to permeate German politics and society. By aligning economic interests with political narratives, these organisations serve as hubs for fostering pro-Russian sentiment and creating channels for Kremlin-backed agendas to reach influential stakeholders. The case of Mecklenburg-Vorpommern exemplifies how deeply entrenched Russian interests were within regional governance, successfully turning state institutions into sanctions evaders to ensure the completion of the Nord Stream II pipeline. The state remains

exposed to Russian influence, as evidenced by the fact that a German company with ties to Novatek is working on the construction of a new LNG terminal in Rostock.

Law firms and consultancies have acted as enablers, providing legal, strategic and PR support to German and Russian companies involved in the networks. They have structured deals and have facilitated joint ventures that have increased Russia's leverage over Germany's energy sector and have given it access to critical German technology. Their involvement highlights the intersection of legal expertise and geopolitical strategy in advancing the Kremlin's interests.

The Kremlin's influence extends into Germany's political landscape, particularly through alliances with far-right movements. Russian oligarchs, close to the Kremlin, such as Vladimir Yakunin and Konstantin Malofeev, have supported far-right politicians, funding ideological initiatives and amplifying anti-EU and anti-Western sentiments. These political-oligarchic alliances are part of a broader Kremlin strategy to exploit ideological divisions and sow political instability in different member-states of the European Union (EU).

Although sanctions have put a dent in the Russian economic influence strategy, the Kremlin has adapted by redirecting trade flows through third countries like Türkiye and Central Asia, preserving vital economic ties and the strategic business relationships that have gone with them. There is mounting evidence that indirect exports of dual-use goods to Russia and indirect imports of Russian LNG and oil continue, undermining the intended impact of the EU sanctions and the unity of the Western democratic alliance in the process. The resilience of these trade networks demonstrates the lack of policy resolve and strategy in Berlin to respond to Kremlin's attack on Ukraine and on Europe, which has led to challenges in enforcement and the preservation of the Russian influence tactics in Germany.

To dismantle the networks that continue facilitating the Kremlin Playbook, Germany must take decisive action in coordination with its European and global partners including by the adoption of a threat assessment model in key vulnerable institutions, the de-risking and decoupling of trade, investment and technological cooperation networks, as well as strengthening the sanctions enforcement to dry out the German and EU financial flows into Kremlin's war chest. Germany needs to develop its positive economic statecraft within the EU's international aid, trade and technology cooperation to engage German business in non-Russian friend-shoring investment opportunities and supply chains, much better equipped with geoeconomic de-risking tools. Investment screening and other economic security mechanisms should be able to better identify and counter covert foreign influence in key sectors. Public strategic communications and public diplomacy engagement initiatives must be supported to

combat information manipulation threats and bolster societal resilience. Accelerating the energy transition through EU-based supply chains should be further pursued to reduce reliance on Russian resources, ensuring long-term security and autonomy.

Germany must work with its EU partners to enforce existing sanctions rigorously, including by the further criminalisation

of sanctions evasion and the establishment of an EU-level enforcement mechanism. Strengthening institutional capacity to recognise and neutralise horizontal influence operations and active measures is vital, particularly in identifying the enablers who sustain these networks within Germany and in the EU. By addressing these vulnerabilities comprehensively, Germany can lead by example in countering authoritarian influence in Europe and safeguarding the EU's strategic autonomy.

1. Introduction

Germany finds itself navigating an increasingly volatile geopolitical environment marked by mounting internal and external pressures. The domestic political instability and the decisive re-election of Donald Trump for president of the U.S. could strain transatlantic ties and diminish the resolve and cohesion of the political response to authoritarian threats in Europe, further complicating Germany's strategic choices. This happens at a time of unprecedented coordination between non-democratic and openly autocratic regimes, globally backed by China and using the BRICS expansion as a tool for power projection. Both trends threaten the very core of Germany's export-based welfare state economic model, spelling serious turbulence ahead.

These global seismic shifts take place against the backdrop of still active Russian influence operations that continue to exploit structural and political vulnerabilities within Germany. Despite more than three years of war in Ukraine and more than a dozen sanctions packages adopted by the EU, Russian informal networks of influence are alive and well in Germany, having adapted to the new geopolitical realities and domestic policy priorities.

This assessment employs the Kremlin Playbook framework to explore how these networks operate, revealing their strategies for embedding Russian influence within the fabrics of Germany's political, economic, and social discourse. Despite Russia's declining significance as a trading partner, its strategic influence in Germany has remained disproportionately high. A core element of this asymmetry lies in preserving partnerships with key German companies, particularly in the energy sector, that have manifested through different long-term dependencies. These structural links grant the Kremlin leverage over critical sectors of the German economy, enabling Russia to influence policy decisions in its own favour.

The interplay between economic entanglement and informal influence networks creates a feedback loop that threatens Germany's institutional resilience and policy autonomy. These networks exploit governance gaps, elite connections, and strategic investments to amplify their influence and turn economic ties into political tools. The Nord Stream II pipeline is by far the most vivid example of this dynamic, showcasing how ostensibly commercial projects can be weaponised to secure state and federal-level influence but it is not the only one. Russian influence operations permeate many strategic sectors of the economy and have impacted the very fabrics of the German political system.

While Germany has made significant strides in reducing its direct reliance on Russian energy since the full-scale invasion of Ukraine in 2022, the underlying networks of the Russian energy dependence have proven highly adaptable. Enablers of Russian influence have also shifted their business focus to markets in Central Asia and Türkiye, camouflaging sanctioned dual use good trade with Russia, and ensuring that indirect trading channels remain active. This evolution underscores the resilience and complexity of Russian interference, which has adjusted to Germany's fractured political landscape and the shifts in the global economic power balances.

This report builds on the findings of the 2023 Strategic Decoupling report,¹ presenting a detailed analysis of the composition, methods, and adaptive strategies of Russian influence networks in Germany. By tracing their activities and uncovering their evolving tactics, the current study provides a comprehensive framework for understanding the systemic risks posed by these networks. It also offers actionable policy recommendations to strengthen Germany's institutional defences and reduce its vulnerability to malign foreign influence amidst shifting geopolitical realities.

¹ Koeppen, M., Vladimirov, M., and Stefanov, R., *Strategic Decoupling: Phasing Out Russian Economic Influence in Germany*, Friedrich Naumann Foundation For Freedom, 2023.

2. The State Capture Model of Influence

The Kremlin betrayed decades of accommodating German Ostpolitik when it chose to weaponize Germany and Europe's decision to opt for Russian gas as a transitional fuel for a green economic transformation. A decision that was taken after and despite the initial incursion into Ukraine and the illegal annexation of Crimea and parts of the Donbass region in 2014. Russia's most potent tool in its assault on European democracies has been **state capture** – the weaponisation of state, oligarchic or private sector economic resources for achieving foreign policy goals through Kremlin's appropriation and misuse of the country's ever sprawling and unchecked security sector.

Russia replicates its domestic state capture-driven, forceful fusion between business and political interests via its foreign and security policy in Europe; this malign influence campaign thrives on social, economic and political polarisation and readily exploits democratic deficits

and governance gaps, which provide important entry points for the Kremlin's active measures and information manipulation.² Russian state-owned enterprises, in effect direct instruments of the Kremlin, are often aiming to strike long-term deals with foreign companies and governments, creating asymmetric dependencies and strategic policy lock-ins. Over time, these vulnerabilities erode institutional resilience and policy resolve, allowing Kremlin threats to achieve their goals.³

Decoupling and/or de-risking from the corrosive impact of Kremlin's state capture model is paramount for Europe's security and democracy. In Germany, there are a range of tools of Russian influence that have borrowed the state capture model: the promotion of large-scale energy projects as well as the support of political parties with anti-Western agendas; the flooding of the cyber and media space with information manipulation and propaganda.

2 Shentov, O., Stefanov, R., and Vladimirov, M. (eds.), *The Kremlin Playbook in Europe*, Sofia: Center for the Study of Democracy, 2020.

3 Shentov, Stefanov, and Vladimirov, (eds.), *The Kremlin Playbook in Europe*, Sofia: CSD, 2020.

3. Mechanisms for Developing and Entrenching Networks of Influence

Before Russia's full-scale invasion of Ukraine, the Kremlin Playbook in Germany has been most visible in the energy sector, where Russian state-owned companies such as Gazprom and Rosneft maintained long-term oil and natural gas supply contracts and acquired strategic assets such as gas storages, gas distribution companies and oil processing facilities⁴. The creation of asymmetric dependencies underpinned the development of joint large-scale energy projects such as the Nord Stream I and II pipelines.

They received the direct support of some of the biggest German business actors and most political forces in Germany. After the war started in 2022, the Kremlin tried to leverage Germany's excessive exposure to Russian energy supply to undermine popular and political support for Ukraine. The cut of Russian gas supply contributed to skyrocketing prices in the second half of 2021, in 2022 and 2023, a slump in the German manufacturing competitiveness, and a widespread social backlash against the ruling coalition.

Although Russia failed to cast a catastrophic blow to the German economy by squeezing energy supply, Moscow's actions helped destabilise the foundations of Germany's economic growth⁵. Successful information manipulation campaigns followed, which claimed that it is Germany's and, more broadly, Europe's energy transition policies and its backing of Ukraine that have led to the energy crisis and the economic hardship. One of the results has been the strengthening of illiberal and often directly pro-Russian radical political parties all across the EU.

In Germany, the shift was probably most visible as the Alternative for Germany (AfD) and the splinter party of Sahra Wagenknecht (the Sahra Wagenknecht Alliance – BSW), the former co-chairwoman of the Left (Die Linke) party, rose to prominence and even power across many of the East German federal states. The parties that have openly supported a pro-Russian policy vis-à-vis Ukraine now have a combined national backing of around a quarter of German voters, according to current polls.

To translate economic influence into political leverage, Russia has cultivated powerful networks of enablers consisting of current and former Russian security services officials and corresponding members of the political and business elite in Germany. Some of the latter have also been tied to the ex-Stasi state security agency of the German Democratic Republic (GDR). On the Russian side, these networks have gained control over state-owned companies and private firms with close ties to the Kremlin. Their joint ventures with Russia have come to depend on establishing direct links with influential German intermediaries.

The nature of the political economy of many European countries whereas national business champions have direct and high-level political access to government policy-making has meant that Russia can leverage bilateral business relationships to achieve wider political objectives. The Kremlin has reinforced this strategy by activating a web of covert operatives, who can advance Moscow's interests without overt state involvement. This method allows the Kremlin to actively meddle and seek to influence strategic decisions of foreign countries while avoiding direct accountability for its actions.

Russia has been also backing political parties and movements across Europe that have aspired to an anti-systemic, anti-EU, and more generally, an anti-Western agenda. The support can take the form of high-level political cooperation through different joint fora, the development of a public outreach strategy, or sometimes even direct financing⁶. Russia also cultivates personal relationships with key political figures, nurtured over many years, often sweetened by business deals or joint ventures that offer lucrative personal benefits to foreign politicians. Former German officials, for example, have taken high-ranking positions in Russian-controlled companies, securing personal financial gains while promoting policies that favour Russian interests.

Another mechanism for amplifying the Russian economic influence is the use of sharp power instruments employed through the media, the civil society and the German academia. Russian cultural centres, think tanks and educational institutions have played a critical role in fostering the deepening of the bilateral dialogue on Russian-German cooperation. These entities, while flagging themselves as independent, often act as vehicles for spreading Kremlin-favourable narratives that align with Russia's geopolitical goals.⁷

In 2024, the repetition of narratives such as that Ukraine cannot win the war and should return to the negotiating table "to end the suffering of its own people" and avert a wider escalation in Europe has continued to gain ground in the German public discourse. German political and public opinion leaders have not come out strong enough against such narratives, which ignore the fact that Russia is the aggressor state, which wants to force its terms on Ukraine and Europe, and which exploit people's inherent desire for peace to weaken German support and solidarity with Ukraine. Academic exchanges and joint research initiatives are also part of this strategy. For example, the *German-Russian Raw Materials Forum* was a joint initiative by the Freiberg University of Mining and Technology and the St. Petersburg State Mining Institute. Through funding scholarships, establishing academic partnerships, or hosting

4 Vladimirov, Koeppen, and Stefanov, *Strategic Decoupling*, FNF, 2023.

5 Vladimirov, Koeppen, and Stefanov, *Strategic Decoupling*, FNF, 2023.

6 Shentov, Stefanov, and Vladimirov, (eds.), *The Kremlin Playbook in Europe*, Sofia: CSD, 2020.

7 Shentov, Stefanov, and Vladimirov, (eds.), *The Kremlin Playbook in Europe*, Sofia: CSD, 2020.

conferences, Russia creates an intellectual ecosystem that legitimises its foreign policy narratives and softens the perception of its influence operations (detailed analysis in the sections below), in particularly after silencing any dissenting voices at home in the build-up to the war in Ukraine.

The Russian-led information manipulation campaigns aim at polarising the German society and at discrediting the political opponents of its foreign policy. Following the introduction of EU sanctions against the Russian state-owned media outlets, RT and Sputnik, these campaigns have been managed by (propagandist networks of or mushrooming) media outlets linked to pro-Russian political actors and via social media operations. The goal is to create confusion and distrust, undermining public confidence in institutions and making the

Russian framing of key geopolitical issues such as the war in Ukraine more palpable.

In Germany, disinformation has targeted issues such as immigration, the European Union and NATO, fuelling anti-immigrant sentiment, accusing the EU of pushing a progressive agenda that goes against member states' national interests and "traditional values", and portraying NATO as a provocateur that left the Kremlin no choice but to attack Ukraine in an act of self-defence, all while portraying Russia as the only true protector of traditional family and Christian values against Western liberalism. This messaging is often designed to resonate with radical and/or extreme nationalist or populist movements, reinforcing the political alliances that Russia has cultivated.⁸

Box 1 | Methodology for Assessing the Composition and Strength of Networks

The process of mapping the German-Russian networks combines both quantitative and qualitative network analysis. To identify actors and to code the relationships between them, content analysis of different types of sources, such as academic publications, news articles, reports, government documents, websites of German-Russian organisations and lists of participants from joint events, was utilised. Actors in the network were classified as private individuals, companies, NGOs or governmental organisations and the strength of their relationship was coded on a **scale from 0 (no relationship at all) to 3 (very strong relationship)**. In this coding framework, specific instructions were established for each combination of actor classifications (e.g. private individuals, companies, NGOs). For private individuals, the relationship is coded as "very strong" if there is evidence of a personal connection beyond business or organisational affiliations. Relationships between private individuals and companies, NGOs, or government institutions are coded as "very strong" if there is evidence that the individual is currently or was previously employed by the organisation. Relationships between companies are coded as "very strong" if there is evidence of current or past business transactions or supply chain connections. Relationships between companies and NGOs are coded as "very strong" if there has been a financial exchange, such as event sponsorships.

After turning actors into nodes and relationships into edges, the resulting network dataset was then visualized and network metrics such as *closeness*, *centrality* and *betweenness centrality* were calculated by using the network analysis software Gephi. The *betweenness centrality* is a value that describes the centrality of a node in a graph, based on shortest paths. Nodes that are likely to lie on the shortest path between other nodes, more likely to be 'in between' two nodes, thus have a higher betweenness centrality. This suggests that these nodes, which may be individuals or organisations, act as crucial intermediaries between different clusters. For instance, a consultant who has previously worked for both German and Russian companies may facilitate the most direct route for establishing new business relations between a German and a Russian company that have both engaged with the consultant in the past, but not with each other.

Closeness centrality is another key measure in network analysis, calculated as the average of the shortest path length from the node to every other node in the network. A high closeness centrality value indicates that a person or organisation has a relatively short path to reaching most other nodes in the network. This allows them to rapidly obtain and disseminate information, as they can gain access to other individuals or organisations through mutual contacts with minimal effort.

The analysis covers multiple economic sectors, governance levels and German-Russian organisations. In order to identify different clusters within the network, Gephi's modularity algorithm was used, which detects communities based on the density of links within groups compared to between groups.

8 Shentov, Stefanov, and Vladimirov, (eds.), *The Kremlin Playbook in Europe*, Sofia: CSD, 2020.

4. Mapping the Russian Influence Networks in Germany

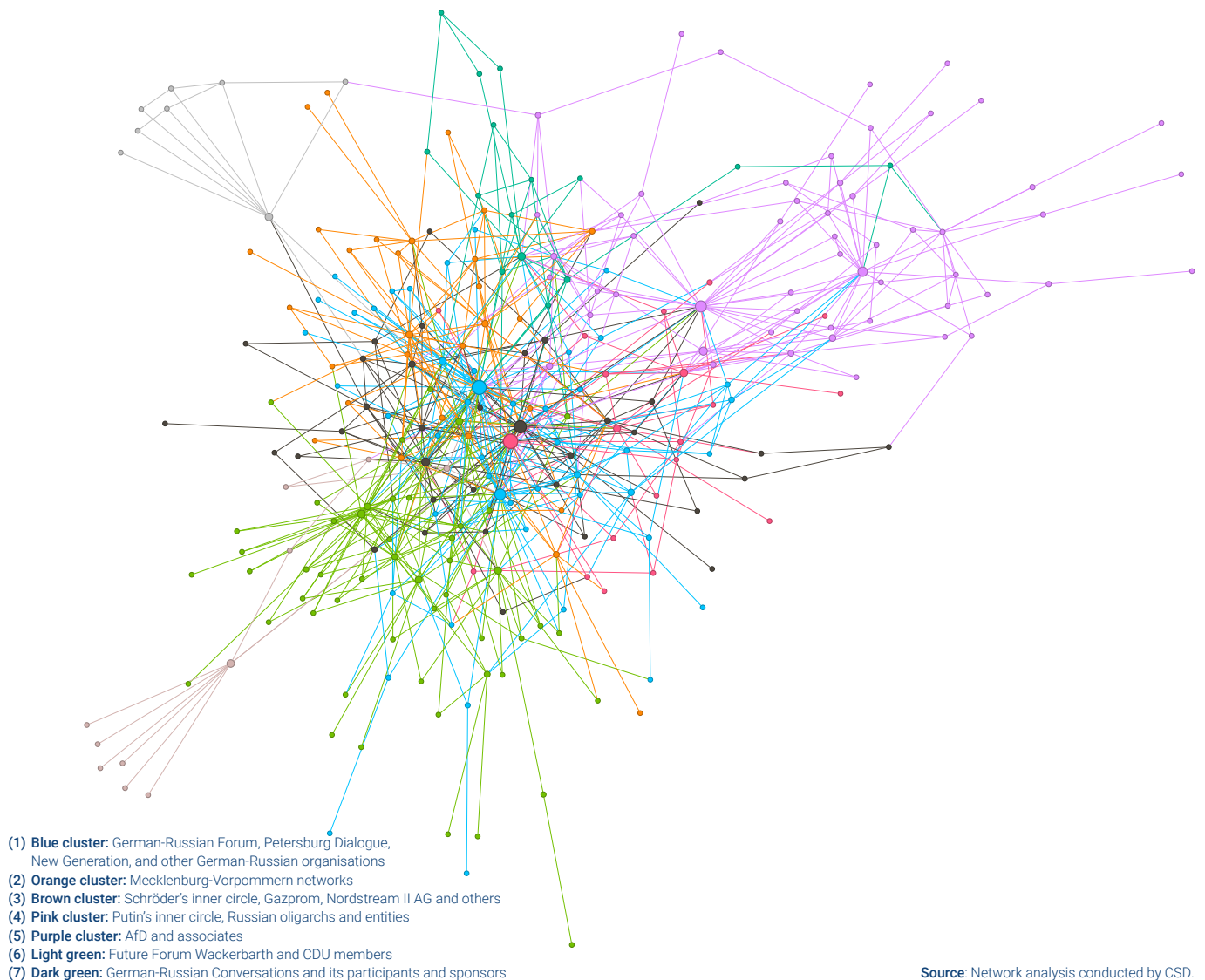
Using qualitative network analysis techniques, CSD constructed a Russian-German influence dataset, which includes 270 nodes (actors) and 746 edges (connections). Nine clusters of varying sizes were identified. Most of the reviewed clusters have significant overlap, demonstrating the extensive interconnectedness within the network (Fig. 1). This is because many actors from different clusters are members of the same German-Russian organisations or have participated in the same events, as evidenced by their highest betweenness centrality values in the dataset.

The dataset emphasises the pivotal role that some organisations play in fostering connections between German and Russian politicians and business professionals from diverse backgrounds, who may otherwise not have had the

opportunity to interact if not for these networking platforms. Consequently, they are highly effective in facilitating the establishment of new relationships, either through direct contact or indirectly through members of the network introducing one another to individuals outside of the immediate circle.

The network analysis below is divided into four sub-sections, each of which focuses either on a specific cluster, the connections between clusters or the role of key enablers acting as connectors between clusters. The *first* section analyses more broadly the activities of the **conglomerate of German-Russian organisations**, each of which has its own geographical or thematic focus, but many of which share the same members or receive funding from the same sources. The

Figure 1 | Clusters of Russian Informal Networks of Influence in Germany



second section zooms in on the **networks in Mecklenburg-Vorpommern around the Nord Stream II project**, which helped ensure national and regional-level support for the pipeline and its completion despite U.S. sanctions and the opposition from European allies. In the *third* section, the analysis evaluates the role of **enablers such as corporate service providers, as well as lobbying and law firms** in consolidating Russia's direct and indirect economic footprint in Germany as well as increasing the German public's approval of Russia. The *fourth* section assesses the **relationships between the Kremlin, Russian oligarchs and Germany's far-right** as well as the connection of the far-right to other parts of the network.

The Conglomerate of German-Russian Cooperation Organisations

Since the early 2000s, many German-Russian organisations specialised in bilateral cooperation have often had the same donors, leadership and spokespersons. While the official focus of their activities has been to provide a platform for dialogue between German and Russian politicians and businesses, it now becomes ever clearer that the Kremlin has used agents, oligarchs and lobbyists for its fossil fuel industry to infiltrate these organisations and use them as influence instruments. The different fora became echo chambers of several recurring narratives, which have led Germany down the rabbit hole of dependence on Russian fossil fuels: "good relations between Russia and Germany are of great importance to the continued prosperity of the German economy"; "Gazprom is a reliable and trustworthy partner whose affordable natural gas helps German companies remain competitive"; "the Russian market is vital to the growth of German companies"; and "the bilateral economic cooperation is a mutually beneficial endeavour devoid of any geopolitical implications".

The analysis confirms that these German-Russian organisations are part of a larger network of pro-Russian enablers. Several are scoring very high in terms of their betweenness centrality values in the network, highlighting their key role of building connections between actors with different backgrounds, i.e. that are part of different clusters. Given the sensitivity of the values to the coding and the number of actors included in this particular cluster, a detailed ranking of the importance of these organisations according to small differences in their betweenness centrality could lead to spurious interpretations, but by looking close at their activities one can see that some play a more important role in the cluster than others.

At the national level, two of the most consequential enablers of German-Russian relations have been the **German-Russian Forum** and the **Petersburg Dialogue**, which were once closely linked.

Founded in 2001 by German Chancellor Gerhard Schröder and Russian President Vladimir Putin, the *Petersburg Dialogue* was originally intended as a platform for bilateral discussions on political and civil society cooperation, reflected in its wide range of working groups from politics and business to education, media and culture. Over time, however, it became increasingly dominated by pro-Russian sentiments, particularly under the leadership of Lothar de Maizière, the former head of the first and only democratically elected government of East Germany, who publicly opposed sanctions against Russia.

Despite the presence of civil society voices offering constructive criticism of the Kremlin on the German side, later years saw an increase in the appointment of Kremlin-approved individuals and organisations on the Russian side, with a corresponding decrease in the visibility of Russian voices offering a critical perspective. Moreover, the business working group was increasingly influenced by two dominant factions: Russian energy companies on one side, and a recurring group of German firms – such as Knauf, CLAAS, Herrenknecht, and Metro – on the other, which were significantly exposed to the Russian market and also held prominent positions within organisations promoting closer economic ties with Russia like the Foreign Chamber of Commerce (AHK), the German Eastern Business Association (OA), and other German-Russian lobbying organisations.

By 2014, Chancellor Angela Merkel sought to reform the dialogue, as its focus had shifted to the point where meaningful discussions on political and human rights issues in Russia were no longer possible.⁹ De Maizière and Matthias Platzeck, former Minister President of Brandenburg and Chairman of the *German-Russian Forum*, were key contributors to the pro-Russian shift in the organisations.¹⁰ In response, Merkel not only distanced the Dialogue from the *German-Russian Forum*, that was still considerably more pro-Russian than the Petersburg Dialogue, but also actively sought to reduce Platzeck's influence, recognising his pivotal role in promoting Russian state interests. The Dialogue's sponsors included VNG, a major German importer and trader of Russian natural gas, Gazprom's German subsidiary, Gazprom Germania, Linde Group, Metro and McKinsey & Company.¹¹

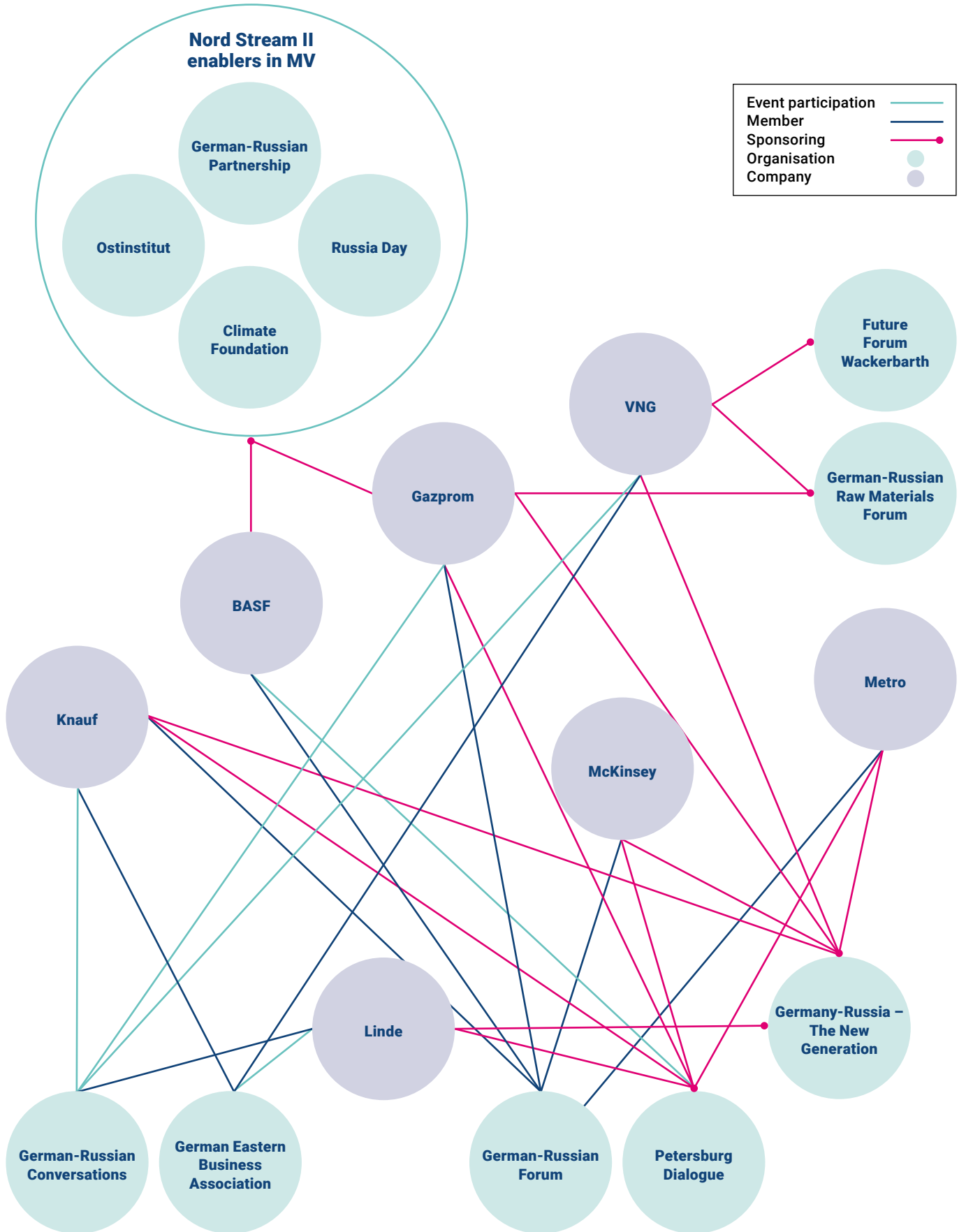
The *German-Russian Forum* continued to support Russian economic and political interests in Germany until the full-scale invasion of Ukraine in 2022 and positioned itself as a space where Russian narratives and conspiracy theories thrived. The Steering Committee and the Board of the Forum include representatives of some of the largest Russian and German companies including Gazprom, BASF and Wintershall, which worked together on the construction of Nord Stream II, as well as Knauf, Rosneft, Siemens, Bosch, and Severstal. All of the German companies involved had a vested interest in building stronger relations with Russia and a positive

9 Der Spiegel, "Petersburger Dialog wird reformiert – Merkel bootet Platzeck aus", November 23, 2014.

10 Deutschlandfunk, "Ein Zivilgesellschaftlicher Dialog Konnte Nicht Stattfinden", November 24, 2014.

11 Petersburg Dialogue, "Förderer 2018", 2021; Petersburg Dialogue, "Förderer 2019", 2021; Petersburg Dialogue, "Förderer 2020", 2021; Petersburg Dialogue, "Förderer 2016", 2021; Petersburg Dialogue, "Förderer 2013", 2021; Petersburg Dialogue, "Förderer 2015", 2021.

Figure 2 | Key German-Russian Specialised Cooperation Organisations and their Links to Key Businesses



perception of Gazprom in Germany, either because of their direct involvement with Gazprom, or the dependence of their business models on cheap Russian gas, or significant revenue streams from the Russian market.

Several individuals identified as key players in the German-Russian networks were also on the steering committee of the *German-Russian Forum* until it ceased its activities in 2022, including: Klaus Mangold, known in the German press as “Mr. Russia” and former honorary consul of Russia in Germany¹²; Heino Wiese, also a former honorary consul; Falk Tischendorf (more about his role in the Nord Stream section below); Nico Raabe from McKinsey; former Russian ambassador Vladimir Grinin; and Vladimir Yakunin, who is part of Putin’s inner circle and one of the Kremlin’s key intermediaries of Russian influence in Europe, known for his network building activities¹³.

The Forum’s crucial role in connecting most of the main enablers in the overall network is reflected in its betweenness centrality score, which is the fourth highest in the network (save for Vladimir Putin himself, the *New Generation* and Gerhard Schröder). It provided a platform for influential individuals to pool resources to reinforce pro-Russian sentiments and narratives in Germany, facilitate business deals and expand their networks to include a growing number of politicians and businesses.

At the state level, **Saxony, Baden-Württemberg and Mecklenburg-Vorpommern**, have been important targets of the German-Russian networks of influence.

In Saxony, the Freiberg University of Mining and Technology and the St. Petersburg State Mining Institute, agreed in 2006, in the presence of Angela Merkel and Vladimir Putin, to establish a permanent German-Russian forum focusing on the use of raw materials (**German-Russian Raw Materials Forum**).¹⁴ The main sponsors of the forum were Gazprom on the Russian side and Gazprom Germania and **VNG**, on the German side. The strengthening partnership over time eventually led to the construction and operation of the Peissen gas storage facility starting in 2011, which is connected to the Yamal Russian gas transit pipeline system. Since its inception, the forum has actively promoted the benefits of cooperation with Russia.

Each year, the forum organized a multi-day conference that brought together representatives of material-intensive companies, universities, energy companies as well as local and national politicians. Two years after the *German-Russian Raw Materials Forum* was founded, another German-Russian platform by the name of **Future Forum Wackerbarth** was established under the patronage of the Minister-President of Saxony and co-organised by the Konrad-Adenauer Foundation to offer a platform for dialogue between German and Russian politicians and businessmen.¹⁵ Like the Raw Materials Forum,

it also received funding from **VNG**. The Future Forum was well attended by Kremlin officials as well as by Russian and German gas companies and was last held in 2021 despite Russia’s annexation of Crimea, its ongoing support of separatists in Eastern Ukraine and rising geopolitical tensions.

In **Baden-Württemberg**, **Klaus Mangold**, then Chairman of the German Eastern Business Association (OA), established the German-Russian Conversations in 2008.¹⁶ The inaugural event featured prominent figures such as **Gerhard Schröder**, **Matthias Warnig** (a former Stasi agent and CEO of Nord Stream, known for his close relationship to Vladimir Putin), and Eggert Voscherau from BASF. As one of three Russian honorary consuls in Germany, alongside **Heino Wiese** and **Nikolaus Knauf**, Mangold officially represented Russian state interests, playing a formal role in fostering bilateral relations and advancing Russia’s strategic objectives. All three resigned in the first month after the Russian invasion, although Mangold’s resignation came after he had initially declared his intention to stay on.¹⁷

Mangold has had strong connections to Russian businesses, oligarchs and to President Putin himself. His influence extends beyond Germany, with ties to the Hungarian government, where he played a role in facilitating a deal between Rosatom and the Orbán administration for the construction of the Paks II nuclear power plant.¹⁸ Mangold was also a member of the board of trustees of the German-Russian Forum.

The **German-Russian Conversations** were co-organized by the OA and the BMW Foundation and past participants include former President Christian Wulff, Chancellor Gerhard Schröder and representatives from BASF, VNG, Gazprom Germania, Rosatom, Siemens Energy, Heidelberg Materials and the Knauf Group, all of which have a vested interest extolling relations with Russia due to their long-term business partnerships in many different sectors. In addition, members of **ADVANT Beiten** (formerly Beiten Burkhardt), a law and lobbying firm, heavily involved in the German-Russian networks, and whose Moscow office is headed by Falk Tischendorf (see box 1), often attended these meetings.¹⁹

While the companies represented in the aforementioned organisations are mainly large multinationals, the **German-Russian Business Association (DRUW)**, founded in Hamburg, focuses on connecting German and Russian SMEs. On its website, the alliance explains that when German exports and investments in Russia collapsed in 2014 after the introduction of sanctions against Russia in response to its annexation of Crimea, there was no forum in Germany to represent the interests of German SMEs operating in the Russian market, which is why the founders “felt the need” to create one.²⁰ Speakers included Russian Ambassador **Vladimir Grinin** and Andreas Steininger from the **Ostinstitut** in Wismar.

12 Meck, G., “Mister Russland der Deutschen Wirtschaft”, *Frankfurter Allgemeine Zeitung*, February 07, 2016.

13 Filatova, I., and Bushuev, M., “Sanctioned Putin Ally Vladimir Yakunin Granted German Visa”, *DW*, August 21, 2018.

14 Ost-Ausschuss der Deutschen Wirtschaft, “Deutschland und Russland wollen Rohstoffpartnerschaft vereinbaren”, August 30, 2011.

15 Konrad-Adenauer-Stiftung, “Veranstaltungen – Zukunftsforum „Schloss Wackerbarth”, Accessed 20.11.2024.

16 Deutsch-Russische Gespräche, *Eröffnung – Samstag, 11. Oktober 2008*, Accessed 27.11.2024.

17 Müller, A., “Klaus Mangold will russischer Honorarkonsul bleiben”, *Stuttgarter Zeitung*, February 28, 2022.

18 Szabó, A., “The Mysterious German Behind Viktor Orbán’s Russian Deals”, *Direkt36*, October 17, 2017.

19 Deutsch-Russische Gespräche, *Gespräche*, Accessed 27.11.2024.

20 Deutsch-Eurasischer Wirtschaftsband, *Wer wir sind*, 2024.

Box 2 | Influence of German Multinationals via AHK Russia and OA Networks

To gain a foothold in the Russian market, large German multinationals such as Volkswagen, Bosch, Metro, Bayer, BASF, Siemens, Knaf and CLAAS have had to leverage bilateral ties with enablers close to the Kremlin. These companies developed a tight network of influence to reinforce pro-Russian narratives and shape the German national policies in line with their narrow economic interests. The firms in question feature repeatedly as sponsors and members of the organisations under analysis. Furthermore, they regularly took part in events held by these organisations. The German Eastern Business Association (OA) and the Foreign Chamber of Commerce in Russia (AHK) have been actively helping coordinate their activities. After Klaus Mangold's 10-year tenure between 2000 and 2010, the OA was then led by the chairpersons of the supervisory boards of Metro, Linde and CLAAS.

Some of them, including Mangold, still sit on OA's Presidium and its Board remains dominated by companies known to have close ties to Russia and other German-Russian lobbying organisations. The same group of companies also dominated the board of AHK Russia, where Falk Tischendorf of ADVANT Beiten was also a member. Simultaneously, the two organisations and their members were among the most vocal critics of sanctions against Russia following its annexation of Crimea and even in 2022, just days before footage of the Bucha massacre emerged, the OA cautioned against the implementation of far-reaching sanctions. The credibility of its efforts to disassociate itself from the Kremlin was further eroded in late 2023 when its Managing Director, Michael Harms, wrote to the German Federal Bank to express his opposition to the enforcement of EU sanctions on the Kremlin-sponsored "Russian House" in Berlin – a cultural centre acting as a tool of Russia's hybrid warfare. Moreover, the majority of companies currently holding positions on the OA Presidium and Board continue to engage in business activities in Russia.

The German-Russian organisation with the highest betweenness centrality score, i.e. the one that provides the shortest path between many individuals from different clusters, is **Germany-Russia: The New Generation**. Within just a few years of its inception, its annual "Young Leaders Conference" developed into one of the most important networking events in Germany for key figures from Russia and Germany, with speakers including the Russian and German foreign ministers, high-ranking officials from the German Bundestag and the Russian Duma, and representatives of major energy companies such as Gazprom and BASF.

It was founded in 2009 by **Christoph von Oldenburg**, member of an aristocratic family with ties to Russia and the German far-right, **Nico Raabe**, who now leads the McKinsey Center for Government in Europe, the son of the former Russian ambassador to Germany, **Vladimir Kotenev**, and **Anne-Marie Großmann**, the daughter of the then-CEO of the energy giant RWE.

The organisation became a platform for fostering deeper ties between young leaders in Germany and Russia, particularly in politics and business. Although its official purpose was to promote mutual understanding and to strengthen bilateral relations, the organisation increasingly became a vehicle for promoting Russia's interests in Germany. From its inception,

the organisation attracted high-profile figures. At its second **Young Leaders Conference** in 2010, participants met for discussions with **Gerhard Schröder**,²¹ and in 2011, **President Christian Wulff** sent a letter to Anne-Marie Großmann, encouraging her to invite Putin to the conference in Moscow after mentioning the event to Putin during an earlier meeting.²²

Maximilian von Waldenfels, the son of a former Bavarian finance minister, played a key role in the early stages of the organisation, establishing its deep connections to both the German political elite and the energy industry. The leadership of **Germany-Russia: The New Generation** is filled with individuals who maintain close ties to the Kremlin and Russia's state-controlled energy companies. Kotenev senior, after leaving his post as ambassador, became a manager at Gazprom Germania. Other notable figures involved include the Honorary Consul and friend of Schröder's confidant **Heino Wiese**, and individuals directly associated with Vladimir Putin's inner circle, such as **Irina Nikitina**, the godmother of Putin's daughter Maria,²³ **Viktor Martynov**, a member of the board at Gazprom, and **Alexey Germanovich**, who had worked for the Bank of St. Petersburg, Aeroflot and Severstal in the past. Another member of the organisation's executive committee was **Mikhail Skigin**, co-owner of the St Petersburg oil terminal,²⁴ whose father, **Dmitry Skigin**, had links to organised crime bosses in Russia.²⁵

21 Deutschland-Russland – Die neue Generation, Homepage, March 08, 2016.

22 Frankfurter Allgemeine Zeitung, "Vorläufige Ergebnisse in Sachen Wulff", December 24, 2011.

23 Thuner Tagblatt, "Davos kappt seine russischen Kontakte – und es sind viele", May 24, 2022.

24 In January 2024, Mikhail Skigin was quoted in the Moscow Times as saying, "I express my gratitude to the armed forces of our country and their leadership. This is brilliant work" after Russian forces shot down a Ukrainian drone outside the St. Petersburg oil terminal, as reported by the *Moscow Times*.

25 Free Russia Foundation, "Putin's 4 percent: How criminal kingpins with Kremlin connections launder oil money in Monaco", January 18, 2018.

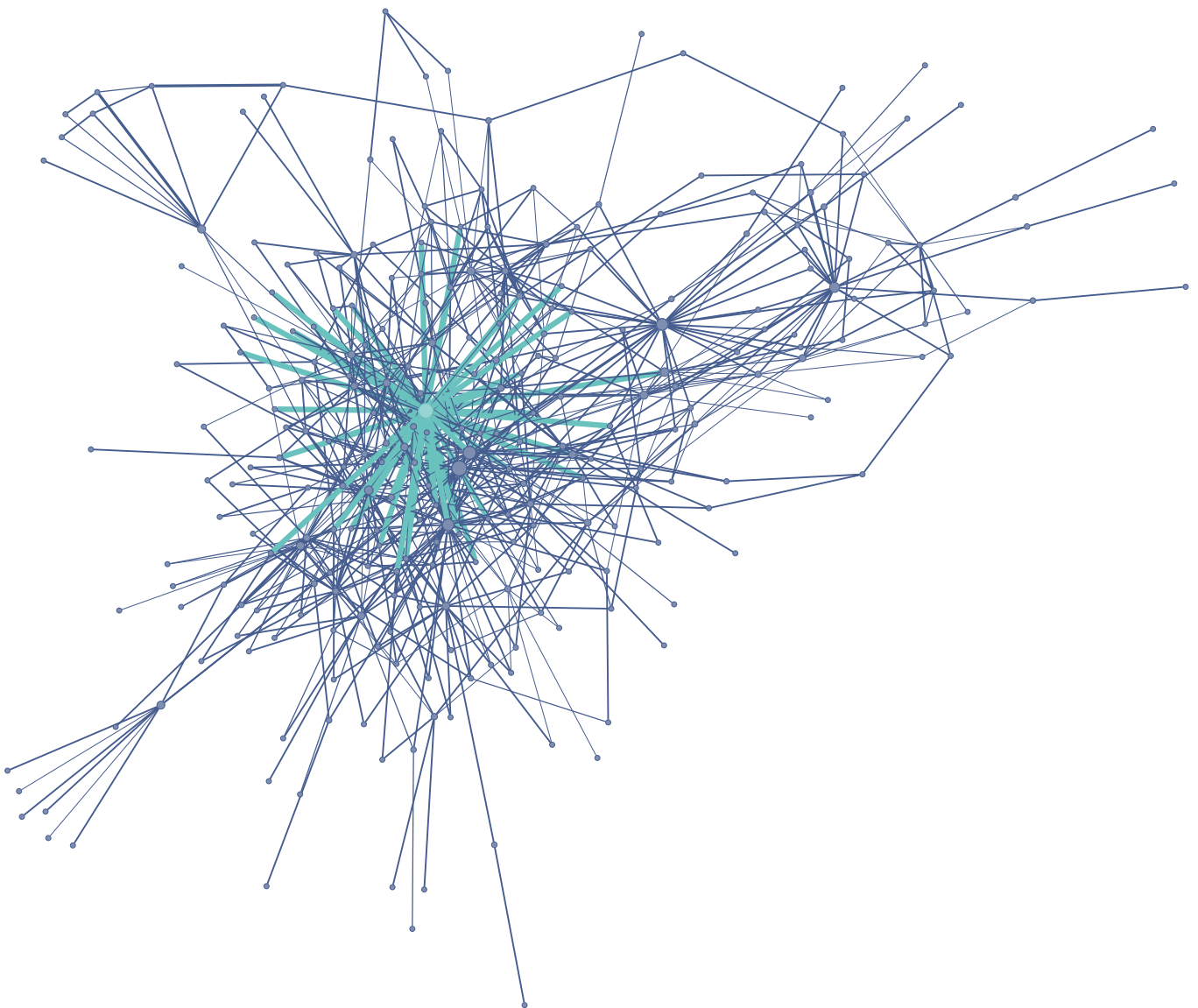
The corporate sponsors of the organisation include several companies who also appear as sponsors of other Russian-German formats and whose representatives have played an active role in the German-Russian networks, such as **Gazprom, Metro, Linde, VNG, Russian Railways, Knauf, and McKinsey**.²⁶

The *New Generation* increasingly allowed Kremlin narratives to permeate the discussions and thinking of Germany's political and business elite. The organisation became a vital mechanism for promoting Russia's geopolitical and economic interests through personal and political relationships. In his speech at the 6th German-Russian Young Leaders Conference in 2016, Christoph von Oldenburg boasted that, with around 400 participants, the conference was the largest German-

Russian civil society gathering at the time and thus an "integral part of German-Russian relations", although its activities happened at the backdrop of ongoing suppression of civil society voices and citizen rights in Russia at that point in time.²⁷

Faced with the reality of Russia's war crimes in Ukraine, many members of the various German-Russian organisations rushed to distance themselves from their previous engagement. They posted strongly worded condemnations of Russia's actions on the organisations' websites in February 2022. Since then, however, these entities have struggled to redefine their purpose in the new geopolitical reality. Some organisations, such as the *New Generation*, have since deleted their websites

Figure 3 | The *New Generation* is Inside the Core of the German-Russian Network



Source: Network analysis conducted by CSD.

26 Deutschland-Russland – Die neue Generation, Homepage, June 21, 2021.

27 Die Neue Generation, "6th German-Russian Young Leaders Conference in Hamburg", YouTube, June 29, 2016.

and ceased their activities altogether, possibly in an attempt to erase evidence of their role in the deepening of Germany's infatuation with Putin's Russia. Others, like the Ostinstitut and the German-Russian Business Association, have shifted their focus to Central Asia instead.

Meanwhile, despite the formal dissolution of their organisations in 2022, leading figures of the *German-Russian Forum* and the *Petersburg Dialogue* appear to be biding their time to reestablish relationships with Russia, similar to what happened in 2015 when the initial outrage around Russia's annexation of Crimea had begun to abate. An investigation by the ARD and the ZEIT in October 2024 revealed that **German and Russian representatives met in Baku in April 2024 and again in October** to discuss how German-Russian communication channels could be kept open and what a post-war German-Russian relationship could look like.²⁸ From the German side, participants included Matthias Platzeck, former head of the *German-Russian Forum*, and Roland Pofalla, former head of the *Petersburg Dialogue*.

From the Russian side, several men from Putin's inner circle (e.g. the Chairman of the Presidential Human Rights Council and the Special Envoy of the President for International Cultural Cooperation) as well as Gazprom representatives joined the discussions. These secretive talks are a stark reminder that the German-Russian networks from the past will continue seeking ways to re-establish channels with the Kremlin and influence German policy-making despite the lack of any evidence of change in Kremlin's aggressive behaviour towards Europe and Germany.²⁹

Nord Stream II: The Contours of a Classic Russian Influence Operation

The development of the Nord Stream II project has been a clear-cut illustration of the level of influence informal German-Russian networks can have over national decision-making. This has been most visible in the state of **Mecklenburg-Vorpommern**, where the pipeline connects to the German gas grid. The members of the state-level *Nord Stream* cluster consist of politicians, local companies, and various NGOs. The primary actors within this cluster include **Erwin Sellering**, former Minister-President of Mecklenburg-Vorpommern, his successor **Manuela Schwesig**, **Sigmar Gabriel**, former German Economy Minister, former German Chancellor **Gerhard Schröder**, **Matthias Warnig**, former CEO of Nord Stream AG and close associate of Putin and Schröder, **Falk Tischendorf**, **Andreas Steininger**, and the late **Wolfgang Clement**.

The roots of the Russian influence operation in the Mecklenburg-Vorpommern province can be traced back to 2009 with the creation of the **Ostinstitut**, co-founded by Wolfgang Clement, the former Minister-President of North-Rhine Westphalia,

along with a mix of academics and business figures. Its stated objective was to deepen German-Russian relations, support German companies operating on the Russian market, and to facilitate German-Russian research and consulting exchange.

Key figures such as Peter W. Schulze, the co-founder (with the abovementioned Russian oligarch and former president of Russian Railways (RZD) Vladimir Yakunin) of the Berlin-based Russian propaganda think-tank 'Dialogue of Civilizations Research Institute' (dissolved in 2022),³⁰ and Andrey Zverev, who was the lead trade representative of the Russian Embassy in Germany at the time,³¹ played instrumental roles in the institute's development.

The institute's founding coincided with the decision of neighbouring Denmark, Sweden and Finland to issue construction permits for the first leg of the Nord Stream pipeline in their Exclusive Economic Zones. So, from Russia's point of view, the last stretch of making sure the pipeline will be completed on time meant guaranteeing that there will be a Russia-friendly political climate in Germany, and especially in Mecklenburg-Vorpommern.

In 2012, the state government of Mecklenburg-Vorpommern began to cooperate officially with the Ostinstitut via a €180,000 project on strengthening German-Russian cooperation on research and innovation.³² Paradoxically, however, a more substantive engagement did not begin until Russia's annexation of Crimea in 2014, when there was a negative shift in the perception of Russia in Germany and in German-Russian relations. That year, the State Chancellery of Mecklenburg-Vorpommern and the Ostinstitut organised the first ever "**Russia Day**" in the state, featuring notable figures such as Erwin Sellering, Wolfgang Clement, the Russian ambassador Vladimir Grinin, and Gerhard Schröder, who by then was already the Chairman of the Nord Stream supervisory board.³³ The event was marked by anti-American sentiment, opposition to sanctions, and a nostalgic view for the Soviet Union.³⁴ Professor **Steininger** of the Ostinstitut defended the event, asserting that NATO bore partial responsibility for the geopolitical crisis in Ukraine.³⁵

The subsequent Russia Days underscored the significant influence of Russia-led narratives on the strategic thinking of senior German government officials. The events' logic aligns with the commercial interests of their main sponsors, which notably included entities such as Nord Stream II, Gazprom, and Gascade – a gas transmission operator previously co-owned by Gazprom Germania. Gascade's pipeline system directly links Nord Stream to the petrochemical giant BASF's plant in Ludwigshafen, highlighting the direct infrastructural dependence of some of the biggest German companies and energy consumers on Russia-linked energy infrastructure.³⁶

28 Malcher, I., "Die Baku-Connection", *die ZEIT*, October 16, 2024.

29 After a brief absence from the public discourse following his resignation as head of the German-Russian Forum, Matthias Platzeck has recently reappeared in the German media, pushing the argument that Germany will eventually have to enter into negotiations with Russia and that this is also the wish of the German people. Plarre, P., "Matthias Platzeck zur Brandenburg-Wahl: „Diplomatie ist eine heilige Pflicht“, *Die Tageszeitung*, September 16, 2024.

30 Ostinstitut, *Gründungsmitglieder*, March 29, 2017.

31 Ostinstitut, *Gründungsmitglieder*, March 29, 2017.

32 Ostinstitut, *Wissenschaft & Ausbildung*, March 15, 2021.

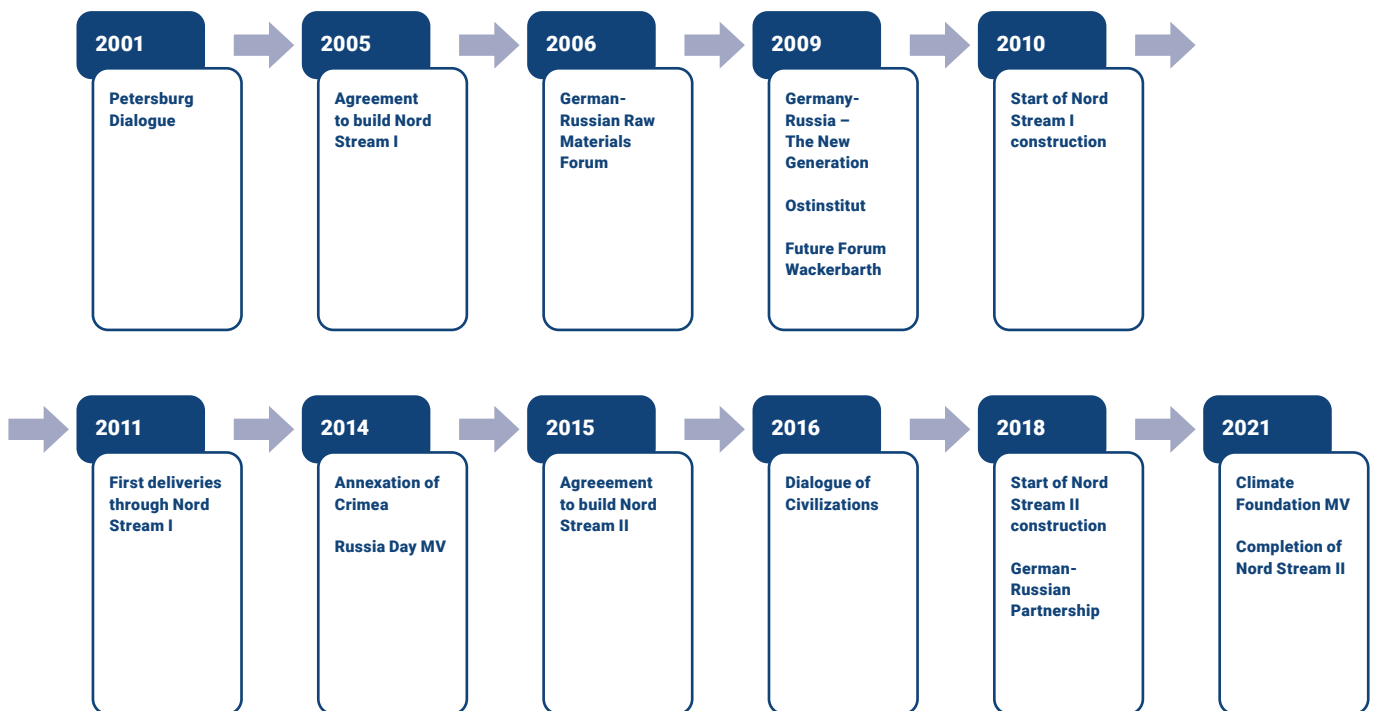
33 Pergande, F., "Ich Bin Ein Russland-Versteher", *Frankfurter Allgemeine Zeitung*, October 01, 2014.

34 Sturm, D. F., "Er Ist Stolz Darauf, Ein Russlandversteher Zu Sein", *Welt*, October 02, 2014.

35 Bidder, B., "Ich wehre mich dagegen, dass Gazprom verteuftelt wird", *SPIEGEL*, September 25, 2014.

36 Von Salzen, C. "Heikle Leitung", *Der Tagesspiegel*, May 24, 2016.

Figure 4 | Key German-Russian Organisations and the Nord Stream Pipelines – A Timeline



The acute interest of Russian companies to support public activities on the ground in Mecklenburg-Vorpommern can be explained by the state's direct involvement in the implementation of the second phase of the Nord Stream, which includes the issuance and approval of the necessary construction and regulatory permits. Russia's involvement became overt when in 2016, the Ostinstitut's co-founder Andrey Zverev, after finishing his tenure at the Russian embassy, became the Economic Ambassador of Mecklenburg-Vorpommern, formally working for 'Invest in MV', an initiative of the federal state of Mecklenburg-Vorpommern.

The Ostinstitut also intensified its cooperation with the authorities of Mecklenburg-Vorpommern and organised its economic policy talks at the official representation of Mecklenburg-Vorpommern at the Federal Government in Berlin. Nord Stream II was always a prominent topic during the Ostinstitut's talks.³⁷

After being succeeded as Minister-President by Manuela Schwesig, Erwin Sselling became a board member of the *Ostinstitut*. In 2018, Sselling founded a new organisation in Mecklenburg-Vorpommern, the **German-Russian Partnership**, which received €600,000 in start-up funding from the Strategic Fund of the state of Mecklenburg-Vorpommern.³⁸ The board included representatives from the German energy sector and from other German-Russian organisations as well as Steffen Ebert, Nord Stream II's media spokesperson for Germany.

The results of the network analysis show that **Selling** is the person with the 8th highest betweenness centrality in the entire network and the 2nd highest in the *Nord Stream II/Mecklenburg-Vorpommern* cluster just behind Falk Tischendorf. While Tischendorf's contacts were essential for connecting Russian state representatives and businessmen and their German counterparts, Sselling made sure to get Russian investors and representatives entrenched in the local communities by involving them in local sports clubs, companies and organisations to create a pro-Russian sentiment in the state of Mecklenburg-Vorpommern.

The Russian influence operation in Mecklenburg-Vorpommern became more practical with establishment of the **Foundation for Environmental and Climate Protection** in 2021. Besides the promotion of research on climate change, the mandate given by the parliament also included "the establishment of commercial business opportunities within the Foundation with the aim of contributing to the progress of the Nord Stream 2 pipeline".³⁹ The foundation received equity worth 200,000 euros from state funds, with an additional 50,000 euros reserved for the foundation's establishment.⁴⁰

Nord Stream II AG had the right to nominate the Chairperson of the Foundation's Board of Trustees, and the commercial activities of the Foundation had to be approved by both the Foundation's Board of Trustees and Nord Stream II AG.⁴¹ Nord Stream II AG was granted the right to two of the maximum 18 seats on the Board of Trustees. As part of the agreement

37 Ostinstitut, *Wirtschaftspolitische Gespräche*, 2022.

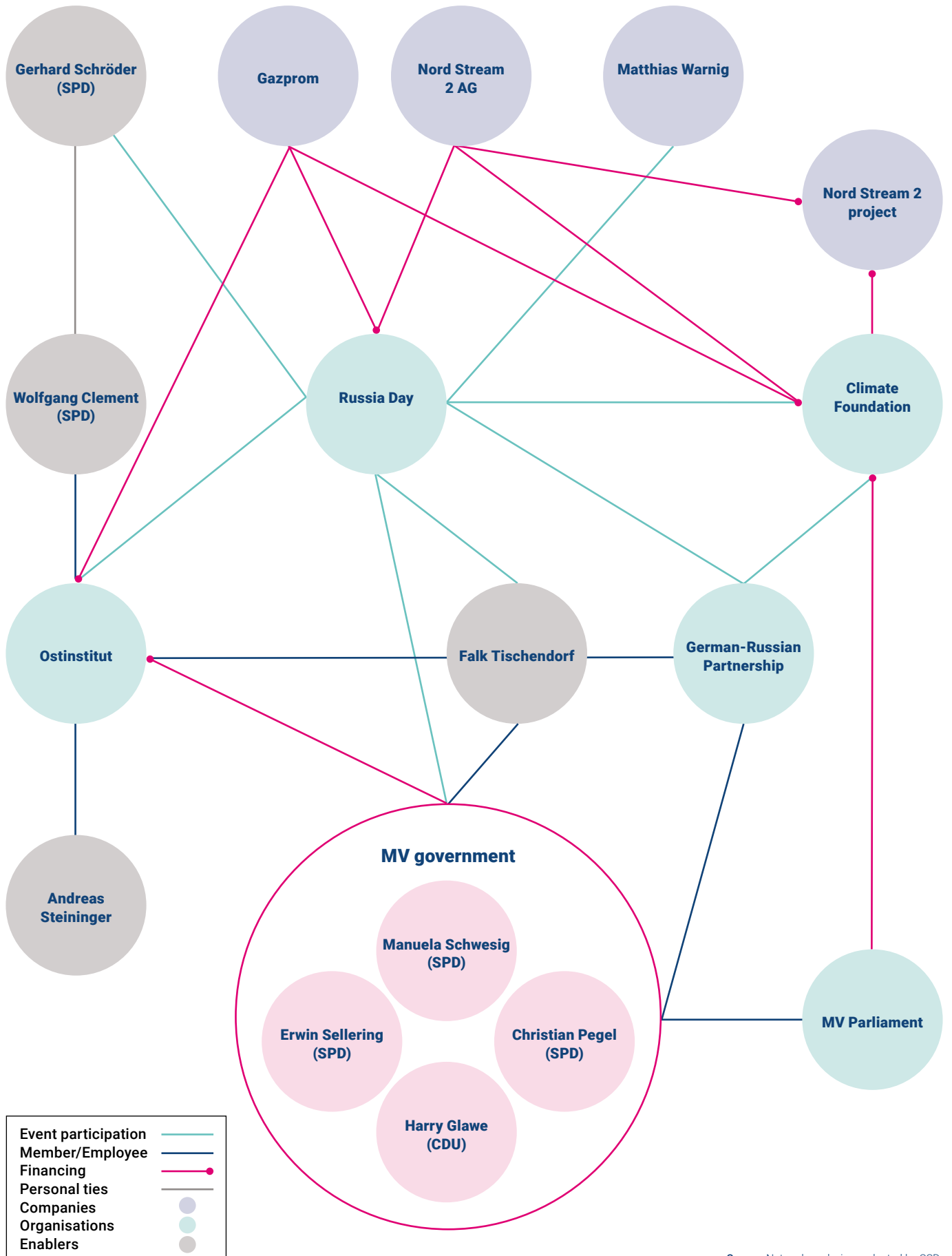
38 Ludmann, S., "Rechnungshof Warnt Vor Risiken Der Klimaschutzstiftung", *NDR 1 Radio MV*, February 5, 2021.

39 Landtag Mecklenburg-Vorpommern, "Zustimmung Des Landtages Gemäß § 63 Absatz 1 LHO – Hier: Errichtung Der „Stiftung Klima- Und Umweltschutz MV“, 2021.

40 Ibid.

41 Ibid.

Figure 5 | The Nord Stream / MV Cluster



Source: Network analysis conducted by CSD.

Box 3 | The Perfect Russia Enabler

The co-founder of the Ostinstitut, **Falk Tischendorf**, was appointed as the representative of the state government of Mecklenburg-Vorpommern in Russia in 2016. The results of the network analysis show that out of 186 private individuals in the dataset, Tischendorf is the person with the 7th highest betweenness centrality, showcasing his importance for connecting different communities, and the person with the highest score in the particular Nord Stream II/Mecklenburg-Vorpommern cluster.

Tischendorf is the head of the Moscow office of the business law firm Advant Beiten (formerly Beiten Burkhardt) and has a reputation of being one of the best German experts on Russian business law. He maintains good relations with government representatives from both Mecklenburg-Vorpommern and Russia, sat on the boards of several German-Russian organisations (German-Russian Forum, German-Russian Partnership, Ostinstitut, German-Russian Chamber of Commerce in Moscow), and attended several of the most prominent German-Russian networking and lobby events in Germany (Raw Materials Forum, Wackerbarth Future Forum, Potsdam Meetings, German-Russian Conversations, Russia Day).

Not only is Tischendorf a key figure in advancing Russian interests in Germany, but he has also remained active in the post-invasion period. As head of the Moscow office of ADVANT Beiten, Tischendorf continues to operate in Russia, even as most Western law firms have left the country.

Tischendorf's law firm justifies its presence in Moscow by claiming that it primarily advises German and European companies with operations in Russia, rather than Russian clients directly⁴². The firm has emphasized the need for local legal advice, especially as German and European businesses with large production sites in Russia face significant challenges due to international sanctions. Although he no longer serves as the state representative of Mecklenburg-Vorpommern in Russia, Tischendorf remains a pivotal player in the German-Russian network. His extensive contacts in both Germany and Russia make him a key figure to monitor, particularly as his legal expertise and connections could be leveraged to assist German companies seeking to navigate sanctions and maintain ties with Russia.

between the state of Mecklenburg-Vorpommern and Nord Stream II, the latter granted the foundation up to €40 million.⁴³ Erwin Sellering became the Chair of the foundation.

The foundation was used to circumvent US sanctions on Russian companies involved in the completion of Nord Stream II. Gazprom and its subsidiary Nord Stream II AG told the foundation what was needed, and the foundation delivered.⁴⁴ After the US passed the Countering America's Adversaries Through Sanctions Act (CAATSA) which imposed sanctions on Russian companies and vessels involved in the construction of Nord Stream II, the foundation purchased its own supply vessel in 2021, equipped to carry out operations to secure the pipeline on the seabed in Danish waters. In a statement on its activities from June 2022, the foundation admitted that the pre-financing for this vessel was provided by Nord Stream II AG and that the foundation signed 80 contracts with suppliers and service providers with a total volume of €165 million in accordance with the needs identified by Nord Stream II AG.⁴⁵

The Mecklenburg-Vorpommern cluster thus became the closest partner of Gazprom in paving the way for Nord Stream II. Thanks to the involvement of German citizens,

organisations, companies and state institutions, Russia was able to increase the German dependence on Russian gas imports without much direct intervention from the Kremlin. A close-knit domestic network of politicians and businessmen involved in various German-Russian organisations actively promoted Russian narratives and engaged German politicians at all levels of government in their conferences, events and dialogues. German government officials, including former Chancellor Angela Merkel, Foreign Minister Heiko Maas, and Economy Minister Sigmar Gabriel, consistently supported Nord Stream 2 over the years, often framing it as an essential commercial venture, necessary to be completed by all means to ensure Germany's energy security and maintain its competitiveness, rather than a geopolitical risk.

Despite initial efforts by the SPD-led state government to distance itself from its pro-Russian leanings in the past, a comprehensive "Zeitenwende" as promised by Chancellor Scholz in February 2022 has yet to materialise in the state of Mecklenburg-Vorpommern. Neither the organisation German-Russian Partnership, nor the Ostinstitut have been dissolved. The state government is actively trying to complicate the work of the parliamentary investigative committee dealing with the topic of NordStream II and the Climate Foundation⁴⁶.

42 Chmielewski, M., "Kanzleien in Russland: Alle gehen, Beiten und Rödl wollen bleiben", *Juve*, March 22, 2022.

43 Ludmann, S., "Rechnungshof Warnt Vor Risiken Der Klimaschutzstiftung", *NDR 1 Radio MV*, February 5, 2021.

44 *Süddeutsche Zeitung*, *Ausgetrickst*, June 16, 2023.

45 Stiftung Klima- und Umweltschutz MV, "Zum wirtschaftlichen Geschäftsbetrieb der Stiftung für Klima- und Umweltschutz MV", June 09, 2022.

46 According to members of the committee who spoke to CSD.

The state government's commitment to a thorough and transparent investigation was further undermined by the revelation that the head of the unit in the state chancellery responsible for working with the investigative committee, Philipp Regge, used to work for the same law firm (Hardtke, Svensson & Partner) as Interior Minister Christian Pegel, one of the main initiators of the Climate Foundation. The firm's clients include the port of Sassnitz-Mukran, which served as the main hub for the storage and shipment of pipes for both Nord Stream pipelines.

Following a legal appeal by the foundation itself, the state government is now pushing for its privatisation rather than its dissolution. Removing the foundation from state government control would further complicate the work of the investigative committee.

Although Germany has reduced its reliance on pipeline gas from Russia, **the development of new LNG infrastructure** in Mecklenburg-Vorpommern suggests that the Russian networks of influence in the region are trying to revive the bilateral gas ties. The project at hand is the planned LNG regasification terminal in the port of Rostock, which aims to import 1.5 bcm of most likely Russian LNG annually starting in 2026. This port's development is led by the German company **BarMalGas**, which has ties to Russian-affiliated entities, particularly Russia's second-largest natural gas company, Novatek, which is also the main Russian LNG exporter.⁵⁴

In April 2022, Poland sanctioned Novatek and its subsidiary, Novatek Green Energy, seizing their assets. Nonetheless, Novatek Green Energy transferred its assets to BarMalGas in October 2022, sidestepping the designation of Polish

Box 4 | Enablers in Mecklenburg-Vorpommern after the Invasion

Erwin Sellering, former Minister-President of Mecklenburg-Vorpommern, made a symbolic gesture by returning his Russian "Order of Friendship" after the invasion of Ukraine but continued his involvement in pro-Russian activities. His *German-Russian Partnership* operated for months after the war began despite public criticism. In late 2022, Sellering and the board resigned, and SPD politician Mario Bauch briefly took over before resigning due to his controversial pro-Russian stance.⁴⁷ Sellering's continued involvement with the *Climate Foundation*, which enabled the completion of Nord Stream II, sparked further controversy. Although the regional parliament sought to dissolve the foundation, Sellering resisted. In 2024, he announced but then quickly reversed his decision to retire from its board and later published an article criticizing Germany's "hardline" stance on Russia.⁴⁸

Although Minister-President **Manuela Schwesig** shifted her stance following the invasion of Ukraine, recent public statements indicate that her new-found commitment to Ukraine is floundering. A former supporter of Nord Stream II and chair of the German-Russian Friendship Group in the Bundesrat, she condemned the invasion and advocated for strong German support for Ukraine, including a personal visit to Kyiv.⁴⁹ However, her efforts to distance herself from Russia faced criticism, especially over her push to dissolve the *Climate Foundation*, which has been seen as an attempt to destroy evidence before the parliamentary inquiry can conclude its investigation. Her actions also led to a public falling out with her mentor, Erwin Sellering.⁵⁰ Despite her condemnation of Russia, Schwesig has already advocated for a governing coalition in the state with the BSW, although Wagenknecht's party is yet to establish a regional association in Mecklenburg-Vorpommern.

Andreas Steininger continues to lead the Ostinstitut, which similar to several other organisations with strong Russian connections, shifted its geographic focus to Russia's neighbouring countries after the war began, thereby justifying its continued operations. In 2023, Steininger and the Ostinstitut played a key role in founding the **Association of Lawyers of Central Asia, the Caucasus, Ukraine, Moldova, and the Baltic States**, indicating a strategic shift away from direct Russian engagement.⁵¹ The Ostinstitut's deeply rooted financial ties to Russian entities were brought to light during a parliamentary inquiry in 2023, where he admitted that 42% of the Ostinstitut's funding came from Nord Stream II AG and Wintershall, with Gazprom funding the majority of the institute's events.⁵² Despite this, Steininger has faced little public fallout and continues to teach at the University of Wismar. In a recent article, he echoed the sentiments of Sellering, criticizing Germany's firm stance on Russia and advocating for renewed negotiations.⁵³

47 Redaktionsnetzwerk Deutschland, "Neuer Vorsitzender von Russland-Verein fordert Ende der Sanktionen – und der „hetzerischen Berichterstattung“, September 22, 2022.

48 Cicero, "Noch möchte ich die Hoffnung nicht aufgeben", September 10, 2024.

49 NDR, "Schwesig in Kiew von Präsident Selenskyj empfangen", June 25, 2024.

50 Von Salzen, C., "Im Nord-Stream-Sumpf: Für Manuela Schwesig wird ihr früherer Förderer zur Gefahr", *Tagesspiegel*, March 11, 2023.

51 Ostinstitut, "Gründung der Vereinigung der Juristen Zentralasiens, des Kaukasus, der Ukraine, Moldawiens und der baltischen Staaten", May 08, 2023.

52 Nordmagazin, "Untersuchungsausschuss tagt zur Klimastiftung", October 06, 2023.

53 Cicero, "Kristallisationspunkt für Fehleinschätzungen, Planlosigkeit und Hybris des Westens?", January 10, 2024.

54 BarMalGas previously collaborated with Novatek Green Energy to establish LNG stations in Germany, including one in Rostock, underscoring a longstanding business relationship.

authorities.⁵⁵ The deal was backdated to just before the sanctions took effect, establishing an agreement that absolves BarMalGas of any financial obligation if Novatek Green Energy does not issue an invoice for the €8.9 million by the end of 2025.⁵⁶

BarMalGas paid out the wages of Novatek employees working in Poland when authorities temporarily blocked Novatek's bank accounts. Later, in April 2023, **BarMalGas acquired the entirety of shares in Rostock Energy Terminal GmbH**, a company founded by Novatek in 2018 specifically for the construction of the Rostock LNG terminal project. This transaction effectively positioned BarMalGas to push forward on the terminal's construction, now with the help of a former Novatek employee as the CEO of Rostock Energy Terminal GmbH.⁵⁷

Box 5 | The Risk of Russian Gas Laundering in Germany

The Rostock LNG terminal project highlights the risk that Russian energy companies will try to entrench and expand their supply to the EU working through well-connected intermediaries. By severing the direct ties with the Kremlin, trading companies can help Russia pre-empt EU sanctions against Russian gas suppliers and complicate the efforts of European governments to achieve strategic decoupling from the imports of Russian fossil fuels. An apt example of this strategy has been the increased gas trading activity of the SEFE M&T company, formerly Gazprom Germania, which has been the sole buyer of Russian LNG at the major LNG regasification terminal at Dunkerque in France near the border with Belgium. SEFE has bought 4.8 bcm of Russian LNG in the first ten months of 2024 or four times more than in the whole of 2023. From Dunkerque the natural gas transits Belgium and gets imported in Germany. Since the Russian invasion of Ukraine, Belgium has become one of the biggest exporters of natural gas to Germany, which is likely linked to indirect Russian gas sales.

While local authorities have done initial investigations into the links between Novatek and BarMalGas, they were dropped after the German firm asserted that it had no knowledge of any connections to Novatek or the case in Poland. This lack of oversight from German authorities on a piece of energy and national security asset highlights that there is still insufficient political will to engage seriously in rolling back the Russia-linked networks of influence in strategic sectors.

The Professional Enablers: Law Firms and Business Consultancies

Law firms and business consultancies have been instrumental in helping Russian entities advance Russia's economic and geopolitical interests in Germany, particularly in the energy sector. The cluster of these professional enablers has continued aiding Russian-German business relations even in the face of international sanctions and geopolitical tensions. They have aided Russian companies lobby the German national government to adopt Russia-friendly energy and business policies. Apart from advocacy work, the enablers have been consulting German firms trying to find regulatory loopholes to maintain their business involvement with Russia even after the invasion of Ukraine. These intermediaries were responsible for redirecting the focus of German businesses to Central Asia as a key conduit for potential sanctions evasion practices. Last but not least, they have helped Russian companies launder their reputation in both Berlin and Brussels in a push to ensure that the EU does not actively seek to decouple from its dependence on Russian energy.

ADVANT Beiten (formerly known as Beiten Burkhardt) stands out as a key intermediary in the network analysis with a betweenness centrality score close to that of the Russian Honorary Consul and Schröder associate, Heino Wiese. Founded in 1990 by Gerhard Beiten and Jürgen Burkhardt, the firm opened its Moscow office in 1992 and it has been under the leadership of **Falk Tischendorf** since 2009. Tischendorf's team is comprised primarily of lawyers with Russian citizenship, many of whom have previously worked for the Russian government. Alexey Kuzmishin, for instance, has previously held roles at the Russian Ministry of Foreign Affairs and the ITERA Group, a Russian oil and gas company that was subsequently acquired by Rosneft.⁵⁸

The law firm's contacts in both German and Russian politics and business made it an ideal partner for facilitating new German-Russian business ties. It has played a crucial role in advancing the Russian LNG infrastructure by structuring joint ventures between German and Russian companies including a 2019 deal between Gazprom and Linde AG, which resulted in the creation of the **Gazprom Linde Engineering** joint venture. The joint venture has supplied crucial equipment to Russia's **Baltic LNG project in Ust-Luga**, a facility poised to significantly increase Russia's LNG export capacity.⁵⁹ ADVANT Beiten's co-founder, Gerhard Beiten, has long-standing connections with Linde AG, having served on the board of shareholder representatives from 1979 to 2011.⁶⁰

In 2017, ADVANT Beiten's Moscow office provided legal support for a similar joint venture between Linde AG and the EU and U.S. sanctioned PJSC Power Machines, the market leader in Russian power engineering owned by Alexei Mordashov. At the time of the deal, Mordashov was serving

55 Lehner, J., "Eine kaum bekannte deutsche Firma plant in Rostock ein Gas-Terminal – doch sie hat brisante Verbindungen nach Russland", *Business Insider*, October 22, 2024.

56 Lehner, J., "Russische Millionen gingen an Behörden vorbei: Wie eine deutsche Firma einem Putin-Freund half, sein Vermögen vor Sanktionen zu retten", *Business Insider*, October 19, 2024.

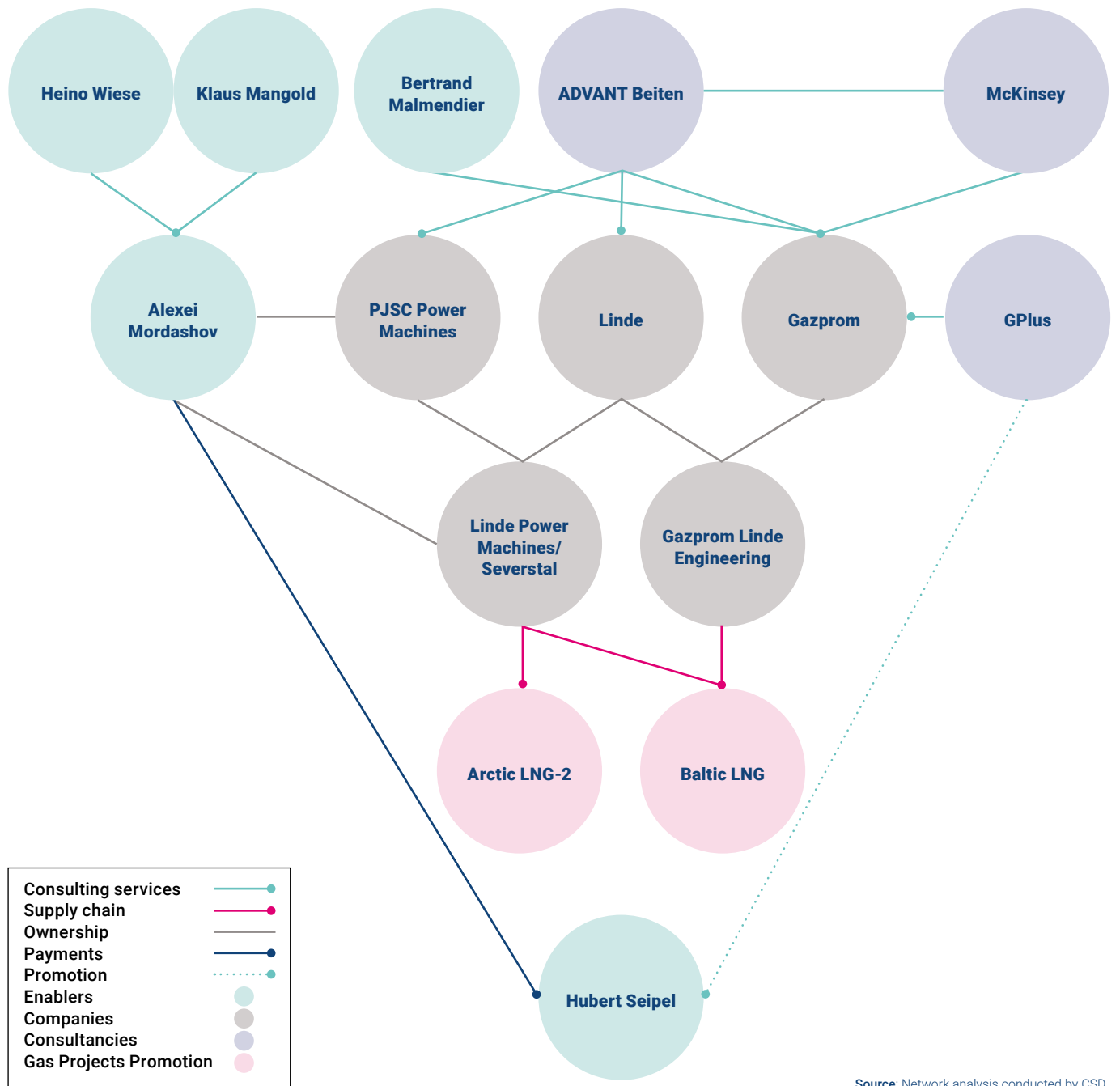
57 Ibid.

58 ADVANT Beiten, Alexey Kuzmishin, Accessed 03.12.2024.

59 ADVANT Beiten, "Joint Venture Contract and Joint Venture Participants Agreement between Gazprom 335 and Linde AG", October 03, 2019.

60 In 2020, ADVANT Beiten also advised Siemens on the registration of Siemens Gas and Power, a "Russian division of Siemens in the field of production of equipment for the needs of the energy sector", February 20, 2024.

Figure 6 | Law Firms, Consultancies and their Clients



Source: Network analysis conducted by CSD.

as the Vice-President of the AHK Russia and Linde was a member of the compliance committee, which was chaired by ADVANT Beiten’s Falk Tischendorf. The joint venture ended up producing heat exchangers for large-capacity gas liquefaction in the Russian LNG projects **Baltic LNG** and **Arctic LNG-2**.^{61,62} The two LNG projects, which are still under construction, would have a combined production capacity of 32.8 million

tonnes of LNG per year upon completion, more than Russia’s current installed LNG liquefaction capacity.

After the Russian invasion of Ukraine, Linde AG withdrew from the joint venture (previously renamed to Linde Severstal) in June 2022, but the German company took advantage of the legal transition period to deliver essential equipment to

61 ADVANT Beiten, “Linde AG und PJSC „Power machines“ geben Start für eine neue Produktion von Wärmetauschern”, June 27, 2017.

62 SPIEGEL, “Arctic LNG-2: Wie westliche Konzerne ein russisches Prestigeprojekt ermöglichen”, October 19, 2023.

the Arctic LNG-2 plant shortly before the EU sanctions came into force on 27 May 2022.⁶³ In addition, the ownership of the joint venture's production site in St. Petersburg has since passed entirely to the RusChemAlliance, a joint venture between Gazprom and RusGazDobycha, a UK-sanctioned⁶⁴ company whose majority owner is Artyom Obolensky who is also chairman of SMP Bank, which in turn is controlled by the sanctioned Rotenberg brothers with close ties to Putin.^{65,66} Therefore, Linde may have left Russia, but the knowhow it has provided to Russia's LNG industry has remained intact.⁶⁷

As of October 2024, ADVANT Beiten is the only German law firm with an active Moscow office.⁶⁸ The firm justified its decision to stay in Russia by claiming that it exclusively advises German companies operating on the Russian market or their Russian subsidiaries that need its services now more than ever.⁶⁹ The question remains whether this means helping German companies manage the legal intricacies of a smooth exit from the Russian market, or instead helping them navigate the EU's complicated sanctions regime to maintain and potentially deepen their presence in Russia. Either way, entrenching deep business ties between German and Russian entities that led to Russia acquiring German technology has already proven to be a very successful business model for ADVANT Beiten, and for now the firm keeps profiting off German companies' dependence, even more so now that its competitors have left Russia.

Another key Russian economic influence enabler across Europe has been **McKinsey**, which has links with the *New Generation* network, Gazprom, BASF and ADVANT Beiten. **Nico Raabe**, head of McKinsey's Center for Government in Europe, and the family of then-ambassador **Vladimir Kotenev**, later CEO of Gazprom Germania, maintain close relations going back to at least 2009 when they were amongst the founders of the Germany-Russia – The New Generation (see section on this community in the network above). Kotenev became the new CEO of Gazprom Germania in 2010 and met with McKinsey representatives just a few months later to discuss how McKinsey could assist Gazprom in maintaining its key position on the European gas market.⁷⁰

McKinsey's suggestions included winning over local allies through events and meetings, deepening Gazprom's footprint through energy infrastructure projects, and pushing the narrative that Russian gas was essential for Germany's industrial sector.⁷¹ Gazprom's acquisition of **Germany's**

largest gas storage facility in Rehden from BASF in 2015 was the result of McKinsey's advice to "move deeper into the value chain".⁷² In total, McKinsey has worked on 160 projects for Gazprom over the years, earning €50 million for its services.⁷³

At the same time, McKinsey⁷⁴ was one of the main sponsors of the *New Generation*, and participants lists reveal that several McKinsey employees attended the Young Leaders conference each year. For example, Alexander Weiss, the global co-leader of McKinsey's Electric Power & Natural Gas practice, was a speaker at panels on German-Russian energy relations where he was joined on stage by representatives from Gazprom and VNG, as well as Mikhail Skigin from the St Petersburg Oil Terminal.⁷⁵

The Brussels-based PR company **GPlus** was also a central player in helping Gazprom and other Russian entities improve their public image across Europe, leveraging its extensive network within EU institutions and the media. GPlus, which had a reputation as the "exclusive employer of former European Commission spokespeople,"⁷⁶ was contracted by the Kremlin in 2006 to manage Russia's press relations and shape its image as an influential global actor. Gazprom followed suit in 2007, engaging GPlus to manage its European media relations as part of a broader strategy to present Russian gas as vital to Europe's energy security.⁷⁷

By engaging European media and officials, GPlus helped bolster Gazprom's reputation, enabling it to secure long-term contracts and deepen its presence in Europe. In 2012, GPlus sent an email to the ARD-studio in Moscow asking them directly to disseminate a new ARD-documentary on Putin as much as possible. The filmmaker was **Hubert Seipel**, a German journalist, who, according to reports by the ZDF and Spiegel published in 2023, has received €600,000 from Alexei Mordashov, a Russian oligarch close to Putin and owner of Severstal, since 2018.⁷⁸ Despite the EU sanctions on Russia following the Crimea annexation in 2014, GPlus continued working with Gazprom, providing a steady stream of media training and consultancy to Russia's state-controlled energy firms.

Additionally, GPlus provided media training for Kremlin officials like Press Secretary Dmitry Peskov⁷⁹ and held regular meetings with the Russian ambassador to the EU, Vladimir Chizhov.⁸⁰ GPlus also played a significant role in shaping the narratives around Russia's energy dominance by enlisting

63 Ibid.

64 Foreign, Commonwealth & Development Office, "UK strikes at the heart of Russian energy revenues funding Putin's war", October 17, 2024.

65 Reuters, "Exclusive: Arrival of Putin's judo partner squeezed Shell out of LNG project – sources", April 12, 2019.

66 Interfax, "Linde exits JV for manufacturing coil-wound heat exchangers for GPP and LNG", June 21, 2022.

67 SPIEGEL, "Arctic LNG-2: Wie westliche Konzerne ein russisches Prestigeprojekt ermöglichen", October 19, 2023.

68 Poppelbaum, J., "Auch Rödl zieht sich aus Russland zurück", *Juve*, February 03, 2023.

69 Chmielewski, M., "Kanzleien in Russland: Alle gehen, Beiten und Rödl wollen bleiben", *Juve*, March 22, 2022.

70 Wehmeyer, J. C., and Kaleta, P., "Gazprom-Leak: Wie die Unternehmensberater von McKinsey dabei halfen, Deutschland von russischem Gas abhängig zu machen", *Business Insider*, July 23, 2022.

71 Wehmeyer, and Kaleta, "Gazprom-Leak", *Business Insider*, July 23, 2022.

72 Wehmeyer, and Kaleta, "Gazprom-Leak", *Business Insider*, July 23, 2022.

73 Wehmeyer, and Kaleta, "Gazprom-Leak", *Business Insider*, July 23, 2022.

74 McKinsey has also done business with ADVANT Beiten in the past. When Ursula von der Leyen was facing criticism in 2018 for questionable consultancy contracts around a public tender for a new multi-purpose combat ship, it was, among other things, because after winning the tender for legal advice on the tender, ADVANT Beiten subcontracted McKinsey for certain services without an additional public tender. Becker, S., and Gebauer, M., "Ursula von der Leyens Berateraffäre weitet sich aus", *SPIEGEL*, November 09, 2018.

75 Die Neue Generation, "7th German-Russian Young Leaders Conference – Conference Report", 2015; Die Neue Generation, "6th German-Russian Young Leaders Conference – Conference Report", 2014.

76 Intelligence Online, "Europe: Jobs for Spokesmen", September 09, 2006.

77 Rettman, A., "Russia hones new image among EU elite", *Euobserver*, February 09, 2009.

78 Bensmann, M., and Hein, J.-P., "Skandal um deutschen Putin-Biograf: WDR hatte schon 2012 Hinweise zu Seipels Kreml-Nähe", *Correctiv*, November 24, 2023.

79 Roxburgh, A., "The Strongman: Vladimir Putin and the Struggle for Russia", *IB Taurius & Co*, London, 2012.

80 Rettman, A., "Russia hones new image among EU elite", *Euobserver*, February 09, 2009.

Box 6 | Key Individual Professional Enablers: Navigating Old Alliances in a Sanctions Landscape

Klaus Mangold, along with fellow Russian Honorary Consul **Heino Wiese**, brokered the decision by the now U.S. and EU-sanctioned Russian oligarch Alexei Mordashov to become a major shareholder in the German travel company TUI in 2007⁸¹. Mordashov is the chairman and main shareholder of Severstal, and owner of Power Machines, which partnered with Linde AG in a joint venture facilitated by ADVANT Beiten. Additionally, Mordashov is the oligarch who paid €600,000 to German journalist Hubert Seipel. Mangold has been involved in numerous German-Russian business deals and maintains strong ties with the Hungarian government. Notably, Hungarian investigators have highlighted Mangold's key role in arranging a meeting between Russian and Hungarian officials in August 2013, which directly influenced the decision to award Rosatom the contract for the construction of the Paks II nuclear power plant, bypassing an international tender process.⁸² Following Russia's invasion, Mangold has shifted the focus of his consulting activities from Russia to Central Asia and Hungary. A former honorary consul of Russia in Germany and a key figure in the German-Russian Forum and OA, Mangold has deep ties to Russian and German business elites. However, like many other key players, he has adapted to the changing geopolitical landscape by refocusing his efforts on Hungary and Central Asia. In November 2022, Mangold co-founded the *Europe-Uzbekistan Association for Economic Cooperation (EUROUZ)* and became its chairman.⁸³ The association aims to connect German and Uzbek businesses, and several German companies with strong ties to Russia, such as *Linde* and *CLAAS*, are listed as contributors to the association. Christoph Mangold, Managing Director of Mangold Consulting and Klaus Mangold's son, met in 2023 with Uzbekistan's Minister of Economy and Finance, Sherzod Kudbiev, to establish a working group addressing supply chain challenges arising from geopolitical tensions.⁸⁴ Klaus Mangold's engagement with Uzeltexsanoat, an Uzbek industry association, further solidifies his role in shaping Uzbekistan's economic strategy. Earlier this year, Uzeltexsanoat signed a memorandum of understanding with RUSAL, a major Russian aluminium company.⁸⁵ Mangold's connections to Russian and German businesses, along with his new focus on Central Asia, demonstrate how figures within the German-Russian network have sought to maintain relevance by capitalizing on emerging markets. His close ties to the Hungarian Orbán government further highlight his ability to navigate complex international relationships,⁸⁶ making him a key player to watch as the geopolitical environment continues to evolve.

Malmendier Legal, led by Bertrand Malmendier, is a prominent enabler in German-Russian business relations. Malmendier played a crucial role in facilitating Russian investments in Germany, notably supporting the acquisition of Klausner-Werke, including the Wismar sawmill in Mecklenburg-Vorpommern, by Ilim Timber Industry in 2010, marking the largest Russian direct investment in Germany at the time.⁸⁷ Beyond this, Malmendier has worked extensively with Russian companies, including supporting joint power plant projects between RWE and Gazprom.⁸⁸ In 2017, Malmendier co-founded a research and consulting company with Andrey Zverev, a founding member of the Ostinstitut and former Russian embassy employee.⁸⁹ His activities are closely linked to Russia's political machinery: From 2006 onwards, he led the European branch of the Centre for Social-Conservative Politics, a think tank connected to United Russia. Malmendier also served on the supervisory board of the *German-Russian Forum* and co-founded the *Future Forum Wackerbarth*.⁹⁰ Since the start of Russia's invasion, he has been involved in high-profile legal actions against the German state and the EU. He is representing Rosneft in its legal battle with the German government over its decision to place the PCK refinery in Schwedt under state supervision⁹¹ and has also sued the EU Commission over sanctions that prohibit legal services to Russian entities.⁹²

Heino Wiese, a close associate of Gerhard Schröder and Sigmar Gabriel who, in addition to his duties as Russian Honorary Consul, served on the boards of the *German-Russian Forum* and the *New Generation*, dissolved his consultancy firm, Wiese Consult, following Russia's invasion of Ukraine. However, he swiftly transitioned to *Vision Consulting*, a firm founded by a former associate of Schröder with ties to the Turkish foreign ministry. Vision Consulting primarily focuses on German-Turkish business relations, indicating that Wiese, like many others within the German-Russian network, has redirected his activities toward new regions in response to the sanctions and Russia's growing political isolation.

As Germany's exports to Central Asia, the Caucasus, and Türkiye have surged since 2022, key enablers of Russian influence have adapted by focusing their activities on these regions. Their extensive networks remain valuable in helping German businesses find new markets to offset the loss of Russian trade. These individuals, with their deep ties to Russia and expertise in navigating complex international relations, are in high demand by companies seeking to maintain indirect links to Russian markets or bypass sanctions. Regulators must closely monitor these enablers, as their activities in emerging markets could also facilitate sanctions evasion, particularly through the transshipment of goods to Russia.

81 Becker, S., Bidder, B., and Naber, N., "Russlands Honorarkonsuln in Deutschland: Wie Moskau seine Strippenzieher verlor", *SPIEGEL*, December 04, 2022.

82 Szabó, A., "We looked into the contracts signed by the Hungarian government with 'Mr. Russia'", *Direkt36*, December 13, 2022.

83 EUROUZ, What is EUROUZ, Accessed 02.10.2024.

84 The Tashkent Times, "Minister of Economy meets with CEO of Mangold Consulting", May 19, 2023.

85 Novikov, V., "Узэлтхсаноат и Алуминиевая ассоциация России объединили усилия", *NUZ*, May 01, 2024.

86 Szabó, A., "The Mysterious German Behind Viktor Orban's Russian Deals", *Direkt36*, October 17, 2017.

87 Lehner, J., "Mögliche Enteignung von russischem Staatskonzern in Deutschland: Dieser Berliner Anwalt will für Rosneft Milliarden von Habeck", *Business Insider*, February 20, 2024.

88 RWS Verlag, "Dr. Malmendier gründet 'MALMENDIER HELLRIEGEL RECHTSANWÄLTE'", December 08, 2011.

89 North Data, "Eintragung: BAZECON GmbH", Accessed 19.11.2024.

90 Lessat, J., "Pfeiffer und Lobbyismus: Ganz eng mit Russland", *Kontext: Wochenzeitung*, April 14, 2021.

91 Lehner, J., "Mögliche Enteignung von russischem Staatskonzern in Deutschland: Dieser Berliner Anwalt will für Rosneft Milliarden von Habeck", *Business Insider*, February 20, 2024.

92 Ströder, M., "Es ist nicht relevant, was mein Mandant oder meine Mandantin getan hat", *Juve*, May 08, 2023.

European partners to lobby on behalf of Russian interests. Gazprom had created a network of lobbying groups through its European partners, such as BASF and Total, who lobbied European institutions indirectly on Gazprom's behalf.⁹³ This allowed Gazprom to push its agenda without being directly involved in lobbying. GPlus stopped working with the Kremlin in 2015 and with Gazprom in 2017 although other subsidiaries of its American parent company Ominicom kept working for Russian clients until Russia's invasion of Ukraine in 2022.⁹⁴ Interestingly, one of Gplus's lobbyists moved to the public policy department of Metro AG in 2017,⁹⁵ a company deeply involved in the Russian market and in the promotion of Russian-German ties. Metro still operates several stores in Russia, thereby contributing taxes to Russia's war chest.⁹⁶

Russian Oligarchs and the Far-Right in Germany

While in the 2000s and 2010s the main target of the Kremlin's influence operations in Germany were the two most popular parties in Germany, the CDU and the SPD, Russia has since expanded its networks to members from other political forces as well, in particular the anti-systemic, radical AfD (Alternative for Germany), in what seems to be part of the Kremlin's broader strategy to gain the support of far-right parties across Europe. Russia has been building and maintaining close relationships with several AfD politicians since the 2010s and these efforts have only intensified in recent years. Since the beginning of Russia's full-scale war on Ukraine, Sahra Wagenknecht and her newly founded BSW have opened up a second channel for pro-Kremlin narratives to access and shape policy-making in Germany by effectively acting as disseminators of these narratives. The BSW's growing influence and popularity have attracted the Kremlin's attention. This is evident from reports that the Kremlin is planning to establish a "cross-front" alliance between the AfD and BSW,⁹⁷ and a recent invitation extended to the BSW MEP, Michael von der Schulenburg, to participate in political discussions between the AfD and Dmitry Medvedev in Sochi this November.⁹⁸ However, this invitation was declined and in general there is no sufficient evidence to code a relationship between BSW politicians and Russian politicians or oligarchs in line with the coding rules according to which the network database was constructed (e.g. evidence for meetings or participation in the same events). The BSW may be reluctant to engage in meetings with Russian counterparts in the current political climate, given the likelihood of media scrutiny and condemnation from political rivals. Furthermore, the complexity of arranging such events and meetings has increased due to sanctions and travel restrictions. Nevertheless, despite the BSW not being a prominent feature in the network analysis, it is clear that it plays a significant role in the dissemination of pro-Russian narratives.

93 New York Times, "Gazprom works to let business partners be its European lobbyists", July 25, 2008.

94 Marszalek, D., "PR & Lobbying Firms Cut Ties With Russian Companies", *Provoke Media*, February 28, 2022.

95 PRReport, "Daniel Florian lobbyiert für Metro", February 16, 2017.

96 Gurkov, A., "Wie die Metro versucht, ihr Russlandgeschäft zu retten", DW, April 23, 2023.

97 Von Salzen, C., "Kreml-Forderungen auf „Friedensdemos“: Russische Führung will offener Querfront aus AfD und Wagenknecht-Lager", *Tagesspiegel*, April 21, 2023.

98 Janz, C., and Mueller-Töwe, J., "Treffen mit Medwedew: BSW-Politiker war mit AfDlern nach Russland eingeladen", *t-online*, December 03, 2024.

The key figures in this cluster are the AfD MP **Markus Frohnmaier**, the Deputy Chairwoman of AfD's parliamentary group **Beatrix von Storch**, the Russian diplomat **Daniil Bisslinger**, as well as **Vladimir Yakunin** and **Konstantin Malofeev**, two of the most influential Russian oligarchs under sanctions for their close involvement with the war in Ukraine. As described in detail above, Yakunin has also been on the board of trustees of the German-Russian Forum for many years and co-funded the events of the organisation "Germany-Russia – the New Generation". He is known for being a key figure in Russia's strategy to connect far-right politicians and activists all across Europe to build an "anti-liberal" coalition that promotes conservative and Christian ideas.⁹⁹

Konstantin Malofeev is an ultra-orthodox hardliner who funds and connects anti-LGBTQ+ and anti-abortion movements and is banned from entering the US and several European countries. He has been directly involved in funding the operations of the "separatist Donetsk and Luhansk Peoples' Republics".

Daniil Bisslinger served as an attaché at the Russian embassy in Berlin for much of the 2010s and currently works for the Russian Foreign Ministry in Moscow. He also acted as Putin's personal translator during meetings with former Chancellor Merkel.¹⁰⁰ Like Vladimir Yakunin, Bisslinger's activities in Europe centred on building coalitions, but with a particular focus on young, rising politicians, especially from far-right parties such as Germany's AfD and Austria's FPÖ. His emphasis on connecting with emerging leaders also led him to attend the *New Generation's* Young Leader Conference in 2016.¹⁰¹

Bisslinger and the upcoming AfD politician Frohnmaier met for the first time in 2014, and it has since been revealed that Frohnmaier has been a key target of Russian operations to turn him into a mouthpiece for pro-Russian narratives in Germany.¹⁰² He has travelled regularly to Crimea and the Russian-occupied areas in Eastern Ukraine and has appeared on the Russian state-sponsored news outlets Russia Today and Sputnik News.¹⁰³ Frohnmaier has also met with Yakunin, who he has called a "giant of international politics",¹⁰⁴ and wrote several articles for Malofeev's think tank "Katehon".¹⁰⁵

The German government has confirmed that several German far-right extremists have been in contact with the think tank.¹⁰⁶ Katehon's German Facebook account was at some point run by **Manuel Ochsenreiter**, a publicist who also worked as a special advisor in the parliamentary office of Markus Frohnmaier between September 2018 and January 2019, and who co-founded the Centre for Eurasian Studies with

99 Datta, N., *Tip of the Iceberg: Religious Extremist Funders against Human Rights for Sexuality and Reproductive Health in Europe*, European Parliamentary Forum for Sexual & Reproductive Rights, June 2021.

100 Spiegel, "Documents Link AfD Parliamentarian To Moscow", April 12, 2019.

101 Von Daniels, J., et al., "Wodka, Scholz und Gazprom", *Correctiv*, April 03, 2023.

102 Spiegel, "Documents Link AfD Parliamentarian To Moscow", April 12, 2019.

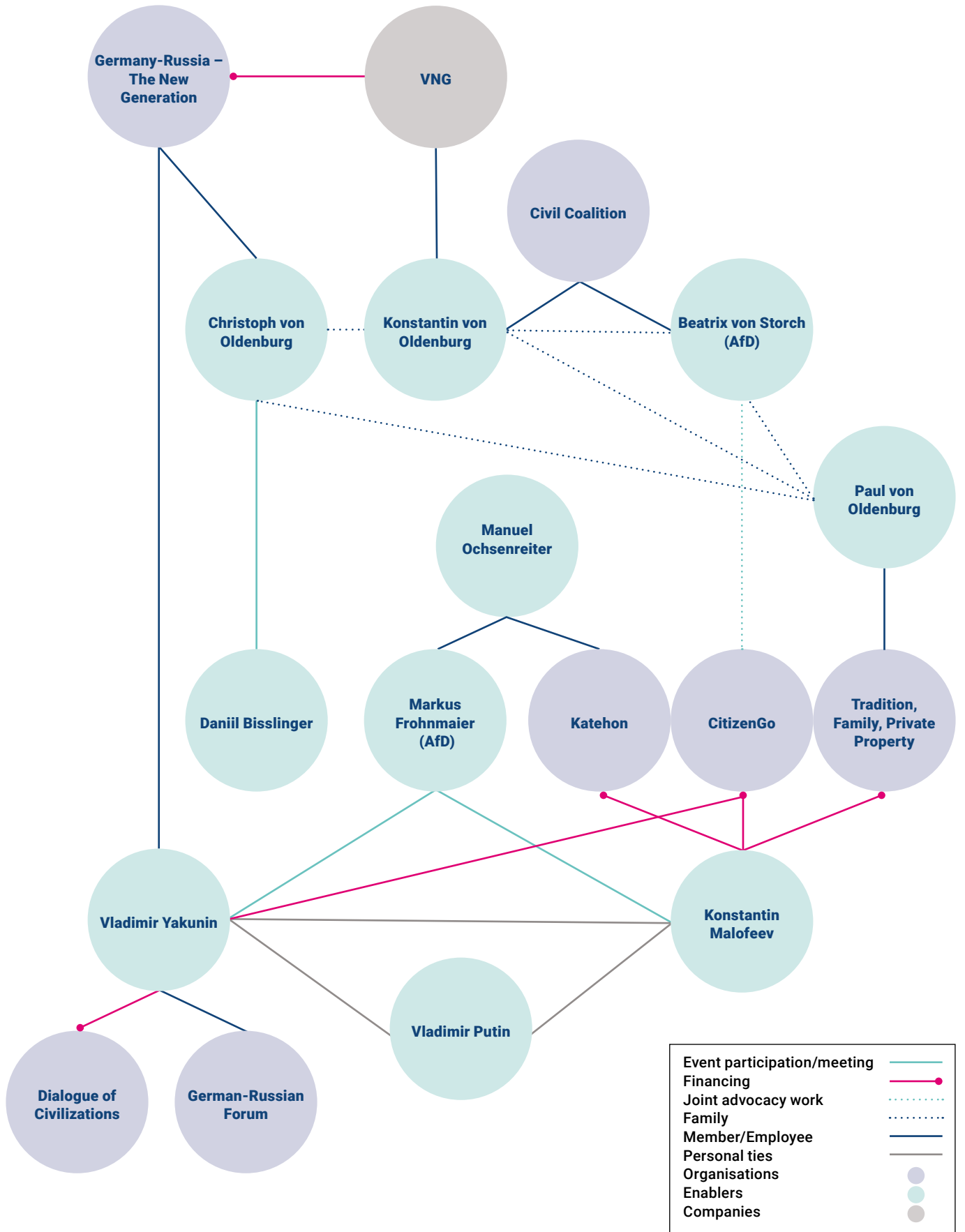
103 Volksverpetzer, "Lobbyisten, Spender, Strukturen, Entwicklungen – Das Neonazi-Netzwerk", September 19, 2021.

104 Spiegel, "Documents Link AfD Parliamentarian To Moscow", April 12, 2019.

105 Katehon, "Markus Frohnmaier", Accessed 04.10.2024.

106 Deutscher Bundestag, "Antwort der Bundesregierung auf die Kleine Anfrage der Abgeordneten Martina Renner, Nicole Gohlke, Gökyay Akbulut, weiterer Abgeordneter und der Fraktion DIE LINKE", May 09, 2022.

Figure 7 | Germany's Far-Right, Russian Oligarchs and the von Oldenburgs



Box 7 | Russia's Cognitive Capture Tactics

Russia's close ties with the European far-right political parties have provided the Kremlin with a powerful tool for cognitive capture, which is based on the spread of Russian disinformation narratives. They aim to radicalise the public discourse in Europe on sensitive issues such as family values, gender identities and the low-carbon economic transition. Given Russia's declining economic presence in most European economies, the Kremlin's embrace of a more ideological and values-based influence strategy aims to develop and entrench a new network of Russian enablers that are not directly related to Russia's business interests.

In Germany, most political parties, even those that had been previously active members of the German-Russian networks, condemned the Russian invasion of Ukraine and many of the enabling organisations ceased their activities. The vacuum created by the receding Russian economic influence has since been filled by the aggressive disinformation campaign of AfD and the BSW, who have claimed that the sanctions against Russia are to blame for the surging energy prices and are hurting only European businesses and households, and not the Russian economy. They advocate for the lifting of all sanctions on Russia and resumption of Russian fossil fuel imports, as this would have an immediate positive economic impact on German consumers through lower energy bills and lower inflation rates.

In light of the conflict in Ukraine, the BSW has pushed for good relations with Russia due to its links to the German peace movement, which advocate for Germany playing the role of a neutral mediator between the U.S. and Russia. Meanwhile, the AfD focuses on portraying Russia as a stronghold of Christian and conservative values that will help the German society withstand "liberal and feminist propaganda" stemming from the U.S.

Frohnmaier in 2016.¹⁰⁷ His resignation as Frohnmaier's special advisor came after he was accused of financing and directing an arson attack on a Hungarian cultural centre in Ukraine in order to increase tensions between the Ukrainian population and the Hungarian minority.¹⁰⁸ The police reported that he died suddenly from a heart attack in Moscow in 2021.

Malofeev is also connected to AfD MP Beatrix von Storch and members of her family (the von Oldenburgs) through a network of radical abortion opponents. Malofeev funded several **anti-abortion protests in Germany** that were attended by von Storch and maintains good relations with the Catholic organisation 'Tradition, Family, Private Property' (TFP). The latter was also founded by old aristocrats in Brazil, and its German and European branches are led by another member of von Storch's aristocratic family, **Paul von Oldenburg**.¹⁰⁹ Malofeev and Paul von Oldenburg met in person at least once at the World Congress of Families in Sydney in 2013, a gathering of supporters of the "natural family" and anti-abortion laws.¹¹⁰

Malofeev and TPP have skilfully spun a web of influence across Europe, with affiliates in nearly every country, actively seeking to reverse the liberal advances made in Europe since World War II. In Germany, they have found their strongest ally in the AfD.

The **old aristocratic family von Oldenburg** plays a key role in the German-Russian network, as several members of the family appear in different clusters of the network and act as

connectors between them. The family belongs to the highest category of German nobility and its members have ruled several European countries throughout history. In Germany, the family ruled the Grand Duchy of Oldenburg until 1918. The last common ancestor of the four Oldenburgs involved in the German-Russian networks is Nikolaus von Oldenburg, who was a Sturmabteilung standard bearer and part of the Nazi government in Oldenburg.

Christoph von Oldenburg is the co-founder and Chairman of the **Germany-Russia – The New Generation**. His organisation's Young Leaders Conference was sponsored by the Gazprom-dependent Saxonian company **VNG**, which sent representatives, often even board members, to the conference almost every year (see section on the community above). Konstantin von Oldenburg is the Managing Director of VNG Handel & Vertrieb GmbH. While Christoph and Konstantin seem to have mainly maintained close ties with influential Russian businessmen or politicians, in particular those with ties to the energy sector, Paul von Oldenburg and Beatrix von Storch are part of a **community of ultra-Christian hardliners** from Russia, Europe, and the Americas.

However, Konstantin von Oldenburg is also a founding member of von Storch's **far-right lobbying organisation "Civil Coalition"**¹¹¹ which runs campaigns and petitions in support of common far-right narratives. Through von Storch, the Civil Coalition is also tied to the far-right advocacy organisation CitizenGo from Spain which has received funding from both Vladimir Yakunin and Konstantin Malofeev in the past.¹¹²

107 Majic, D., "Referent vom rechten Rand", *Frankfurter Rundschau*, January 04, 2019.

108 Fuchs, C., and Müller, D., "AfD trennt sich nach Terrorvorwurf von Mitarbeiter", *ZEIT*, January 17, 2019.

109 Ulrich, S., and Cesaro-Tadic, C., "Gefährliches Netz radikaler Abtreibungsgegner", *ZDF heute*, February 19, 2024.

110 United Families International, "World Congress of Families – UFI was there!", 2013.

111 Amann, M., and Röbel, S., "Gaben für die Familie", *SPIEGEL*, April 29, 2016.

112 Datta, *Tip of the Iceberg*, EPF, June 2021.

While it is unclear how close the ties between the four von Oldenburgs are these days, it is striking how one German aristocratic family is simultaneously connected to one of the largest German-Russian networking events, a major

gas importer with close ties to Russia, far-right movements funded by Russian oligarchs, and the AfD, which openly calls for an end to sanctions against Russia.

5. Old Habits Die Hard: Sanctions Evasion Strategies and Cases

Russia nurtures the development of informal private-public networks of influence based on the mutual partnership between Russian and domestic business groups. They act together to acquire strategic and lucrative assets or to ensure a dominant position in key markets. Local power brokers benefit from Russian political and financial support in engineering the deals. In this context, the extensive ties between Russian and German energy companies have been thoroughly documented. Yet, Russia's indirect economic footprint in the country's most productive industrial segments has been less visible.

The informal networks discussed in the sections above have enabled Russian influence to extend beyond traditional channels of diplomacy and trade, and have allowed German companies to leverage the relatively cheaper Russian gas to boost their global market positions. They have also ensured that German companies are deeply entrenched in the Russian market where they have become dominant players in many industries.

Many German firms continue operating in Russia and there are still several thousand Russian firms active in different German markets. Given Russia's proven track record in abusing corporate networks for foreign policy goals, including through deploying strategic corruption, these company networks pose economic and investment security risks. These risks are likely to increase as the Kremlin seeks to evade sanctions by further obfuscating final beneficial ownership of its companies.

Russia has been able to leverage its informal networks of influence to facilitate the continued flow of goods with the West. Germany is no exception. Despite its strong support for Ukraine against Russia's aggression, German businesses continue shipping goods to and from the Russian market. After the start of the full-scale invasion in 2022, many German companies formally exited Russia, with direct trade between the two countries falling sharply. Still, the subsidiaries of large German companies located in countries that have not imposed sanctions against Russia, continue to resell items to Russia. Because of the size of these firms, their operations often fly under the radar.

Furthermore, the EU as a whole, and consequently Germany, continue to rely on imports of Russian natural gas in the form of LNG, as well as oil products derived from Russian crude via Türkiye and India. Türkiye has increased its reliance on Russian seaborne crude oil imports to 70% in the first half of 2024.¹¹³

This has come as a result of taking advantage of a discount on Russian crude and enabled Türkiye to significantly increase its exports of oil products to the EU.¹¹⁴ Germany and numerous other EU member states have received imports from the Azeri-owned STAR refinery in Türkiye, which is 98% dependent on Russian crude.¹¹⁵ Similarly, as a consequence of the discount on Russian crude, India has become the largest importer of seaborne Russian crude since the country's full-scale invasion of Ukraine, utilising primarily aged and inadequately insured shadow tankers, despite having imported minimal Russian crude in the preceding years. As a result, India has assumed the position of Europe's primary fuel supplier, previously held by Saudi Arabia.¹¹⁶ Imports of oil products from the three main Indian refineries running on Russian crude into the EU have increased by 58% in the first three quarters of 2024 compared to the average volume of exports prior to the Russian invasion of Ukraine.¹¹⁷ These practices highlight significant shortcomings in the sanctions regime. Gaps in the oil ban, weak implementation, and the agility of sanctions evaders have allowed Russia's oil and gas sector to remain relatively stable, enabling it to continue funding its military operations in Ukraine. Dual-use goods – defined as items that can be used for both civilian and military purposes – should be of particular concern, as the primary purpose of export controls is to undermine Russia's ability to sustain the war in Ukraine. Examples of dual-use goods include electronic integrated circuits, converters and microchips that can be taken from common appliances such as microwaves or dishwashers.

Indirect trade with Russia has surged through third countries, particularly Türkiye, Central Asia, and the UAE. These are states that have either maintained a neutral position in the Russo-Ukrainian war and / or have already developed strong trade relations with Russia, making them attractive partners for German companies looking to redirect their exports.

As previously outlined, key enablers such as Wiese and Mangold have shifted their focus to these countries since Russia's invasion, capitalising on the opportunity to bridge the need of German companies to access new markets that can offset the loss of their Russian business, and the high demand by companies in the region for German products. Companies with close ties to Russia and the German-Russian networks such as Knauf, Claas, and Linde now appear as sponsors of new organisations with a focus on Central Asia and have invested in new projects in the region¹¹⁸.

¹¹⁴ Vladimirov et al., *Sanctions hypocrisy*, Sofia: CSD, 2024.

¹¹⁵ Vladimirov et al., *Sanctions hypocrisy*, Sofia: CSD, 2024.

¹¹⁶ Vladimirov, M., *Navigating Sanctions: Laundered Russian Oil Finds Its Way Back to Europe From India*, Sofia: Center for the Study of Democracy, 2024.

¹¹⁷ Vladimirov, *Navigating Sanctions*, Sofia: CSD, 2024.

¹¹⁸ Daryo, "German Linde to invest in chemical industry of Uzbekistan", May 03, 2024; Global Gypsum, "Knauf to build wallboard plant in Kazakhstan", June 22, 2023; Generalkonsulat der Republik Usbekistan in Frankfurt am Main, "President of Uzbekistan received credentials from newly appointed Ambassadors of India, Republic of Korea, Mongolia, Germany, Israel, and the European Union", September 21, 2024.

¹¹³ Vladimirov, M. et al., *Sanctions hypocrisy: G7+ imports EUR 1.8 bn of Turkish oil products made from Russian crude*, Sofia: Center for the Study of Democracy, 2024.

The Ostinstitut in Wismar and the German-Russian Business Association (DRUW) are examples of how **German-Russian organisations have been following the flow of redirected German exports towards Central Asia and the Caucasus to focus their work on these regions.** The Ostinstitut has since co-founded the *Association of Lawyers of Central Asia, the Caucasus, Ukraine, Moldova, and the Baltic States* whose meetings are conducted in Russian. The institute could be positioning itself as a legal advisor for new collaborations between companies from the region and German compa-

nies seeking to compensate for the loss of business with Russia.

However, given the Institute's former close ties with Russian entities and the involvement of its members in the German-Russian networks, there is a risk that its lawyers could act as intermediaries in a triangle involving German, Russian and Central Asian companies, sparking new sanctions evasion strategies to divert German exports of sanctioned goods to Russia through Central Asia.

Box 8 | A Breakdown of the Mechanics of Sanctions Evasion: Indirect Export of CNC Tools from Germany to Russia ¹¹⁹

A Russian company wants to acquire advanced manufacturing tools equipped with computer numerical control (CNC) technology, which can precisely cut, shape, and finish metal parts. Direct purchases are restricted, so they use an intermediary in a third country (e.g., Türkiye) to complete the transaction indirectly.

Step 1: Russian Buyer Initiates Order

The Russian company contacts an intermediary entity in Türkiye and requests the CNC tools. The Russian company provides payment to this intermediary, which will act as a middleman.

Step 2: Third-Party Intermediary Places the Order

The Turkish intermediary receives the payment from the Russian buyer and places an order with a German supplier. The German supplier may have a history of trading with Russian entities but now sells only to intermediaries due to restrictions.

Step 3: CNC Tools Shipped to Türkiye

The German supplier ships the CNC tools to a customs storage warehouse in Türkiye. The tools do not enter Türkiye's domestic market but remain in customs storage.

Step 4: Re-Export to Russia

The Turkish intermediary arranges for the CNC tools to be re-exported directly to Russia. Because the goods do not go through customs clearance in Türkiye, they are officially recorded as being exported from Türkiye, not Germany.

Step 5: Russian Customs Identifies Tools as Turkish Origin

Upon arrival in Russia, customs authorities process the CNC tools as originating from Türkiye, concealing their true German origin. This allows the Russian company to use the advanced tools despite sanctions.

¹¹⁹ Smith, H., Kozlov, O., and Abdullaev, N., "Managing sanctions risks from Russia's trade partners", *Control Risks*, March 16, 2023.

In a similar attempt to distance itself from its previous focus on collaboration with Russian entities, the German-Russian Business Association, which has a focus on SMEs, renamed itself the German-Eurasian Business Association in 2022 and has since tried to rebrand its website, deleting all content about its engagements and events prior to 2022. Under the website's section "why we exist", the association states that in 2022, its members voted to *expand* its activities to the countries of Eurasia, which leaves the question whether this decision also included ceasing all activities in Russia.¹²⁰ Interestingly, the German-Eurasian Business Association and the Ostinstitut seem to be aware of each other's decision to shift the focus of their activities to Central Asia, **as Andreas Steininger was a panellist at the 2nd German-Eurasian SME Day in 2023.**¹²¹

Assessing the exact volume of trade, direct and indirect, between Germany and Russia remains a challenge, as Russia stopped publishing foreign trade statistics in March 2022 and as third countries can re-export German goods relabelled as their own goods. Tracking the shift in trade outflows from Germany, however, can point to potential sanctions evasion schemes. German dual-use goods can enter Russia via three main channels:

→ **Direct re-export:** a German entity sells its goods to a legal entity in a third country, which then re-exports the goods to Russia.

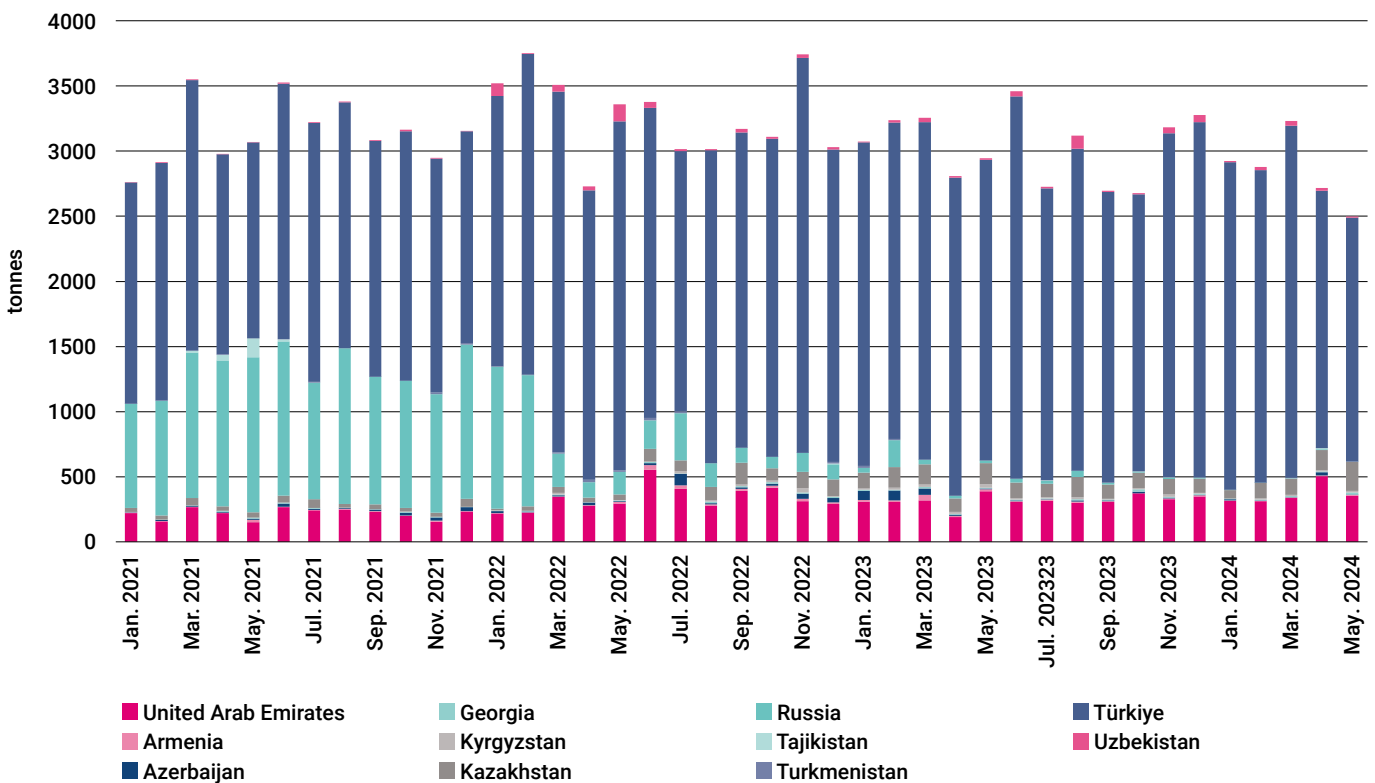
→ **Indirect re-export:** a German entity sells its goods to a proxy buyer, which in turn resells the goods in foreign markets, from where the goods can enter Russia.

→ **Fictitious transit:** German goods are declared to be moving to a third country via Russia. However, once the goods are within the Russian territory, the buyer changes, and the goods stay in Russia. In this case, usually the goods cross the EU-Belarus border, declared mainly as Chinese, but then change the denomination once in Russia.¹²²

Direct re-exports represent the most common strategy of sanctions evasion. Most importantly, the "intermediary" country should not have imposed sanctions, allowing it trade freely with Russia.

Between March 2022 and May 2024, German exports of dual-use goods to Russia have fallen by 92%. However, much of this decline has been compensated by an expansion of exports to other countries, particularly Türkiye, the UAE, and many of the former Soviet republics. Kyrgyzstan in particular stands out, with German monthly exports of dual-use goods growing on average by nearly 1,200% compared to the pre-invasion size of the trade. Armenia, Kazakhstan, and Uzbekistan have also seen German average monthly exports more than double since March 2022. By absolute volume of exported goods,

Figure 8 | German Exports of Dual-use Goods (tonnes)

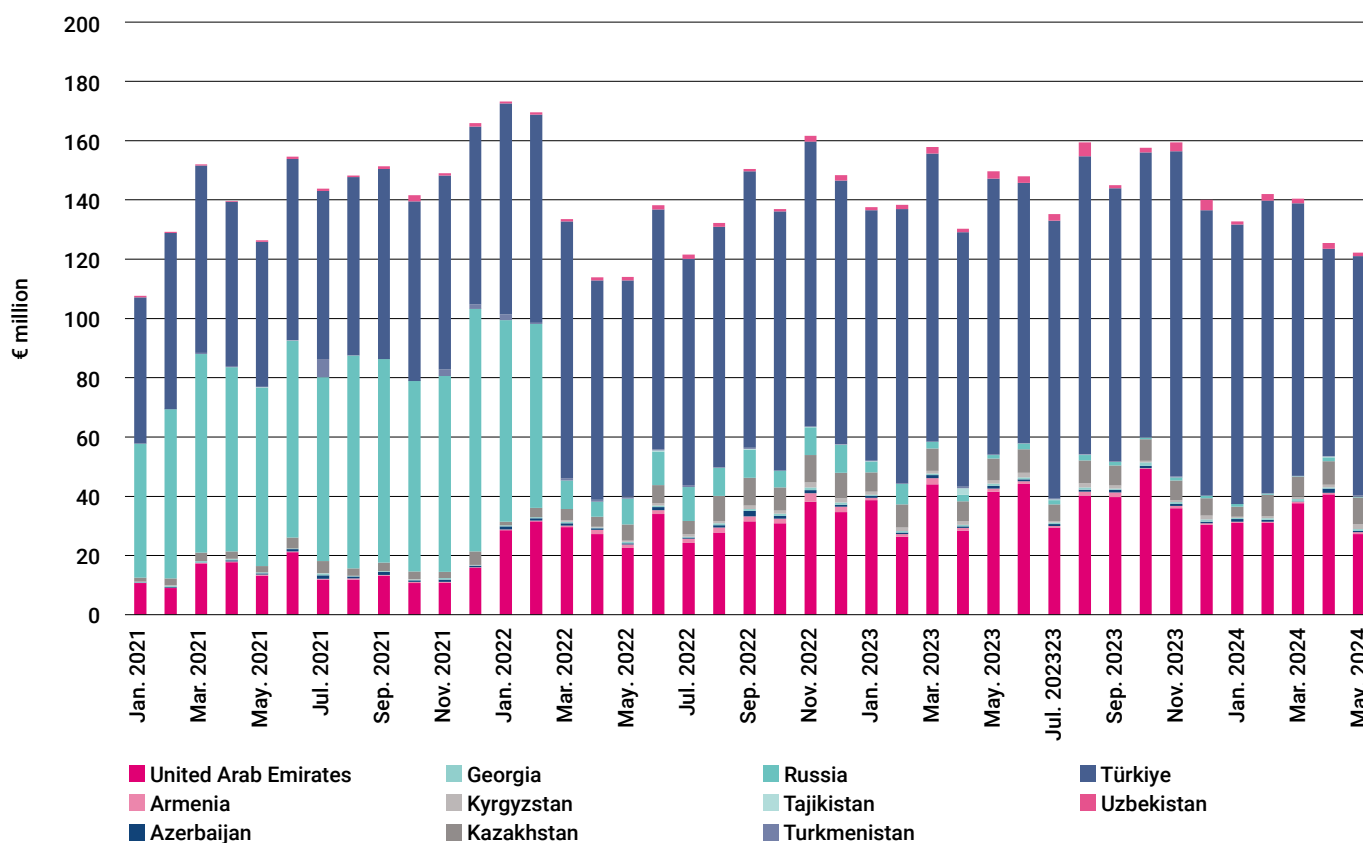


Source: Eurostat.

120 Deutsch-Eurasischer Wirtschaftsband, *Wer wir sind*, Accessed 19.11.2024.
 121 Deutsch-Eurasischer Wirtschaftsband, *Mittelstandstag*, Accessed 19.11.2024.

122 Helmer, M., "Trotz strenger Sanktionen: Wie deutsche Waren Russland erreichen", *ZDF heute*, July 13, 2024.

Figure 9 | German Exports of Dual-use Goods (€ million)



Source: Eurostat.

however, Türkiye ranks first, with an average increase of 572.6 tons in exports, followed by the UAE (124.2 tons) and Kazakhstan (78.2 tons).

In total, **the increase in German exports of dual-use goods to the selected countries accounts for roughly 85% of the reduction in average monthly exports to Russia** since the beginning of the full-scale invasion. However, it is unlikely that the shift in export patterns is caused by a change in the demand for German goods in these countries that would be able to absorb the additional volume of German goods sold. Therefore, it is reasonable to assume that these additional volumes are then further re-exported towards Russia. This is particularly true for former Soviet republics Armenia, Kazakhstan, and Kyrgyzstan – the three countries that have experienced the largest percentage increases in German exports – as they are part of the Eurasian Economic Union (EEU) with Russia, and do not have to issue a second customs declaration when re-exporting to Russia. A disaggregated examination of the data for each category of dual-use goods reveals that the sale of goods that are essential to the Russian military industry such as parts of aeroplanes, helicopters or unmanned aircraft to Turkey have increased by €8.6 million on average per month and by €6.6 million to the UAE. In the case of Türkiye, at least parts of the additional imports may

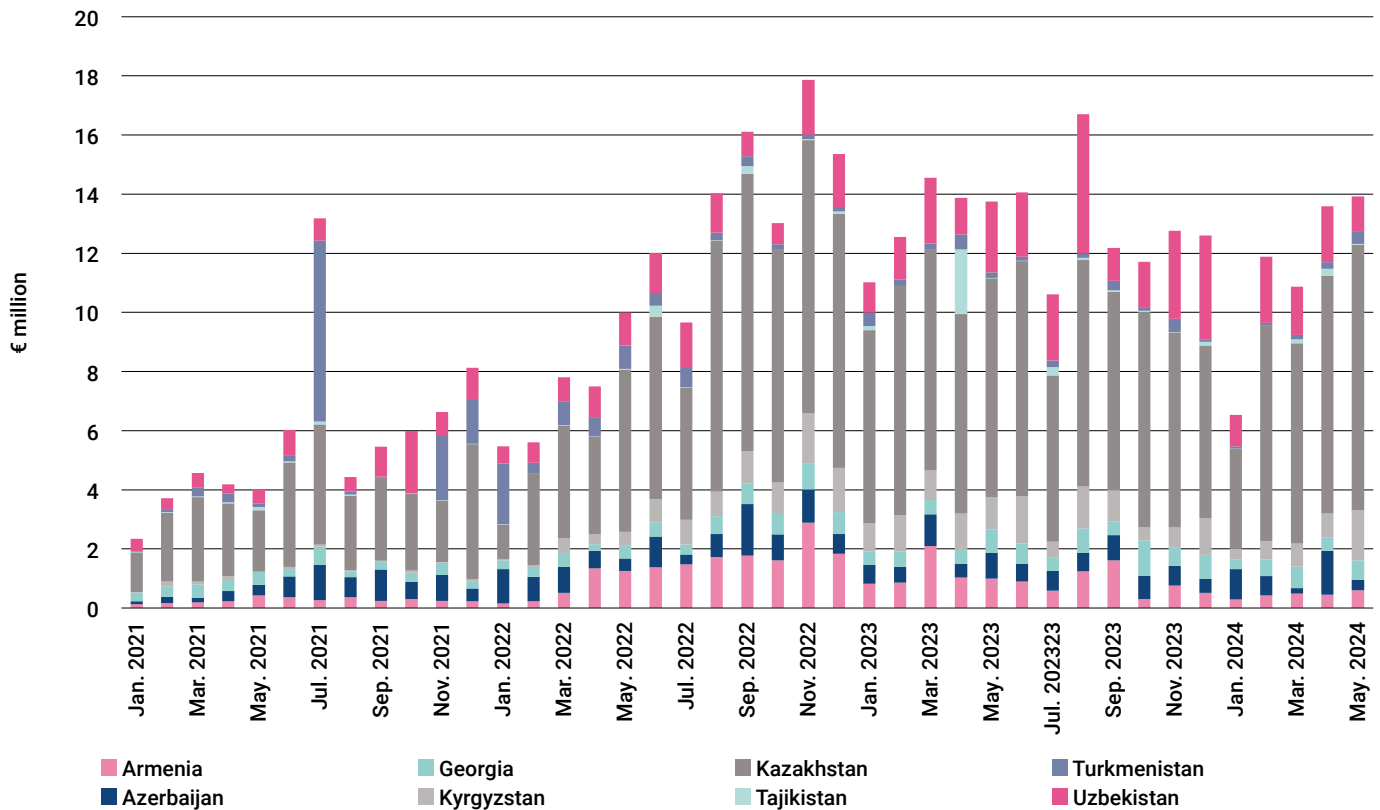
be explained by its increased domestic production of drones which are also delivered to the Ukrainian military as part of a contract dating back to 2018.¹²³ The same cannot be said about the UAE, however, raising questions about its role as a potential hub for re-exports of parts crucial to Russia's war industry.

German exports of static converters, cameras, electrical apparatus for switching electrical circuits, and machines for the reception, conversion and transmission or regeneration of voice, images or other data to the selected countries have also seen a stark increase since 2022. All these goods are essential to the proper functioning of drones, automatic weapons and missile systems, as well as battlefield communications. Exports to Türkiye and the United Arab Emirates of bearings, mechanical components used to reduce friction between moving parts in military applications ranging from vehicle and aircraft systems to missile guidance and firearms/artillery, have also increased significantly, as have exports of advanced manufacturing tools that use computer numerical control (CNC) to precisely cut, shape and finish metal parts.

Russia relies heavily on imports of CNC machines from Europe, the U.S., and Asia because it lacks sufficient domestic production to meet its needs. Given their importance to the

123 Magid, P., "Turkey's drone maker Baykar begins to build plant in Ukraine", *Reuters*, February 07, 2024.

Figure 10 | Dual-use Goods Exports from Germany in EUR million, excluding Russia, Türkiye and UAE



Source: Eurostat.

military industry, preventing Russia from obtaining these machines on the world market is key to crippling its war effort in Ukraine, but the trade data shows that **the increase in average monthly German exports to intermediary countries has more than offset the reduction in exports to Russia.**

German manufacturers are not necessarily conscious of the risk that their products have been diverted to Russia, in some cases in violation of sanctions or in contradiction with the manufacturers’ position on doing business with Russia. Yet, the volume of the problem shows that oftentimes, manufacturers clearly feign ignorance to conceal their operations in Russia. In addition, it is obvious that German and European authorities do not want or cannot enforce more strictly sanctions regulations. Overall, as of 2024, nearly 200 German firms are still active on the Russian market, including the large food wholesaler Metro AG and the pharmaceutical company Stada AG, which generated 11.40% and 14% of their revenues respectively in Russia in 2021.¹²⁴ In addition to operations in Russia, Strada has strengthened its position in Central Asia by opening a regional headquarters office in Kazakhstan in May 2023 that may serve as a backup operational hub in case it might need to cease its activities in Russia due to new EU sanctions legislation.¹²⁵ Kazakhstan in

general has experienced a staggering 65% increase year on year in direct investments in 2023, with most capital inflows focused on sectors such as manufacturing, chemicals, construction materials, agriculture, transportation, and logistics.

German companies are therefore not only seen as continuing operations in Russia, but they have been also expanding into Russia’s neighbouring countries, likely not because of growing domestic markets in those countries but in order to continue supplying the Russian market as part of a more general de-risking strategy.

The Russian automotive industry particularly appears to exhibit resilience against sanctions, in part due to re-exports of German automotive parts. For example, Volkswagen has been accused of continuing business in Russia through subsidiaries.¹²⁶ The Chinese-German joint venture SAIC-Volkswagen has allegedly engaged in re-exports of Chinese-only intended vehicles to Russia, thus profiting from the favourable situation created by sanctions, specifically the fact that numerous Western companies exited the Russian market following Russia’s invasion of Ukraine.¹²⁷ Another example is the German automotive filters manufacturer Mann + Hummel that runs

124 Leave Russia, “Stop doing business with Russia”, Accessed 19.11.2024.

125 Reznik, A., “Почему немецкий фармгигант разместил штаб-квартиру региона в Казахстане”, *Forbes Kazakhstan*, May 18, 2023.

126 Mind, “Volkswagen cars are officially on sale in Russia again, but the company pretends not to know about it”, August 05, 2024.

127 Wolter, A., “Wie deutsche Autos nach Russland kommen”, WDR, August 14, 2024.

a factory in Bosnia, which in 2023 exported a total of EUR 753,331 worth of products to Russia, including Russian automotive companies Yural (or Favorit Parts) and F.A Logistik (or Forum Auto), which are two of Russia's largest automotive parts traders.

In February 2024, it was reported that F.A Logistik hired a veteran, who had fought for the Russian army in Ukraine, as a senior administrator.¹²⁸ In March 2022, Ukraine's Deputy Digital Minister Kostiantyn Koshelenko complained that parts from Mann + Hummel had been found in captured Russian 'Tigr' and 'Pantsir' military vehicles.¹²⁹ In many cases, Bosnian trade data lists Turkish traders as the exporters rather than Mann + Hummel itself. Although a Turkish company placing an order with the Bosnian subsidiary of a German firm, which then ships the goods to Russia, does not inherently violate sanctions, it highlights the susceptibility of German subsidiaries in third-party countries to be used by intermediaries for sanctions evasion. The Russian automotive industry plays a significant role in supporting Russia's war efforts in Ukraine. Therefore, it is crucial for the US and EU to uphold stringent export controls on this sector. Germany, as Europe's largest automotive market, is particularly well-positioned to lead in this effort.

The abovementioned examples suggest that informal Russian networks of influence in Germany take advantage of the lack of robust sanctions enforcement. A major issue is the **fragmented enforcement structure across EU member states**, where sanctions are adopted at the EU level but enforced by individual countries, each with its own institutions

and standards. This creates gaps in monitoring and inconsistencies, as different agencies have varying capacities and procedures. In Germany, for example, enforcement involves both the Federal Office for Economic Affairs and Export Control and the Central Office for Sanctions Enforcement, yet coordination issues persist due to the complex division of responsibilities among federal and regional authorities.

Another gap is in identifying and regulating "enablers" – entities like law firms, banks, traders and consultancies that may knowingly or unknowingly facilitate sanctions evasion activities. These enablers exploit loopholes, such as the use of shell companies or the concealment of end-users in complex supply chains, thereby enabling the indirect delivery of goods to Russia.

While new EU regulations are designed to address these shortcomings, their enforcement is complicated by the differing priorities and resources of the member states, as well as the capacity of enablers to adapt rapidly to new sanctions and legislation. This makes it challenging to address such entities on a case-by-case basis. Addressing these issues will require strengthening export controls and sanctions regimes not only in Germany but also abroad, an uphill task that will require sustained coordination among several countries. Where the scope for cooperation is limited, e.g. with third countries that have not sanctioned Russia, German policy-makers can consider establishing a framework for screening German companies and investments in regions with a high risk of sanctions evasion.

¹²⁸ Aurora Media, "Участникам Специальной Военной Операции в Хабаровском Крае Помогают Осваивать Новые Профессии", February 21, 2024.

¹²⁹ Automobil Industrie, "Bosch schränkt Russlandgeschäft massiv ein", March 18, 2022.

6. Dismantling the Russian Networks of Influence

Russia's networks of influence in Germany continue to pose a significant challenge to the country's sovereignty, economic security, and democratic integrity. The Kremlin's state capture governance ensured through the abuse of its sprawling security apparatus allows it to leverage the resources of such networks (or parts of them) to exploit structural vulnerabilities, economic dependencies, and governance gaps to influence Germany's policy-making. By manipulating political, economic, and societal divisions, these state-capture driven networks have been used to erode Germany's institutional resilience, skew the public discourse, and undermine its ability to pursue strategic European autonomy.

Despite the sanctions imposed on Russia and the **partial decoupling** of Germany from Russian energy supplies, these networks have demonstrated their adaptability. They have sought to camouflage their operations by shifting them to markets in Central Asia and Türkiye, ensuring that they continue to enable Russia's access to German resources through indirect trade and investment channels. This evolution highlights the dangerous and complex nature of Russian state capture-enabled influence in Europe and in Germany and underscores the need for a robust and comprehensive strategy to counter it.

The consequences of these networks' activities are far-reaching. They distort democratic decision-making by embedding foreign interests into critical economic sectors and political processes. Russia has weaponised economic tools to pressure the German government, particularly through energy dependencies and entrenched large-scale projects such as the Nord Stream pipeline, with the goal of achieving political influence. Moreover, the proliferation of information manipulation and propaganda has exacerbated social and political divisions, weakening public trust in democratic institutions and fostering the rise of radical and extreme anti-systemic political forces within Germany.

To address these challenges, Germany should dismantle the most toxic networks of influence that have increased the potency of the Kremlin Playbook in Europe and build systemic safeguards to prevent their re-emergence. This requires a multi-layered approach that addresses both the structural governance vulnerabilities these networks exploit and the broader geopolitical environment that enables them:

Strengthen Institutional Oversight:

- **Establish a National Foreign Influence Task Force:** create an inter-agency body to coordinate defence, economic, intelligence, and regulatory oversight of foreign interference risks. This task force should monitor and expose foreign influence operations, assess sectoral vulnerabilities (energy, finance, and media), and track illicit financial flows.
- **Enhance Anti-Money Laundering (AML), Sanctions Enforcement, and Investment Screening:** to strengthen the EU's resilience against Russian influence, Germany should lead a coordinated European effort to enhance Anti-Money Laundering (AML), sanctions enforcement, and investment screening. This includes implementing stricter screening processes for investments in critical sectors like energy, finance, and telecommunications, with a particular emphasis on exposing hidden beneficial ownership linked to foreign actors. Germany should collaborate closely with EU member states and international partners to ensure that sanctions against Russia are robustly enforced, effectively cutting financial flows to the Kremlin and its war apparatus. By spearheading this initiative, Germany can set a benchmark for comprehensive and unified action across Europe.

Enhance Transparency and Accountability:

- **Public Disclosure Mandates:** require public disclosure of foreign funding and affiliations for think tanks, NGOs, cultural institutions, and lobbying activities. Establish a centralised registry to track these disclosures.
- **Ban Revolving Door Practices:** prohibit former senior officials from joining boards of foreign state-controlled companies for at least five years post-office to prevent undue influence.
- **Tighten Political Party Funding Rules:** enforce stricter rules on foreign funding of political parties and mandate transparency for ties with foreign governments or their affiliates.

Economic Decoupling from Russia:

- **Eliminate the Russian direct and indirect corporate footprint in strategic sectors:** complete the divestment process of all Russia-owned assets in the energy sector by ensuring that they are sold to Western companies with transparent corporate ownership structure. The German government should incentivise German firms to leave the Russian market by imposing higher taxes on the repatriation of profits generated there.
- **Improve Energy Security Through Diversification and Decarbonisation:** phase out completely the indirect purchases of Russian LNG and pipeline gas, as well as potentially laundered Russian crude oil via the Druzhba pipeline. Germany should also invest heavily in renewable energy infrastructure, modernised energy grids, and energy efficiency to overcome the potential negative impact of eliminating Russian energy on prices and industrial competitiveness.
- **Enhance Contract Transparency:** Germany should prevent opaque energy supply agreements with foreign state-affiliated entities, which may include conditions linked to specific geopolitical commitments that undermine the autonomy of Germany's strategic decisions.
- **Strengthen the Positive Economic Statecraft in the EU:** Germany should work with its partners in Europe to ensure the creation of more investment opportunities on the European single market and the use of Europe's development assistance to open further international markets to German and European companies for trade and investment.

Disrupt Network Operations and Combat Strategic Corruption

- **Target Key Network Actors:** impose targeted sanctions on individuals and organisations within the most toxic Russian influence networks, including those operating through third countries.
- **Expand Legal Frameworks on Strategic Corruption:** develop national and EU-level legislation to explicitly address strategic corruption, covering private-sector activities that align with foreign geopolitical interests. Use OECD anti-bribery regulations to safeguard Europe's investment opportunities from strategic corruption globally.
- **Strengthen Investigative Capacities:** support investigations into organisations and individuals facilitating Russian influence over strategic decisions.

These policies not only address current threats but also lay the groundwork for long-term resilience against foreign state-capture-backed influence operations. Germany's decisive implementation of these measures is essential to safeguarding its democratic institutions and ensuring resilience against authoritarian influence in an increasingly fractured geopolitical landscape.

