

GAVI, THE VACCINE ALLIANCE COUNTER-FRAUD FRAMEWORK



Reach Every Child
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Counter-Fraud Framework

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1. Executive Summary

- 1.1 Fraud, theft, and corruption undermine the ability of Gavi, the Vaccine Alliance ('Gavi' or 'the Alliance') to save lives. This should be a concern for anyone handling or managing Gavi resources. While the management of these risks is a matter for each Alliance partner individually, this framework highlights Gavi's expectations in relation to the use of the resources it provides.
- 1.2 The Gavi Secretariat (or 'the Secretariat') always responds to credible concerns of fraud, theft, corruption, and related misconduct (for brevity these are also referred to as 'fraud' in this document). This may include investigative activities, which may subsequently result in disciplinary and/or legal action against those considered to have perpetrated fraud, as well as seeking reimbursement of any lost funds.
- 1.3 The Secretariat endorses a culture of integrity, where individuals feel empowered to report misuse of Gavi resources, and where consequently the opportunities for fraud are minimised. Gavi encourages and welcomes the submission of all such reports made in good faith.
- 1.4 Staff and managers should regularly assess the risks of fraud in their areas of responsibility and establish processes and controls to minimise these risks.
- 1.5 All those receiving Gavi funds or using Gavi-funded resources including its suppliers, grant recipients, partners, contractors, and agents, are expected to act in a manner consistent with the principles of this framework¹. This includes reporting any suspected or actual instances of fraud involving Gavi assets or staff through the appropriate mechanisms.
- 1.6 Working against fraud together, Gavi's partners and the broader development community can achieve better financial – and ultimately better programmatic – outcomes across our activities.

Key Pillars of Gavi's Counter-Fraud Framework:

Awareness	Deterrence	Prevention	Detection	Response
Promote recognition of fraud risks	Discourage potential perpetrators	Reduce likelihood and impact of fraud	Identify and report suspected fraud	Take swift and appropriate action
Alliance-wide position on fraud	Tone at the top and organisational culture	Design policies and procedures	Empower fraud reporting by staff and 3 rd parties	Assess issues, options and responsibilities
Understand the fraud risks		Establish controls & good practices		
Define unacceptable behaviours	Reduce incentives and opportunities	Training and information	Offer multiple reporting options, support and confidentiality	Respond. E.g. investigate, refer to law enforcement
Outreach among staff & partners	Visible controls, vigilance, response and consequences	Anticipate, oversee and manage risks		
>>> KNOWLEDGE >>>				
>>> Communication of fraud impacts, responses and outcomes >>>				
>>> Collate and share fraud knowledge to anticipate risk, build resilience and enhance response >>>				
>>> Maintain corporate and programme risk registers incorporating fraud risk >>>				

¹ Subject to applicable contract provisions. This framework is not intended to override such provisions, or any applicable laws, regulations or relevant privileges and immunities.

2. Purpose

- 2.1 This framework sets out the Secretariat's approach to fraud, theft, corruption and related conduct. Gavi uses an umbrella term of 'misuse' which includes all instances where Gavi cannot obtain assurance that its resources are applied as intended across its programmes and activities. This can include error, accidental damage, or the absence of proper records. Misuse also includes resources lost to fraud but the deliberate and dishonest nature (as opposed to genuine error) of such acts means that they have a greater capacity to undermine confidence in Gavi's mission among our stakeholders, the media, and the general public. Where fraud is encountered, Gavi must respond decisively and effectively.
- 2.2 The aim of this framework is to:
 - a. emphasise the Secretariat's commitment to combating fraud
 - b. define what it means by fraud, theft, corruption, and related conduct
 - c. heighten awareness of fraud, and how to report it
 - d. establish accountabilities for the prevention of fraud
 - e. set out responsibilities and expectations in response to instances of suspected fraud, and
 - f. highlight that the Secretariat will always respond to *prima-facie* indications of fraud
- 2.3 The document does not detail individual fraud risks and preventive controls. Many of these are under the purview of partners who may have existing policies and controls to mitigate risks. This framework does however set out general principles that may facilitate counter-fraud efforts. Ultimately, much risk can be reduced through individuals delivering on their objectives and acting with integrity and loyalty to the aims and objectives of their organisations across the Alliance.
- 2.4 The Secretariat's Audit and Investigations ('A&I') function is responsible for reviewing and updating this framework.

3. Introduction

- 3.1 Donors worldwide have entrusted Gavi with stewardship of financial resources to help save lives. Achieving this requires dedication and integrity by everyone in the Alliance, whether within the Secretariat, partner organisations or those (sub)contracted on behalf of the Alliance. This includes adhering to rules and legal obligations; maintaining the highest ethical standards; and working together to reduce the likelihood and impact of fraud. Doing so can help to build and maintain trust in the Alliance, in governments and in public sector institutions, thereby contributing to stronger health systems and outcomes.
- 3.2 The Gavi Alliance contributes to many of the Sustainable Development Goals (SDGs) and its work is particularly relevant to SDG 3 relating to Good Health and Wellbeing. However, Gavi also contributes to other goals, and combating corruption is at the core of SDG 16, (peace, justice and strong institutions) which recognises that weak institutions are '*a great threat to sustainable development*' and has a target **(16.5) to 'Substantially reduce corruption and bribery in all their forms'**. Fraud diverts resources away from improving access to vaccines and public health. Defrauding Gavi may deprive families of their basic human right to healthcare and can cost lives.
- 3.3 Each Alliance partner may address fraud within its own sphere of influence, commensurate with any internal anti-fraud frameworks they adhere to. Within the Secretariat, A&I seeks assurance on, and accountability for, the use of Gavi resources. Working together, a unified commitment and approach to reducing fraud can maximise Gavi's impact in helping to save lives.
- 3.4 This document, together with the Gavi policies on Transparency and Accountability, Ethics, Conflicts of Interest, Procurement and Whistleblower Reporting, is intended to inform all those working on Gavi-supported activities and to provide direction to those who learn of, or find themselves having to deal with, suspected cases of fraud.

4. Scope

- 4.1 This framework applies to all Gavi activities worldwide and includes the direct or indirect use of Gavi funds or resources from the time of receipt by the Secretariat and IFFIm through to final deployment by the Secretariat, partners (including private sector partners), governments and other implementing parties.
- 4.2 This framework is directly applicable to all Secretariat employees including permanent, temporary or contracted staff and interns ('Gavi staff'), wherever they are based.
- 4.3 The principles described in this framework seek to be relevant to implementers and partners including all staff and (sub)contractors of partners, expanded partners or any government, other organisation and/or individuals managing or handling Gavi resources.
- 4.4 Fraud may also be attempted against Gavi and/or its partners by external actors e.g. through cyber-attacks or other infiltration of premises or systems. All parties covered by this framework should be alert to such threats and take appropriate preventive and remedial measures.
- 4.5 Gavi's Secretariat is committed to the ethical, transparent and diligent use of its resources, and responds swiftly to any instances of suspected fraud. The A&I team encourages and welcomes all reports of fraud or suspicions of fraud that are made in good faith, even if they turn out to be mistaken or erroneous. Reports to A&I may be made directly, or via management, Gavi staff members (if the matter is being reported from outside the Secretariat) or through the Ethics Hotline (see the Gavi Whistleblower policy). Reports directed to A&I can be made in confidence, while the hotline allows both confidential and anonymous reporting².
- 4.6 This framework does not cover the following types of misconduct:
- Safeguarding cases**, including sexual abuse and exploitation. For further information, see the [joint commitment](#) by the Gavi Secretariat and The Global Fund to address sexual exploitation and abuse and sexual harassment, dated 18 October 2018. However, all safeguarding cases reported to A&I will be assessed and handled in conjunction with the Secretariat's Human Resources department, as appropriate, who retain primary responsibility in this area.
- Other ethical breaches**, including for example human rights violations or the use of child labour. A&I will handle reports received with due care and liaise with responsible parties as appropriate. Any such reports made under the Whistleblower Policy will be handled in accordance with that policy.
- 4.7 Nothing in this framework is intended to prejudice applicable national or international laws, regulations or the privileges and immunities or legal frameworks of UN partner organisations.

5. Types of Misconduct Covered

- 5.1 Within Gavi and many other organisations, misconduct³ is a behaviour that may breach an internal policy. Most misconduct of a financial nature covered by this policy is intended to cause loss to Gavi. The types of financial misconduct covered by this framework include – but are not limited to – the following:

Bribery is the 'supply' side of corruption (see below) which involves the giving or offering, whether directly or indirectly, of anything of value to improperly influence the actions of another party. Facilitation payments may be a form of bribery.

Corruption is the misuse of one's entrusted position of responsibility by receiving or soliciting, whether directly or indirectly, anything of value for private benefit. Whereas bribery is the 'supply' side of corruption, the corrupt act is the 'demand' side of the transaction. Kickbacks and nepotism are also forms of corruption.

² Reports by Gavi staff to HR concerning misconduct by other staff members are covered by Gavi's Investigation and Disciplinary Procedures.

³ Partner organisations may have differing terminology for misconduct and its sub-categories.

Embezzlement is the theft or misappropriation of resources over which one is put in a position of trust (e.g. as an employee or fiduciary agent).

Fabrication is where fake/forged products or documents are passed off as legitimate. Fabrication may be committed as part of a fraud.

Fraud describes the use of deception – whether by act or omission – to dishonestly or recklessly obtain a gain or advantage and/or create a loss or disadvantage for another party.

Money laundering involves receiving, transferring, hiding, concealing, using or otherwise handling the proceeds of any financial crime (including all those specified within this policy/framework where the person conducting the activity knows or suspects that the money is derived from criminal activity).

Theft is the taking of another's property without permission with the intent to permanently deprive the other thereof. It can include non-tangible items such as information or intellectual property.

(Undeclared) Conflicts of interest can open the possibility to corruption. See [Gavi's conflict of interest policy](#).

- 5.2 Fraud is often thought of only in financial terms. While cash is likely to be the main target of such misconduct, it may also include non-financial resources financed through Gavi resources, including vaccines and other assets whether tangible or intangible (e.g. intellectual property).
- 5.3 Fraud not only reduces the resources available to help save lives but can also cause long-term damage to trust and reputation. The Secretariat will respond to all suspected fraud against Gavi by its employees, (sub)contractors, suppliers or in-country partners, as well as any other attacks on its resources by external parties.
- 5.4 In considering its response to misconduct, the Secretariat may seek to engage with or co-operate with partners for the purposes of sharing information or joint working.

6. Gavi's exposure to fraud risks

- 6.1 Gavi's programmes and activities are inherently exposed to fraud risks. Our actions may be scrutinised by donors, capital markets, recipients, journalists and the general public. Gavi must demonstrate awareness, understanding and responsiveness to these risks. This policy/framework does not intend to provide guidance on preventing fraud in every and all aspects of Gavi's operations, but the following are examples of activities where managers and staff across the Alliance can contribute to reducing fraud risk:
 - Promoting an organisational culture that prioritises diligence, integrity and commitment to achieving our targets.
 - Encouraging others to challenge potential breaches of rules and helping them feel able to report suspicions of misconduct in confidence and with organisational support.
 - Designing and maintaining effective controls through proper management authorisations and other segregations of duties that cannot be bypassed without being identified and questioned.
 - Proper budgeting and design, application and monitoring of procurement procedures which can be subject to multiple forms of manipulation. Requisitioners, purchasers, accounting staff, recipients and also suppliers can each act diligently to prevent fraud and collusion.
 - Minimal and considered use of cash transactions and cash transfers, which are at enhanced risk of fraud and theft.
 - Ensuring that equipment is properly stored, accounted for and used appropriately to decrease the risk of theft, damage or improper use.
 - Working to ensure that stock and materials, including vaccines, are properly controlled and maintained and that are efficiently delivered while minimising exposure to theft or other diversion.
 - Delivering Gavi-supported vaccines properly to end-users without charge to help reduce disease both individually and throughout the community.

- Making sure that high quality vaccines are properly acquired through a Gavi-approved supply chain to avert the possibility of counterfeit or expired vaccines being provided to end-users, thus constituting both a health and fraud risk.
- Ensuring procurements are conducted fairly and objectively and that supplies are fully and properly received.
- Reporting instances of potential fraud arising from outside the organisation, e.g. cyber-attacks which could expose the organisation to fraud or other illicit conduct.

7. Gavi's response to fraud

7.1 The Secretariat expects that anybody dealing with Gavi resources manages them with due care and integrity. Those managing such resources should consider the risks of fraud and ensure that anyone under their supervision handling Gavi resources is aware of their responsibilities. Fraud risks may be considered within the broader risk management process of any organisation handling Gavi resources in accordance with its own legal framework, policies and procedures.

7.2 While partners are responsible for their own fraud risks, Gavi's Secretariat is open to and encourages communication on reducing fraud risk. It will also work with and through its partners, stakeholders, national authorities and peer organisations to prevent, detect and respond to fraud.

7.3 Research suggests that fraud is mostly committed where people have the motivation and the opportunity to commit fraud and feel able to rationalise their actions (the 'fraud triangle'). Minimising these factors across the five key pillars of this framework will help to reduce fraud risk in Gavi programmes:

a. Awareness

- i. Anybody handling Gavi resources should be aware of the possibility, types and indications of fraud that might be expected to occur within their areas of responsibility and to be alert to any indications of irregularity. Managers are responsible for ensuring their staff are individually accountable for their assigned tasks and actions. Individuals should be alert to the fact that fraud may originate from within – e.g. by employees and contractors – but may also be perpetrated by external parties.
- ii. A&I will seek to publicise, promote and provide training to enhance awareness of risks, responsibilities, expected responses and reporting facilities. Individuals need to know that fraud against Gavi is not a victimless crime and can adversely impact on its mission to save lives.

b. Deterrence

- i. Deterring fraud involves reducing the incentives to do so in the mind of the perpetrator. Fair and transparent policies and management actions can help reduce feelings of mistreatment. This in turn can reduce incentives to commit fraud, and the ability to rationalise such actions.
- ii. Potential perpetrators are considered less likely to attempt to defraud Gavi if they know their actions are likely to be discovered. If the proper controls and systems of accountability are instituted, this can deter individuals from attempting to commit fraud from the outset.
- iii. Specifying and publicising the consequences of misconduct can be a deterrent. Gavi publishes its investigation reports (subject to its Access to Information Policy) for transparency and to highlight that it will respond to all cases of suspected fraud, including through investigative action, disciplinary action, and/or referral to law enforcement bodies as appropriate.
- iv. Any individuals handling Gavi resources should feel empowered to report suspicions or indications of fraud and corruption and/or discuss it with their managers. Managers should instil and uphold a culture of probity and accountability within their teams and support those who report wrongdoing. Gavi requires all its staff and partners to report actual or suspected fraud or other misconduct (see also Whistleblower Policy). Knowing that others are motivated to tackle fraud can reduce the incentives for a potential fraudster.

c. Prevention

- i. Fraud prevention activity can minimise the opportunity to commit fraud. Individuals can achieve this through various means, including:
 - Embedding and/or reflecting a strong ethical culture and requiring high moral standards of employees and contractors. This needs to be emphasised through top-down messaging and a robust and consistent response to fraud.

- Ensuring through the recruitment process (and/or procurement process for contractors) that prospective employees are suitably qualified, committed and vetted before hiring.
- Properly fulfilling their assigned responsibilities and protecting Gavi from loss or damage to the extent possible and being accountable for any Gavi resources under their control.
- Disclosing conflicts of interest as and when they become known and requiring the same of others working with Gavi resources.
- Attending voluntary and mandatory anti-fraud training and fraud awareness campaigns.
- Recognising that fraud may also be attempted by external actors, both known and unknown.
- Periodically reviewing relevant policies, procedures and contractual obligations and ensuring they are up to date.
- For those in 'second line' control functions, undertaking continuous or periodic assessment of vulnerabilities to fraud, and the establishment and testing of controls to prevent it. Controls include (but are not limited to): physical access; IT access restrictions; segregation of duties; the need for authorisations; authorisation thresholds; audit trails; and reconciliations. A combination of appropriate controls should be deployed to mitigate risks.

d. Detection

- i. Any Gavi Alliance partners or staff member who becomes aware of or suspects fraudulent activity should report it in accordance with their organisation's procedures, and/or to Gavi's A&I team. 'Red flags' (indicators of potential fraud) should also be reported to enable A&I or relevant management to make a judgement on whether further action may be needed.
- ii. Reports can also be made either to the A&I team directly; via the dedicated whistleblower reporting hotline; or, to relevant management (see also para 4.5). Reporting to A&I can be done anonymously or confidentially. A&I shall protect the identity of any person making a report in good faith⁴. Gavi shall take appropriate action if anyone making such a report is subject to retaliation for doing so. This may include separate investigative action.
- iii. Managers are also responsible for addressing suspected fraud identified within their areas of responsibility in accordance with their organisation's policies and procedures and/or contractual obligations which may include the requirement to report the matter. A&I will normally conduct or oversee any necessary fraud investigations.

e. Response

- i. Upon receipt of any information, A&I will assess its content and credibility and determine its relevance in prioritising its response. Considerations include the activity reported, programme impact, persons involved, type/method of fraud and the value thereof.
- ii. Where the information is relevant and credible, response options may include obtaining further information; progressing to a full investigation; referral to another party (including law enforcement authorities); or, retaining for information. A&I will keep the source of information confidential to the extent possible and in accordance with applicable policies.
- iii. A response to fraud should inherently include an analysis of what led to its occurrence and should seek to address those issues. This may include action against individuals but may also include a review of any procedures and controls that were exploited to prevent a recurrence. Consideration should also be given to whether controls elsewhere need strengthening to prevent them being similarly exploited.

A&I may conduct investigations internally or with governments and partners in accordance with applicable contractual rights and memoranda of understanding. Further information on investigations may be found at <https://www.gavi.org/our-alliance/governance/audit-and-investigations>. On conclusion of an investigation, and where it is found that there has been fraud or related misconduct, the Secretariat may pursue sanctions, including through disciplinary measures, and/or referral to relevant authorities for prosecution and recovery of losses through civil and/or criminal means.

⁴ Reports not made in good faith may be subject to disciplinary procedures as per paragraph 4.6 of the Gavi Alliance Whistleblowing Policy.