

## Communication on Engagement (COE)

### Transparency International – Austrian Chapter

Period covered by this Communication on Engagement: January 2015 - December 2016

#### I. Statement of Continued Support for the UN Global Compact

Vienna, 12 October 2017

Dear Secretary General, dear members, partners and associates,

I am pleased to confirm that Transparency International – Austrian Chapter (TI-AC) reaffirms its support to the United Nations Global Compact (UNGC) and its Ten Principles. TI-AC fully endorses all UNGC Principles. In particular, TI-AC works towards Principle 10: "*Businesses should work against corruption in all its forms, including extortion and bribery*" in collaboration with its colleagues in the TI Secretariat and in more than 100 national chapters, working across private and public sectors, and with other stakeholders in the field of anti-corruption with the goal to promote transparency, build accountability and promote integrity.

This Communication on Engagement (COE) highlights activities that TI-AC undertook between 2015 and 2016 in contributing to the Global Compact's agenda, with a focus on the 10<sup>th</sup> Principle. It highlights, for example, our work as part of multi-stakeholder initiatives against corruption, our ambition to instil a culture of integrity in the banking and health sector, and our studies assessing and promoting transparency regarding lobbying and good governance.

Through the mutual membership of TI-AC and UNGC (via its Austrian representative respACT), TI-AC aims to further enhance the Austrian Global Compact Network and to ensure mutual stimulation and incentives. We also commit to sharing this information with our stakeholders using our primary channels of communication and welcome feedback on this report.

On behalf of TI-AC, it is my great pleasure to express our continued support for the UN Global Compact and to renew our commitment to the initiative and its principles.

Sincerely,



Prof. Eva Geiblanger, Chair of the Board of Directors, TI-AC

## **II. Description of Actions**

With the aim to achieve greater integrity and transparency of businesses, TI-AC has identified various areas to tackle potential business-based corruption such as the banking and finance sector, the health sector, third-party funding of universities by the private sector and lobbying.

TI-AC has a strong belief in coalitions. These efforts bring together a wide variety of representatives including policy-makers, citizens, companies and the media. Based on a multi-facet approach in advocating transparency and anti-corruption mechanisms, all projects and activities conducted reflect TI-AC's support for the UN Global Compact's Ten Principles. Generally, TI-AC's work includes research studies, assessments and policy positions on anti-corruption and transparency as well as multi-stakeholder initiatives against corruption.

In regard to corporate sustainability, the establishment of a new working group focusing on the accountability of health professionals and pharmaceutical companies was an essential step towards more integrity in the health sector. Furthermore, the conducted legal analysis regarding the 4<sup>th</sup> Money Laundering Directive by the European Union and TI-AC's work on a policy proposal for its implementation in national law were a necessary step towards a more transparent future in the banking sector. The working group on banks, insurances and financial markets developed the proposal after several bilateral meetings with important stakeholders in the field. This was done with the aim to encourage banks and financial institutions to improve their own internal anti-corruption policies. As new partnerships for studies such as "Lifting the Lid on Lobbying" or "Transparent third-party funding of universities" were sought, the preceding meetings resulted in several new TI-AC corporate memberships including such from the industrial and financial sector. Additionally, as part of TI-AC's overall strategy to work towards increased transparency in Austria in all relevant areas, many representatives of the private sector attended the panel discussions and multi-stakeholder conferences as speakers or participants.

For a short overview of our activities for the reporting period 2015-2016, the activities and projects will be listed by topic as follows:

### **Uncovering conflicts of interest in the health sector**

TI-AC continues to demand accountability from health professionals, in particular the disclosure of the conflict of interests of committee members during acquisition decisions (eg. vaccinations) as well as the diminishment of the influence of the health industry on education and training for health professionals. TI-AC activities during the reporting period include an analysis on sponsoring training for health professionals in Austria which was conducted in cooperation with the Ludwig Boltzmann Institute for Health Technology Assessment. The results were published in a report which is accessible to the public. Furthermore, TI-AC's working group on health used its regular meetings to work on a concept for effective whistleblower protection in the health sector and a binding disclosure code for pharmaceutical companies. For this purpose, the working group met with key stakeholders including the Austrian Medical Association.

Additionally, TI-AC has kept a strong engagement with the public through the media. This included TI-AC interviews, press releases and press conferences throughout the reporting period. Furthermore, TI-AC attended several events on health ethics and transparency and organized a podium discussion with the alumni club of the Medical University of Vienna, which was essential for spreading awareness on the potential conflicts of interest in the health sector among medical students and young health professionals.

### **Enforcement of a transparent banking system**

In 2015 and 2016, the working group focused mainly on the implementation of the 4<sup>th</sup> Money Laundering Directive in national law as required by the European Union as well as on the determination of the needed practical measures in order to increase transparency in the banking sector. Several aspects were discussed in detail in various meetings with important stakeholders in the field, for example in form of a round table with the Austrian banking association in 2015. The key aspects include: the creation of a property register, a register for politically exposed people, the abolition of bank secrecy as part of the Austrian support package for banks and the traceability of transactions through a credit transfer regulation.

### **Education as a means to curb corruption**

TI-AC is convinced that education is an essential tool in preventing corruption. Therefore, the working group “Youth and Schools” was established in 2015, which developed a concept for workshops in schools aiming to address young people directly. Subsequently, TI-AC held workshops in several schools and universities, sensitizing students regarding prevention mechanisms against corruption and the importance of standing up against corruption. The workshops were developed and held in collaboration with the Federal Bureau of Anti-Corruption of Austria.

Furthermore, TI-AC supported young adults and university students who participated in an “imp!act – Training” to develop socially and ecologically sustainable projects. This was a training organised in 2016 by the student organisation oikos of the Vienna University of Economics and Business. TI-AC continues to expand the workshops and strengthen its work with students through the development of new projects drawing on the motivation of the students resulting from the workshops.

### **Transparent third-party funding of universities**

TI-AC is committed to increase transparency regarding third-party funding of universities and to ensure higher integrity and accountability of academic governance

Therefore, TI-AC convoked an expert group on third-party funding, consisting of all relevant stakeholders (ministries, universities and university associations, corporations, students). The expert group drafted a preliminary study to assess the level of transparency regarding third-party funding at universities by the private sector and planned further dialogues with key stakeholders. A multi-stakeholder conference will be held in 2017.

## **Lifting the Lid on Lobbying**

TI-AC continued to work with the wider TI movement on stronger lobbying regulations as it participated in the international research project “Lifting the Lid on Lobbying” in 2015. The project was conducted by the international secretary of Transparency International and included 19 TI Chapters altogether. The aim was to assess the current state of lobbying in Europe and to contribute to a more transparent and responsible lobbying on an EU and national level. The national results on lobbying in Austria were then incorporated in a research publication which included the research of all participating countries as well as the European Commission, the European Parliament and the European Council.

In 2016, TI-AC’s working group drafted a proposal on the improvement of the legislation on Lobbying in Austria. The proposal will be presented in 2017.

## **New Project on compliance in the public sector**

The project “Transparent town” was created in 2015 and aims to increase the transparency of local governance in Austrian municipalities and to strengthen the local integrity system, in order to minimize the risk of corruption. As a key step in this process, the project involves an assessment of the current level of transparency of local governance in Austria, including a ranking of the 50 most populous cities.

In 2016, TI-AC successfully completed a pilot project with one town, which helped develop 50 criteria on the transparency of local government. Providing an audit team, TI-AC moreover supported the municipality to determine their level of transparency and to adapt their administrative structures, in particular the accessibility of open data on the municipality’s homepage, in order to increase the number of met criteria.

TI-AC then analyzed the most populous Austrian cities and towns regarding their level of transparency and created a ranking called the Local Government Transparency Index on the basis of this analysis. This ranking will be published towards the end of 2017. Municipalities that achieve a particularly good result will be awarded a certificate.

**Further details on the activities of Transparency International – Austrian Chapter during the reporting period can be found in our Annual Reports (German only) which are attached to this letter and can be found on our website [here](#) for 2015 and [here](#) for 2016.**

### **III. Measurement of Outcomes**

TI-AC has made great progress in pushing its agenda forward. Strengthening partnerships with the relevant stakeholders in the education and academic sector was very successful, a particular success was the establishment of a highly representative expert group on academic governance.

Resulting from TI-AC's promotional efforts, TI-AC also welcomed several new corporate members from the industrial and banking sector and increased the size and outreach of the working group on banks, insurances and the financial market. The TI-AC membership is an open commitment to the mutual aim of advancing transparency in Austria and will, therefore, serve as encouragement for other corporations to publicly support transparency and anti-corruption work.

Thanks to the workshops and collaboration with educational institutions, the awareness on corporate sustainability and the risk of corruption has raised substantially, in particular in schools and among students. Due to the engagement with the media and the press conferences, TI-AC has also contributed to an increased number of coverage regarding corruption in Austria.

In light of the conducted studies and assessments during the reporting period, TI-AC has also increased its expertise on corruption, in particular regarding lobbying, third-party funding of universities, money laundering and illicit financial flows in the private sector. The gained expertise will contribute to further the aims of TI-AC's anti-corruption work in Austria.