



Communication on Engagement (COE)

Transparency International Austria

Period covered by this Communication on Engagement: January 2019 - December 2020

I. Statement of Continued Support by the Chair of the Board

Vienna, 4th October 2021

Dear Secretary General, dear members, partners and associates,

I am pleased to confirm that Transparency International Austria reaffirms its support to the United Nations Global Compact (UNGC) and its Ten Principles. TI-Austria continuously supports and fully endorses all UNGC Principles.

TI-Austria is working, in particular, towards Principle 10: *“Businesses should work against corruption in all its forms, including extortion and bribery”* in collaboration with its corporate and individual members, as well as colleagues in the TI Secretariat and in more than 100 National Chapters around the world. They are working across private and public sectors towards the goal to promote transparency, build accountability and promote integrity.

This Communication on Engagement (COE) highlights activities that TI-Austria undertook between 2019 and 2020 in contributing to the Global Compact’s agenda, with a focus on the 10th Principle.

In the past two years TI-Austria focused specifically on the following topics: Whistleblowing, Media & Journalism, State Owned Enterprises and the project “Transparent Municipality”. While working in this specific fields of Anti-Corruption we are putting our effort in engaging with members and the public. This highlights our work as part of multi-stakeholder initiatives against corruption.

Our ambition for the future is to instil a culture of integrity especially in Austrian schools, where we are planning to launch a project for ethical education, which includes Anti-corruption education.

Through the mutual membership of TI-Austria and UNGC (via its Austrian representative respACT), TI-Austria 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 appreciate feedback on this report.

On behalf of TI-Austria, 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 Geiblinger

Chair of the Board of Directors, TI-Austria

II. Description of Actions

TI-Austria's aim is to take action, to support the UN Global Compact and achieve greater integrity and transparency, specifically in the fields of Academics, Business Associations, Cities and the Public Sector.

During the time interval of 2019 to 2020 TI-Austria continued to focus on education of youth and students regarding the prevention of corruption and raising awareness for this topic in schools and universities.

TI as a Global movement and also TI-Austria have a strong belief in coalitions. This brings together a wide variety of representatives including policymakers, 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-Austria's support, as well as focus for the UN Global Compact's Principles. TI-Austria's work includes press releases, research studies, assessments and policy positions on anti-corruption and transparency as well as multi-stakeholder initiatives against corruption.

In the CPI 2020 Austria has been ranked on the 15th position, in comparison with the 12th position in the year before. TI-Austria published several press releases and position papers on how to improve transparency in the public and the private sector, as well as strengthen democratic institutions and authorities, which investigate crimes in connection with corruption.

TI-Austria demands a strong legal protection for whistleblower. The EU directive sets the standard and TI-Austria is working on accurate recommendations, on how to transpose the directive in the best possible way. TI-Austria supported Austrian legislation and Austrian businesses during the process of the implementation.

The project "Transparent Municipality" remains TI-Austria's flagship project. The project represents the first tool to measure transparency of websites developed and applied by local governments. The publication of the first index contained a ranking of the 50 most populous municipalities in Austria, the second index 60 and the third will include already 80.

For a short overview of our activities for the reporting period 2019-2020, the activities and projects will be listed by topic.

Academic, Youth and Education (ACADEMIC)

TI-Austria is convinced that education plays an integral role in preventing corruption. In our Annual report for 2019 we also implemented our Letter of Engagement for 2017- 2018 and send it to our members, which consist of individuals, companies und municipalities.

Through development and implementation of youth initiatives in various areas, TI-Austria aims to raise awareness among students and young professional for the problem of corruption and contribute to a change in values in the long-term perspective. This is also TI-Austria's way for promoting the GC and its principles e.g., via the education of topics related to the GC in universities and schools.

The joint project with the Austrian Federal Bureau of Anti-Corruption (BAK) focuses on students. The Think tank "Youth against corruption" offers a platform for discussion for young professionals and the university course "White-Collar Crime, Compliance & Investigations" is aiming to offer students new perspectives in the field of anti-corruption.

I. Cooperation between BAK and TI

TI-Austria participated in anti-corruption workshops, which have been organized by the Federal Bureau of Anti-Corruption (BAK) and were held in various schools in Vienna.

Via so called „stations“, students learn different ways in how to prevent corruption and promote integrity. TI has developed a “corruption theatre” where, under the instructions of the TI-team, students act in different roles in fictional job interviews. This helps them to understand where the aspect of corruption might play a role in their future lives. This initiative constitutes a best practice example for a collaboration between NGOs and public authorities.

II. Think Tank

This discussion forum is focussed on the experience and opinion of young professionals and university students regarding the issue of corruption around the world and ways to tackle this problem. It also offers an opportunity to get to know TI-Austria better, to exchange ideas and to network with other students and young professionals. During the first meeting one of the biggest corruption scandals in South America, the so-called “Odebrecht”-case has been amplified by a former Brazilian lawyer, who provided insights into the judicial system of Brazil. In the second meeting, the history and importance of Lobbying in Europe has been critically analysed.

III. University

One of the main goals of TI-Austria is to sharpen young people's intuition and awareness for anti-corruption as part of their training and to enable them to recognize white-collar crime problems. By implementing anti-corruption into the training of young people who will soon take on management or expert functions, TI-Austria also contributes to a sustainable change in values in the long term. "White-Collar Crime, Compliance & Investigations" is the title of the course that TI offers at the University of Vienna. The course, which is a creditable course

(ECTS points), was organized and carried out by members of TI. The aim is to offer practical insight into selected areas of white-collar crime, in particular anti-corruption criminal law. By combining theory and practice, the students should be able to develop their own compliance tools to deal with these problems. Under the guidance of experts from the Federal Ministry of Justice, the WKStA, the Regional Court for Criminal Matters Vienna, the BAK, the Austrian National Bank, the Chamber of Commerce, and the University of Vienna basic problems were discussed, and practice-related solutions developed by students.

Transparent municipality (CITIES and PUBLIC SECTOR)

The project Transparent municipality aims to increase the transparency of local governance in Austrian municipalities and to strengthen the local integrity system, to minimize the risk of corruption.

TI-Austria's „Transparent municipality index“ is a ranking of the most populous municipalities in Austria. TI-Austria developed the first measuring tool to evaluate the transparency of Austria's municipality administration. Together with external partners TI defined a total of 50 transparency criteria in 10 categories and set the goal to make the administration of Austrian cities and municipalities more transparent in all areas - especially decisions of the local council - and strengthen local integrity systems.

Categories include i.a. the following areas: "subsidies", "procurement", "budget", "spatial structure" and "personnel selection". Each category comprises at least three criteria. Criteria for the category "budget" are for example "financial planning", "balance of accounts" and "reporting".

TI analysed the websites and developed a system with a scale of 0 (no publication) to 2 (complete publication) points per criterion, depending on completeness, clarity and retrievability. A total of 100 points can be achieved.

The project aims to advise municipalities in reaching the objective, that all the necessary structures are put in place, to make information about the organizational structure of local governments, public services and decision-making bodies publicly available to every citizen.

The results of 2020 ranked Vienna on the first, Graz on the second and Linz on the third place. Transparency International Austrian organized a press conference in the city hall of Vienna to present the results. The first index 2017 included 50 municipalities. The second edition, which has been published in 2020 included 60 and the index 2021 will comprise of 80 municipalities.

This project constitutes a best practice in terms of how non-governmental organizations can cooperate with consulting companies from the private sector in developing a new analysis system and ranking, which helps regional authorities on their way to be more transparent.

It is the perfect project to implement and promote the principles of the UN Global Compact in the management and administration of cities and municipalities. Many cities followed our

recommendations and started a dedicated plan to become a more transparent city. With our “guideline for smaller municipalities”, we are continuing supporting cities, regions and greater community.

The most important aspects/criteria of the index - especially in terms of practicability and feasibility - have been implemented in the guideline. Particular attention was paid to the fact that smaller municipalities often must carry out their daily work with fewer employees and are obliged to work with a more restricted and smaller budget. Despite these limitations, the implementation of the guideline can lead to a significant increase in transparency, especially in terms of decision making of the municipal council, with relatively little effort.

The implementation of these criteria would lead to a result of 42 points (out of 100 possible). This would put the municipalities well above the average of the 2019 ranking.

TI-Austria has the advantage of being recognised as a politically independent NGO and can therefore easier set up rankings for municipalities in Austria whereas governmental institutions are often restricted in this regard. After the publication of the 1st and 2nd edition TI -Austria received feedback from various smaller municipalities, the majority of which have not been included in the index. They requested a so called „opt-in“ option, because of the possible advantages for their advocacy work.

State owned Enterprises (PUBLIC SECTOR)

In working group “State owned Enterprises” practitioners and experts are working together to tackle challenges and risks associated with anti-corruption programs in state-owned enterprises. Due to the ownership structure, these companies are characterized by a close relationship from senior management and policymakers. Through the exchange of experience in the working group, suitable tools and methods should be developed to improve the quality and effectiveness of Compliance management systems in state owned enterprises.

Additionally, TI developed and published a position paper on how to bring in more transparency in the recruiting procedure in the public sector.

TI-Austria working group Whistleblowing (BUSINESS ASSOCIATIONS)

The working group is composed of representatives from the public and private sector. They discuss and advise on general questions about whistleblowing. Members of the working group share their professional experiences and raise awareness for the issue in society.

Results of these internal meetings are presented to the public on a regular basis. For example through press releases, webinars and panel discussions. Additionally, TI-Austria also advises members of the Austrian government.

Based on the adoption of a EU-WB directive by the Council of the European Union in autumn 2019 for better protection of whistleblower, who want to report violations of EU law, the working group has:

- drafted a document with recommendations on how to implement the directive into the Austrian legal system
- organized a webcast ("Implementation of the EU Whistleblower Directive in Austria") in which experts explained the most important facts about the directive and discussed crucial aspects with over 50 participants
- got in contact with the Ministry of Labor, and declared that TI-Austria is prepared to share their expertise

TI-S (Headquarter in Berlin) published a ranking – "Progress report on transposition of the EU Directive", in which they analysed all 27 EU member states. TI-Austria provided information related to the status in Austria and published a press release. Furthermore, a meeting between TI-Austria and corporate members will be set up in April in order to get companies from the private and public sector on board.

TI-Austria also published a guideline for the implementation of whistleblowing systems "10 best practices for whistleblower and companies". These examples are intended to give employees an idea for possible scenarios in which they could be confronted with misconduct. They are also intended to provide guidance on how to report possible misconduct. Companies and institutions, which intent to uncover misconduct within their own company should recognize the added value and are encouraged to create the best possible conditions to ensure that whistleblower reports are handled in a trustworthy manner.

With these guidelines, TI-Austria aims to continue its efforts to protect whistleblower and to establish them as an important component of a transparent economy.

The working group is a best practice example, on how TI organizes learning and dialogue events for stakeholders on specific topics relevant to corporate sustainability and provides expertise to stakeholders. When publishing position papers TI also engages members and external stakeholders in topics related to transparency.

Further details on the activities of Transparency International Austria during the reporting period can be found in our Annual Reports (German only) which can be found on our website: <https://www.ti-austria.at/wer-wir-sind/vereinsdokumente/jahresberichte/>

III. Measurement of Outcomes

TI-Austria has increased its number of corporate members to 48, which provides a perfect platform to promote the UN Global Compact goals in Austria's public and private sector.

One of our TI-Austria's main strength is to provide expertise to the Business associations and municipalities on how to implement Anti-Corruption mechanisms, for example a whistleblowing system. Via our webcasts we welcomed more than 30 representatives from different areas. Experts of our working group explained, why the EU directive is highly

important, how to promote compliance and transparency in general public and private businesses.

Companies, municipalities as well as individual members are helping to accomplish the most important goal of TI-Austria, which is to raise awareness for the fight against corruption. The TI-Austria 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.

Especially individual members are getting more and more involved in activities of TI-AC. Many of them are forming an interactive part in one of our 10 working groups / projects. Especially the working group on “International development organizations” represents an unique platform for international organizations like the Red Cross or the Austria Development Agency to discuss, on how to tackle corruption in connection with the use of donations around the world. Based on this network and partnership a new best-practice paper on how to tackle corruption in the field of development aid will be published in autumn.

TI-Austria intends to further strengthen the relationship with journalists and to get the civil society more involved for the topic of Anti-corruption. Board members and members of the Advisory Council have tried to raise awareness and explain complex legal matters in various prominent media outlets as well as on nationwide television. In the reporting period TI-Austria published 17 press releases and 5 position papers which cover various topics and recommendations in connection with the Principle 10: *“Businesses should work against corruption in all its forms, including extortion and bribery”*.

In light of the conducted studies and assessments during the reporting period, TI-Austria has also increased its expertise on corruption, in particular regarding compliance, whistleblowing, money laundering and illicit financial flows in the private sector. The gained expertise will further contribute to the goals of TI-Austria’s anti-corruption work in Austria and support UN Global Compact Principles and the SGD’s.