



Communication on Engagement (COE)

Transparency International Austria

Period covered by this Communication on Engagement: January 2021 - December 2022

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

Vienna, 27th September 2023

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 2021 and 2022 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, Compliance, Youth, 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.

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,

Dr. Alexander Picker

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 2021 to 2022 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 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 2022 Austria has been ranked on the 22nd position, in comparison with the 13th 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, and strengthen democratic institutions and authorities, which investigate crimes in connection with corruption.

Transparency International Austria demands a strong legal protection for whistleblowers. Regarding the EU Directive, TI-Austria has drafted recommendations which should provide a guideline, on how to transpose the directive in the best possible way. After the publication of the legislative proposal, TI-Austria again drafted a statement and submitted it to the Parliament. TI-Austria supports the Austrian legislation and the Austrian companies in 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, the third index 80 and the fourth will include already more than 80. Apart from the 80 biggest municipalities which are already included in the index, smaller municipalities can be part of the project with using the opt in option.

For a short overview of our activities for the reporting period 2021-2022, 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 the period of 2021 and 2022 we started several projects to strengthen the understanding of corruption.

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, for example 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 project "Teach the Teacher" offers a guideline for young professionals on how to teach about corruption and the anti-corruption workshop 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.

In addition to the anti-corruption workshops, TI-Austria has launched a second project together with the BAK. The pilot project "Teach the Teacher" is intended to provide students at the College of Education with guidelines on how to teach their future students about corruption. The project is divided into three modules. The first module is a theoretical part with a presentation on corruption and an explanation of TI-Austria's work. The second part is a practical part in which a quiz is presented to the participants, which can later be used as teaching material. The last module consists of an interactive role play examining different situations in which corruption, and especially its prevention, plays a major role.

II. Ethics education

TI-Austria considers it necessary that the new ethics education should include the elements of transparency and anti-corruption. Therefore, Transparency International Austria had a discussion with the Vice Mayor of Vienna, Christoph Wiederkehr. In the education of the next generation, awareness of the problem of corruption should be raised. To implement the ethics lessons, Prof. Geiblinger and Executive Director Mak have developed a comprehensive concept with lectures in the areas of lobbying, criminal corruption law, whistleblowing, and compliance. They further presented the TI-Austria corruption theatre.

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 2022 ranked Vienna on the first and Wels on the second place. The 3rd place is shared "ex aequo", due to the small percentage difference, by the cities Graz and Linz. 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, the index in 2022 comprised of 80 and the fourth edition, which will be published in 2024 will examine even more than 80 municipalities, due to the opt-in option.

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.

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, 2nd and the 3rd 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.

TI- Austria working group State owned Enterprises (PUBLIC SECTOR)

In the 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.

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.

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

After the federal law was published, TI-Austria drafted and published a statement and submitted it to the Parliament. This statement contains several points of criticism of the federal legislation on the procedure and protection for whistleblowers in certain areas of the law. The criticisms include that:

- While whistleblowers are protected, those who report widespread criminal offenses such as fraud, embezzlement, etc. are not guaranteed protection.
- There is a lack of sanctions against companies that do not implement a whistleblower system despite a legal obligation to do so.
- The issue of anonymity is not given enough importance in the legal text.

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.

TI-Austria working group international development organizations

In the working group “International development organizations” representatives of well-known organizations from this field and experts are working together to tackle challenges and risks associated with corruption in international development organizations. They work under difficult conditions and may encounter various forms of corruption in the implementation of their activities. Occurring cases of corruption can lead to significant financial damage and considerable loss of reputation. The aim of the working group is to promote a proactive approach to corruption, to offer a discussion platform for the regular exchange of information and to provide specialist expertise on various key topics.

In the year 2021 TI-Austria published a position paper which aims to draw attention to the enormous importance and necessity of fighting and preventing corruption in development cooperation and humanitarian aid.

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](#).

III. Measurement of Outcomes

TI-Austria has a number of 45 corporate members, which provides a perfect platform to promote the UN Global Compact goals in Austria’s public and private sector.

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-Austria. Many of them are forming an interactive part in one of our 10 working groups / projects. Especially the working group “International development organizations” represents an unique platform for international organizations like the Red Cross or the Austria Development Agency to discuss, how to tackle corruption in connection with the use of donations around the world.

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 20 press releases and 3 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.