

## **Guidelines for Cooperation between the Union of Baltic Cities and the Business Sector**

### **1. BACKGROUND AND PURPOSE**

The role of cities as centres of economic activity is constantly increasing. This global development applies also to the Baltic Sea Region.

Cities have always cooperated with the Business Sector in order to fulfil their tasks and goals. Recent political and economic changes have fostered and intensified the search for collaborative arrangements, and public-private partnerships have become a successful formula for implementation of many policies and projects.

The Business Sector has become more important as the role of business in generating employment and wealth through development has increasingly been recognised. The Business Sector can bring resources to the fore – knowledge, expertise, access and reach – that are often critical to advance the goals of cities and their organisations like UBC.

UBC and the Business Sector have many similar and/or overlapping objectives including building markets, increasing wealth and well-being, combating corruption, safeguarding the environment and ensuring social inclusion.

The purpose of cooperation between the UBC and the Business Sector is to

- promote the goals of UBC through cooperation with the Business Sector
- ensure a more coordinated and strategic approach to business and industry,
- define the goals of cooperation with the Business Sector;
- minimize the risks to the UBC relations with the Business Sector
- establish a transparent framework for relationship between the UBC and the Business Sector

The Business Sector is defined as:

- For-profit, and commercial enterprises or businesses;
- Business associations and coalitions, including but not limited to corporate philanthropic foundations

### **2. ETHICAL CRITERIA**

#### General principles

- The partnership shall strengthen, and in no way undermine, the capacity of UBC to carry out its activities in accordance with its mandate, principles and decisions;
- Cooperation may be defined as a voluntary and collaborative agreement or arrangement be-

tween UBC and Business Sector entities, in which all participants agree to work together to achieve a common purpose or undertake a specific task and share risks, responsibilities, resources and benefits;

- Irrespective of situation-specific nature of cooperative arrangements, they should be guided by the following general principles:
  - to advance UBC goals, shared values and principles;
  - clear delineation of responsibilities and roles;
  - maintaining integrity and independence;
  - providing no unfair advantage;
  - to ensure full transparency; mutual right to disagree;
  - measurable results;
  - regular reporting and commitment to monitoring and evaluating of the relationship.
- UBC must ensure that any formal agreement on cooperation with Business Sector entities has an escape clause that allows for termination of the relationship based on changed circumstances.

### Choosing a partner

- The UBC seeks to engage in mutually collaborative relationships. The decision for agreement of cooperation with Business Sector entities is taken in three steps, in order of priority:
  1. UBC shall not accept any partnership or support from anyone if this may endanger the capacity of the organisation to carry out its mandate.
  2. UBC shall seek or accept cooperation of Business Sector entities only if their policies and activities do not fundamentally contradict the guiding general principles of ethical criteria (above);
  3. UBC shall assess the potential impact of a partnership with a Business Sector entity on its public image and reputation.

When seeking Business Sector partners, the UBC appreciates that they meet the following criteria:

- are active in one of the fields of activities of UBC;
- have an interest in public sector and in cooperating with local authorities;
- have an ethical business policy;
- have community and/or environmental commitments at corporate level;
- have an interest in developing public-private partnerships on topics related to the activities of UBC.

### Use of UBC name and logo

- All agreements with Business Sector entities must abide by the rules applying to the use of the UBC name and logo.

## **3. IMPLEMENTATION**

These guidelines apply to the UBC as a whole and to its Commissions. The Commissions are encouraged to develop, respecting these overall guidelines, more specific provisions in accordance with their particular mandates and activities. In the event that a conflict emerges between a Business Partner and UBC that is felt to compromise either the partnership or UBC position, the Commission concerned or UBC may review the Business Sector entity concerned. The final decision lies with the Executive Board of UBC.

The Guidelines and any changes to them require the approval of the Executive Board.

All partnership agreements with Business Sector partners, whether on level of UBC or Commissions, must be approved by the Executive Board.

These agreements shall be published on the internet pages of UBC.

A detailed report on cooperation with Business Sector entities shall be included as part of regular activity reports.