



Suspension of the validity of lease contracts of municipally owned goods for the tenants of the municipally owned spaces, whose economic activity has been stopped, in connection with the state of emergency

| | | |
|---|--|---------------------------------|
| Country name: | Republic of Moldova | |
| Region: | North Development Region | |
| City: | Balti | |
| Public organisation responsible for the initiative | National language | Primăria municipiului Bălți |
| | English | City Hall of Balti municipality |
| Department (if any) | General Financial-Economic Department | |
| Address: | Balti, Piața Independenței 1 str. | |
| Webpage: | www.balti.md | |
| Public organisation representative: | The case has been prepared with the significant support of Dan Moraru (Head, External Relations and Investment Attraction Department, Balti City Hall) and Vitalie Balan (Head, Legal Department, Balti City Hall) | |

Initiative description

| | |
|---|--|
| Title: | Suspension of the validity of lease contracts of municipally-owned goods for the tenants of the municipally-owned spaces, whose economic activity has been stopped, in connection with the state of emergency |
| Features of group/s of beneficiaries | 9 economic agents from Bălți municipality, tenants of the municipally-owned spaces, whose economic activity was stopped, in connection with the state of emergency in the Republic of Moldova, between March 17 and May 15, 2020 due to COVID19 epidemic. Economic activities organized in municipally owned spaces: in the town hall building, in schools, in the library, the Culture and Youth Centre from Bălți municipality, etc. |
| Initiative / tool objective | Supporting the economic activity of the economic agents from Bălți municipality, tenants of the municipally-owned spaces in the pandemic situation. Ensuring the continuity of economic activities provided by the 9 agents (in such fields as sales, printing services, office supplies, dance training services, beauty services, etc.) after the state of emergency ended. |
| Steps / phases / stages of tool / initiative implementation and its activities description | <u>Step 1. Local Public Authority self-notification and initiation of support organization</u> <u>Objective:</u> Initiating the legal steps for modifying the contractual relations with the tenants from the municipally-owned spaces to recalculate the rent payments for the period of cessation of economic activities. |

| | |
|----------------------------------|--|
| | <p><u>Scope of activities:</u></p> <p>Following the establishment of the state of emergency on the territory of the Republic of Moldova, through the dispositions / decisions of the Commission for Exceptional Situations of the Republic of Moldova and the Extraordinary National Commission of Public Health, it was ordered the cessation of economic activities for some economic fields. This fact determined the objective incapacity of the economic agents targeted by the respective decisions to honour their payment obligations for renting the public spaces in municipal ownership. In this sense, the City Hall of Balti initiated the procedure of suspending the validity of leases of municipal property, respectively the modification of contractual relations, aiming to recalculate payments for rent for the period of cessation of economic activities.</p> <p><u>Step 2. Organising the support of the activity of SMEs from Bălți municipality</u></p> <p><u>Objective:</u> Supporting the economic activity of 9 Small and Medium Enterprises in Balti</p> <p><u>Scope of activities:</u></p> <p>Bălți Municipal Council approved Decision no. 6/3 of 10.07.2020 which ensured the suspension of the validity of some lease contracts of the municipal property, fact which determined the exemption of 9 economists from Bălți municipality from the payment for the lease of the municipally-owned spaces. The value of the exemption constituted 78,844.44 lei.</p> |
| <p>Expected result(s)</p> | <p><u>Initiative / tool organisation dimension (what kind of added-value the initiative / tool brings for the implementing organization?):</u></p> <ul style="list-style-type: none"> • The implementation of the initiative has contributed to increasing the role of the local public administration authority in local economic development • Strengthen internal procedures and the skills of LPA staff to act in crises <p><u>Beneficiaries dimension (what kind of added-value the initiative / tool brings for the Target Group members?):</u></p> <ul style="list-style-type: none"> • The implementation of the initiative contributed to the consolidation of the financial capacities of the economic agents during the state of emergency on the territory of the Republic of Moldova • The implementation of the initiative limited the increase of prices for goods and services provided by economic agents • Ensuring the continuity of economic activities provided by the 9 agents (sales, printing services, office supplies, dance training services, beauty services, etc.) after the state of emergency ended. |

Transferability

| | |
|---|---|
| Transferability to other countries (to be assessed by all Project Partners) | <ul style="list-style-type: none"> • Medium – the initiative / tool can be transferred with the fulfilment of some demanding requirements by adopting organization |
| Transferability on country of origin level (to be assessed by all Partner from specific country) | <ul style="list-style-type: none"> • High – the initiative / tool can be transferred without fulfilment of demanding requirements by adopting organization |
| Necessary resources | <p>Technical infrastructure:</p> <ul style="list-style-type: none"> • Offices: <ul style="list-style-type: none"> ○ Basic office infrastructure • Technology: <ul style="list-style-type: none"> ○ Electronic system / Register of leased municipal property ○ Basic ICT infrastructure (telephone, printer, e-mail, computer, internet connection) |
| | <p>Knowledge:</p> <ul style="list-style-type: none"> • Competencies of members of implementing team: <ul style="list-style-type: none"> ○ Knowledge in the field of local public finances ○ Competences in the field of legal advice and public property/patrimony • Procedures: <ul style="list-style-type: none"> ○ Approval and execution of the Decision of the Municipal Council ○ Evidence of the Register of municipally-owned assets leased |
| | <p>Types (categories) of costs to be covered:</p> <ul style="list-style-type: none"> • Costs for renting municipal property (depending on prices set locally) <p>Amounts of costs to be financed:</p> <ul style="list-style-type: none"> • The value of the exemption is 78.844,44 lei (approx. 4 000 EUR). |
| Key success factors: | <ul style="list-style-type: none"> • Efficient communication between economic agents and local public administration • Credibility of local public administration • Ability of the Local Public Authority to act in crises |
| Key challenges: | <ul style="list-style-type: none"> • Analysis of the legal framework that allows the suspension of the validity of leases of municipally-owned property • Reducing the share of revenues in the local budget (missed revenues) |
| Impact on regional economy (general description) | <ul style="list-style-type: none"> • The implementation of the action has a local impact, 9 economic agents did not pay the rent during the emergency period caused by the pandemic. • Ensuring the continuity of economic activities provided by the 9 agents (sales, printing services, office supplies, dance training services, beauty services, etc.) after the state of emergency ended. |

