

Annex to agenda item of protocol from Tallinn City Council
session "Additional support measures of the City of Tallinn to
mitigate the negative effect of the restrictions resulting from
the COVID-19 epidemic"

**Additional support measures of the City of Tallinn to mitigate the negative effect of the
restrictions resulting from the COVID-19 epidemic**

	Description of support measures*	Implementation time
1.	MEASURE 1: Relaxing payment conditions – the city pays for the received services and goods within ten calendar days (instead of 21 or 30 calendar days).	Until 31 December 2021
	<u>Explanation:</u> Allows for liquidity and improves corporate cash flow. The prerequisite for invoice payment is the provision of a service or the acceptance of work.	
2.	MEASURE 2: Relaxing contract conditions – the city briefly waives the contractual sanctions (contractual penalty, fine for delay) related to order fulfilment difficulties or supply difficulties due to the state of emergency and extends the deadlines for performance of obligations by a reasonable period.	Until 30 April 2021
	<u>Explanation:</u> Restrictions implemented in order to prevent the spread of the virus have a negative effect on the speed of planned works and the supply of materials. For example, it is difficult for construction companies to quickly replace sick or otherwise occupied employees because a large portion of the qualified workforce mediated by temporary employment agencies has returned to their home country or been hired by another company. <u>This support measure</u> does not extend to contracts implementing the right of superficies as these are long-term contracts and the buildings are owned by the superficiesary.	
3.	MEASURE 3: Granting discounts to users of city property in the case that their activities have been suspended during the time the restrictions of the Government of the Republic are in effect – the city will lower the following:	
	business room rent by 80% for the following tenants: tenants who are non-profit associations or foundations (with the exception of a juridical person involved with the Republic of Estonia) tenants who use the business rooms for catering and entertainment	from 1 January 2021 until the end of the month in which the Government of the Republic ends all restrictions
	2) 100% of the rent of sports building and facilities and rooms used for recreation if the tenants are bound by a lease agreement	from 1 January 2021 until the end of the month in which the Government of the Republic ends all restrictions
	3) 50% of the rent of tenants utilising Vabaduse väljak 9 // Kaarli	01.01-30.04.2021

	puiestee T2 underground facility (Tallinn Urban Environment and Public Works Department), if they are bound by a lease agreement to the City of Tallinn	
	<p><u>Explanation:</u> The support measures will be implemented for all tenants who are non-profit associations or foundations (with the exception of a juridical person involved with the Republic of Estonia) and tenants who are in the catering or entertainment industries, as culture and entertainment establishments are closed and catering establishments are only allowed to sell food to go, which greatly impacts the economic activity of the contractual partners. Rent is also lowered for tenants leasing the city's sports buildings and facilities and rooms used for recreation, as the use of the aforementioned buildings is either forbidden or restricted due to the restrictions.</p> <p>The support measures do not extend to tenants who have been mentioned in Tallinn City Council Regulation No. 31 of 22 October 2020 "Discounts on city property rent in order to ease the effects of COVID-19" § 3, excluding theatres, museums and other cultural establishments (§ 3 section 1 point 1) and those using Vabaduse väljak 9 // Kaarli puiestee T2 underground building (§ 3 section 3 point 1).</p>	
4.	MEASURE 4: Reimbursing de minimis aid for projects or activities that have been cancelled due to restrictions imposed by the city or the government in the last quarter of 2020 and in 2021 and that have been given support within the context of non-profit activities (when the support was allocated to the project or supported activity, the restrictions had not yet been imposed and later the project or activity was cancelled due to the restrictions imposed).	
	<p><u>Explanation:</u> Persons who have been given support within the context of non-profit activities, but they have been forced to cancel their project or supported activity, including any events (or a part thereof), due to restrictions. In the case that the recipient of the support has already used the monetary aid given to them, it must be assessed whether their failure to comply with their obligations can be justified by the occurrence of force majeure. In the case of a cancelled project or supported activity, only irreversible costs that occurred prior to the implementation of restrictions will be covered, the rest of the support must be returned to the city. If the project or supported activity has been divided into parts, some of which have been cancelled due to the restrictions imposed, the expenses incurred on these parts will be considered de minimis aid.</p>	
5.	MEASURE 5: Continuing to pay for the city's sports activity in accordance with legislation and exempting the city's sports buildings and facilities from paying utility costs.	Period of validity of the restriction imposed by the Government of the Republic

	<p>Terms and conditions for continuing payment of support <u>Explanation:</u> The culture and sports board has received feedback from sports organisations, according to which there has been a decline in the co-payment by parents, there is a wish to reduce rent prices on sports bases, etc. Depending on the complexity of the situation, the city will help the organisations as much as possible – they will continue to pay sports grants to the organisations as provided for in legislation. This is done on the assumption that training will continue via remote guidance. Sports organisations that do not continue to organise sports activities will not be paid the sports grant.</p> <p>Exemption from payment of utility fees for sports facilities <u>Explanation:</u> Seeing as co-payments have been reduced and sports activities have been restricted due to restrictions imposed in the country, then, in order to support sports organisations, the utility costs of sports facilities will be reduced by 100% for sports organisations who use the city's sports buildings and facilities on the basis of a price list and who receive sports grants from the city.</p>	
6.	<p>MEASURE 6: <u>Supporting the digital solutions of small entrepreneurs</u> – supporting software licences and/or expenses tied to purchasing or developing software, programming, deployment or testing for a maximum of 6000 euros per company per year.</p>	Until the resources allocated in the city budget for this measure are exhausted
	<p><u>Explanation:</u> The crisis situation has significantly increased the need for the digitalisation, management and development of smart solutions. This is also evident in the surge of e-commerce. The digitalisation of the private sector has been deemed one of the main challenges of the Estonian economy by the European Commission's 2020 Digital Economy and Society Index (DESI) results. As a result of the digital solutions support measure aimed at small entrepreneurs, entrepreneurs will be able to employ cost-effective production, sell more products with a higher added value and create jobs with high competition. Supporting software licences and/or expenses tied to purchasing or developing software, programming, deployment or testing: client management, marketing software, warehouse management system, e-shop solutions, booking systems, etc. The 2021 city budget has allocated the following amount for support: 95,800 euros.</p>	

*The additional support measures are estimated to be covered by the aid authorisation granted by European Commission Decision No. C(2020) 2606 of 21 April 2020 and Decision No. C(2020) 7406 of 21 October 2020. If further analyses show that a measure still requires the implementation of a new state aid authorisation, the measure will then be implemented after the state aid has been authorised.

(electronically signed)