



**TALLINN
ANNUAL
REPORT
2011**



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Dear readers!

A local government that manages and administers its territory in the best possible and most efficient way, focusing both on all the important aspects of our everyday life and individual issues, is a priority for each and every inhabitant. And this is exactly how it should be. However, if we are to assess the efficiency of a local authority, this is just one of the criteria to be used. We also have to consider that the outcomes of our actions now may only be realised after a number of years. Therefore, we should not forget to look towards the future. Like our ancestors said: one should only count the chicks in autumn.

For example, let us consider the intention to offer free public transport to the citizens of Tallinn from 2013. Of course, local residents have embraced the initiative. This was clearly apparent in the results of the public referendum that we held. As this venture is unique in a city the size of Tallinn, the number of those who have doubts is greater than it would be were it solely due to political opposition. However, if we succeed – and I cannot see any reason why we should not – our city will have a large number of followers. The interest garnered in many European countries by Tallinn's intent gives us every reason to believe that this is exactly how it will be.

I can assure you that offering free public transport is not solely for people struggling with everyday difficulties and who have difficulties coping, although we have been conscious of this specific – and, unfortunately, increasing – section of the Estonian population. First of all, we adopted this decision as we are thinking ahead to future generations and wish to improve the living environment in our town. Among other targets, we have been considering a reduction in the number of cars, which would have a resulting decrease in air pollution and noise levels. Tallinn aspires to become the green capital of Europe by 2018. I am certain that the focus on developing public transport will be among the criteria to be considered before this status is granted.

The co-operation between the Tallinn city authorities and local universities, which has been taking place for some years, is also focused on the long term. New practical outputs for involving the research community and students in matters related to the city was realised before and after the 9th Tallinn vision conference in 2011. During the conference, we discussed the modernisation of those residential districts that have deteriorated both morally and physically, concluding that any available research potential should be involved in solving the problems that are affecting approximately half of the population of our town.



Tallinn has commissioned basic surveys from three universities; the results of the surveys will be made public at the next vision conference, which will be the tenth in a row. However, the real work to improve the quality of life of the city residents will only begin then. Co-operation with universities must result in a specific, well-structured plan for updating the living environment as an entity consisting of different levels. Turning the district of Mustamäe into a residential area as desirable as it once was during the 'golden sixties' has the potential of becoming an initiative worth as much attention as that of the free public transport.

Co-operation and involvement will be the important keywords to characterise and influence the development of Tallinn even more than before. Hopefully, our example of involving local authorities throughout Estonia in cultural co-operation will inspire the representatives of many other spheres. Back in 2008, when we first began the exchange of information for establishing a cultural network between cities, we focused on 2011, the year that Tallinn was to hold the honourable title of European Capital of Culture, as well as subsequent years. Since a cultural capital will sing and dance for only a year, the next cultural capital will receive the attention, but both culture and the willingness to co-operate will still remain. Tallinn will continue to keep working within the network of cultural capitals of Estonia, promoting cultural tourism that is beneficial for everyone in Estonia.

Toomas Vitsut
Chairman of the Tallinn City Council



Dear co-citizens of Tallinn!

These covers contain the annual report of the City of Tallinn for the 2011 financial year and detail the most important achievements of the capital of the Republic of Estonia. The information details what changes have occurred in the different spheres of the city. The city offers both its residents and visitors a wide variety of services in almost every sphere possible, from education through business.

2011 was not just a special year for Tallinn, but for Estonia in general – we had the honour of holding the title of European Capital of Culture! The title of Capital of Culture helped us to achieve a more general, European style of thinking – becoming more open and tolerant towards different cultures. International cultural projects that were held over the course of the year helped us understand that Estonian culture is a part of European culture, both supplementing and influencing it. This year also helped us to acknowledge the value of the cultural heritage of Tallinn. The tradition of the Maritime Days of Tallinn went a step further in 2011. With this event, Tallinn has created a cultural venture that attracts record numbers of attendees every year, transforming our city into a real maritime town.

In 2011, 1.5 million tourists stayed overnight in accommodation establishments in Tallinn; this is 16% more than in 2010. The number of visitors staying overnight increased even more – by 22% – reaching 2.8 million people. 438,000 cruise ship passengers also visited Tallinn. These indicators exceed even the results of record years in the past. Visitors to Tallinn are very happy with their tour – the average score on a ten-point scale was 8.6. Most tourists (98%) recommend Tallinn to their friends and acquaintances. Foreign tourists see Tallinn as a destination characterised by rich cultural life, good restaurants and numerous sightseeing opportunities. The average foreign tourist spends 173 Euros per day in Tallinn.

Last year was successful for the City of Tallinn. I can say, with conviction, that the city has managed its finances well, despite the impact of the global financial crisis. The rating agency, Moody's, which has given the city a credit rating, acknowledges the financial manage-



ment of the City of Tallinn in its report, describing it as 'high-level' and emphasising that the city has a developed accounting and reporting system, the city uses accrued methods to devise its budget and annual reports are audited by an internationally recognised audit office. The report also acknowledges and highlights the fact that Tallinn has been capable of meeting its budget targets despite the most difficult years of the crisis, and the agency has praised the city's flexibility, determinedness and ability to maintain strict budget discipline on a permanent level.

The success of the title of European Capital of Culture gives us the courage to meet even bigger challenges. In 2013, we want to become the first capital city in the world to offer free public transport to all the residents of the city, and we are applying for the title of European Green Capital for 2018. But you will most certainly read more about these projects in our yearbooks to come!

Edgar Savisaar
Mayor of Tallinn



Brief Overview of the City

Tallinn – the capital and financial centre of the Republic of Estonia

The City of Tallinn offers a wide array of public services for its citizens and visitors to the city. The city provides social assistance and social services, organises welfare services for the elderly, youth work, housing and utilities, waste management, physical planning, public transport, ensures water supply and sewerage, property maintenance, and maintains city streets on its administrative territory. The city likewise maintains preschool child care institutions, basic schools, upper secondary schools, hobby schools, libraries, community centres, museums, sports facilities, shelters and care homes as well as health care institutions and other institutions belonging to it. The City of Tallinn also organises other local matters provided by legislation and settles issues of local life that are not within the competence of state bodies or other institutions pursuant to legislation.

Tallinn is the most important and largest centre for services, commerce and finance in Estonia. Branches of international companies that target the Estonian market are also predominantly located in Tallinn. Tallinn is the driving force of the development of Estonia as a whole and the development of the other regions of Estonia is significantly dependent on the success of Tallinn. Tallinn along with the other local go-

vernments of Harju County constitutes the most powerful economic region of Estonia.

Tallinn contributes 51% of Estonia's gross domestic production and more than 61% in combination with Harjumaa. Gross domestic production per capita is approximately 17,000 euros, which is 171% the Estonian average. 79% of added value is created by the service sphere in Tallinn; the importance of industry and the building sector is 21%. Added value is mostly created by the fields of wholesale and retail trade, hotels and restaurants, financial mediation, real estate, public administration, education, health care, transport, communication and other social and personal service sectors.

According to the statistical report published in 2010, 41,020 companies were registered in Tallinn, contributing 41% of total number of companies registered in Estonia. 21% of the companies were operating in the sphere of wholesale and retail trade and the sphere of repairing motor vehicles, while 16% were in the sphere of vocational, scientific and technical work, 9% in the field of construction, 8% in the sphere of administration and support activities, 8% in the sphere of real estate, 7% in transport and warehouse services and 6% in the sphere of processing industry. The majority of undertakings in Tallinn are small undertakings with fewer than ten employees, constituting 92% of the number of registered undertakings. The number of undertakings with 10-49 employees was 2,500 and the number of undertakings with 50-249 employees was 521. There were only 88 undertakings in Tallinn with more than 250 employees. Industrial parks and business incubators have been created in Tallinn, and undertakings have been supported through various types of assistance in order to promote business. 142 companies were operating in industrial parks, technopoles and business incubators.

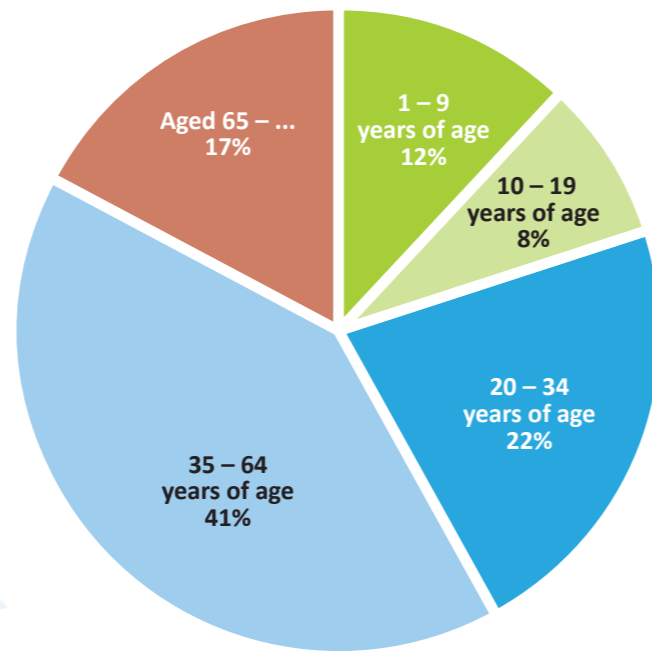


Population of Tallinn

While the overall population of Estonia is constantly decreasing, the number of citizens of Tallinn has increased in the past few years. According to Statistics Estonia, 1,318,000 people were living in Estonia in the beginning of 2012; the respective figure had dropped by ca 3,000 over a year. According to the information available from the Population Register, the population of Tallinn was 416,144 on 1 January 2012, having increased by 4,164 people over the year. The population growth in Tallinn is attributable to both natural (818 people) and mechanic increment (4,190 people). The growth was reduced, to a certain extent, by the organisation of the Population Register, resulting in a decrease in the numbers of registered inhabitants by 844 people. The population of the city also grew, as people who have lost their jobs in other regions of Estonia due to the credit crunch are now moving to the capital city and are being registered in the Population Register of Tallinn. In 2011, 13,891 registered Tallinn as their official place of residence; 9,701 were removed from the list of inhabitants. According to the Population register, 4,970 children were born in Tallinn in 2011; this number exceeded the number of deaths by 818.

As with the population of Estonia in general, the population of Tallinn is also steadily growing older. The importance of people of working age among the population will start to drop rapidly from 2016 onwards.

Age structure of the population of Tallinn as of 01/01/2012



The number of the population registered in the Population Register of Tallinn will continue to grow in 2012. On 1 May 2012, Tallinn had 416,539 inhabitants. The following table characterises the growth of registered inhabitants of Tallinn by years and districts.

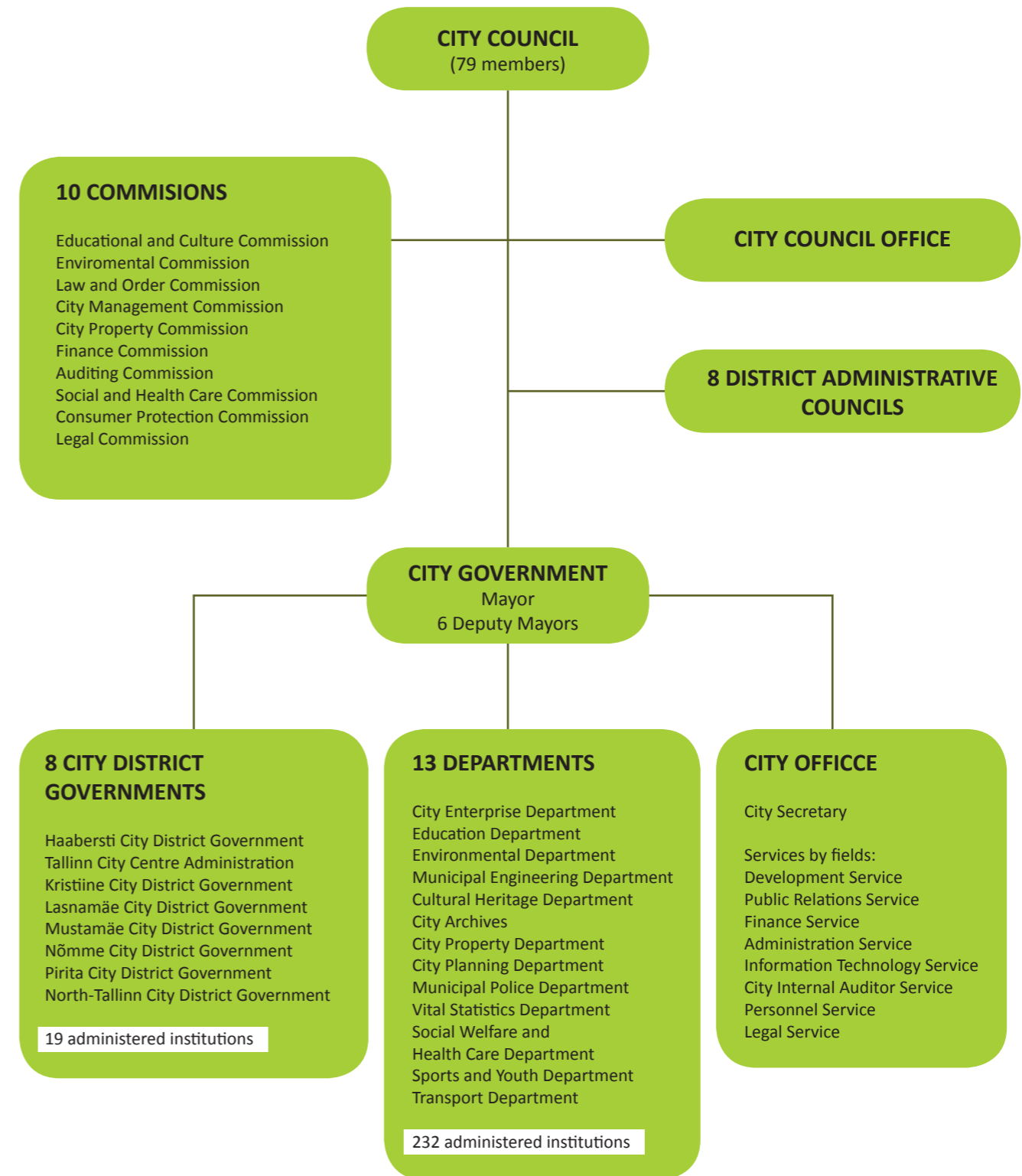
Population of Tallinn on 01/01

Population of Tallinn on 01/01	2004	2006	2008	2010	2011	Change 2011/2010
Tallinn in total	392,306	403,505	401,372	406,703	411,980	4,164
Incl. Haabersti	37,187	38,968	39,587	41,051	41,549	745
Kesklinn	44,205	46,180	47,671	48,646	50,182	1126
Kristiine	29,424	29,816	29,478	29,395	29,810	245
Lasnamäe	112,368	114,142	112,001	114,258	115,654	619
Mustamäe	64,918	65,692	64,243	64,113	64,597	-360
Nõmme	37,772	39,436	38,725	38,100	38,275	623
Pirita	10,388	12,277	14,039	15,135	15,567	1,069
Põhja-Tallinn	56,044	56,994	55,628	56,005	56,346	97



Administration of the City

Administrative structure of the City of Tallinn



The City of Tallinn is governed by the City Council and the City Government

The City of Tallinn is governed by the City Council and the City Government. Tallinn City Council is the representative body of Tallinn as a local government, and is elected for four years by residents who are eligible to vote. The last elections to the City Council were held on 18 October 2009. The current, seventh membership of the City Council has 79 members (the previous, sixth membership had 63 members). Four political parties comprise the membership of the City Council: these factions are the Estonian Centre Party (44 members), the Estonian Reform Party (14 members), the Union of Pro Patria and Res Publica (13 members) and the Social Democratic Party (8 members).

The City Council is independent and acts only in the name and in the interest of the citizens. The City Council works at full sessions as well as by commissions and factions. The City Council has formed ten commissions that resolve the issues of their respective fields. The commissions are as follows: Educational and Culture Commission, Environmental Commission, Law and Order Commission, City Management Commission, City Property Commission, Finance Commission, Auditing Commission, Social Affairs and Health Care Commission, Consumer Protection Commission and the Legal Commission. In 2011, the City Council held 20 sessions, and it adopted 216 resolutions and 44 regulations. The City Government is the executive body of the local government.

The active administration of the City of Tallinn is composed of a City Government of seven members: the Mayor and six Deputy Mayors. Each member of the City Government is responsible for the management of the fields of city life assigned to them. The City Government conducts work in sessions, which generally take place once a week on Wednesdays. 51 sessions were held in 2011, resulting in the adoption of 138 regulations and 2,065 orders.

The City Government manages the activities of all the institutions (except the City Council Office) of the city and participates as a shareholder, founder or member in the work of legal persons governed by private law. The

organisational and technical work of the City Government is ensured by the City Office, and it is directed by the City Secretary who is appointed by the Mayor.

The organisation of the City of Tallinn comprises 23 administrative agencies (13 Departments, 8 City District Governments, the City Council Office and the City Office) and 251 administered institutions. The City of Tallinn with a total of 274 institutions is therefore one of the largest organisations in Estonia, providing daily work for nearly 12,600 people. Arising from the wide selection of public services offered by the city, representatives of very different professions work in the city structure, including educators, teachers and workers in the fields of medicine, social affairs, culture and sports. In addition, an average of 6,300 employees worked in the 9 companies and 13 foundations in which the city has a holding, with the majority of the personnel comprising medical and transportation workers in 2011. Therefore, last year about 19,000 workers were involved in offering high-quality public services to the citizens.

Furthermore, the city has founded or has a holding in various undertakings with the purpose of ensuring the accessibility of high-quality public services for its citizens. Therefore, the city has control over 8 companies and 14 foundations together with one private limited company. The largest of these are Ida-Tallinna Keskhaigla AS (East Tallinn Central Hospital), Lääne-Tallinna Keskhaigla AS (West Tallinn Central Hospital) and SA Tallinna Lastehaigla (Tallinn Children's Hospital) as well as the transport undertakings Tallinna Autobussikoondise AS (Tallinn Bus Company) and Trammi- ja Trollibussikoondise AS (Tallinn Tram and Trolleybus Association AS). Additionally, the city has significant control over three companies and one foundation. The largest of these are AS Tallinna Vesi and Tallinna Prügila AS. A total of 18,842 workers worked in the city institutions, companies and foundations in 2011, including 1,530 officials, while about 64% of the 12,586 employees of the city institutions worked in schools and nursery schools (teachers, speech therapists, special education teachers, support staff etc.).

Average number of workers of units of the city and under the control of the city in 2011, by institutions

ADMINISTRATIVE AGENCIES AND ADMINISTERED INSTITUTIONS (asutuste arv)

	AVERAGE NUMBER OF WORKERS
City Council Office (1)	34
City Office (1)	264
City Enterprise Department (1)	80
Education Department (1)	126
Schools (67)	4,105
Nursery schools (127)	3,948
Hobby schools (11)	407
Municipal Engineering Department (1)	44
Kadrioru Park (1)	113
Cultural Heritage Department (1)	32
Theatre and concert institutions (2)	126
Zoo (1)	183
Library, museums (2)	247
Folk High School (1)	5
Cultural centres (4)	59
City Archives (1)	27
City Property Department (1)	65
Vital Statistics Department (1)	30
Social Welfare and Health Care Department (1)	40
Health care institutions (1)	236
Social welfare institutions (8)	689
Sports and Youth Department (1)	22
Youth work institutions (1)	51
Sports institutions (4)	131
City Planning Department (1)	99
Transport Department (1)	57
Environmental Department (1)	51
Botanical Garden (1)	65
Cemeteries (1)	65
Municipal Police Department (1)	156
Haabersti City District Government (1)	65
Administered institutions (2)	17
Tallinn City Centre Administration (1)	88
Administered institutions (1)	34
Kristiine City District Government(1)	71
Administered institutions (2)	33
Lasnamäe City District Government(1)	122
Administered institutions (3)	90
Mustamäe City District Government(1)	74
Administered institutions (2)	63
Nõmme City District Government(1)	63
Administered institutions (5)	80
Pirita City District Government(1)	43
Administered institutions (1)	17
Northern Tallinn City District Government (1)	110
Administered institutions (3)	59

Kokku: 12,586

UNITS UNDER THE CONTROL OF THE CITY

	AVERAGE NUMBER OF WORKERS
Tallinna Autobussikoondise AS	1,055
Tallinna Trammi- ja Trollibussikoondise AS	765
AS Tallinna Soojus	5
Tallinna Linnahalli AS	12
Termaki Autopargi AS	46
AS Ida-Tallinna Keskhaigla	2,006
AS Lääne-Tallinna Keskhaigla	1,436
AS Tallinna Tööstuspargid	2
Tallinna Munitsipaalperearstikeskuse OÜ	5
SA In Commune Bonum	1
SA Tallinna Lastehaigla	636
SA Tallinna Tehnika- ja Teaduskeskus	5
SA Tallinna Hambapolikliinik	190
SA Tallinna Lauluväljak	15
SA Lutreola	0
SA Öpilasmalev	3
Tallinna Vee-ettevõtjate Järelevalve SA	3
Ettevõtluse Toetamise ja Krediidi Haldamise SA	11
SA Tallinna Kultuurikatel	33
SA Tallinna Arengu- ja Koolituskeskus	2
SA Tallinna Televisioon	21
SA Tallinna Vene Muuseum	4
SA Keskkonnakogu	0
MTÜ Keskkonnateenused	0

Kokku: 6,256



Education

Creating the preconditions for safe growth, versatile development and lifelong learning for the citizens is one of the main goals for Tallinn

The main objective of the activities of the city in the field of education is to ensure the diversity and accessibility of opportunities for acquiring education. It is essential that nursery school places and the acquisition of preschool education as well as opportunities for acquiring basic education and secondary education together with acquiring vocational education according to the needs of the labour market be ensured for all children living in Tallinn, and that opportunities for diverse hobby education and activities be created for children and young persons.

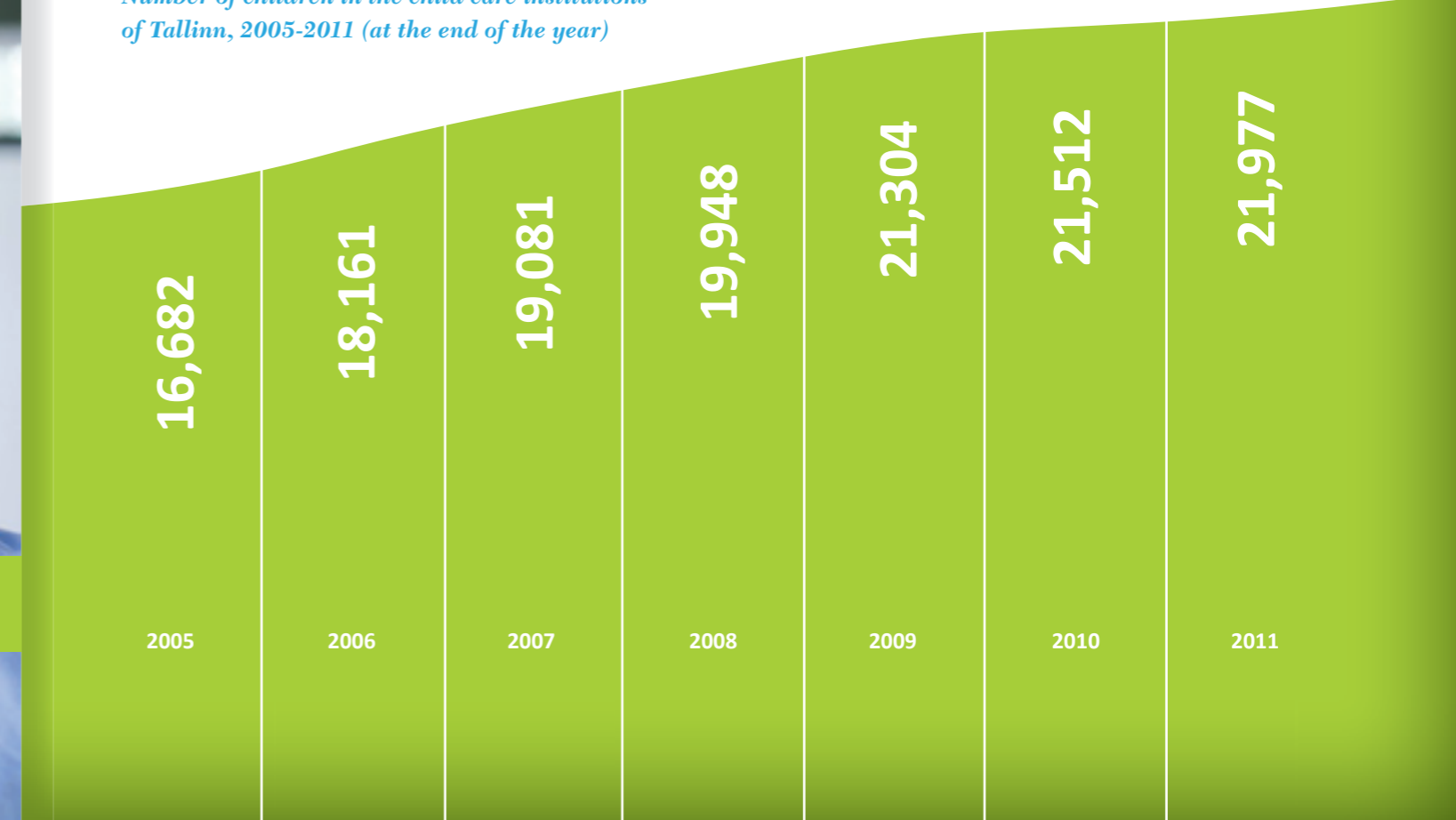
As of the end of 2011, there were 127 nursery schools, two nursery-primary schools, one nursery-basic school and two schools with nursery school groups in Tallinn with places for 21,977 children. The city additionally supported 20 private nursery schools, thereby facilitating day care for an additional number of 725 children. The implementation of the programme "Nursery School Spot for All Children" was con-

tinued and 465 new nursery school places were created – 84 of them as a result of opening new groups in Tallinn Lepistiku Nursery School-Elementary School, Tallinn Kristiine Nursery School, Tallinn Nursery School and by opening a special group for children with multiple disabilities at Tallinn Helen's School.

Number of nursery places

Type of institution	Number of places		Increase	
	2010	2011	pcs	%
Municipal child care institution	21,512	21,977	465	2,2%
Private nursery school	657	725	68	10,4%
Total	22,169	22,702	533	2,4%

Number of children in the child care institutions of Tallinn, 2005-2011 (at the end of the year)



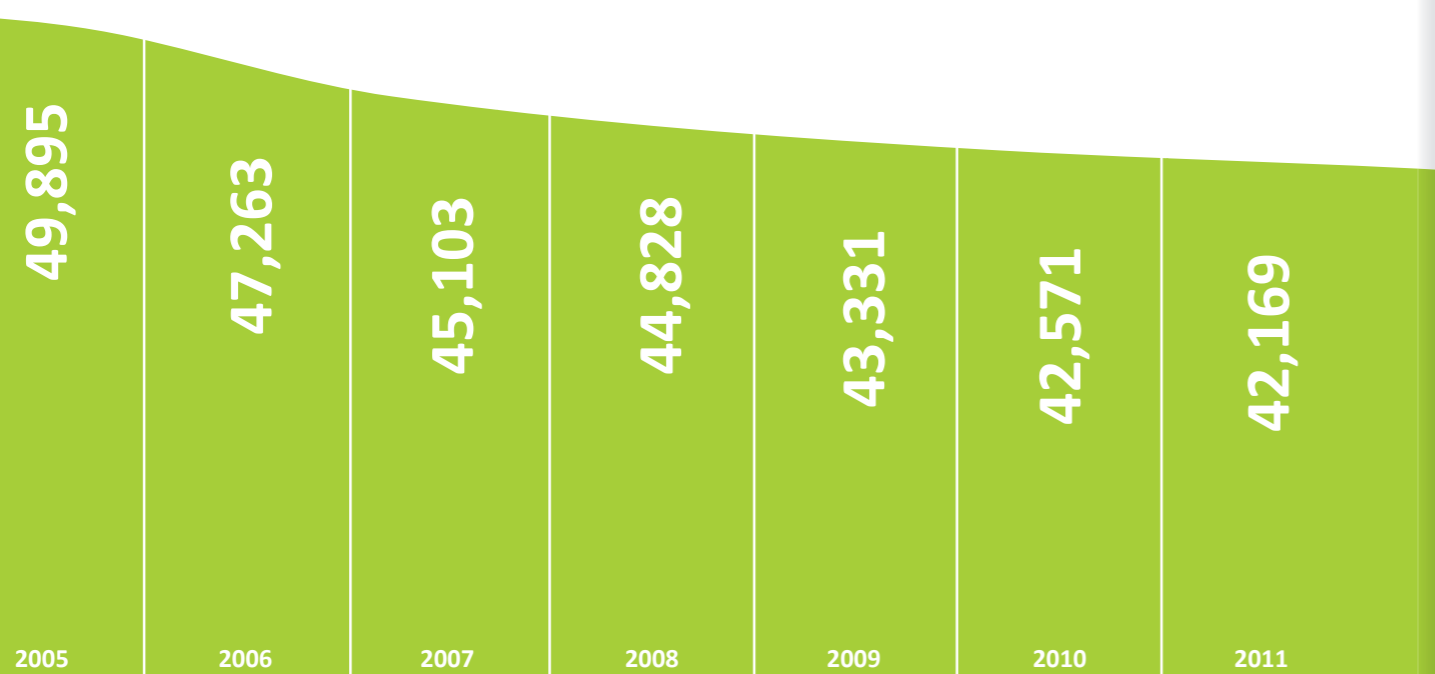
High-quality education is one of the main prerequisites for the development of a country. As of the end of 2011, there were 66 municipal schools, 11 private schools and three state general education schools in Tallinn. 42,169 students studied in the schools of Tallinn in the 2010/2011 academic year, including 4,124 students from other local governments. As a result of demographic developments, the number of students in the schools of the city decreased by 402 compared to the year 2010.

Since 2006, the city has ensured free meals for all students in classes 1 to 9. Aside from the school lunch costs of 28,957 basic school students, in 2011, the City also covered the cost of school lunches for 306 gymnasium students from less privileged families. The daily cost of meals is 1.15 EUR per student, of which the city pays 0.37 euros and the rest is covered by benefits granted from the state budget. Long day groups and assistant teachers continued their work at 25 schools, and support services (including speech therapist and psychologist services) were facilitated. Long day groups with flexible schedules extended the opportunities available for children's day care.

Ensuring a modern study environment that meets the requirements in all educational institutions is still essential and at the end of the year, contracts of co-operation were concluded between K&L Arenduse OÜ and Tallinn Kuristiku Gymnasium and Tallinn Läänemere Gymnasium and Kolde Nursery School and Tallinn Nursery School Vikerkaar for full-scale renovation works. The renovated schools will open their doors to students on 1 September 2012 and nursery schools at the end of 2012.

In addition to basic and secondary education, the city provides vocational education in Kopli Vocational School with 262 young persons in 24 study groups studying during the 2010/2011 academic year; 223 of the students had basic education and 39 of the students did not. It is possible to acquire vocational education in the following professions in Kopli Vocational School of Tallinn: property maintenance, electrician, environmental technology, locksmith, household economics, traditional-style carpentry, textile work and blacksmithing. Studies are conducted in both the Estonian and Russian languages.

Number of students in the schools of Tallinn 2005–2011 (at the end of the year)



The city pays a lot of attention to creating and ensuring opportunities for hobby education. Nine municipal hobby schools and three hobby schools within the Old Town Educational College were active in Tallinn in 2011 with a total of 7,650 students. 24,770 children participated in hobby groups at general education schools. The students were able to practice technology, natural history, theatre, sports, art, music, dancing, design and foreign languages. The project for the partial renovation of the Kullo Tallinn Hobby Centre was drafted at the end of the year, and is being co-financed using the Structural Funds of the European Union.

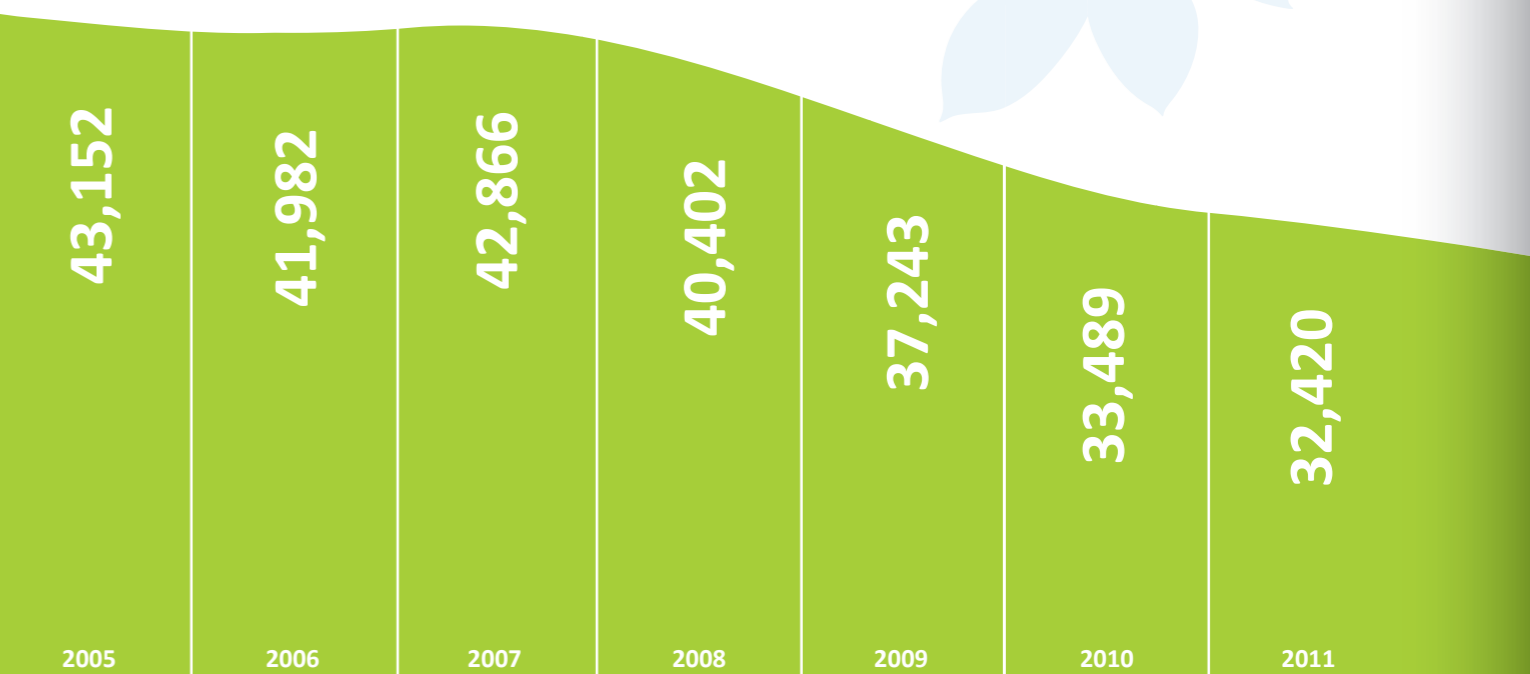
In 2011, activities were continued to create a study environment that would enable the children and students of Tallinn to acquire competence with regard to information and communication technology (ICT) in compliance with the requirements of the national curriculum. The main focus was concentrated on ensuring the functionality of the ICT infrastructure that is necessary for organising the modern provision of education in educational institutions. Opportunities have been created for all of the city's educational institu-

tions to use the central ICT infrastructure services (domain server, file server, print server, terminal server, group work server, data storage, virus and spyware protection, etc.). 122 of the city's educational institutions had joined this service by autumn 2011.

Recognising the best students also continued with the aim of supporting and motivating the pursuits and creative activities of children and young persons. Competitions were held in 25 subjects in the 2010/2011 academic year, with 8,632 students participating. 19 students from Tallinn represented Estonia in 11 international competitions, winning a total of 22 medals (three gold medals, eight silver medals and 11 bronze medals).

Juvenile committees help ensure compulsory school attendance and organise crime prevention work in the city districts. Several special youth work projects directed at the risk groups of young persons were carried out in cooperation with non-profit associations.

Number of children acquiring hobby education in Tallinn 2005–2011 (at the end of the year)





Culture

The purpose of the field of culture is to ensure a broad and high-quality choice of cultural services for the citizens of Tallinn and for its tourists.

2011 was the year of "Tallinn – European Capital of Culture 2011". The year as a capital of culture was a major event for Estonia as a whole, as it was the largest cultural event in Estonia's history. The Capital of Culture programme involved thousands of Estonian cultural figures of and hundreds of foreign partners from a total of 76 countries. 7,000 events took place within the framework of 300 cultural projects. By the end of the year, cultural capital projects resulted in a total of 1.9 million visits.

Projects launched under the Cultural Capital "Seaside Stories" programme involved different communities and ethnic groups of Tallinn as well as young producers and they preferred creation over consumption. Performance arts, audiovisual arts, literature, sports, ethnic culture, art, urban spaces and design, music and projects connecting different spheres were all involved.

The major events launched within the framework of the Capital of Culture programme included: this summer's largest free family party, Tallinn Maritime Days; song and dance celebration "The Wide World Begins in a Small Land"; the concert performance "The Song of Freedom"; Tallinn Marathon and the closing celebration of the Capital of Culture year, "The Happy End", involving the debut performance of Margo Kõlar's musical piece "Tornikellade laul" (Song of the Tower Bells), which was generated through the joint efforts of the tower bells of ten churches. The most outstanding theatre projects were the Straw Theatre and stage plays "Parsifal", "Gilgamesh", "Three Kingdoms", "12 Karamazovs", "The Black Rider" and "SIGNA: Bleier Research Inc".

The 17 open libraries in the City of Tallinn were visited by nearly 1.05 million people during the year. Two library branches are situated in the Haabersti City District, three in the City Centre, three in Mustamäe, three in Nõmme, one in Pirita and three in Northern Tallinn, with an additional library bus, Katarina Jee, operating around the city. In 2011, more attention was paid to integrating the population who speak Russian as their mother tongue into the common information and cultural space. Every child who began

their first year at school in 2011 was given a book entitled "Suvevaheaeg koolis" (Summer Holidays at School). The largest IT development involved the creation of software for e-book borrowing and the reading environment.

In order to ensure diverse opportunities for spending free time, including the development of hobby and society activities and organizing concerts, theatrical performances and exhibitions, 10 cultural institutions of the city were active in Tallinn in 2011: Tallinn Dome Club, Pelgulinn Community Centre, Information Centre for Cultural Societies, Russian Culture Centre, Lindakivi Culture Centre, Mustamäe Culture Centre Kaja, Salme Cultural Centre, Nõmme Culture Centre, Tallinn Haabersti City District Leisure Centre and Pirita Leisure Centre. 7,437 people of different age groups and different interests were involved in the activities of the 312 hobby groups of these institutions. The cultural establishments of the city organised a total of 2,121 cultural events in 2011.

Museums are the keepers of cultural heritage, research and memory institutions, and they offer emotional and educational experiences to the greater public. Tallinn Town Museum includes ten smaller branches that were visited by 189,149 people during the year. Kiek in de Kök, which was restored in 2010, and bastion passages were the most frequented museums in 2011.

Tallinn City Theatre, a performing arts institution belonging to the city, performed 422 theatrical performances for a total of 58,676 visitors. The repertoire of the theatre included a total of 24 productions, including seven new



productions. A joint concert tour to three different theatres in Estonia – in Viljandi, Rakvere and Tallinn – was organised in co-operation with the Philharmonic Society of Tallinn. As tradition requires, the theatre participated in the Estonian Theatre Festival Drama 2011. The restoration of the summer courtyard of the theatre was continued with support from the Ministry of Cultural Affairs.

The Philharmonic Society of Tallinn organised the Birgitta Festival for the seventh time; it is becoming a regular festival for Tallinn. Verdi's *Attila* was staged in co-operation with the Promfest festival. In all, eight performances were held, with about 8,000 attendees.



Since 2011, the Philharmonic Society of Tallinn has resided in the historical House of the Blackheads. The Tallinn Chamber Orchestra continued its 'Saloon' concert series and a series of event, fusing jazz and literature, 'Meetings at Fireplace, involving cosy and creative atmosphere of Kloostri Ait in Tallinn, where musicians and artists meet. Pärt Uusberg's piece "Paradise", performed in St. John's Church of Tallinn, ended a four-year series of church music, "Viva oratorio". A new series of concerts entitled "Talents At Home" was started to introduce the bright talents that currently study in leading music schools all over the world or are pursuing their careers in some other countries, but have started their lives as musicians in Estonia. A new series of baroque concerts, "Baroque Nights of St. Mauritius", were started in the autumn in the Brotherhood Hall of the House of the Blackheads.

Informal education and hobby and in-service training were provided to 2,434 people in Tallinn Folk University in order to diversify the training market and value lifelong learning.

171 lecture series and courses for practical activities were offered. In 2011, the most popular courses "Healthy and easy cleaning", "Overview of Tibetan Medicine", "From raw chocolate to truffles", "Emotional stress and physical diseases", "Restoring and old furniture at home", "Trends in World Literature", "Wine school" and "My internal fortress". Additionally, 11 events promoting the Folk University and 13 exhibitions were organised.

Construction and restoration activities in the Old Town of Tallinn and for monuments outside the Old Town were continued in 2011 in order to preserve and acknowledge the cultural heritage, ensure the material maintenance of monuments and value the historic physical and social environment. The restoration of monuments, buildings of the Old Town and valuable details was continually supported, documentation for restoration was ordered, field studies were performed and general supervision was exercised.

In 2011, the City took over Maidens' Tower, Stable Tower and a piece of the town wall connecting these two. Restoration works were started in 2011 and should be finished by 2012. A cafe will then be opened again on the upper floors of the Maidens' Tower and Tallinn Town Museum will open an exhibition on the lower floors of the building. Defence passage inside the town wall between the Kiek in de Kök artillery tower and the Maidens' Tower will also be restored. Grants for restoring the details (historic doors, windows, boundary strips and dripstones of windows, awnings,



original exterior boarding, etc.) of 63 historical buildings were awarded in 2011 in order to preserve and acknowledge the values of the architecturally and culturally completely preserved historic city space (built-up areas of cultural and environmental value) for the citizens. The "Repair Old Buildings!" campaign was continued; this values the historical urban regions of Tallinn and was initiated in 2001. Cooperation with the Information Centre for Sustainable Renovation was continued. The Centre organised seminars and information days for citizens and interested persons regarding the maintenance of old buildings and gave advice on architectural and engineering matters; old material recycling warehouse with a training class was opened in the Telliskivi Creative Area and a popular Ecological Revolt 2011 fair that promoted the use of recycled materials was organised there in September.

A new prize "Meritorious Culture Character" was created to recognise the creative activities of deserving culture figures in Tallinn. The prize will be awarded for long-term outstanding creative activities in the fields of art, theatre, film, dance, music, architecture or literature and in 2011, it was awarded to Valli Lember-Bogatkina. Kristjan Raud Art Award and Dark Nights Film Festival Awards were also presented.

The development of the creative, spatial and technical possibilities of cultural institution was continued in order to offer citizens and visitors a wider selection of cultural services. Reconstruction of the Tallinn Song Festival Grounds was continued. The Tallinn Creative Hub project was further developed; the first stage of the project involved the construction of utility networks for the building, accompanied by necessary demolition and research work. The Tallinn Creative Hub represents a cultural centre that will have a multifunctional hall and premises for companies and organisations involved in creative business. The buildings of the Tallinn Creative Hub are being renovated from 2012 by Tallinn Creative Hub. According to the detailed plans for the area between the Tallinn Creative Hub, the City Hall and the sea, the area will remain a public city space, enhance the attractiveness of city spaces and offer the city residents and visitors opportunities for recreation. Construction of the Environmental Education Centre of Tallinn Zoo was continued; the section of the pachyderm house used by hippos and rhinoceroses was renovated. Vilde's monument at Harju Street was renovated.

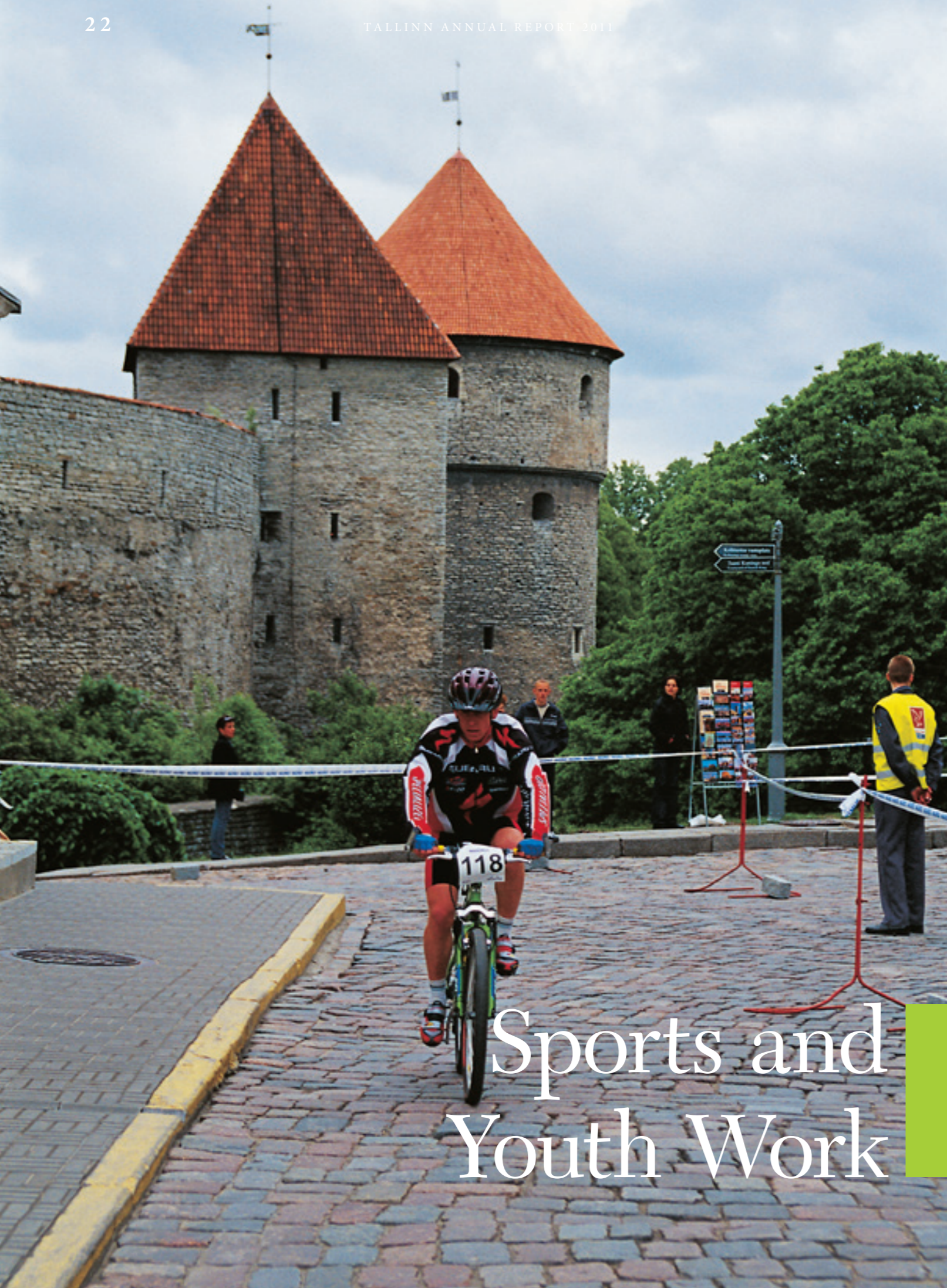
Tallinn Botanic Garden celebrated its 50th anniversary in 2011. The exhibition greenhouses, reconstructed with support from the European Union and opened to visitors in 2010, had a positive influence on the growth conditions



of plants and the working conditions of personnel and also led to an increase in the number of visitors. In 2011, 46,742 people visited the Botanic Garden. The worth of the plant collection in the Botanic Garden rose to 3.1 million euros by the end of 2011.

The establishment of the Culture Kilometre was finished in 2011. The Culture Kilometre is a light traffic road built in 2010–2011 along the old railroad line connecting Logi and Tööstuse streets and cultural objects of the region, including Tallinn Creative Hub, the Plane Harbour Complex and Noblessner Foundry.

On 12 November 2011, a monument to Nikolai von Glehn and flag square were open on the hillside next to Nõmme market. The monument was made according to the design of Aivar Simson at OÜ Seaküla Studioid.



Sports and Youth Work

Citizens of Tallinn need to be physically active in order to remain cheerful and healthy

In 2011, six sports institutions of the city provided opportunities for sports: Kadrioru Stadium, Kristiine Sport, Pirita

Sports Centre, Tallinn Sports Hall, Lasnamäe Sports Complex and Nõmme Sports Centre. The sports institutions had 25 sports facilities that catered for diverse sports at both amateur and competitive levels. In 2011, the services were accessible for an average of 10-13 hours per day and seven days a week for sports enthusiasts.

The most popular services of the Pirita Sports Centre are related to the skating rink and health courses. In the winter period, it is possible to skate on the largest outdoor rink (dimensions 42x42 m) and ski on the best ski tracks in Tallinn, which are prepared with a snow groomer.

The Nõmme Sports Centre, one of the most frequented institutions of the city, is a modern sports complex that offers diverse year-round recreational sports and leisure opportunities for persons of various ages engaged in a healthy lifestyle as well as sports clubs. Several recreational courses have been developed for improving the opportunities for sports and leisure. The Nõmme-Harku recreational courses with connecting roads have been extended to 20 kilometres, making them the longest of their kind in Estonia. The courses are illuminated, marked with both direction and mileage signs, course plans have been attached to the most important traffic centres and six gyms are fitted along the course.

Kadrioru Stadium is a unique facility that features two exercise fields and excellent conditions for practising football as well as track and field. 45 different sports and cultural events, six of them international, took place in 2011 in Kadrioru Stadium. The European Junior Championship in Track and Field, which took place on 21–24 July, was major event. The competitions took place in the newly renovated stadium, which was given a new IAAF certificate on 18 July 2011. The Estonian track and field championship and the ERGO world event also took place in the stadium.

In April 2011, Snelli stadium was leased for ten years to allow general education schools in Tallinn, in particular, seven schools from the neighbourhood, organise physical education lessons and hold sports days. The stadium will be open for hobby athletes when it is not being used for lessons.

All recreational sports events came together for the support programme "Tallinn Moves!" which was launched to promote healthy and active lifestyles and improve the health of the inhabitants. 235 recreational sports events were organised within the framework of the programme, with a total of 195,000 people participating. Numerous regional sports events, competitions and recreational days were also organised in the city districts.



Sports clubs were continually supported in order to organise sports activities for children and young persons aged 4-19, including disabled children and people of all ages with permanent (at least 40%) incapacity for work, giving 20,126 persons the opportunity to engage in sports over different fields such as track and field, ball games, wrestling, chess, draughts, water and ice sports, cycling, etc. The activities of 170 sports clubs were supported; the average support per person was an average of 163 euros. Support was allocated to 402 trainers with professional qualifications of level III-IV (according to the level of professional skills) with the purpose of motivating trainers who work with hobby athletes to take in-service training and enhance their professional skills; the average support amount was 969 euros per trainer.

Organising championships for several sports and the already established sports events were also supported in Tallinn in 2011. Of the international championships, Tallinn held the European Junior Championship in Track and Field, World Classic Bodybuilding Championships, 60th European Championship for Tether Cars, European Championships in Taekwondo, XII European Youth Championship in Draughts and European Wushu Championships. Traditionally, Sword of Tallinn 2011, a part of the World Cup Championship in fencing, the international ball dance competition Tallinn International Open Cup 2011, the ERGO world event in discus throwing, the extreme sports festival Sempel Session, judo world cup competition, the World Games 2011 in Martial Arts and 28th international car race 2011 took place. The SEB Tallinn Autumn Run and SEB Tallinn Marathon with 17,594 participants, 1,267 of whom covered the marathon distance, were the biggest sports events.

In 2011, the multifunctional development of the Pirita Sports Centre was continued with the purpose of developing a multifunctional sports centre on the territory of the current cycling track and the Pirita River Valley landscape protection area with conditions and opportunities for engaging in recreational, amateur and competitive sport. The other large object was the preparation of the detailed plan for the Varraku 14 registered immovable as well as the design work for the ice rink to be constructed on the immovable. According to the plans, a contemporary ice rink with three different fields and – once the new plans are approved – a gym hall, water centre with Olympic-sized pool, library and hostel will be built on the registered immovable.



The purpose of youth work is to offer opportunities for high quality pastimes for young people in the city and to shape healthy lifestyles for children and young people

The city offers youth work services in 11 regional youth centres, information centres and information and guidance centres. The youth centres were visited 66,019 times in 2011. 29 clubs or studios offering hobby activities were active in the youth centres. The youth services took part in 20 domestic or international projects.

The most extensive activities of the youth centres in 2011 were:

- The “Better Than Your Neighbour – Lasnamäe Youth Special” project, which consisted of the redecoration of the youth centre premises by young people. The whole event got covered by three programmes shown by Tallinn TV; youth work in Tallinn in general was introduced apart from the Lasnamäe Youth Centre.
- The “Understanding Generations Through Video Camera” project, which involved the recording of the activities of Männiku Youth Centre. Different generations including young people, parents, grandparents and inhabitants of the area were involved in the activities.
- The “Dialogue Between Communities: Understanding Each Other Through Music” project, the purpose of which was to establish and strengthen partnership relations between the Estonian and Russian schools in Lasnamäe through using informal methods that rely upon inter-cultural communication, mutual understanding and trust.

The Youth Information Centre is the only institution in Tallinn that is in charge of the administration of citywide information with respect to young people, and it communicates information to the young people of the city and the persons dealing with young people. There were a total of 239,605 contacts made seeking information and counselling in 2011 with the majority consisting of visits to the popular www.taninfo.ee web-based information portal for young people. Tallinn Youth Information Centre issued six different publications in 2011 with a total run of 72,500 units, organised 33 information events for 15,000 young people and 159 information hours in schools; the total number of participants amounted to 3,390 young people.

As of 2010, Tallinn Youth Information Centre and the Tallinn and Harju County Information and Counselling Centre for Young Persons offer the services of career information and counselling. A total of 7,974 young people received career counselling, and career information was communicated to 1,780 young persons in 2011. Career days, seminars and lectures were also organised.

As of August 2009, the Tallinn Branch of the AHHA Science Centre operates in premises at Freedom Square, which was visited by more than 70,300 people (estimate), 39,000 of whom were visiting various AHHA exhibitions. The daring enjoyed the experience offered by the 4D cinema capsule – their number exceeded 31,000.

Youth camps for the children and young people of Tallinn were organised during the summer, autumn and winter holidays, and support for these summer youth camps was continued. The total amount of the benefit was 79,000 euros and the number of supported participants was 3,904.

The student brigade was active for the eight year running and had 36 groups in 2011, including 23 groups from outside the city and 13 groups from within the city, with a total of 676 young people participating. In addition to the regular student brigade work (berry picking, tidying up and landscaping works), student brigade week was organised in March, training for group leaders in May, and at the end of student brigade summer – in co-operation with the Estonian Youth Work Centre and Archimedes Foundation, Estonian office of Youth for Europe – the “MAlgatus” project was organised, involving the student brigade members doing something positive and beneficial for society on their own initiative. Young people improving the world!

The quality of youth work done by local authorities is assessed against a national model and assessment involves internal and external assessment. In 2011, 18 local authorities of Estonia participated in the assessment and as a consequence it was found that 84% of the youth work goals, established with the model, are met in Tallinn. A new youth work development programme was devised to make youth work in Tallinn even more efficient.



Social Welfare and Health Care

One of the main goals of the city is to ensure that various groups of citizens cope socially by aiding and supporting the elderly, disabled, children and families with children

The City has extensively contributed to social welfare and health care services over the past number of years. This field has remained a priority for the second Tallinn Aid Package during the economic crisis.

The second Tallinn Aid Package was approved with resolution no. 276 of the Tallinn City Council on 2 December 2010, which was directed towards city residents and entrepreneurs in 2011-2012, including 53 different support measures for city dwellers and entrepreneurs, 17 measures in the field of benefits and social welfare and seven measures for counselling people in difficulties. The aid package was used to provide baseline funding to work a practice centre in the Northern Tallinn district, increase the employment of disabled people by creating 16 jobs for them in different municipal institutions, the payment of compensation to people with coping difficulties was begun to refund their own contribution to maintenance care, children attending day care centres were given a warm meal once a day, food bank activities were supported in the Northern Tallinn district and the activities of the food bank were extended to other districts; the number of places in homeless shelters was increased and additional funding was allocated to cater for those in need of assistance at the shelter for the homeless at 79 Kopli Street. The payment of dental care compensation to people with coping difficulties was one of the new support measures launched. Over the year, 10,035 applicants were paid 804,000 euros as benefits, depending on income of the facilities. Unemployment rates ceased rising in 2011 and the number of individuals in need of coping benefits dropped from 4,463 to 3,795 over the course of the year.

In 2011, the main focus was on the optimisation of services, provision of services to meet the specifics of disabilities and improving the availability of such services in the field of welfare services to disabled people. 23,898 disabled people live in the City of Tallinn; 1,627 of them are children. The city supports the coping of disabled people in society by offering transportation services, personal assistant services, work and occupational centre services and organising daily activities

and care. In 2010, welfare services for disabled people focus on ensuring access to public buildings for people with mobility disability in cooperation with the Tallinn Association for people with Mobility Disability. The Municipal Engineering Services Department of Tallinn and the City Planning Department of Tallinn continue to demand the mandatory approval of public building projects. This is done to ensure the compliance of new buildings with the requirements of disabled people. A new procedure for providing sign language translation services was developed; this allows the users of the service to find the provider they prefer. An electronic information booklet on services available to the disabled people of Tallinn was published in a Russian language electronic version, which is available at www.tallinnakoda.ee. MTÜ Inimeselt Inimesele Kõo Põhikool (non-profit organisation From People to People Kõo Basic School) started at Kõo Day Care Centre on 1 September 2011, and it provides learning opportunities for 45 children with aggravated intellectual and multiple disabilities.

The population of Estonia as well as Tallinn is continuously growing older. The purpose of welfare services for the elderly is to ensure the ability to cope of people receiving the retirement pension, enable the elderly to live in their homes for as long as possible with the help of open care services and offer a high-quality general care home service. General care home services were provided, in total, to 952 residents of Tallinn who were in need of care. The number of people with special psychological needs that require special care services at a national level has increased. As waiting lists for the service are long, Tallinn is required to pay for the care-taking expenses of such individuals in special care establishments until they get a place in a special care institution. Providing the interval care service was continued in the Iru Care Home on the principle of providing a round-the-clock service in order to support the coping skills of elderly people after being in hospital, if care in their homes was impossible due to the temporary absence of family members or people closest to them. Providing the alarm button service related to the field of social security was extended to all elderly and

disabled people who require the service in 2011, allowing both those in need of assistance and their next of kin rest to be assured that assistance will be available if required.

It is essential that all children feel that they are cared for, protected and assisted. The purpose of child welfare is to help provide care for children without parental care in children's homes, provide shelter and rehabilitation services for the children and young people whose parents are suffering from addictions, provide counselling for parents and provide supportive social services for risk families and aid for mothers and children who are victims of domestic violence. In 2011, Tallinn Orphanage started with two new family homes; launching a substitute home project will allow the orphanage to transfer to the organisation of work that is based on the family model. Children of families with coping difficulties were supported to pay the participation fees of nursery schools and hobby or sports clubs, and these children were provided with catering through child day care centres and social welfare departments. The children of families with coping problems were also granted free travel in the public transport of Tallinn. An around the clock child care service was launched at Tallinn Orphanage for the parents of children with disabilities who wish to return to work.

Day centres of city districts offer a chance for people to actively participate in social life; their services are used by the elderly who do not have an active social life, disabled people, children, people directed from social welfare institutions and other risk groups. The domestic services provided by city districts are meant for elderly and disabled people who need care in a social welfare institution if the service did not exist. The city has widened the activities of soup kitchens, keeping them open daily if necessary, and has ensured meals for people in need of assistance in shelters for the homeless.



It is essential to ensure high-quality and accessible first contact care and specialised medical care for all citizens. In 2011, information materials were prepared for the residents of Tallinn on the health and injury profile of the population of Tallinn; visit fees for children were compensated for medical institutions and home nursing/care services for patients with long-term chronic illnesses were paid for, transport was organised to stationary care for people living alone. Nursing services were provided in the social houses of the city in addition to the Iru Care Home. Railroad safety and providing security services on beaches were discussed at the meeting of inter-sectoral health coalition that has been formed at the city level. An application for admission was submitted to the international Safe Community network with a substantial overview of anticipation of injuries.

Through a co-operation between the Social Welfare and Health Care and city hospitals, five all-town clinical conferences and an international conference "The Sexual Development of a Child" were organised. Co-operation with the Estonian Health Foundation resulted in a citywide conference "Man's Heart" and family sisters' seminar "Child and Safety". Co-operation between different departments was involved in holding a conference "Safe Tallinn II". A separate exhibition box was opened at Teeviit 2011 fair, where it was used to introduce the reasons for different injuries in children and the opportunities for their detection; practical self and first aid methods were taught in co-operation with Tallinn Ambulance.

Tallinn Ambulance is also active as an institution of the City of Tallinn, providing ambulance services with 14 ambulance crews. In the summer months, the ambulance bicycle patrol worked successfully in the Old Town of Tallinn. 261 family doctor practices with 471,488 patients, about 10% being individuals without medical insurance, are operating in Tallinn. Municipal Family Doctors' Centre, OÜ Nõmme Terviskeskus, opened its doors on 2 May 2011, and it is highly popular among the elderly and families with children. On 1 July 2011, construction works on Haabersti Health Care Centre and the maintenance care clinic of AS Lääne-Tallinna Keskhaigla (West-Tallinn Central Hospital) was begun. The building is intended to house premises for extending the activities of the municipal family doctors' practice to cover Haabersti district. Medicine required by people is available around the clock in a pharmacy in the town centre, at Tõnismäe street and at 19 Vikerlase Street in Lasnamäe.



A high-quality, green physical and social environment is essential for citizens, and also for promoting an environmentally friendly lifestyle

27% of the area of Tallinn is covered by greenery. There is a total of 43.3 km² of green areas; parks of citywide importance comprise 3.5 km² thereof and parks of importance for city districts comprise 11.4 km² thereof. The main purpose for property maintenance is to create a network of well-maintained green areas and city forests. To this end, existing parks, green areas and fountains were maintained and reconstructed, and new ones were founded. A tight programme of events was organised to increase the attractiveness of green areas. Apartment associations were supported in tidying up courtyard areas and façades with the purpose of improving the physical and social environment. 83.7 ha of city forests were maintained. Brush and dead trees were cut in the state forest in Haabersti District.

The reconstruction of Kadriorg Park was continued. Approval for the European Union (EU) application for reconstruction of Kadriorg's North-East Pond and shaping the surrounding area into a Japanese garden was received in 2010. The garden was opened for visitors on 31 July 2011.

Flower beds were established into lawns; 103,945 flowers, 1,241 trees and 3,808 bushes were planted, including 1,192 trees and 928 bushes in the Japanese garden in Kadriorg. Excursions, concerts and exhibitions were organised to Kadriorg Park in 2011. The cultural programme peaked in September with the traditional light festival "Light Treads in Kadriorg". A seasonal ice rink has been open on the Harju Street green area in winter since 2006 to extend the opportunities for skating. The ice rink was open from 1 January to 10 April and from 13 November to 31 December in 2011. A total of 26,000 people visited the ice rink during the season, of which 5,409 were students.

The international Tallinn Flower Festival was held for the third time in 2011 from 27 May to 27 August and was visited by over 450,000 people. The festival is becoming an annual large-scale event that brings together gardening and flower enthusiasts from Estonia and around the world.

621,000 euros were allocated as benefits for apartment associations in the framework of the ever more popular project "Clean up the Yards", satisfying the applications of 89 apartment associations for property maintenance of their yards. The main property maintenance work performed on the territories of the associations was the extension of car parks and repairs to paths.

The project "Repair the Façades" was commenced in 2011 with the purpose of improving the general appearance of the city and making apartment buildings more energy efficient. The self-financing necessary for apartment associations to apply for a loan for renovating the façades of buildings will be covered by the benefits of the city. 122,000 euros were allocated to apartment associations as benefits in 2011, satisfying the applications of 15 apartment associations. Children's playgrounds and walking grounds for dogs were maintained with the purpose of improving city maintenance. In 2011, 1,241 dogs were registered in the central pet register and 2,799 homeless animals were impounded, of whom 524 were returned to their owners; 344 pets found new owners.

According to the new rules of procedure for using graveyards, as adopted by Tallinn City Councils on 6 May 2010, the current users of burial places, i.e. persons holding the right to use a burial place on their name on the graveyard register, will be required to file an application with the cemetery administration within three years, effective as of 1 January 2011, to enter into a contract of use for the burial place. 26,561 contracts were concluded in 2011; this amounts to approximately one third of the estimated number of contracts. 4,162 burials took place in 2011. In 2011, 25 ha of land adjacent to Liiva Cemetery were transferred to municipal ownership and preparations were continued to prepare the area for burials. This will solve the problems with finding places for casket burials in Tallinn for at least the next ten years.

Property Maintenance



A purposeful dwelling policy and sustainable land use are essential for the interests of the city as a whole

As a consequence of ownership reforms, on 31 December 2011 33,737 cadastral units with the total area of a 12,377 ha were registered in Tallinn; this contributes 78% of the administrative territory of the City, including private land 36%, municipal land 28% and state owned land 14%. 22% of the total area of the city is still unregistered.

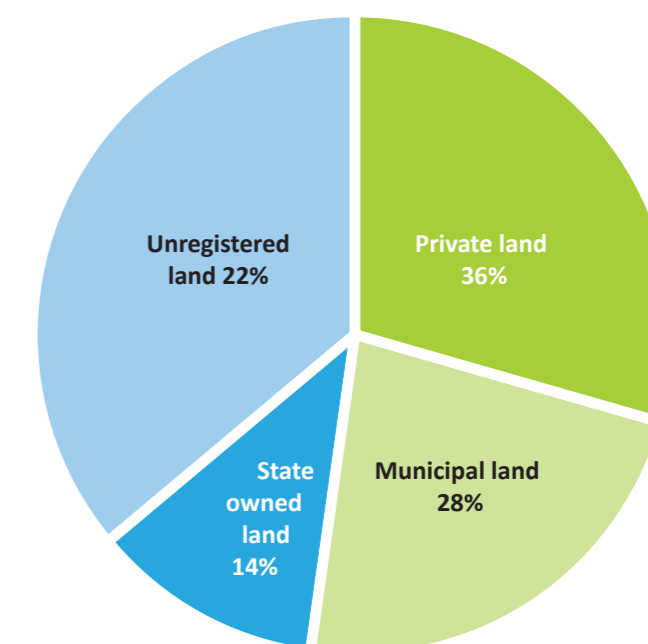
The most important city economy efforts in 2011 were to make preparations for granting land tax exemption to the residents of Tallinn in 2012. From 2012, a land owner or user of land, as specified in Article 10 of the Land tax Act, can receive a land tax exemption on up to 1,500 m² of used residential land, provided that the applicant is living in a building on that land according to the Population Register information. Land tax exemption applications were received in 1 September 2011 to 10 January 2012. In July and August 2011, information and guidance materials were prepared to prepare for the collection of the land tax exemption application; district administrations organised information dissemination days and trainings for information specialists. City residents were notified with articles in newspapers, including district papers, radio and TV broadcasts and advertisements in shopping centres. 126,379 applications were filed to obtain land tax exemptions on land under homes. E-services were used to file 58,142 (46%) applications while 68,237 (54%) were filed at service halls and by mail. 848 people registered themselves as residents of Tallinn to receive the land tax exemption.

Resolving issues related to the dwelling problems of the least privileged people was still the most significant course of action in the field of the civic economy. The dwelling issues of sitting tenants were resolved in 2009; this was the main objective of the residential building construction programme "5000 Dwellings for Tallinn", and fulfilment of the second residential building construction programme commenced. The programme is a part of the larger dwelling policy of the city, focusing on creating lease opportunities of dwellings for workers that are necessary for the city and young families. A total of nine residential buildings were constructed on Raadiku Street in 2009-2011 with a total of 1,215 apartments with a total area of 75,148 m². Three

residential buildings were completed in 2011 with 483 apartments and a total area of 27,733 m².

In 2011, Tallinn continued supporting non-profit organisations and apartment associations involved in the dwelling sector. Supporting apartment associations in applying for energy labels for the residential buildings administered by them, which was initiated in 2009, was continued. The information point for apartment associations was active in the information hall of the City Government where lawyers of the Estonian Union of Cooperative Housing Associations provided consultation on issues related to apartment associations.

Division of administrative territory of Tallinn by type of ownership



The city is also obliged to provide for people who are incapable of taking care of themselves. The City of Tallinn has four social housing units for re-socialising homeless people. People who are incapable of coping economically in municipal apartments are likewise placed in social housing units. Plans involve using support from the European Union

to build two additional social housing units with a total of 140 beds. A social housing unit with 90 beds will be completed in 2012 at 92 Männiku tee. The second stage of the project includes building a social housing unit with 50 beds at 7 Varre Street.

Creating family homes in order to create a family-centred physical and social environment for children from children's homes, which was initiated in 2009, was continued. Five semi-detached houses and two detached houses where children living in the current so-called combination-type children's homes will be housed are planned for construction in various districts of the City of Tallinn within the framework of the project. A semi-detached house at 1b Pihlaka Street and detached house at 53 Veerenni Street were completed in 2011.



The development of the markets of Tallinn was continued. The Nõmme Market building, which was renovated in autumn 2009, burned down at the end of April 2010. Restoration of Nõmme Market building was completed at the beginning of 2011. The number of people visiting the market has increased steadily. In 2011, the number of clients was estimated to have increased by 40%. From May to August, free concerts were held at weekends for city residents. A skating rink was opened again at the market on 8 December. The activities of the market were expanded to Mustamäe and Lasnamäe in 2011. 154 m and 216 m sales stands with shelters were built in Mustamäe and Lasnamäe markets, respectively. Two crowded fairs took place in Mustamäe market over the course of year and free concerts were held for city residents from May to the middle of September.

Public Water Supply and Sewage System

Constructing sewerage systems for previously inhabited regions was finished in 2010. The city has thereby fulfilled the requirement imposed on local governments in the EU Directive and the Water Act to ensure the existence of a public sewerage system by 31 December 2010, in order to protect groundwater. In 2011, rainwater sewage systems were built and maintained, and compensation was paid to the owners of registered immovable who subscribed to the public water supply and sewage system in order to compensate the owners for subscription and development costs. In 2011, 1,231 m of water facilities, 1,002 m of sewage facilities and 4,200 m of rainwater facilities were constructed for this purpose in Tallinn, amounting to a total of 6,433 m of water and sewerage facilities.





City Transport and Traffic Safety

The public transport of the city is first and foremost organised by transport undertakings belonging to the city. 57 bus lines, four tram lines and eight trolleybus lines are operating in the city to ensure that users can move around the city. At peak hours on work days, the lines were serviced by 299 buses, 56 trams and 82 trolleybuses, amounting to a total of 437 public transport vehicles. Ten new buses were acquired under a green investment scheme funded within the framework of a contract for the purchase of AAUs (Assigned Amount Units) between the Republic of Estonia and the Kingdom of Spain in 2011, and they were put into service on the public transport lines. Eleven used buses were also acquired. The annual line mileage was 28.9 million kilometres and 140.1 million passengers were accommodated.

The second "Tallinn Aid Package for City Residents and Entrepreneurs" was adopted with Resolution No. 276 of Tallinn City Council of 2 December 2010, and it created social jobs in the city-owned transport operators Tallinna Autobussikoondise AS (hereinafter TAK) and Tallinna Trammi- ja Trollibussikoondise AS (hereinafter TTTK) to alleviate unemployment problems in Tallinn. An average of 38 travel assistants and 46 cleaners worked for TAK and 12 travel attendants, 35 cleaners and five support workers worked for TTTK throughout the year.

ID-ticket remained the most common ticket in public transport in 2011. The ID ticket is a personalised electronic travel document that can be acquired by ID card for people registered in the Estonian Population Register and with a student card marked with a personal ID code for students under the age of 15 years. ID-tickets are available for cash in approximately 100 points of sales. Therefore, the tickets are easily and conveniently available to clients. It is also possible to purchase the tickets by telephone and Internet as well as using direct debit in banks. Guests of Tallinn and occasional travellers can still use paper tickets (talons, hour cards and presentation cards). Up to 1 July 2011, 79 different types of tickets were used in the public transport of Tallinn. After the ticket system was reorganised, 51 different types of tickets remained. The City considered enhancing the convenience of public transport as important. Preparations were started within the framework of the "CIVITAS MIMOSA – innovative activities for developing sustainable travelling alternatives" project, funded with foreign contribution, to abandon costly

paper tickets and transfer to a ticket sales system, based on modern contactless chip cards.

The projects "Park and Travel" and "School Bus" were continued in order to decrease the traffic load in the city. The "Park and Travel" car parks are open in the directions of Pirita-City Centre, Öismäe-City Centre, Peterburi mnt-City Centre and Pärnu mnt-City Centre. The project "School Bus", which was initiated in 2007 for Viimsi, was extended to the directions of Vääna-Jõesuu, Tabasalu and Randvere in 2008. The school buses were used daily by an average of 210 students in the years 2010-2011.

2,001 new road signs were deployed and the existing road signs were maintained, the road surface marking was renewed to the extent of 25,941 m² and traffic management was improved in order to make traffic smoother and safer. Traffic lights were fitted at the crossroads of J. Smuul Road and Suur-Sõjamäe Street, which is being used as an alternative route during the construction of Ülemiste junction and reconstruction of Petersburg Road, to increase the capacity of the cross-section.

There are three parking zones in Tallinn. Parking is only charged round-the-clock in the Old Town; the City Centre territory has paid parking on working days from 7:00 to 19:00 and on Saturdays from 8:00 to 15:00. There are a total of 6,400 parking places in the paid parking areas. It is possible to pay for parking in the public paid parking area of Tallinn in various ways: via mobile phone, by buying a parking ticket from a parking meter or by using the previously purchased scratch tickets.

271 round trips on the Tallinn-Aegna-Tallinn line were performed from 15 May to 15 October 2010 with the boat 'Juku' owned by the City of Tallinn and 10,950 passengers were accommodated.





City Planning

Spatial development was continued in 2011. The primary targets were re-exploitation of the areas by the sea by giving them new functions and undertaking significant improvements to the quality of city space. The detailed plans for the new administrative building of Tallinn City Government were approved in 2011 and the detailed plan for the area between the Culture Hub, City Hall and the sea will be established in 2012. The purpose is to shape the area of City Hall and the Culture Hub into a new administrative and cultural centre of the capital that would be tightly connected to the future central section of the Tallinn Seafront to be used as the Cultural Kilometre (City Hall – Peetri Harbour) and seaside activities.

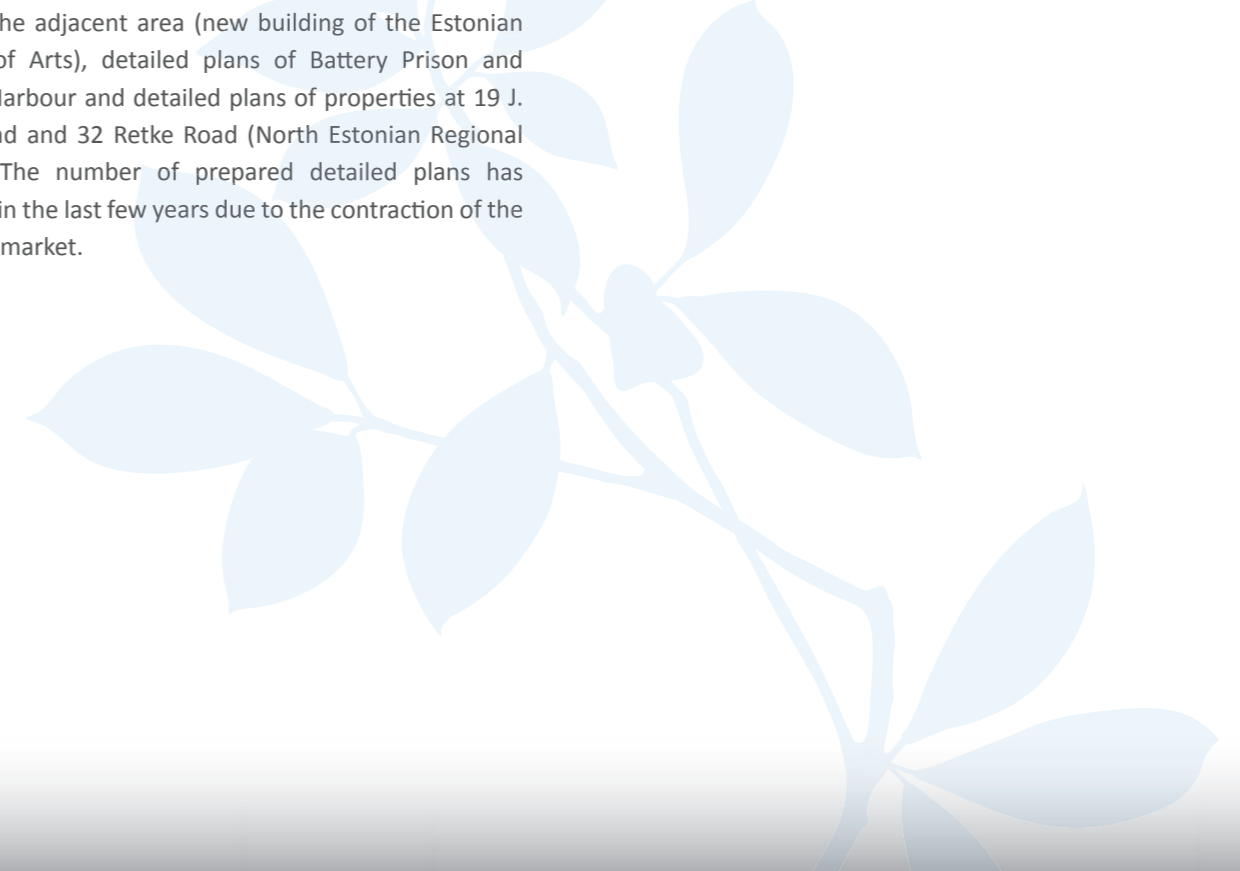


Two comprehensive plans and 68 detailed plans were established in 2011. The most important detailed plans established covered the registered immovable at 1 Tartu road and the adjacent area (new building of the Estonian Academy of Arts), detailed plans of Battery Prison and Seaplane Harbour and detailed plans of properties at 19 J. Sütiste Road and 32 Retke Road (North Estonian Regional Hospital). The number of prepared detailed plans has decreased in the last few years due to the contraction of the real estate market.

The creation of a 3D model of the Old Town was commenced with the support of foreign funding with the general purpose of introducing the City of Tallinn to potential tourists by creating a virtual 3D model of the Old Town along with the respective data. Information regarding the sights and events will become more accessible and attractive to users of the Tallinn Tourism website (www.tourism.tallinn.ee) through 3D visualisation.



The City of Tallinn takes part in a “Rail Baltica Growth Corridor” with foreign funding, serving the purpose of strengthening the sustainability of towns along the Rail Baltica railway in the sphere of infrastructure, services and co-operation to ensure readiness for the coming of the railway and the shaping of the railway track.



Protection of the Environment and Public Order

Protection of the Environment

The city supported the improvement of the environmental condition of the city, learning about it and informing thereof in various ways in 2011. A citywide maintenance campaign was organised in the spring with the purpose of cleaning the city of the waste accumulated during the winter. European Mobility Week was organised for the ninth time, this time under the slogan "Move Smarter, Live Better!" Tallinn has held car-free days since 2001 and Mobility Week since 2006. The waste handling campaign "Waste Wolf" of 2011 was also launched on a car-free day. The campaign focused on promoting the use of waste-handling plants. The purpose of the campaign was to raise the awareness of people with regard to sorting waste, using waste-handling plants and other aspects related to waste-handling.

The established environmental educational activities in the nature houses of the Aegna and Tallinn Botanic Gardens were continued in 2011. The Aegna nature house was visited by 3,182 nature enthusiasts in 2011, and the nature house of Tallinn Botanic Garden by 1,535 students.

Bird song mornings for students of general education schools of Tallinn were continued as a part of outdoor classes. In April-May, 836 students from 15 schools and 36 classes used the chance to learn about birds. In total, 3,470 students from 65 schools and 145 classes have attended bird song mornings over the period of five years.

Taking Pääsküla moorlands under protection was a project launched in 2011 within the framework of nature conservation. The habitat of different plants under protection was mapped within the framework of the project. The mapping of colonies of hogweed and other black list plants was a success as it was implemented purposefully. The mapping showed that quite a large number of small hogweed colonies are growing in the city and it would be highly troublesome to liquidate the colonies within the national levels scheme. Therefore, a funding application for liquidation purposes was made to the Environmental Investment Centre. The request was granted in full and the works will be conducted in 2012-2013.

Public Order

Public order on the administrative territory of the city is ensured by the Tallinn Municipal Police Department. The main objectives of the Municipal Police Departments are the detection of misdemeanours, responding to submitted applications and imposing warnings and penalties. The Municipal Police Department handles the majority of misdemeanour proceedings in Tallinn. In 2011, 46,082 misdemeanour proceedings were completed, including 29,793 misdemeanours proceeding from the Public Transport Act.

Video surveillance of the City Centre has been organised for maintaining public order and for the constant surveillance of property maintenance rules. The city cooperates with the Northern Police Prefecture in ensuring safety. Compared to previous years, a larger number of assistant police officers were involved in ensuring the safety of public events, including events of the Capital of Culture 2011. The operation of the Tallinn aid number 1345 was ensured in cooperation with the rescue centre of the Rescue Board. Citizens' associations and organisations that are active in ensuring safety in the city are also supported. The activities of Neighbourhood Watch were continually supported. The safety of the residents of and visitors to Aegna Island in the summer season was ensured for the sixth consecutive year. Lifeguard services were also organised for all public beaches in Tallinn during the summer season; these included the beaches of Pirita, Stroomi, Kakumäe, Harku and Pikakari.





Roads and Streets

The City of Tallinn has 1,460 road and streets with a total area of 13.3 million m². Road facilities were cleaned on 9.3 million m² to ensure that the roads and streets are drivable, including the additional maintenance of greenery located on road areas on 4.2 million m². Current repairs of road facilities were performed on 184,000 m². The spring/winter season was extremely snowy in 2011. The snow depth was measured at 60 cm at the Tallinn-Harku meteorological sample point on 1 January 2011, which is only 2 cm less than in the spring/winter of 2010, when record snow depths were recorded. 388,888 m³ of snow was removed from the streets of Tallinn as ordered by the city in 2011. In addition, District administrations also organised the removal of snow from their administrative areas.

27.2 million euros, including foreign aid to the extent of 15.8 million euros, were used for the major repairs and reconstruction of roads in 2011. Implementation of the large-scale project "Reconstruction of the Ülemiste Crossing in Tallinn" with foreign financing was continued, which involved the acquisition of buildings and land at the construction site. The following basic works were completed in 2011: Järvevana Road direction towards Peterburi Road and the extension of the Järvevana Road towards Tartu Road. Veerenni Street was open for traffic on 7 December 2011. A pathway with streetlamps was established along Tartu Road on the Järvevana Road-Lennujaama Road section. On 31 December 2011, 2 km of roads and 1.15 km of pathways were completed within the framework of Ülemiste Crossing project. The total value of the project that involves foreign financing is 99.2 million euros and the planned completion date is in 2013.

More attention has been paid to the construction of pathways with respect to road construction in the last few years.

Construction of the network of pathways of Harju County commenced in 2011 through the support of foreign financing. The largest pathways constructed in Tallinn in 2011 were the Paldiski Road-Akadeemia Road pathway at a length of 1.8 km, the Valdeku Road and Viljandi Road pathway at a length of 3.6 km and the Tallinn-Saku-Laagri pathway at a length of 6.6 km. The construction of the 5.3 km Pärnu road-Järveotsa road pathway began in 2011; the project will be completed in July 2012.

The largest road sites completed in 2011 without foreign financing were the following: Pallasti Street (Sikupilli Centre-Majaka Street), Väike-Õismäe ringroad, Randvere road Kummeli road-City border, Tedre Road (Nõmme Road-Kotka Street). Regional roads and footpaths were also maintained in all city districts.

20 August Square with asphalt pavement was built in Harjumäe park with a fountain in the middle. New streetlamps, benches and rubbish bins were fitted around the square; a stairway connecting Komandandi road with 20 August Square and the pavement of the pathways in the park were maintained.

In the interests of the well-being of citizens and the safety of traffic, the lighting of the streets, parks, green areas and other public territories of the City of Tallinn was improved. On 1 January 2012, 53,412 lighting fittings had been installed, including 112 new lighting fittings in 2012. The duration of use of street lighting was decreased from the required 4,012 hours per year to 3,548 hours, i.e. by 464 hours in 2010 in order to cut costs. The programme "Safe Pedestrian Crossing" was continued; 296 pedestrian crossings have received special lighting since 2005 as a result, including 24 pedestrian crossings in 2011.

Total length of pathways in Tallinn (km)





Business Environment and Tourism

The main objectives in this field are to support and develop business, increase competitiveness, reduce unemployment and social employment; promote the reputation of Tallinn as a tourist attraction, and co-ordinate consumer protection and supervision over the business of the city

In the field of business, the main goals for 2011 included enhancing the international competitiveness of city companies, maintaining the business activities of city inhabitants and creating jobs for the unemployed. 141 new jobs were created with support allocated to enhance business and improve employment as well as 215 social jobs; 53 trainees were supported through the training supervisor benefit scheme and 101 companies were given support for participation in fairs. Supporting the creation of social jobs of a specific purpose in enterprises and institutions owned by the city was continued within the framework of the second aid package of the city of Tallinn. In 2011, social jobs were created in different city life spheres (urban space maintenance and upkeep, social welfare, common transport, etc.), the total number of such jobs being 660; in autumn, another group of social jobs – assistants to teachers in schools – was created as a pilot project. Tallinn Employment Office was established on 1 January 2011; approximately 700 people found gainful employment through this establishment.

The development of co-operation with social partners, including non-profit projects launched with associations of companies, was continued. Brain Hunt, a business competition for young people, was funded within the framework of non-profit work; support was also allocated for the professional associations and business initiatives of creative associations. As there were no market obstacles, the activities of mentor clubs for entrepreneurs, starting in spring of 2011, was discontinued and preparations were made to start a cluster club in the beginning of 2012; the new mentor club is for cluster project leaders.

The payment of social benefits and compensation for the increases in the price of water were paid to some of the least privileged residents of Tallinn in order to decrease accommodation costs and compensate some of the expenditures involved in domestic heating costs. It was decided to discontinue the payment of compensation for water supply and sewage discharge services as of 1 January 2012.



Citywide consumer rights day, the third in row, was this time aimed at merchants, as the rights and duties of consumers and merchants are very closely linked. The 'Under the Magnifying Glass' series of programmes was completed in co-operation with Tallinn Television; consumers were also notified by means of the Tallinn newspaper Pealinn (Capital City) and consumers' website. The Price and Consumer Protection Service gave advice to residents and entrepreneurs, settled 3,084 submitted complaints and inspected 1,971 places of sale for retail and street trading as well as service and catering facilities. The transition to the euro at the beginning of 2011 resulted in the launch of



an exceptional Prices Under Control campaign, involving the checking of compliance with price displaying requirements and the observation of price increases at 458 points of sale. Two new information leaflets, both in the Estonian and Russian languages – ‘Overview of Requirements Applicable to Trade’ and ‘Compare Unit Prices – Save Some Money’ – were prepared and published over the course of the year. The purpose of business incubators is to increase the competitiveness of new undertakings and enhance business in the city, together with offering a favourable and high-quality working environment (premises and infrastructure) for undertakings during the initiation period as well as supportive services. The Ülemiste and Kopli business incubators as well as the Creative Incubator were successful in their operations, spawning 17 companies.

The most important event of the year was Tallinn Entrepreneurship Day, which promoted the spirit of enterprise and gave recognition to entrepreneurs. The main topic of the day was business culture in 2011 and various exhibitions, meetings and seminars were organised around this topic. 43 different events (exhibitions, seminars, visits to companies, lectures to different target groups) were organised during the week with assistance from co-operation partners. Tallinn also participated, with the initiative coming from City Enterprise Department, in an international real estate and investment fair, MIPIM 2011, which took place from 8 to 11 March in Cannes, France. Labour fair, labour market and information days for the unemployed took place within the framework of the second Tallinn Aid Package; activities of job seekers clubs were organised.

The purpose of tourism marketing is to increase the international and local profile of Tallinn as a tourism destination by means of the accessibility of high-quality tourism information. In 2011, foreign tourists spent a total of 2.8 million nights in the accommodation establishments of Tallinn; these figures represent the best ever. Tallinn was showcased in 27 marketing events for recreational tourism and international conference/incentive-based marketing events in Europe and Asia; two marketing campaigns that introduced Tallinn as a tourism destination were launched in Russia and Finland. The Tourism Information Portal, in eight

different languages, is constantly accessible and updated and renewed on an on-going basis. At the beginning of the summer, the mobile application tallinn.mobi (in four languages) was completed, and Tallinn additionally uses social media channels for tourism marketing such as Facebook, Twitter, Flickr, Vimeo, YouTube and Squidoo. The Tallinn Card is a unique solution that offers visitors the opportunity to become acquainted with the history and cultural heritage of the city in over 100 different ways over the course of 6, 24, 36 or 72 hours.



Unconsolidated balance sheet

Thousands euros, as of 31 December	2011	2010
Assets		
<i>Current assets</i>		
Cash and bank	33,021	23,391
Taxes and fines received	27,490	26,695
Loans receivable	2	2
Other receivables and prepayments	12,598	9,798
Inventories	18	18
Total current assets	73,129	59,904
<i>Fixed assets</i>		
Holdings in foundations	8,744	8,721
Holdings in subsidiaries and affiliates	86,232	90,232
Long-term financial investments	254	254
Long-term taxes and fines receivable	27	42
Other long-term receivables and prepayments	6	1,607
Investment properties	61,284	68,803
Tangible fixed assets	966,578	983,362
Intangible fixed assets	624	740
Total fixed assets	1,123,749	1,153,761
Total assets	1,196,878	1,213,665
Liabilities		
<i>Current liabilities</i>		
Trade creditors	24,626	22,703
Employee-related payable	17,732	17,186
Taxes and fines payable and prepayments received	66	39
Other payables and prepayments received	9,074	8,405
Provisions	1,397	708
Loans payable	14,808	14,803
Derivatives	1,338	1,488
Total current liabilities	69,041	65,332
<i>Long-term liabilities</i>		
Provisions	1,934	65
Loans payable	220,256	221,264
Total noncurrent liabilities	222,190	221,329
Total liabilities	291,231	286,661
Net assets		
Hedge reserve	-1,274	-1,287
Accumulated surplus	906,921	928,291
Total net assets	905,647	927,004
Total liabilities and net assets	1,196,878	1,213,665

Unconsolidated income statement

In thousands of euros, per annum	2011	2010
Operating income		
Taxes	266,908	245,557
Products and services sold	62,082	61,523
Grants received	92,592	79,007
Other income	5,339	5,845
Total operating income	426,921	391,932
Operating expense		
Grants awarded	-85,482	-81,442
Staff costs	-151,364	-147,592
Administrative expense	-128,377	-117,000
Other expense	-27,474	-19,126
Depreciation and revaluation of fixed assets	-69,775	-72,906
Total operating expenses	-462,472	-438,066
Operating profit/loss for financial year	-35,551	-46,134
Financial income and expenses		
Interest expense	-8,781	-9,127
Gains/losses from shareholdings	2,128	7,355
Income from deposits and securities	210	19
Other financial income and expenses	-3	-9
Total financial income and expenses	-6,446	-1,762
Profit/loss for financial year	-41,997	-47,896

Unconsolidated cash flow statement (indirect method)

In thousands of euros, per annum	2011	2012
Cash flow from operating activities		
Operating profit/loss for financial year	-35,551	-46,134
Adjustments		
Depreciation and write-offs of fixed assets	69,775	72,906
Value added tax duty on acquisition of fixed assets	5,188	2,573
Gains/losses on sales of fixed assets	-1,873	-3,397
Targeted financing received for acquisition of fixed assets	-17,939	-10,052
Targeted non-monetary financing received for acquisition of fixed assets	13,944	17,007
Change in uncollectible loan receivables	0	-7
Net change in current assets	-2,833	-1,837
Net change in liabilities	2,936	3,632
Total cash flow from operating activities	33,547	34,691
Cash flow from investing activities		
Paid for fixed assets (excl. financial investments and holdings)	-18,373	-15,338
Received from sales of fixed assets (excl. financial investments and holdings)	5,529	9,027
Paid upon acquisition of financial investments	-97	1,581
Received from sales of investment properties	-10,732	-16,972
Paid upon acquisition of shareholdings	-3	0
Received from sales of shareholdings and reduction of share capital	2,876	3,452
Dividends received	6,541	11,423
Loans repaid	0	8
Interest received and similar financial income	178	20
Total cash flow from investing activities	-14,081	-6,799
Cash flow from financing activities		
Received on account of bond issue	13,800	13,805
Paid upon redemption of bonds	-7,899	-7,899
Loan repayments	-5,906	-5,906
Capital lease principal payments made	-67	-87
Repaid under concession contracts	-931	-881
Interest paid and similar financial expenses	-8,833	-9,067
Total cash flow from financing activities	-9,836	-10,035
Net cash flow	9,630	17,857
Cash and cash equivalents at beginning of period	23,391	5,534
Change in cash and cash equivalents	9,630	17,857
Cash and cash equivalents at end of period	33,021	23,391

Budget of the City for 2011 and its Implementation

Tallinn has been capable of meeting its budget targets despite the most difficult years of the crisis, and maintained strict budget discipline on a permanent level

The budget of the City of Tallinn for 2011 was approved in September 2010 (regulation of the City Council no. 46, dated 9 September 2010). Council regulations for the modification of the budget for 2011 were adopted twice (regulation of the City Council no. 9, dated 24 March 2011 and regulation of the City Council no. 32, dated 3 November 2011). Additionally, the budget was specified by orders of the City Government on the basis of the authorisation of the City Council during the financial year, approving the division of state budget appropriations, resources appropriated to the city on the

basis of agreements and donations received by institutions of the city (order of the City Government no. 598-k, dated 13 April 2011; order no. 1081-k dated 15 June 2011; order no. 1542-k, dated 5 October 2011; order no. 2021-k, dated 21 December 2011 and order no. 201-k, dated 8 February 2012) and the transferable expenditures from the financial year 2010 were transferred to the financial year 2011 (order of the City Government no. 360-k, dated 9 March 2011 and order no. 591-k, dated 25 April 2012). The budget of the City of Tallinn is prepared using the accrued method.

Income

Pursuant to the Rural Municipality and City Budgets Act, the revenue base of local governments is formed of tax revenue, revenue from sales of goods and services, fees, revenue from sale of assets, income on assets, benefits and other income.

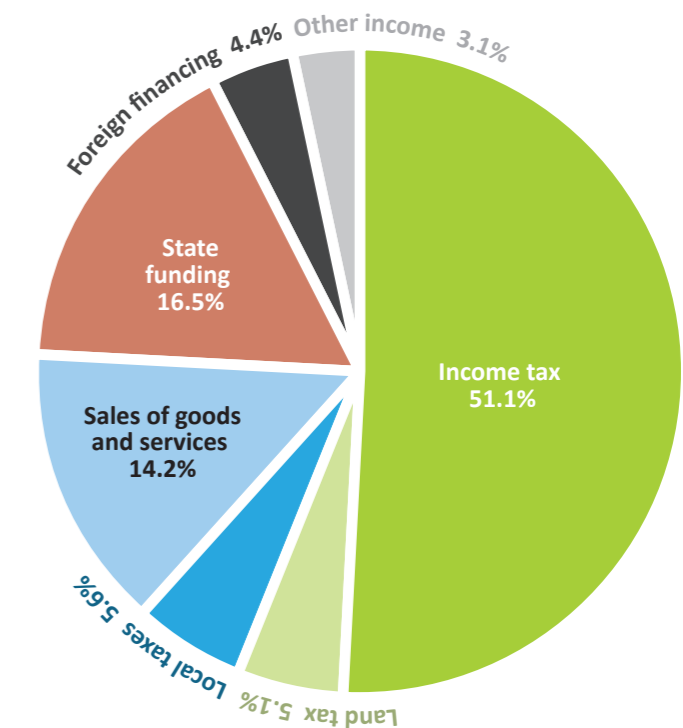
The final volume of income for the budget of the year 2011 amounted to 443,431 thousand euros and the implementation of the budget was 431,859 thousand euros, i.e. 97.4% of the planned implementation.

Operating Expenses

The provision of public services required by law to the residents of the City, involving the available funds in the most economic and expedient way, is the priority of various city institutions.

The final volume of the operating expenses for the budget of the year 2011 amounted to 401,956 thousand euros together with an additional 4,456 thousand euros transferred from 2010 to 2011. The implementation of the operating expenses of 2011 along with expenses transferred from 2010 amounted to 388,973 thousand euros, i.e. 95.7% of the final volume of the operating expenses of the budget. The operating expenses not implemented in 2011 and designated as transferrable in the budget were transferred to the financial year of 2011 in

Structure of income in 2011





Investments

The volume of the specified budget of the investment activities for 2011 amounted to 47,808 thousand euros. Additionally, unimplemented investment projects of the budget of 2010 amounting to 14,170 thousand euros were transferred to 2011. The final volume of investment activities for the budget of the year 2011 therefore amounted to 61,978 thousand euros and the implementation thereof was 35,744 thousand euros. Therefore, the planned projects were 57.7% implemented. Investment projects were funded, 50.4%, with foreign funding, 39.9% by City's own funds, 7.7% came from the state budget and 2% from miscellaneous allocations.

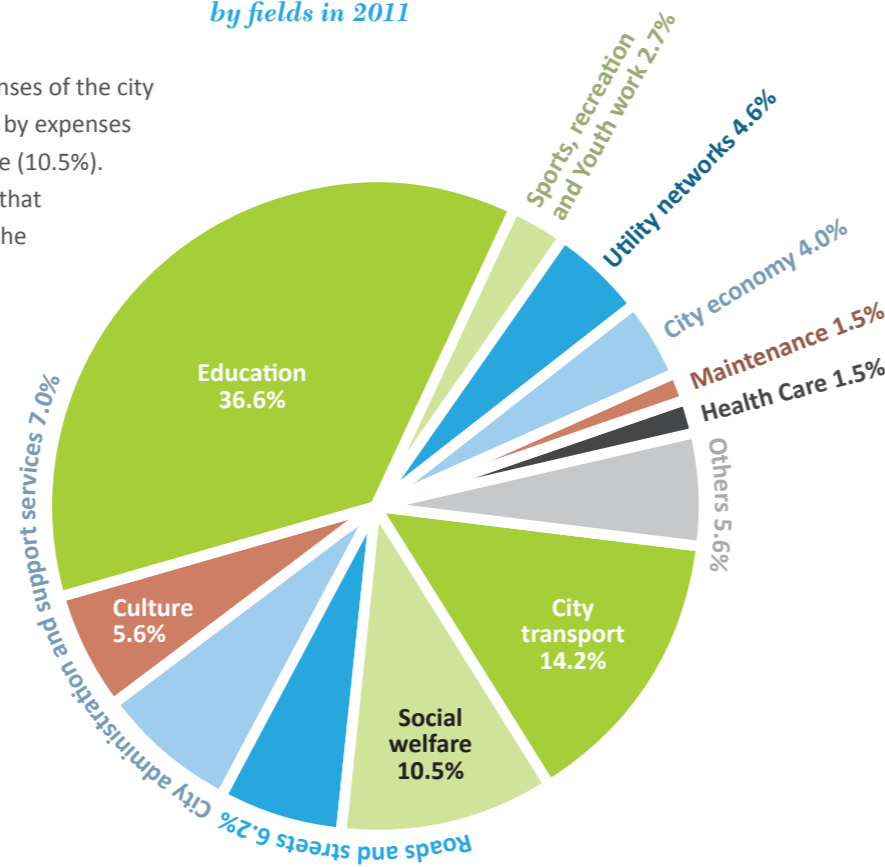
the amount of 6,458 thousand euros, (order of Tallinn City Government no. 392-k, dated 14 March 2012 and order no. 591-k, dated 25 April 2012).

To allow for a quick and flexible response to changes taking place in the economic environment, the planning of the implementation of budgeted expenses and revenues by quarter was used in Tallinn as an additional organisational measure. If city institutions earned less income than planned, they were required to ensure proportional saving of expenditures within the institution concerned (decree no. PO-1/23 of the Mayor, dated 31 January 2011).

The largest proportion of the operating expenses of the city was planned for education (36.6%), followed by expenses on public transport (14.2%) and social welfare (10.5%). A comprehensive overview of all the events that took place in the various fields of activity of the city is presented in the management report.

In addition to the investment activities of the city, the city performs investment projects in cooperation with the private sector in order to renovate school buildings, build municipal residences, develop the public water supply and sewerage system of the city and build civil engineering works for rain water. In 2011, the volume of expenses for these projects amounted to a total of 32,637 thousand euros.

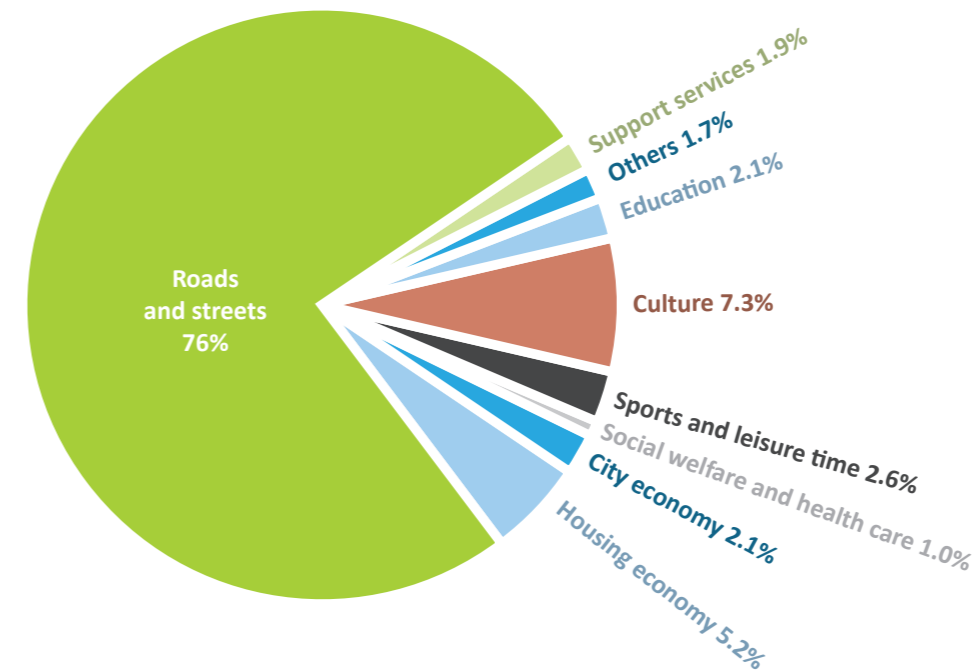
Structure of operating expenses by fields in 2011



Others, incl.

- City planning 0.7%
- Business environment 1.1%
- Public order 0.9%
- Environmental protection 0.4%
- Other utility costs 0.3%
- Other economy and other fields 2.2%

Structure of investment projects (incl. in co-operation with private sector) by fields for the purposes of budget for 2011



Credit Rating and Loan Burden of the City

One of the central documents with regard to the development of the city is the budgetary strategy of the city that has been drawn up and approved by the City Council since 2001; the strategy also specifies the loan strategy of the city for the next three years. The investment priorities of the City are determined in its development plan.

In 2011, the loan burden of the city formed 50.1% (the limit permitted by legislation is 60%) of the income from operating activities.

Throughout the years, the city has followed the objective of maintaining a stable level of investments. Local governments were allowed to use foreign resources pursuant to the Rural Municipality and City Budgets Act. Arising from the restrictions imposed by the amendments to the Rural Municipality and City Budgets Act that were established in March 2009, the city has only used foreign resources for partially refinancing the existing debt obligations.

Moody's Investors Service has rated the credit rating of the city and the rating agency approved the rating of the city at the former level (A3) and rated the rating outlook as stable again.

In 2011, the city issued debt instruments in the amount of 13.8 million euros for a period of ten years with an interest margin of 1.05%. The average weighed life cycle of the loan portfolio of the city was 10.5 years and the average weighed margin was 0.44 % as a consequence of changing the terms and conditions of the debt instruments issued in 2009.

The majority of the reimbursements for debt obligations of the city were constituted of reimbursements for budgetary loans in 2011, amounting to 13.8 million euros; reimbursements for financial lease merely constituted 1.0 million euros of the reimbursements for the debt obligations.

As a result of the structure of the loan portfolio that is long term and involves balanced reimbursements, the city has always remained within the limits of the established restrictions for servicing loan obligations – the respective ratio of the city has always been below 10% (20% is the allowed limit) and stayed at around 6% during the last few years. The Moody's rating agency has also given a positive assessment to the good structure of the loan portfolio of the city.



Photos: Tallinn City Office Public Relations Service, Tallinn City Tourist Office & Convention Bureau, www.123rf.com. Allan Alajaan (page 6, 35); Ain Avik (title page, page 56); Kirsti Eerik (page 42); Tavi Grepp (page 2); Jaak Kadak (page 20); Mari Kadanik (page 23); Kärt Kübarsepp (page 32, 44, 47); Madis Luik (page 10); Kristjan Mändmaa (page 9); Jaak Nilson (page 4); Kaido Teesalu (title page); Toomas Tuul (page 22); Toomas Volmer (page 38).
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