

**TALLINN  
YEARBOOK  
2005**

Tallinn City Government  
Vabaduse väljak 7, 15199 Tallinn  
Estonia  
Phone +372 640 4141  
[www.tallinn.ee](http://www.tallinn.ee)

Design: Art Industria  
Photos: Erik Riikoja, Art Industria  
Translation: Wiedemanni Tõlkebüroo OÜ  
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# TALLINN YEARBOOK

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In 2005, the administration of Tallinn had a politically eventful year: two subsequent power changes had just been survived, when a stormy election campaign commenced. After the elections that took place in 2005, for the first time one sole political power - the Centre Party - assumed responsibility in Tallinn. Despite the change in the city leaders, many problems important to Tallinners were solved. In addition to new sections of street and bicycle tracks, a new modern kindergarten was completed after more than a dozen years; the renovation of schools continued apace, and construction was started on several sports structures.

During the past few years, Tallinn has continuously supported innovative, research-based development and broad-based discussions on the future of Tallinn. Several Estonian visionaries presented various scenarios for the future at our conference on development and vision last year. A good example of cooperation is the establishment of an enterprise incubator with the Tallinn University of Technology and the implementation of the research-based technology incubator. Tallinn University, which was created last year, will hopefully become a basis where specialists in the humanities can acquire, as well as research, the operational mechanisms and developments of contemporary society, which will definitely allow for a better understanding of people's wishes and needs.

I confirm that the city has also tried to take the interests of the residents into account. Service halls in the districts offer the citizens information as close to home as possible, many services and supports for the needy have been expanded, and as a new initiative, since last fall, all basic school pupils are fed with support from the city budget.

Active participation in the series of events entitled "Tallinn Moves" that were started last year confirms that many Tallinners respect health and movement, and highly appreciate a shoulder-to-shoulder feeling. As a united family, much can be done in the name of common goals. I believe that we all share the goal of making Tallinn resident-friendlier, more beautiful and more caring.

**TOOMAS VITSUT**

Chairman of the City Council



This publication summarizes the activities of the City of Tallinn in 2005. Tallinn, as the capital, has an important role to fulfil in Estonia's rapid development and economic growth of the last few years. Approximately 4/5 of the direct investments have been made to Tallinn. Last year, the number of tourists who visited Tallinn exceeded the number of city residents by seven and half.

Tallinn is known around the world for its Old Town and international conferences. The new residential areas rising around the city are a good example of how the capital is developing into an attractive centre.

Last year was a time of change from the viewpoint of the city's administration – local elections took place. The city government changed three times during the year. Those in power represented different development directions, however, the pervading trends were still the priorities specified in the city's long-term development plan until 2005. Residential construction programs, renovation of children's playgrounds and schools, appropriation of various supports and development of small business went on. The preservation and continued growth of the city's population was a common priority. A movement was started to remove hazardous freight from the city.

Tallinn initiated a campaign for the title of European Capital of Culture for 2011. Our competitors within Estonia were Tartu, Pärnu, and Rakvere. Last year, an idea for a Green Capital of Europe was born in Tallinn, for which support is sought from all other European capitals.

Tallinn is Estonia's strongest trump!

**JÜRI RATAS**  
Mayor of Tallinn





# 1. URBAN MANAGEMENT

The city council of Tallinn was first mentioned on 15th of 1248, when Tallinn was granted city rights according to the Lübeck law. As of this date, the town council of Tallinn remained the leader of almost all domains of city life for nearly six and a half centuries. On 26th of March 1877, the general Russian city law of 1870 was instituted in all Baltic cities. The city council was replaced by an elective municipal council (the дума) and a city office (управа). The municipal council also elected the mayor. The city council remained only as a court of law. On 9th of July 1889, the Russian court legislation of 1864 came into force in the Baltic provinces, and the city council of Tallinn was liquidated.

Today, 15th of May is celebrated as the City Day of Tallinn and the process of urban management is based on the following structure:



**FIGURE 1. THE STRUCTURE OF URBAN MANAGEMENT.**



### 1.1 CITY COUNCIL

Tallinn City Council is the representative body of the sub-central government entity of Tallinn, elected by the residents of the city with a right to vote. The city council is independent and acts only in the interests of and on behalf of the residents of the city.

The council is elected for four years by means of general, uniform and direct elections, based on the Local Government Council Election Act. 2006 was the year of local elections. The elections of the Tallinn City Council were held on 16th of October 2006.

The city council operates as a plenary assembly and also through committees and factions. Permanent committees are formed according to problem fields in order to ascertain and solve problems related to city life, which need to be dealt with by the local government. The City Council Office provides clerical support to the city council, which is an administrative agency of the local government. Three or more members of the city council who have been elected from the same list of candidates can form a faction. City council members belonging to one list can only form one faction.

The Tallinn City Council has 63 members.

The sessions are held every second Thursday at 4 p.m.

### 1.2 CITY GOVERNMENT

The city government is the executive body of a local government unit. The city government fulfils the functions entrusted to it through legislative drafting, economic activities, exercising control and involving residents. The Tallinn City Government has 7 members: the mayor and 6 deputy mayors. The city government supervises the activities of the administrative authorities of the city (excluding the City Council Office) and the institutions managed by the authorities, participates in legal persons in private law as a shareholder, partner, founder and member according to the procedure established by the city council.

The current composition of the Tallinn City Government includes a total of 7 members: the mayor and 6 deputy mayors. The Mayor of Tallinn is Jüri Ratas. The deputy mayors are Taavi Aas, Kaia Jäppinen, Kalev Kallo, Merike Martinson, Jaanus Mutli and Olga Sõtnik.

The work format of the city government is sessions. Regular sessions of the city government usually begin at 10 a.m. every Wednesday in the assembly hall of the city government building.

### 1.3 CITY DISTRICTS

In order to better fulfil the tasks of the local government, the city of Tallinn has been divided into city districts. Tallinn consists of 8 different districts (see Figure 2). A city district government is an administrative agency of the city that carries out the duties ascribed to it in the legislation of Tallinn and the statutes of the agency on the administrative territory of the city district. A city district elder administers a city district government; he/she is authorised to and removed from office by the city government on the proposal of the mayor. It is the task of the administrative council to submit advisory proposals in order to better organise the work of the city district government and the life of the administrative territory.

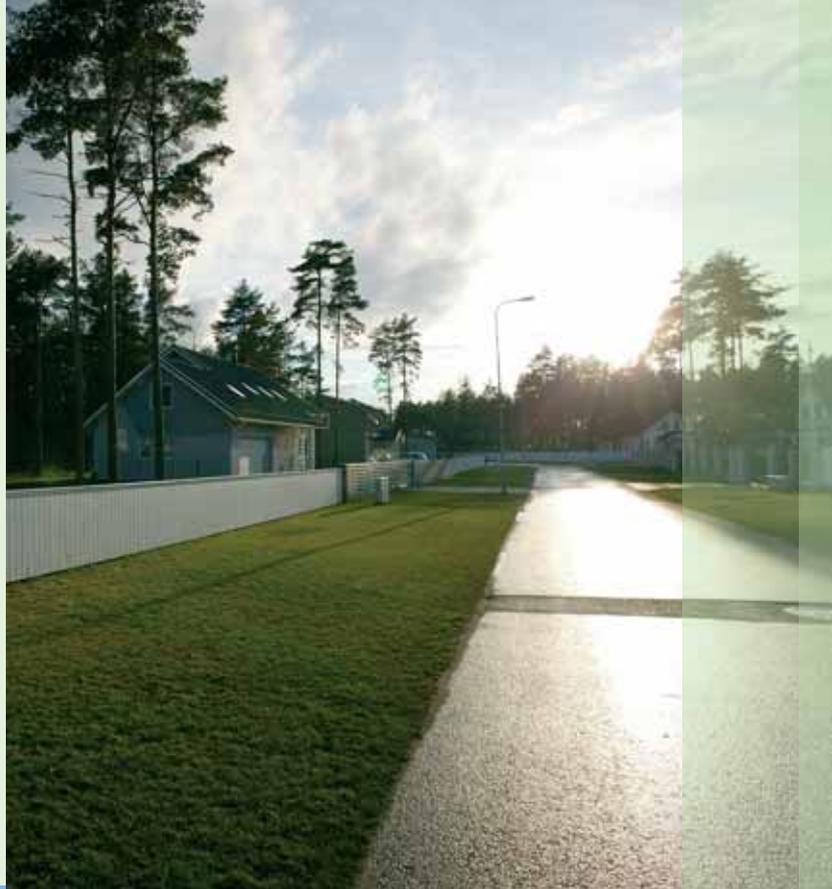
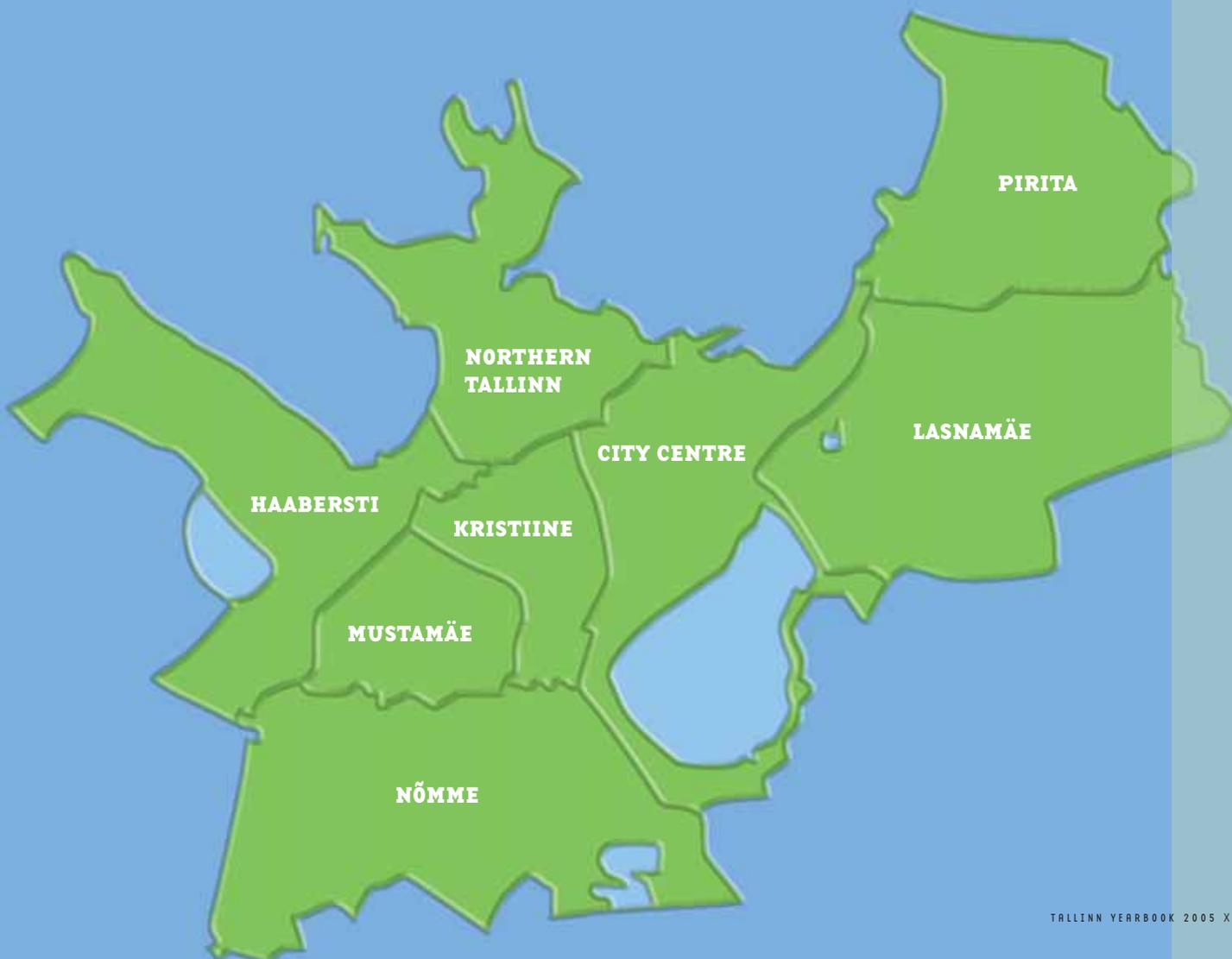


FIGURE 2. THE CITY DISTRICTS OF TALLINN.







## 2. CITY DEVELOPMENT

During the last ten years, the cityscape of Tallinn has become more attractive due to the creation of many new structures: banks, shoppings, the development of the Tallinn city centre and the fixing and renovation of old buildings. The regulation of infrastructures has also had a considerable positive effect on the appearance of the city and improved the travelling and access conditions of the residents. The port area is becoming the visit card of Tallinn, moving the attractive city centre towards the seashore and making Tallinn a city of the sea also from the standpoint of city planning.

Business is one of the most important factors affecting the development of the city. Business activity continues to be higher in Tallinn than elsewhere in Estonia. Tallinn's geographical location makes it a natural intermediary between the East and the West. Along with its closest surroundings, Tallinn has thus far been the main growth centre for foreign capital in Estonia. Close to 4/5 of direct investments have been made in Tallinn. The successful development of enterprise in Tallinn is also supported by the existence of communications necessary for business activity: the number of phones and mobile phones owned per capita is comparable to the developed Nordic countries and the number of Internet connections is also high. The aim of the organisation of the city's cultural life is to guarantee the survival and viability of Estonian cultural

traditions in all areas and to provide the residents of the city with various possibilities for self-actualisation that help fill their free time and develop their intellectual capacities. As a successful and presentable keeper of cultural traditions and an active cultural centre, Tallinn aspires to become the European Capital of Culture of 2011. Tallinn is home to a considerable portion of Estonia's vocational and higher education potential. As business tendencies lead to the expansion of knowledge-intensive production, the training of qualified personnel becomes increasingly vital. Tallinn provides the best environment for personal development and leading a successful life through lifelong learning and substantial self-actualisation. Tallinn provides very good opportunities for intensifying international educational cooperation with other countries of the Baltic Sea region.



Developing the city environment provides its residents with occasions for self-education and supports the meaningful spending of free time, while requiring a wide range of opportunities for hobby education, sport and youth work. The city considers it important to increase young people's chances to participate in hobby activities, amateur sports and professional sports and to guarantee the best possible participation conditions for those interested. Tallinn is forming an integrated and professional child-care system that will help prevent the occurrence and deepening of social problems and is oriented at ensuring the subsistence of families. Rather than implementing sanctions, the system

will concentrate on providing timely support for families and engaging in crime prevention, organising cooperation between the home, the school and child welfare agencies. In case of families with children, the following key concepts are observed: "noticing the problem in time, realising that a problem exists, intervening, and improving the quality of life". A standard of life that allows members of the society to retain their dignity provides a feeling of social security, helps retain the vitality of the nation and involves members of the society in a mutually caring environment. A city's well functioning social sphere is open to all of its residents, allowing them to take bigger risks in their work and private lives. The city's social policy seeks to create equal opportunities for active participation in everyday life for disabled persons and people with health disorders. The city strives to guarantee a standard of life for seniors that would allow them to retain their dignity, enabling them to function on their own and find emotional contentment while guaranteeing a position in public life that would be equal to positions held by other age groups. It is also important to enable those members of the seniors' families who retain their working capacity to continue working and participate actively in public life. In addition to disabled persons, an increasing amount of attention is dedicated to seniors. In developing a good living environment, it is important to take into account public transport as a priority of the city both in traffic management and urban planning. In order to increase the traffic safety of bicyclists and pedestrians, the traffic of the city must be calmed. Considerably more attention is paid to less protected road users: pedestrians, bicyclists, and roller skaters. The importance of parks, playgrounds and public places where one can pleasantly spend time outdoors are becoming ever more integral to the definition of a good living environment. Several remarkable steps have been taken towards improving the living environment, mainly by constructing parks and playgrounds in the city. A special emphasis is placed on the preservation of forests. Forests help alleviate the effects of pollution resulting from the continuously increasing environmental burden, while serving as the most important indicator of the condition of the environment. The development of the street network will be taken forward by adopting a fundamental complex of measures aimed at connecting the areas stretching eastward and westward and rerouting transit traffic from the city centre by developing two east-west highways which have been tentatively named the North Passage and the South Passage. It is important for Tallinn as a city of the sea to guarantee easy access to the ports located within its borders and also provide a better connection between the travellers' port and the city for pedestrians. The development of Tallinn during the next 20 years will be fast, balanced, adding a dynamic dimension to the formulation of the objective. By involving resources necessary for its development from European Union's structural funds and engaging in close international cooperation with the other capitals of the Baltic Sea, Tallinn is on its way to becoming an innovative living, learning and working environment.



# 3. MANAGEMENT REPORT

## 3.1 Urban Planning

During recent years, urban planning has become one of the most important fields of activity in the city of Tallinn. This is witnessed, among other things, by the creation of new development areas or the construction of skyscrapers in the city centre.

It is the duty of the Board of Tallinn City Planning to guarantee the city's development, planning and sustainability of its infrastructure, along with the administering the drafting of plans and development plans necessary for working out the tendencies of the city. The developmental needs of the city are being monitored without interruption and constant attention is paid to the coordination of national and international planning and for development projects.

## GENERAL PLANNING

The year 2005 saw the continuation an earlier process – the drafting of general plans for the city districts of Nõmme, Mustamäe and Pirita. The general plan of the Mustamäe city district has passed both the publishing procedure and the county governor's supervisory procedures and will be presented for validation in 2006. Building regulations for Astangu and Pelgulinna were passed in 2005. Also, the urban regions of Kadrioru, Kalamaja, Veerenni, Kassisaba, Süda-Tatari, Uus-Maailma, Torupilli and Tallinn-Väike were entered into the architectural and historical inventory. The building regulations of Kadrioru, Kalamaja, Veerenni and Süda-Tatari urban regions were completed and will be validated in 2006, as a thematic plan encompassing the respective city district or as part of the general plan of that city district. The general plan of residential areas of Lasnamäe was also started in 2005 and a study of the parking arrangement of Lasnamäe's residential areas was commissioned as fundamental research for the general plan.

Another topical issue in Tallinn is related to the thematic plans of high-rise buildings. The formulation of the plans led to the composition of the following thematic studies:

- Inhabitants of Tallinn's high-rise buildings (sociological survey). /Tallinn University/
- Potential negative effects of the construction of high-rise buildings (expert assessment). /OÜ E-Konsult/
- High-rise buildings in Tallinn – a market survey. /ERI Kinnisvara/
- Expert analysis of air navigation, air traffic and flight safety. /Air Navigation Service/
- Study on the demand and evaluation of high-rise buildings based on various companies. /SaarPoll OÜ/

## DETAILED PLANNING

Since 2005, the Detailed Planning Service consists of four divisions based on planning districts. In addition to a head of division, each division has a detailed planning architect (who manages the detailed plans) and a construction project architect (who manages the designing conditions and construction projects), a body conducting proceedings (preparation of draft legislation of the city council) and a technician-assistant (technical and graphics-related questions). The Service also employs a director, coordinator and an assistant to the executive officer. Organising the work by planning divisions is more practical and logical than the earlier system and a better-regulated procedure for processing detailed plans was developed in accordance with the changed situation.

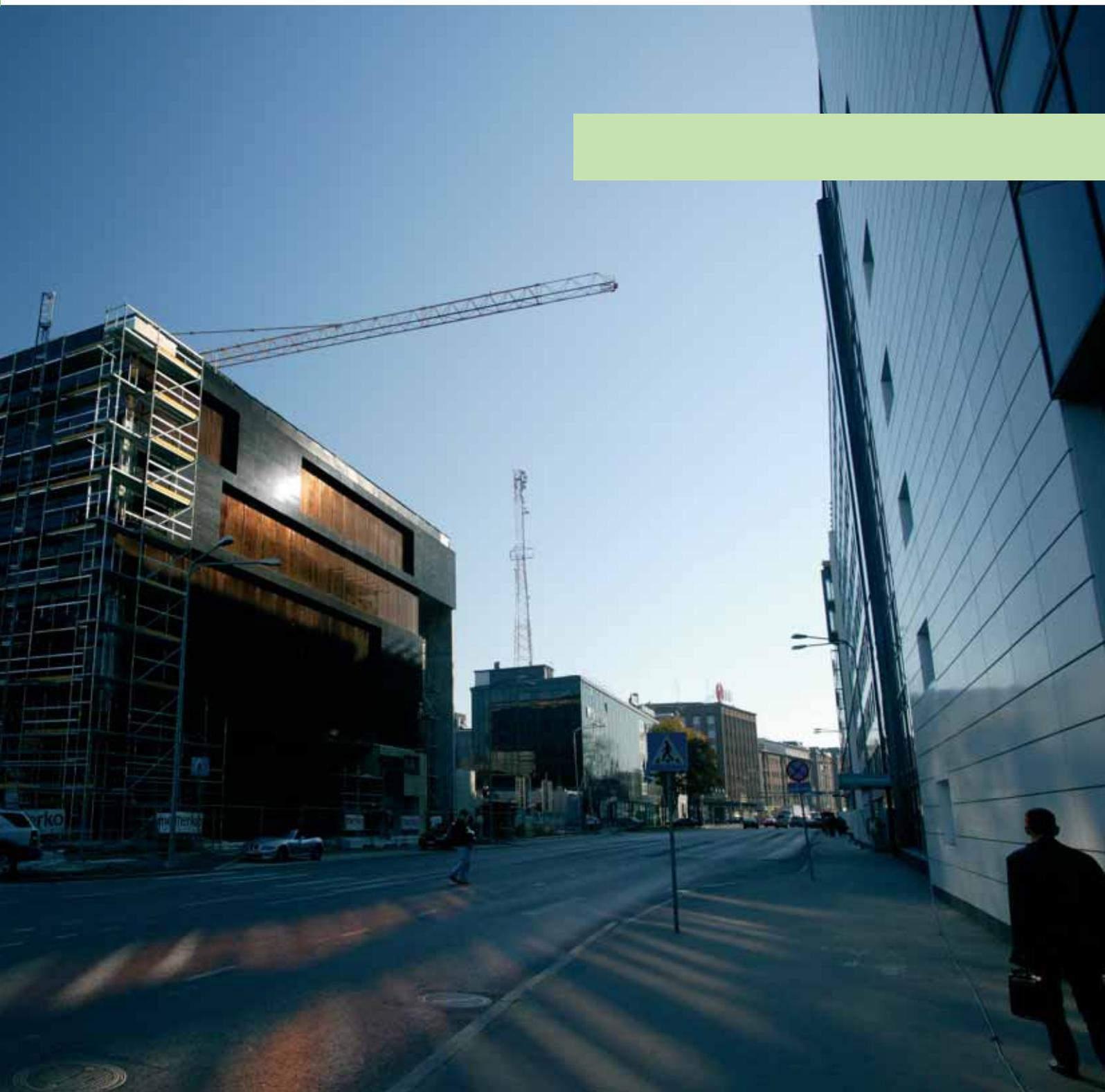
In 2005, the order of approving drafts of detailed plans was changed with a building regulation of the City of Tallinn: the Tallinn City Planning Department became the first institution to review a draft before it is subjected to approval by other departments. This measure has decreased the number of significant changes made to the draft after the approval procedure and has eliminated the need for the repeated approval of drafts.



### MOST IMPORTANT DETAILED PLANS OF 2005:

#### Northern – Tallinn and Haabersti:

- The drafting of a detailed plan of Kopli lines and their surroundings was started, with an aim to reconstruct the area located at the tip of the Kopli peninsula as an area of apartment buildings. Both the urban construction analysis and building proposal were completed for the draft of the detailed plan for Kopli lines and their surroundings.
- The draft of the detailed plan for the area between Sirbi, Kopliranna and Vasara streets and the sea was completed. The aim of the detailed plan is to prescribe the construction of municipal housing in the area.



### **City centre:**

- The draft of the detailed plan for the Port of Tallinn, the aim of which it is to prescribe the utilisation of the area between Linnahall and the port as a place fulfilling a public function, was completed and approved by the city government.

### **Lasnamäe and Pirita:**

- A detailed plan for the construction of the Lasnamäe Russian Orthodox Church was established.
- A design contest was organised in order to find solutions for putting to use the Pae recreation area in Lasnamäe.

### **Mustamäe, Kristiine and Nõmme:**

- A detailed plan for the so-called Kadaka Market was approved, foreseeing the construction of a new large-scale housing district in Mustamäe.
- A very problematic detailed plan of the Nõmme Centre was adopted. Due to the results of the publishing of the detailed plan for the Nõmme Centre, two public discussions were held to address the suggestions and objections submitted at the publishing of the plan.

## ACTIVITIES RELATED TO THE PROCESSING OF DETAILED PLANS AND DESIGN CONDITIONS DURING 2005

ACTIVITY	NUMBER
Applications submitted for beginning detailed planning	318
Answered applications for beginning detailed planning	303
Applications submitted regarding design conditions	1307
Answered applications regarding design conditions	1289
Detailed plans initiated	73
Detailed plans approved	119
Detailed plans enacted by the city government	70
Detailed plans enacted by the city council	22
Total number of detailed plans enacted	92

## CONSTRUCTION SUPERVISION

Currently, Tallinn is faced with the problem of regular supervision of the buildings in use, especially in case of the buildings constructed of large concrete panels in Lasnamäe, Mustamäe, and Õismäe. The oldest buildings of this type are starting to approach their projected service life and therefore require special attention. The Building Permit Division issued 2853 building permits during 2005. Injunctions were issued on 142 occasions and misdemeanour sentences passed on 27 occasions. Several ruins that cluttered the city environment and were dangerous to the city's residents have been removed as a result of the injunctions issued by the Construction Supervision Authority. The largest of these ruins was the former ice hall and swimming pool located at 21 Koidula Street, Kadriorg.





## 3.2 Housing Construction

The objectives of the city's housing policy comprise improving the quality of the housing in the city, developing residential areas and advancing the construction of municipal housing, including the city's participation in the planning and organization of the construction of technical infrastructures in new housing construction areas.

### **THE LEASING OF DWELLINGS**

A total of 311 dwellings were leased during 2005, 122 of which were located in residential buildings newly constructed or reconstructed by the City of Tallinn. A total of 134 dwellings were leased to the lessees of restituted dwellings, 45 of which were social dwellings. The Tallinn City Council also resolved to enter into lease contracts for 39 municipal dwellings during 2005.

In 2005, the Tallinn City Government decided upon renewing or discontinuing lease contracts for 381 municipal dwellings and social dwellings and dwellings provided by employer (67 orders altogether).

As of 1st of January 2006, 3346 persons have been registered at city district governments as applicants for the municipal dwellings provided by Tallinn, and 2054 of them were lessees of restituted dwellings. 382 persons have been registered as applicants for social dwellings.

### **PRIVATISATION OF NON-RESIDENTIAL PREMISES IN RESIDENTIAL BUILDINGS**

The city of Tallinn has ordered an estimation of the base price for the privatisation of 33 non-residential premises from the following firms: public limited company Arco Vara Tallinn, OÜ Uus Maa, AS Arco Vara, ERI Kommertsinnisvara Lahenduste OÜ and AS Rime Kinnisvara Vahendus. In cooperation with the city district governments, licenced valuers from the aforementioned companies have appraised non-residential premises eligible for privatisation in 24 buildings and privatisation transactions are being prepared and finalized. Also, valuation reports of the non-residential premises will be prepared along with associated documents for submission to the committee responsible for reviewing the base prices of non-residential premises belonging to the city of Tallinn and providing the city government with proposals for resolutions based on the corresponding approved valuation reports.

City district	Total of non-residential premises eligible for privatisation	Base price approved by the CG	Established base price (in kroons)	Non-residential premises privatised	Value of privatisation transactions	Incl. 20% of the value in cash
Haabersti	31	21	4 814 290	14	5 083 540	1 016 708
City Centre	374	340	351 840 489	289	288 178 539	57 635 707.8
Kristiine	40	40	8 548 448	37	8 043 733	1 608 746.6
Lasnamäe	14	13	5 037 795	13	5 037 795	1 007 559
Mustamäe	-	-	-	-	-	-
Nõmme	13	13	3 786 958	13	3 839 320	767 864
Pirita	1	1	596 880	1	596 880	119 376
Northern Tallinn	135	129	31 626 962	94	23 568 803	4 713 760.6
TOTAL	608	557	406 251 822	461	334 348 610	66 869 772

### OVERVIEW OF THE MATTERS RELATED TO THE LEASE CONTRACTS OF NON-RESIDENTIAL PREMISES AS OF DECEMBER 31, 2005

City district	Number of contracts	Total surface area m <sup>2</sup>	Space covered by the contract m <sup>2</sup>	Free space m <sup>2</sup>
Haabersti	37	6056,8	588,50	168,3
City Centre	470	82 898,79	80 816,39	2 082,40
Kristiine	9	1168,9	1168,9	0
Lasnamäe	28	3 826,21	3 826,21	0
Mustamäe	54	9 157,62	9 099,62	58
Nõmme	36	7315,5	7143,3	172,2
Pirita	31	4845	4845	0
Northern Tallinn	142	46 623,00	42 273,50	4 350,30
TOTAL	807	161891,82	149 761,42	6 831,20

Department	Number of contracts	Total surface area m <sup>2</sup>
Housing Economy Department	7	2220,10
Education Department	98	21 777,98
Municipal Engineering Services Department	1	763
Cultural Heritage Department	19	6 277,00
Social Welfare and Health Care Department	20	80 174,80
Vital Statistics Department	1	115
Sports and Youth Department	11	12 464,20
TOTAL	157	123 792,08

City Office	11	4142,5
City Council	3	376



## CITY PROPERTY

In 2005, the City Property Division approved 2 city government order drafts, which concerned the acquiring of property for the city of Tallinn. In addition, the City Property Division made preparations for:

- 1) The draft of the order for acquiring the registered immovables at 22, 26, 33 A. Weizenbergi St. and expropriation of the building at 8 Nunne St. - Resolution of Tallinn City Council No. 85, 7t of April 2005;
- 2) The draft of the order for acquiring the registered immovable at 2/2 Rahumäe St. - Resolution of Tallinn City Council No. 152, 3rd of June 2005;
- 3) The draft of the order for acquiring 1/2 of the legal share for the building at 90 E.Vilde St. - Resolution of Tallinn City Council No. 239, 22nd of September 2005.

## HOUSING CONSTRUCTION

Two large construction projects were completed in 2005 under the leadership of and according to the orders placed by the Housing Economy Department of Tallinn, with the construction of five new projects being started during the same year. The data concerning the projects has been provided in the following table.

are located in the corridor. The apartments are intended for low-income families.

The buildings at 21 and 23, 23a, 23b Hooldekodu St. are completely new apartment buildings. The buildings feature an architecturally simple and modern form, have three storeys, flat roofs and have an exterior finish mainly of horizontal processed wood scaffolding. The residential buildings are divided into sections, each of which has 12 apartments, which makes four apartments per floor. The apartments are mostly economical small lodgings with one or two rooms. In addition to regular apartments, two of the buildings also contain 11 apartments for persons with physical disabilities and two five-room apartments to be used as "group homes" for persons with slight mental disabilities.

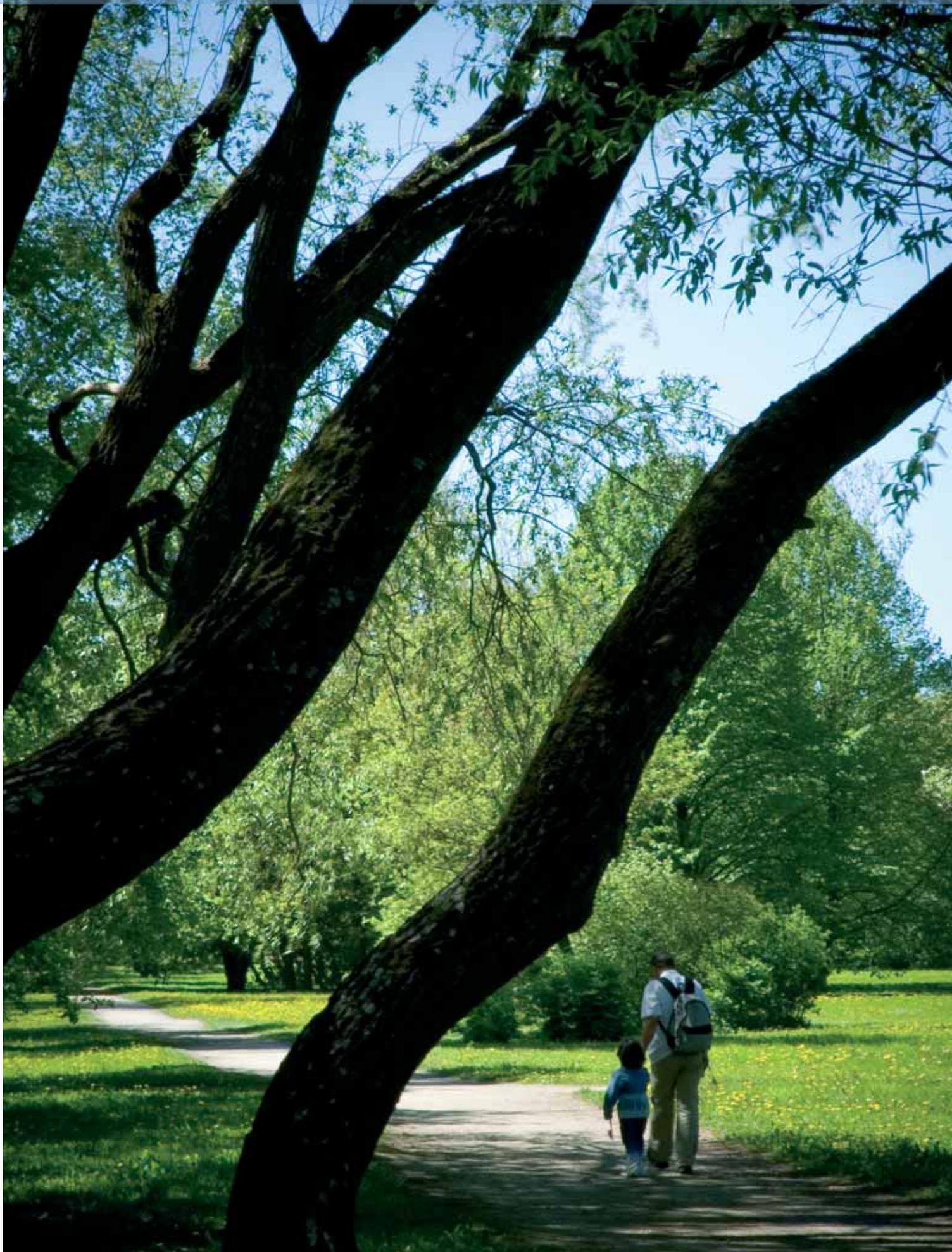
The reconstruction of a former dormitory into a social housing unit was started at 6 Tuulemaa St. There are 84 rooms on the building's four floors, most of which have three sleeping places, with 18 rooms having two sleeping places. Every storey has rooms for two collective kitchens, restrooms and showers. 16 rooms have been adapted for use by the building's service staff that will manage the building. The total price of the aforementioned projects amounts to approximately 146 million kroons.

Address	Time of construction	Total surface area m <sup>2</sup>	Surface area of the dwelling (m <sup>2</sup> )	Number of apartments	Number of rooms			
					1 room	2 rooms	3 rooms	4 and more
6 Uus-Maleva St.	July 04 - March 05	3 898	3 237	86	69	15		2
12a Kivimurru St.	Dec 04 - Aug 05	321	241	12	12			
23 Hooldekodu St.	July 05 - June 06	2 582	2 093	64	36	26		2
23a Hooldekodu St.	July 05 - June 06	2 582	2 129	68	40	28		
23b Hooldekodu St.	July 05 - June 06	875	747	24	16	8		
21 Hooldekodu St.	July 05 - July 06	2 468	2 127	68	44	24		
6 Tuulemaa St.	Jan 05 - March 06	3 450	1 905	84*	84*			
Total		16 176	12 479	423	318	101		4

\* - A room with two or three sleeping places.

In case of the building at 6 Uus-Maleva St., the former three-storey dormitory of the Kopli industrial school was rebuilt as a four-storey municipal building. The ground floor of the building contains 8 apartments that have been adapted for use by persons with physical disabilities and two five-room apartments to be used as "group homes" for persons with slight mental disabilities.

The housing at 12a Kivimurru St. was constructed on the foundation of a building that had burned down. Furnaces heat all of the apartments in the two-storey building and the residents share the restroom and the washing room, which





## 3.3 Environmental Protection and Utilities

### ENVIRONMENTAL RESEARCH

In 2005, several large-scale research projects were conducted on request of the city. The environmental research regarding the Pirita seashore area was completed, providing an overview of the negative effects of waves and potential high water levels on the public beach. Based on the environmental research regarding the seashore, a proposal was made to develop constructions for protecting the beach and an initial assignment for its design was issued. Also, preliminary work was begun for research into the marine processes near Kakumäe coast to find solutions for protecting the limestone bluff.

In developing the recreation opportunities of the residents of Lasnamäe, it is important that the currently fallow area around the Pae reservoir be put into order. In order to evaluate the environmental situation of the area in question, environmental research was conducted regarding the recreation area of the Pae reservoir. In the course of the environmental research project, a survey was provided concerning the hydrochemical situation and the conditions of aquatic life and phytobenthos of the bottom of the body of water formed in the old limestone quarry. On the basis of this survey, it will be possible to specify the possibilities for further use of the body of water.

The process of water monitoring on several bodies of water in Tallinn was also continued. The aim of monitoring the Mustjõe stream was to collect data regarding the stream and the sources of pollution flowing into the stream. In the course of monitoring rainwater, the quantity and quality of rainwater flowing into the Gulf of Tallinn was evaluated.

### WASTE MANAGEMENT

In the field of waste management there was a significant improvement in the residents' ability to give away various waste in order to have them recycled or reduce their hazard to the environment. The collection system for hazardous waste was supplemented by 7 new containers, the city started collecting discarded electronic equipment, 100 new battery boxes were set up, and residents were invited to give away their old tires.

Tallinn's first compost ground was opened, making it possible for the residents and organizations of the city to get rid of organic waste collected from the city's gardens and parks at a bargain.

The transition to organized transport of domestic waste was started and 2005 saw the opening of the first 5 competitions for finding waste transporters.

Campaigns for increasing environmental awareness were continued. The waste campaign "Garbage Wolf", the car-free day and the nature conservation month have all found their place in our yearly calendar of events.

### SIGNPOSTS IN CEMETERIES

In order to help visitors find gravesites and find their way in the cemetery, signposts showing a diagram of the cemetery, its path network, the numbers of blocks, the protected gravesites and the chapel were placed at the three main entrances to Metsakalmistu. The signposts were made of limestone and black granite. 29 columns bearing the names

of blocks were mounted in the corners of the main paths between the blocks.

### THE CEMETERY INFORMATION SYSTEM

An information system and a database of the cemeteries of Tallinn, complete with a digital map, is under development. This solution will allow everyone to find the following information regarding cemeteries on the Internet: the location of a cemetery, the business hours of the cemetery office, regulations, catalogue of provided services and the possibility of ordering maintenance service. The binding of the archive data with the map has already started and will continue in 2006.

### GREENERY INFORMATION SYSTEM

The software for the maintenance and surveillance of Tallinn's greenery was created in 2005. The aim of the information system is to gather and use the results of the survey concerning the green areas maintained by the city, including the spatial location of the green areas on the map of the city along with their features, surface areas and nursing classes. The software will also allow the input of data regarding the forests located in the administrative territory of Tallinn. These records would constitute the basic data for the execution of green area maintenance and surveillance by the city.

### MAINTENANCE MONTH

In 2005, April was designated as the Maintenance Month. During the campaign, public services and amenities were provided within the territory of Tallinn, city districts and residents were offered convenient opportunities for disposing

of waste collected from gardens and parks, hazardous waste and discarded electric and electronic appliances were collected, and a waste paper collection contest entitled "Let's Give New Life to Paper" was organized for the schools of Tallinn.

### STREET LIGHTING

As of December 2005, Tallinn had a total of 41 545 streetlights. During 2005, approximately 2000 streetlights have been installed. The named streets of Mustamäe and Kristiine city districts have been completely illuminated. The installation process is nearing completion in the Nõmme city district.

The city of Tallinn participated in the urban lighting competition organized by the Lighting Urban Community International Association. Tallinn is a member of the Lighting Urban Community International Association (LUCI Association) since 2004.

The illumination of the Russalka memorial was unveiled in October 2005. The lighting around the sculpture was restored in its original form. This project was one of Tallinn's contributions towards becoming the European Capital of Culture.

### CYCLE TRACKS

The total length of the cycle tracks and marked cycle lanes in Tallinn is 140 738 meters, to which 8 788 meters of cycle tracks were added in November 2005. This included the opening of a light traffic road on the section of Kloostrimetsa Road between Pärnamäe Road and Lükati Road, with a length of 1.7 km equipped with lighting which matches the road's surroundings.

## OPERATIONAL EXPENDITURES OF THE MUNICIPAL ENGINEERING SERVICES DEPARTMENT OF TALLINN IN 2005 (THOUSANDS OF KROONS)

	Specified budget for 2005	Accrual basis accounting
Maintenance of roads and streets	229065	228915
Paying the financial obligations of the registered immovable at 6 Viru Square to Ühisliisingu AS	8262	8262
Appropriations to the Harjumaa Rescue Service for performing local government tasks	8952	8952
Lifeguards at public beaches	1100	1104
Grant to apartment associations for performing maintenance on courtyard areas	15,000	14,611
Housing economy costs	221	82
Water and sewerage	58,068	58,067
Other upkeep costs	1709	1724
General management	9741	9637
<b>TOTAL OPERATIONAL EXPENDITURES</b>	<b>332,118</b>	<b>321,717</b>



## 3.4 Public Transport

### **PUBLIC TRANSPORT SERVICE**

The residents of Tallinn are serviced by 56 bus lines, 4 tram lines and 8 trolleybus lines, which adds up to a total of 68 lines. In 2005, 15 new and 20 used buses, 6 new low-base trolleybuses and 6 used trams began their service on the public transport lines. At the end of the year, the vehicles average age was 13 years for the buses, 20.5 years for the trams, and 14.2 years for the trolleybuses. A total of 100 new public transport vehicles are to be acquired during the 2006 - 2009 period. In 2005, 35 public transport stops were built and reconstructed and 26 stops underwent extensive repairs. Reinforced coats of Confalt mix were installed in the pockets of 22 public transport stops.

The development of the census system of the public transport users of Tallinn was continued in 2005 in order to gather initial data for optimising the operation of the lines. At the end of the year, census appliances had been installed in 31 public transport vehicles.

### **TICKET SYSTEM**

Paper tickets (tickets, cards and hour tickets) are used on lines belonging to Tallinn's single ticket system in conjunction with an electronic payment and verification system based on identity cards - ID cards, which was launched on 1st of March 2004. Since 20th of June 2005, the vehicles belonging to the single ticket system use paper 1- and 2-hour tickets and 24- and 72-hour cards in addition to electronic hour tickets. The right to travel lasts from the moment fixated by the ticket puncher during the time period marked on the ticket. The ticket inspection service is contracted from a private company that inspects tickets with 65 employees throughout the working time of public transport vehicles.

### **TALLINN TRAMWAY**

A project named "Tallinn Tramway" was initiated in 2005, backed by foreign financing. The Transportation Department of Tallinn was specified as the overseer of the project. According to the Resolution of Tallinn City Council No. 218, adopted on September 8, 2005, the city of Tallinn will participate in the program "Tallinn Tramway". The first phase of the program foresees the creation of tramlines connecting Lasnamäe with the city centre and the Tallinn Airport with the existing network of tramways. As preparatory work for completing the feasibility and cost-effectiveness study and compiling an application for a grant from the European Union Cohesion Fund, AS ETP Grupp was contracted in 2005 by the Transportation Department of Tallinn to carry out the research project "The Technical Study and Architectural Solution of Alternative Routes for the Lasnamäe Tram Line". Also, United Partners OÜ completed the assignment entitled "Initial Function for carrying out the feasibility and cost-effectiveness study for the project "Tallinn Tramway" and compiling the application for a grant from the European Union Cohesion Fund".

### **PILOT PROJECT ON THE ADMINISTRATIVE TERRITORY OF TALLINN AND VIIMSI**

The pilot project between Tallinn and Viimsi rural municipality for the Harju county public transport single ticket system was launched in August 2005. It is the aim of the pilot project to improve the travelling conditions of the residents of Tallinn and Viimsi rural municipality within the borders of two local governments. Therefore, the number of buses travelling between the city of Tallinn and the rural municipality of Viimsi during workdays and on weekends has



of regular services, meaning that Tallinn does not have to bear additional expenses for its participation in this project. According to the project, travel fare concessions were made only to school-goers and old age pensioners. Naturally, all travel fare concessions implemented on the national level still apply.

The long-term goal of the pilot project is to switch to an integrated public transport system that encompasses the entire Harju County, taking into consideration both positive and negative earlier experiences. During four months, 1589 single cards and 2680 travel fare concession cards were sold, adding up to a total of 4269 cards. The Transportation Department of Tallinn received 413 000 kroons from the sale of travel cards.

### **THE SMILE PROJECT**

Tallinn is a member of the international SMILE project that will facilitate the development of a plan for implementing the priority system for the city of Tallinn and improve the quality of the public transport service by updating passenger information. SMILE (towards Sustainable Mobility for people in urban areas) is a project of CIVITAS II, the 6th framework program of the European Union for scientific and technical development. The project provides support to cities in order to help them find new solutions for improving the sustainability of city transport and increasing its environmental safety, lasting for four years.

The total cost of the project is 71.6 million kroons. During four years, the city will finance the project with a total of 40.1 million kroons (including a non-monetary contribution of 11.4 million kroons) that will be covered by the city's budget for the corresponding years. The European Union will finance the project in the amount of 30.2 million kroons.

The following procurements were made in 2005:

- The public procurement entitled "Expansion of the APC System in Accordance with the EU SMILE project", as a result of which passenger counting devices were installed on six buses of the Tallinna Autobussikoondise AS and six trolleybuses of the Tallinna Trammi- ja Trollibussikoondise AS in order to make it possible to evaluate the project;
- The public procurement entitled "Preparing the Technical Initial Assignment for a Transport-Related Public Procurement", in the course of which the Tallinn University of Technology prepared the detailed initial assignment necessary for buying priority and information systems, and the documentation for the invitation to tender was prepared for the announcement of the aforementioned procurement.

increased significantly. The bus lines 1A and 38 run within the borders of Viimsi.

The main instigator of the project is the non-profit organisation Harju Public Transport Centre that is responsible for the development of public transport within county borders, on the so-called county lines.

As part of the project, line networks were joined, and a single card costing 300 kroons was instituted for adults, along with a 110-kroon students' card for school-goers. Both single cards allow the traveller to use all of the bus lines in Viimsi rural municipality and the single ticket system bus, tram and trolleybus lines in the city of Tallinn. The city received 57% from the sales revenue of the new ticket types. The ticket sales revenue and the subsidy paid to Tallinn by the Viimsi rural municipality compensate for the costs



## 3.5 Health and Social Work

### **CHILD WELFARE**

In order to guarantee the subsistence of children and families with children, the Social Welfare and Health Care Department organized the provision of the following services: psychological counselling, development and counselling at day centres, psychosocial counselling and practical family assistance, support person services, social rehabilitation for children with behavioural and addiction disorders, distribution of backpacks to children going to school for the first year, distribution of infant care packages, care at the children's shelter, shelter service for mothers and children, family care, care at a children's social welfare institution, a help and information hotline for children, child welfare security service.

The children's shelter service was used by 16 children per month at the Tallinn Children's Home centre of infants and children with disabilities and by 10 children per month at the Kopli centre. The shelter at the Tallinn Children's Security Centre was used by up to 16 children per month.

### **WELFARE SERVICES FOR PERSONS WITH DISABILITIES**

The number of disabled persons living in Tallinn has grown over the years. As a result, new services are being developed and implemented for persons with disabilities. 1300 hours of counselling service were provided in 2005 as follows: 510 hours of employment counselling for persons with mental disabilities, 100 hours of counselling the deaf-blind and blind, 120 hours of counselling children and youths with hearing disabilities and their families, 100 hours of psychologist's group work and individual consultations for

visually impaired persons. 470 hours of social counselling services for deaf persons were provided as a new service. Despite strong demand, the volume of counselling services has remained stable.

The following municipal establishments provided daycare and day activity services: Juks Study Centre for Youths with Disabilities (90 customers) and Kão day centre (74 customers). 4 persons have been hired due to the support provided by the Study Centre for Youths with Disabilities. The Kão day centre received a new playground and its communication centre that provides services for speech-impaired children was developed and equipped with new installations.

Services for the families of persons with disabilities are intended to support the families of disabled children during school holidays, so the parents can continue working. This service was provided to 123 children as follows: 37 days of daily activity for 25 children with mental disabilities, 5-day camp for 18 children with physical disabilities, multiple disabilities and visually impaired children, 23-day camp for 48 children with hearing disabilities, 32 blind and visually impaired children spent 7 whole days at a camp and three days at a daily activity camp. The volume of the services offered does not satisfy the needs of families. Support was provided for both Estonian and Russian courses on sign languages for parents who use sign language, in order to improve educational conditions within the family and allow parents to have a better rapport with their children. 30 people have taken part in the courses.

In 2005, two five-room apartments were allocated by the city to 8 youths who were enrolled into the supported living program. The prioritised group for whom the supported living service is provided includes youths with mental special needs who are starting their independent lives after leaving the children's home and whose rehabilitation plans state that

they are suitable for supported living. The city has given a total of 6 apartments for the program and the service will be provided to 20 youths. Part of the support for the program is received from the state. The supported living service has not been extended to 30 customers as was previously intended.

### **WELFARE SERVICES FOR SENIORS**

The payment of a one-time 500 EEK social benefit to residents of Tallinn who receive the national pension, the retirement pension, the incapacity pensions or the death pension was continued in 2005. The city has continued to help seniors and persons with difficulties in coping receive free legal help which is provided in the building at 36a Paldiski Road, allocated to pensioners' organizations by the city. 2005 was also the year of the completion of the Pirita Social Centre and the renovation and expansion of the City Centre Social Centre.

In 2005, home care services were provided to 1204 persons, most of whom are seniors. The provision of home care for pay was started in 2005.

Since the autumn of 2005, 8 budgetary social centres are operational in the city, catering mainly to pensioners. The city also finances 3 non-profit associations (Seniors' Self-Help Centre, the Association of Pensioners of Tallinn and the non-profit association Kodulinn).

The city's social welfare institution Iru Hooldekodu can service 3385 people, while 420 seniors were staying at nursing homes outside Tallinn at the end of the year.

### **WELFARE SERVICES FOR CRISIS GROUPS**

The provision and development of welfare services in this field is aimed at the prevention of social exclusion and the facilitation of a person's independent ability to cope. For this purpose the city offers: temporary shelter and housing (along with additional social services) for those in need, rehabilitation services for socially sensitive target groups, food, emergency social care, legal consultancy service and rehabilitation services for persons who have been freed from prison.

In 2005, there were 214 lodging and shelter places in Tallinn. The residents of shelters are provided home nursing and care services since 2005. Currently, the shelter service can be provided only to the homeless who need round-the-clock personal assistance and care due to their state of health.

The provision of dormitory-type housing services was started in 2005, and these services are being extended to an increasing number of persons in need. In September 2005, a social housing unit with 42 places was opened at 34 Akadeemia Road and as of December the service has been provided at a social housing building with 214 places, located at 6 Tuulemaa St.

### **HEALTH CARE**

The accessibility of first contact care was improved in

connection with the opening of 5 new practice lists of family physicians. The process of allocating 28,900 kroons of monetary support to each practice list from the city's budgetary funds was continued in order to help 245 family physicians cover the operational expenditures for their premises or acquire information technology. Support was extended for the transportation of regular sick persons with referrals from their family physicians to hospitals. All family health centres were mapped in order to obtain an overview of the functionality of the rooms and the adequate provision of practices with equipment and stock. The city supported the organization of biannual city-wide conferences for family physicians and medical specialists and the organization of a conference for family nurses.

### **HEALTH ADVANCEMENT**

A health council was created for the prevention of cardiovascular disease, along with two health rooms for practical activities. The city carried out the campaign "No to Tobacco, Yes to Life". The overview of health tracks and cycle tracks provided on the city's web site helps people find ways to spend their free time. During Heart Week, many health days were organized for various audiences, from kindergarten children to seniors and the employees of the Tallinn City Council. 26 topical small-scale projects were financed with a total of 407,535 kroons.

Tallinn participated in the Laps 2005 (Child 2005) fair with its projects for healthy school lunchrooms and action-based education for preschool children. A thematic series of shows was broadcast on Radio 4 to provide related information to the Russian-speaking residents of Tallinn. 26 hiking projects costing 89,240 kroons were carried out in schools and kindergartens to influence the children's moving habits. The international conference "Women's Health in This Century" was organized in April 2005 in cooperation with the European Association for Research on Women's Health. As of the autumn of 2005, the doctors and nurses of SA Tallinna Koolitervishoid provide school health services. As part of the maintenance of schools' health care rooms, all facilities were equipped with smoke and movement sensors. Also, the process of standardising the pupils' health cards was initiated.

### **PREVENTIVE ACTION**

The city pays special attention to the prevention of drug addiction. In cooperation with the National Institute for Health Development and the Ministry of Social Affairs, two new centres, the Day Centre for Addicts with Dual Diagnosis and the Low Threshold Centre, were opened in Tallinn, although the latter is not yet operating in full capacity due to ongoing litigation. Until the end of 2006, the city is taking part in the international project "Huuta", organized jointly by Tallinn and Helsinki and aimed at HIV prevention. During 2005, the institutions and organizations participating in the project held several seminars, visits and campaigns, and information materials were distributed.





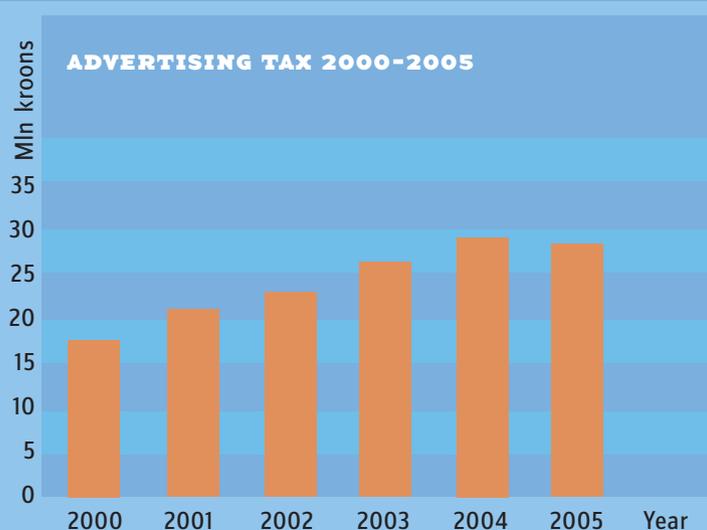


## 3.6 Business

Tallinn is the centre of Estonian political and business life. With its population more than 400 000, the capital is the driving force of the country's economy. The city is place for the about half of all Estonian companies, which are responsible for ca 50-60% of GDP and nearly 3/4 of total business profit.

### ADVERTISING TAX

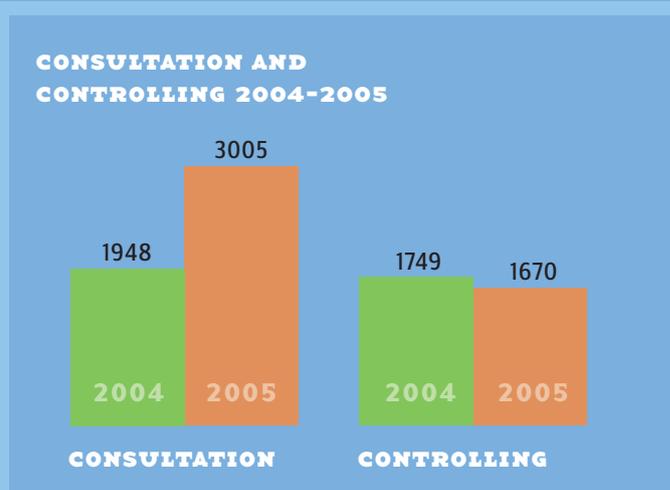
During the three years of operation, 85 million kroons have been collected as advertising tax. The income received from the tax has increased regardless of the fact that according to new regulations, companies' names, logos and contact information are exempted from the tax if the advertisement is located on the building where the company is operating.



Also, nearly 1000 businesses have removed their advertisements, significantly improving the city's appearance. The rate of the advertising tax is still 5 kroons per one square meter per day, irrespective of whether the advertisement is exhibited in the city centre or in the suburbs.

### PRICE AND CONSUMER PROTECTION

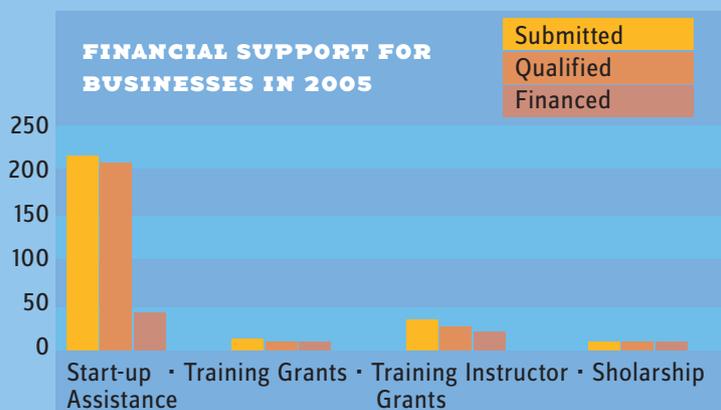
During 2005, consultation was provided to residents and business owners on 3005 occasions and 1670 points of retail sale, service, catering and street trade were inspected as part of regular control. The Price and Consumer Protection Service expanded its sphere of consultations to include questions related to commerce and service, resulting in an increase in the number of business owners seeking consultations



The growing number of consultations was also influenced by legislative amendments that took effect in 2005, including the revocation of rent restrictions and the institution of packaging deposits. Since commercial and service establishments have been more successful in conforming to requirements set out for commercial activity and in following consumer rights, the number of complaints registered concerning their operation has decreased.

## START-UP ASSISTANCE

The Tallinn City Enterprise Department provides start-up assistance with the aim to stimulate the creation of businesses, while supporting and developing small-scale enterprise in Tallinn. The start-up assistance can be applied for by companies, self-employer persons and persons wishing to start their own enterprise. In 2005, 207 applications for start-up assistance were submitted to the Enterprise Department, 174 of which were qualified to be reviewed by the committee. Financing was provided for 21% of the submitted applications for start-up assistance, adding up to a total of 43 projects. 7 applications were submitted for training grants, 6 of which were satisfied and 5 of which were financed. There were 34 applications for field training instructor grants, 22 of which were satisfied and 17 of which were financed. Finally, 5 applications were submitted for scholarships, all of which were satisfied and financed.



In 2005, the business operators' information source registered 6079 inquiries (including both visits and queries by telephone and electronic means). Most inquiries were connected to various possibilities for acquiring financial support and loans, while many also concerned setting up businesses and preparing business plans. Consultations have been provided to 184 start-up businesses and 1044 operational businesses. In accordance with the basic financing contract with Enterprise Estonia, information has been provided regarding national support measures for enterprise, Structural Funds and other institutions that finance enterprise-related projects and provide enterprise consultancy. Also, start-up and operating businesses have been counselled, training has been received and active information exchange has been supported. During 2005, the business operators' information source passed on information regarding national enterprise support schemes on 352 occasions.

By the end of 2005, an electronic newsletter was created with the aim of positively influencing Tallinn's reputation and increasing the awareness of investors regarding the investment opportunities and business environment of Tallinn.

## ESTABLISHMENT AND DISSOLUTION OF COMPANIES

The most important change among the owners' circle of the municipal companies occurred in connection with the sale of the stock of the public limited company Tallinna Vesi and the listing of the company's stock on the stock exchange. The previous owners of the public limited company, the city of Tallinn and United Utilities (Tallinn) B.V, both sold 30% of their stock in a public auction. As of 1st of June 2005, the public limited company became a publicly traded company and two thousand minor shareholders were added to the two former major shareholders. The city of Tallinn received revenue of 415 million kroons from the sale of the stock. The city's equity holding decreased from 49.6% to 34.7%. Before selling and listing the stock, the city government and the public limited company reviewed mutual contracts and amended them, taking into account the future changes in the management of the company.

The public limited company Lasnamäe Tööstuspark, established in 2004, initiated the construction of the infrastructure of the industrial park and the sale of plots to superficiaries. The public limited company held 3 competitions to find the superficiaries and by the end of the year, 11 plots had been sold or given to superficiaries with the right of superficies.

As of 2005, all shares of stock of the public limited company Tallinn Diagnostics Centre belong to the city. In order to assess the business operations of the former majority shareholder OÜ Diagnostic Family during the time period from 21st of July to 31st of December, the company of auditors conducted a special audit at the public limited company Tallinn Diagnostics Centre and an internal audit at the public limited company East Tallinn Central Hospital. Based on the results of the audit, the city government decided to submit a claim against the former management board and supervisory board of the public limited company Tallinn Diagnostics Centre for compensations in the sum of 4.1 million kroons (of the total 18 million kroons of damages).

The Enterprise Department submitted draft resolutions to the city for the removal of 125 persons from and the appointment of 121 persons to the supervisory boards of municipal companies and foundations.

## THE TALLINN ENTERPRISE DAY

The Tallinn Enterprise Day was held on 27th of September 2005, with the aim of raising awareness regarding the role of enterprise in the development of the city, promote cooperation between the city and businesses, introduce the support measures taken by Tallinn for the creation and development of small businesses and commend business operators, while encouraging the residents of the city to take part in enterprise. The target group included both active and potential business operators, and also students and pupils. The theme of the 2005 Enterprise Day revolved around

reforms, changes, and innovations in the business sphere. Another important goal of the Enterprise Day was to increase cooperation between support structures and public and private sectors.

### **FOREIGN PROJECTS IN THE FIELD OF ENTERPRISE**

The Tallinn City Enterprise Department is a partner in several projects financed by Structural Funds of the European Union. One of the foreign projects is INNOACT, the primary objective of which is the innovative development of the labour market, consisting in ascertaining the number and nature of required positions in the machine, metal, and apparatus industries. The project is also set out to locate the suitable candidates on the labour market, provide them with professional training, send them to professional examinations and, upon obtaining proof of their compatibility, guide them to work in businesses located in Tallinn and Harju County, Southern Estonia and Eastern Estonia. The project was launched in September 2004 until April 2006.

The following measures have been implemented as part of the project:

- An evaluation of the labour force needs at the enterprises of the sector
- Cooperation schemes between employment offices, vocational counsellors and persons seeking work
- Vocational guidance tests
- Training courses for persons seeking work who have received vocational counselling
- Finding employment in enterprises for persons who have acquired their vocational certificates

The second largest foreign project being carried out with the participation of the Tallinn City Enterprise Department

is INNOCLUS II. The aim of INNOCLUS II is to introduce innovative cluster development in the machine and electronics industries. The city is also active in the project INNOMET II, launched in October 2005 and lead by the Tallinn University of Technology. The end result of the project will be the composition of an integrated methodology for the mapping and evaluation of professional qualifications and the creation of a model for an improved database which will facilitate the mapping of the needs of the entire sector and the trends and problems related to qualified professionals and training. In the future, it will be possible to apply the INNOMET system to other sectors.

The Tallinn City Enterprise Department is also a partner of the Interreg IIIB BALTMET INNO project. The general objective of the project is to guarantee the development of the 11 capital city areas of the Baltic Sea by providing an analysis of the actual state of establishments of higher education and research and development activities, and devising the basis for the area's joint future strategy. The project includes the city of Helsinki as the leading partner + 13 regular partners (including Tallinn, Stockholm, Oslo, Berlin, Malmö, Copenhagen, Riga) + 3 observers (St. Petersburg, Vilnius, Warsaw). The project will result in the development of a conception for local innovation strategies and a local marketing strategy, the mapping of existing clusters, all as a result of cooperation between scientific educational institutions, incubators, knowledge parks, etc.

In addition, the Enterprise Department is engaged in project named HUMBER FORUM. The aim of this project is to propagate the "success stories" of UK in connection of the activities directed to increasing and making better of employment rate. Kotka City and Tallinn participate in this project as areas where the harbour- and logistic-related spheres of activities are concentrated.



## THE MENTOR CLUB

The goal of the Mentor Club is to provide the small-scale business operators of Tallinn with the opportunity to communicate with experienced enterprise consultants and experts who are or have been active in business. In addition to acquiring new knowledge, the main purpose of the club is to share each others' experiences and creating a cooperation network. March 2005 saw the completion of the Mentor Club's second project that had 52 participants from among business operators. In October, the third project was initiated, designed to last for 8 months and include 50 participants. In addition to seminars, the Club will organize introduction evenings with well-known business operators. 10 mentors are active in the Mentor Club project. Several other enterprise organizations have also launched mentor programs, following the example set by the Enterprise Department.



## ENTERPRISE INCUBATORS\*

In 2005, the Tallinn City Enterprise Department held two competitions to fill the positions of enterprise incubator residents and recipients of the incubation services. A total of 22 applications were submitted for the competitions and 20 applicants qualified for pre-incubation. 12 business operators finished the business operator training. The appraisal committee granted the status of enterprise incubator resident to 6 applicants and 6 more start-up businesses are awaiting a positive appraisal by the committee this year. The Enterprise Department coordinates the work of two enterprise incubators: the Lasnamäe enterprise incubator which has functioned for two years and has 7 resident businesses and the Kopli enterprise incubator which has functioned for a year and a half and is providing incubation services to 18 enterprises. During 2005, two profitable businesses left the enterprise incubators upon the expiry of their incubation period: Terviseportaal OÜ and Raumo Automaatika OÜ. Also, one business functioning on an everyday basis graduated the incubation period: Saepuru Sass OÜ. Operations were terminated in case of two businesses: O3 Ekspert OÜ and NewInvest OÜ. At the end of the year, 6 more start-up businesses are anticipated to join the enterprise incubators if they receive a positive evaluation from the appraisal committee, along with 6 enterprises with temporary lease contracts.

\* Enterprise incubator is a support structure of business activities the aim of which is to strengthen the breakthrough ability of starting companies and enliven the business activities of the city during the starting period of the company by means of beneficial and high-quality work environment (premises, infrastructure) and providing support services



## 3.7 Tourism

### TOURIST INFORMATION CENTRE

145,763 people visited the Tallinn Tourist Information Centre in 2005, 92% of whom were foreigners. 169,348 information queries were answered during the year. Compared to 2004, the attendance of the Tourist Information Centre increased by 15% and the number of queries answered grew by 12%. Of all the answered queries, 150,377 were submitted at the Tourist Information Centre, 8077 in writing and 10894 by telephone. The majority of queries concerned commerce, followed by transport, guided tours, sights, museums, events, accommodation and service.

### DEVELOPMENT OF TOURISM IN TALLINN

Last year 107 accommodation establishments were approved by Tallinn's accommodation establishment approval committee, including 18 hotels, 11 guest houses, 70 visitor's apartments, 4 hostels, 2 holiday villages and camps, 2 bed-and-breakfasts. The number of places in Tallinn's accommodation establishments increased by 1256. The approved establishments included both start-up accommodation establishments and accommodation establishments that needed to be reappraised in accordance with the Tourism Act due to the expiry of their approval date.

A new system for registering accommodation establishments in the register of economic activities in Tallinn was developed and implemented on the basis of last year's new redaction of the Tourism Act. Also, a supervisory system was prepared for implementation. On a day-to-day basis, start-up and active accommodation establishments and foreign consultation firms received consultations on 256 occasions.

The city participated in discussions regarding tourist safety, taxi management, public lavatories, signposts and service quality. The Northern Police Prefecture presented the Tourist Office with a certificate of honour for excellent cooperation. Efficient cooperation is organized between the Incoming section of the Estonian Association of Travel Agents, the Estonian Hotel and Restaurant Association and the Tallinn Association of Guides in order to improve the tourism infrastructure of Tallinn. The city has taken part in the evaluation of guides.

### THE TALLINN CARD

In 2005, the Tallinn Card was used to take part in guided tours of the city, and visit museums and sights on 73,157 occasions, which is 47% more than in 2004. 16 636 Tallinn Cards were sold in 2005, improving upon last year's results by 4322 cards. The 48-hour ticket has proved to be the most popular Tallinn Card product.



During the period of 1st of April 2005 to 31st of March 2006, the Tallinn Card packet contained 59 free offers, including admission to various recreation locations in Tallinn (museums, sights, entertainment locations), a free tour of the city by bus, on foot and by bicycle, and free public transport. The packet also included 27 special offers for various shops and restaurants in Tallinn, the national opera and a tour of the city.

A public procurement was carried out in November for administering Tallinn Card electronic visits. The system will be implemented as of April 1, 2006.

### CONFERENCE TOURISM

During 2005, the reputation of Tallinn as a conference city was mainly promoted in countries that serve as locations for the headquarters of associations and corporations: Germany, Belgium, France, Italy, Finland, and Sweden.

The city participated in marketing events for international conference tourism, various trade exhibitions and seminars. These included the well-known SHIE - Stockholm and IMEX - Frankfurt and many other tourism-related events. Support for carrying out different activities was received for the project "Conference Marketing in Tallinn" in the scope of the Phare ESC 2003 Tourism Marketing support scheme. The budget of the project is 1,095,262 kroons, 84.3% of which will be covered by the European Union.

Consultations were provided to nearly 40 foreign event organizers who wanted to organize specific events in Tallinn. Quarterly information hours are being provided to conference business operators. An independent foreign expert conducted a survey using the mystery shopping method, evaluating the service quality of the businesses of Tallinn as a conference destination.





## 3.8 Education

### THE TALLINN EDUCATIONAL INSTITUTION QUALITY AWARD 2005

For the fourth year in the row, the Tallinn Educational Department presented the educational institution quality awards, which are aimed at recognizing the quality and effectiveness of the work done by educational institutions, provide additional motivation for headmasters and teachers of schools and help put into practice significant objectives of the development plan of Tallinn, orienting towards the continuing increase in the quality of the city's educational system.

#### THE GOOD TEACHER AWARD

- Margarita Kempfi (Rukkilille Nursery School)
- Natalja Goliusova (Õismäe Russian Lycee)
- Rando Kuustik (Jacob Westholm Secondary School)
- Tatjana Fomina (Mustamäe Creative House for Children)
- Tiina Toiger (Liivalaia Secondary School)
- Tiiu Sirge (Nursery School Pääsusilm)

#### AWARD FOR A SCHOOL WITH GOOD RECREATIONAL ACTIVITIES

- Laagna Secondary School
- Tallinn School No. 21
- Õismäe School

#### AWARD FOR A SCHOOL/NURSERY SCHOOL WITH A GOOD STUDY ENVIRONMENT

- Liivamäe Nursery School
- Tallinn Secondary School No. 32

#### AWARD FOR A WELL-MANAGED SCHOOL

- Tallinna Mustamäe Reaalgümnaasium

### LAULIKU NURSERY SCHOOL

In 2005, a new building was completed in Nõmme for Lauliku Nursery School, located at 17 Kivimäe St, and intended for 124 children, with 4 nursery school groups and 2 crèche groups. The last time the city built a new nursery school was 12 years ago, when the Vormsi Nursery School was completed in 1993. The city's most up-to-date nursery school has two storeys with a total surface area of 1848 square metres. There are two crèche groups and one nursery school group for younger children on the first floor of the building. It also includes kitchen premises with ancillary premises, a gymnasium,

and the rooms for the nursery school staff. The second floor houses three nursery school groups and the music hall. All group rooms consist of a playroom and a sleeping room, and also include a small kitchen compartment with a dishwasher and cupboards and a separate washing room with a lavatory. The basement of nursery school houses washing rooms and storerooms and a boiler plant. Food will be transported between floors by a lift.

The city paid 26 million kroons for the construction of the Lauliku Nursery School and its furnishings. AS Amhold designed the nursery school, AS Bucoma performed supervisory tasks and Facio Ehituse AS carried out the construction works.

### INFORMATION TECHNOLOGY AT SCHOOLS AND E-SCHOOL

During the 2004/2005 school year, 235 computers and 95 laptops were acquired for schools. As of 2005, the schools of Tallinn have one computer per 12.69 pupils. More specifically, the computers pupils have at their disposal amount to one computer per 27.8 pupils, while the computers at the teachers' disposal amount to one computer per 2.88 teachers. By 2005, 90% percent of the schools of Tallinn had joined the Internet-based study environment named e-School. 80% of these schools actively use e-School in their everyday work.

### COMPETITIONS OF THE 2004/2005 SCHOOL YEAR

During the 2004/2005 school year, national competitions were held for students in 20 different subjects. Most competitions include four levels: the school level, the regional level, the national level, and the international level. In Tallinn, over 6000 pupils participated in school level competitions during the 2004/2005 school year; 1510 of them advanced to city level competitions. 297 pupils from Tallinn were called to participate in the national finals of the competitions. 39 pupils represented Estonia in 10 international competitions, 19 of them were from Tallinn. The contestants won 16 medals, 10 of which were awarded to pupils from Tallinn.



## 3.9 Youth Work and Sport

### FINANCING YOUTH SPORTS ACTIVITIES

Since 2005, sports financed by the city were divided into two groups and all children and youths engaged in sports activities started receiving equal assistance in the 31 sports specified by the city council.

In 2005, the Tallinn Sports and Youth Department allocated financing in the amount of 71.2 million kroons for 174 sports clubs and schools to arrange the organized sports activities of 17,909 children and youths. The estimated amount allocated for one child or youth was 4000 kroons per year.

Regulation No. 47, adopted by the Tallinn City Council on 8th of September 2005, approved a new "Procedure for Financing Sports Activities". According to the new procedure, the age limit of children and youths eligible for financial assistance has been lowered. In addition to children and youths 7-19 years of age and persons with disabilities, the beneficiaries of municipal financing now include 4-6 years of age children. The list of financed sports was supplemented by 10 new sports: curling, fitness, ju-jitsu, kickboxing, bodybuilding, target shooting, biathlon, horseback riding, weightlifting, and taekwondo.

In 2005, the city of Tallinn financed international large-scale sports events and other sports projects with a total of 5,700,114 kroons. Similarly to earlier years, financing was provided for many international competitions which have become traditional, including both title competitions and high-profile sports events taking place under the aegis of an international sports confederation (world cup competitions, Grand Prix events, etc). The largest contributions were made by the city to help the organization of the Tallinn International Horse Show, the Tallinn International Open competitive dance contest, the athletics events Tallinn Meeting and Jumping Gala, the EOS Tallinn Grand Prix bicycle race, the extreme sports event POP SESSION and the all-round competition Reval Cup. Financial support was also provided for several final and subgroup tournaments of juniors' title competitions and world cup events of different sports. Altogether, 210 sports projects received financial backing from the city.

### TALLINN MOVES!

The program "Tallinn Moves!" was initiated based on the objective of increasing the physical activity of the residents of Tallinn and to promote healthy lifestyle. The program included organizers of sports events and the media campaign inspired people to participate in several exercise events, from Nordic walking to bicycle riding.

### YOUTH CAMPS AND ASSOCIATIONS

In 2005, 1,500,000 kroons of financial aid was provided to youth camps by the Sports and Youth Department, and the city had a total of 67 cooperation partners. 4383 youths from Tallinn had the chance of participating in camps located outside of the city and most of the camps were organized during the summer. The camps were concentrated on recreation, adventure, art or sports, with facilities also provided for youths with special needs.

With the help of the Estonian Youth Work Centre, the Tallinn Sports and Youth Department organized training courses for tutors of youth and project camps. 159 adults active in arranging youth and project camps took part in the training courses.

In 2005, 13 youth associations of the city were granted financial support by the Sports and Youth Department. Assistance was provided in a sum of 350,000 kroons in order to partially cover their economic costs. The youth association are active in different fields: music, media, participation, traffic, etc.



## THE TALLINN CITY YOUTH COUNCIL

The Tallinn City Youth Council convened on four occasions during 2005. The Youth Council presents suggestions for the development of youth policy in the city and the better organization of youth work. In 2005, the following issues were discussed: the rules of procedure for the Youth Council, the organization of special youth work, the idea competition for youth projects which produced the idea of the Youth Night, but also the provision of assistance to youth camps, the development of the city's youth work on a broader level and the participation in international networks related to youth work.

## YEARLY SPORTS RECOGNITION EVENTS

This was already the 11<sup>th</sup> time for Tallinn to recognize and reward its best athletes, and the second time for the city to reward its best sports team. In accordance with tradition, financial support was also allocated to Olympic veterans. To project a more complete image of the capital's sports situation, the city also extended recognition to the best junior athletes, organizers of large-scale sports events and supporters of sports activities. Also, for the first time, monetary prizes in the total amount of 300,000 kroons were given to the best male and female athletes, their coaches and the best sports team. The female nominees included Irina Embrich, Maarika Võsu, Maret Ani and Jana Kolukanova, while the male athletes included Gerd Kanter, Andrus Värnik, Ott Kiivikas and Toomas Mets, and the sports teams nominated for the prize were HC Chocolate Boys, BC Kalev/Cramo and FC TVMK. On 8<sup>th</sup> of December, the mayor held a reception at the town hall, announcing that the best female athlete of 2005 was Maarika Võsu who is coached by Heidi Rohi and the title of the best male athlete was awarded to Andrus Värnik, whose coach is Heino Puuste. HC Chocolate Boys, coached by Tarmo Volt, was named the best sports team. HC Chocolate Boys was the only nominee for the title of the capital's best sports team to advance past the first round in the European Cup series.

A city-wide recognition prize competition "Great Deeds for the Youth of Tallinn and Great Deeds by the Youth of Tallinn" was held for the first time, culminating in the mayor's reception on 7<sup>th</sup> of December, at the Tallinn town hall. In the category "Great Deeds for the Youth of Tallinn", the recognition prize was won by the Estonian Business School who lent its support to the youths of the non-profit association BGC Grupp in preparing and conducting the career conference "Your Opportunities 06". The category "Great Deeds by the Youth of Tallinn" was won by the youth group "3 Tarka" (3 Wises), who had triumphed at the Estonian student company competition of 2005, given presentations at youth events and seminars, and lead the Estonian Youth Work Centre event series "Ettevõtja ja ettevõetav" (The Entrepreneur and the Initiative) and the competition "Noorte Nokia" (Youth's Nokia).





## 3.10 Tallinn – European Capital of Culture 2011

2005 was a year of hard work and of setting up future goals, one of which was to become the European Capital of Culture in 2011. As a capital city, Tallinn as a variety of national functions, performing the role of the calling card of the country, but also acting as its economic and cultural motor. Various creative persons and cultural opinion leaders have participated in the process of preparing the city for running for the title of Capital of Culture. Tens of working groups have contributed towards this goal and new and interesting ideas have been proposed for enriching our cultural life. These suggestions made it possible to compile a cultural calendar that has an interesting cultural event planned for every day of the year. During the preparation of Tallinn's application for the role of the Capital of Culture, cooperation has strengthened with other regions of Estonia, with universities, and with the European partner cities of Tallinn.

## **THE CULTURAL DEED OF 2005**

For the first time, Tallinn elected the winner of the award for the Cultural Deed of 2005. By establishing this award, the city planned on increasing the interest in Tallinn's multifaceted cultural life and on having a chance to recognize and praise the authors of a cultural event that proved to be a positive experience. 12 collective bodies and 8 individuals were presented as nominees for the award. The title of Tallinn's Cultural Deed of 2005 was awarded to the Birgitta Festival. The festival was commended as an innovative and original classical music event with high artistic standards. The merits of creative persons were also recognized - the city commended Marika Valk, the director of the Estonian Art Museum, and Valeri Petrov, the creator and artistic manager of the Orthodox Church Music festival Credo. The completion of the Art Museum was definitely one of the greatest cultural deeds of 2005 on the national level and Marika Valk's personal contribution to achieving this goal was invaluable.

## **PÄÄSKÜLA LIBRARY**

In 2005, a new library was opened for the residents of Tallinn in Pääsküla. The Pääsküla library is the first library building in post-soviet Tallinn to be specially designed and constructed as a library. The architecture office Arhitektid Muru & Pere OÜ designed the building. The interior decorator Katrin Kaevats was nominated along with Muru & Pere as a candidate of the annual Estonian Interior Decorators' Union award 2005 for the interior decoration of the library. The area's building traditions have taken into account upon constructing the building; its relatively small size allowed a playful approach to be taken to its design and the result is warm and friendly.

The lending library is located on the first floor of Pääsküla library, while the second floor is a reading room with 28 reading places and 8 computers with Internet access. Two of the Internet workstations are equipped with ID card readers. The second floor also has a room where children can lend books, read them on the spot and listen to fairy tales using earphones. The library provides a printing and photocopying service, answers information queries, and helps organize library lessons and other children's events. The building has WiFi wireless Internet coverage. Facilities have also been created for persons with physical disabilities. Computerized servicing is implemented at the Pääsküla library. The readers receive the joint readers' card for the Tallinn Central Library, which can be used at all divisions and branches that have switched to the Central Library computerized lending system. Users can locate the necessary book through the electronic catalogue ESTER.

## **SALME CULTURAL CENTRE IS 65 YEARS OLD**

2005 was the 65<sup>th</sup> anniversary of the opening of the predecessor of Salme Cultural Centre in the House of the Brotherhood of Blackheads and the 40<sup>th</sup> anniversary of the

opening of the new building on Salme Street. Up to this day, Salme Cultural Centre is the largest cultural centre in the city and functions as an open stage for the city of Tallinn. The centre is home to 39 different cultural collectives, including 11 choirs, 2 theatres, 3 orchestras, and 5 dance groups, which have a total of 1400 singers, dancers and musicians.

During the anniversary year, 172 different events were held at Salme Cultural Centre for 104,754 spectators, including 79 different plays for a total audience of almost 40,000. As part of the anniversary celebration, the amateur groups operating in the building organized 17 concerts and performances with 600 participants.

The renovated theatre hall of Salme Cultural Centre is in active use. All of the country's professional theatres regularly visit it to give guest performances. The hall is most frequently used by the Tallinn City Theatre, the Rakvere Theatre and Old Baskin's Theatre.

Salme Cultural Centre has also become known as a conference and training centre. In 2005, 21 conferences with 11,000 visitors were held in the building.

## **SUPPORTING NON-PROFIT MAKING ACTIVITIES**

In 2005, the Cultural Heritage Department financed 442 cultural projects initiated by non-profit associations with a total of 10.7 million kroons. 636 applications were submitted for financing in the amount of 22.04 million kroons. Children and youth projects were financed with 1.346 million kroons, seniors' projects with 0.1 million kroons, and national minority projects with 3.69 million kroons. Dividing the projects by their contents, financial support was provided as follows: national culture projects received 1.1 million kroons, musical projects received 2.21 million kroons, theatre projects received 1.4 million kroons, dance projects received 0.8 million kroons, and cinema projects received 0.13 million kroons.

## **HERITAGE CONSERVATION**

2005 was the fourth year of the project "Church Renaissance in Tallinn", aimed at restoring the churches of Tallinn. Restoration work was done in six churches altogether. The most extensive restorations were carried out in the Dome Church of Tallinn. Three of the church's windows were restored and preparations were made for the opening of the church tower to visitors. Barriers were installed on the windows of the tower and repair and maintenance work was also done on the tower's stairs and stairwell. The process of preserving and opening the paintings on the scaffolding of the north wall of the church's nave was also started. In the course of thorough exploration work, the scaffolding under the organ balcony of the church revealed paintings that create the illusion that the church is larger than its actual size. The paintings were made in the 18th century and are in good condition, despite having been painted over. The roofs of two of Tallinn's churches were repaired. In Oleviste church, the depreciated copperplate was replaced with a new layer,

while the roof of Kaarli church was painted as a whole. The attic of Peeteli church was put in order and the suspension constructions of the new inserted ceiling of the church were installed, so that the historical inserted ceiling of the church could be restored. At the Church of the Transfiguration of Our Lord, works on the exterior facade were completed and the doors of the church were repaired. Initially, 9 million kroons were allocated for the restoration of churches from the city's budget.

One of the most important events of 2005 was the reconstruction of the former deaconess chapel on the territory of Pihkva manor house. The detailed plan for the block section between Pärnu Road, Magdaleena St., Asula Cross, Asula St. and Kauba St, adopted by the Tallinn City Council on 16th of May, 2002, foresaw the demolishing of the former deaconess chapel. Since the chapel was not recognized as a construction work of value in terms of heritage conservation and the detailed plan allowed for its demolition, it was not possible to preserve the chapel in its original location. Yet the demolition of the sanctuary would have been a great cultural loss, since the building was a wood construction of unique value in the context of sacral architecture.

The transportation of the chapel has been documented in the form of a film, in order to preserve the story of this building for future generations. These positive experiments which result in the finding of a new location with a suitable context for a historical, unique and usable building help propagate the principles of sustainable development, which have been relatively slow to take root in Estonia, and direct attention to activities that favour the preservation of old houses. The supporting of such exemplary undertakings is essential to the wider dissemination of the idea of recycling of materials.

### **THE PICTURE BIBLE**

In 2005, the Tallinn Cultural Heritage Department issued an exclusive informational publication entitled "The Picture Bible on the Gallery of the Church of the Holy Spirit" which carries on the work of popularising cultural relics. The publication serves to help and support the heritage conservation officials and guides in their commendable work of introducing Tallinn's Old Town, which is included in the UNESCO World Heritage List.

The book interprets the pictures painted on the gallery (the loft) of Tallinn's Church of the Holy Spirit during the period 1650-1660, beginning with the creation of the world. The subject matter of the paintings was borrowed from the popular series of bible engravings by the German Matthaeus Merian, entitled "Icones bilicae" (1625-1627). These valuable paintings with an artistic and theological idea program, made at the workshop of the well-known Baroque engraver Elert Thiele, are the only layman's bible of its scope and integrity that has been preserved in Estonia since the time when an Estonian version of the bible had not yet been printed.



### **TALLINN CITY THEATRE**

During the last season, the Tallinn City Theatre gave 390 performances to 58,565 spectators. An important event during the 40<sup>th</sup> theatrical season was the opening of the freshly repaired Small Hall, the theatre's oldest staging area. A cockloft was built on top of the Small Hall, allowing for the use of many new scenic techniques. The hall also has new sound and lighting equipment. The room next door to the attic will be used as a rehearsal room by day and as a walking room of the Sky Stage by night. The Small Hall also received new seats. The plays "Proof", "Pianola or the Mechanical Piano", and "The Bridge" will now be staged in the Small Hall.

From 27<sup>th</sup> to 31<sup>st</sup> of December 2005, the City Theatre hosted the 3<sup>rd</sup> international theatre festival "A Winter Night's Dream", lead this year by Jaan J. Leppik. Ten plays were staged and several seminars and discussions held in the course of the festival. The festival had a total of 2,822 visitors and ended with a great end-of-the-year party for the entire City Theatre. Theme halls were opened, with actors of the City Theatre greeting visitors, and greeting performances were staged on the Sky Stage by festival guests, along with musical performances given by musicians.



# 4. FINANCIAL REPORTS\*

## Summary of the city's loans

### UNPAID LOANS AND BONDS FROM THE CITY'S BUDGET

According to the Rural Municipality and City Budgets Act, the city may take loans and issue bonds for investments specified in the city's development plan. The City Treasury Department of the Financial Service of the Tallinn City Office deals with taking and administering the loans of Tallinn city. At the end of 2004, there were six loan obligations to be repaid from the city budget (see table 4.1); however, at the end of 2005, there were eight (see table 4.2). In 2005, repayment of the syndicate loan from the BankGesellschaft

Berlin was completed, a long-term loan in the amount of 22,369.1 thousand euro or 350,000 thousand EEK was taken from Svensk Exportkredit and bonds in the amount of 6,391.0 thousand euros or 99,997.5 thousand EEK under the direction of Dexia Kommunalkredit Bank. In addition, the World Bank (IBRD) loan taken in 1994 by the Ministry of Finance for the reconstruction of remote heating was refinanced. To cover the refinancing, a loan was taken from SEB Eesti Ühispank. The World Bank loan is not recognized in table 4.1 since the consumers of the service repaid the loan.

**TABLE 4.1. CITY'S LOAN PORTFOLIO AS OF 31ST OF DECEMBER 2004 (IN THOUSANDS OF EEK)**

Lender/ Organizer of the issue	Loan/ bond	Beg.	End	Amount	Currency	Amt. EEK	Remaining principal EEK	Interest base	Margin
BankGesellschaft Berlin	loan	2000	2005	13 191	EUR	206 396	41 279	4,34% fixed <sup>1</sup>	0,90%
SEB Eesti Ühispank	loan	2002	2008	205 700	EEK	205 700	159 965	6 k Euribor	0,60%
Nordea Bank Finland Plc	loan	2002	2008	22 245	EUR	348 059	345 624	3,54% fixed <sup>2</sup>	0,60%
Nordic Investment Bank	loan	2003	2008	20 000	EUR	312 932	250 345	6 k Euribor	0,41%
Nordea Bank Finland Plc	loan	2003	2008	10 000	EUR	156 466	125 172	6 k Euribor	0,41%
Hypovereinsbank	bond	2004	2014	28 755	EUR	449 918	449 918	6 k Euribor	0,25%
<b>Total:</b>							<b>1 372 305</b>	<b>Weighted average margin:</b>	<b>0,44%</b>

**TABLE 4.2. CITY'S LOAN PORTFOLIO AS OF 31<sup>ST</sup> OF DECEMBER 2005 (IN THOUSANDS OF EEK)**

Laenuandja/emisiooni korraldaja	Loan/ bond	Beg.	End	Amount	Currency	Amt. EEK	Remaining principal EEK	Interest base	Margin
SEB Eesti Ühispank	loan	2002	2008	205 700	EEK	205 700	114 261	6 k Euribor	0,60%
Nordea Bank Finland Plc	loan	2002	2008	22 245	EUR	348 059	246 874	3,54% fixed <sup>2</sup>	0,60%
Nordic Investment Bank	loan	2003	2008	20 000	EUR	312 932	187 759	6 k Euribor	0,41%
Nordea Bank Finland Plc	loan	2003	2008	10 000	EUR	156 466	93 879	6 k Euribor	0,41%
Hypovereinsbank	bond	2004	2014	28 755	EUR	449 918	449 918	6 k Euribor	0,25%
SEB Eesti Ühispank	loan	2005	2009	2 919	EUR	45 673	45 673	6 k Euribor	0,20%
Svensk Exportkredit	loan	2005	2015	22 369	EUR	350 000	350 000	3 k Euribor	0,09%
Dexia Kommunalkredit Bank	bond	2005	2015	6 391	EUR	99 997,4	99 997	6 k Euribor	0,09%
<b>Total:</b>							<b>1 588 364</b>	<b>Weighted average margin:</b>	<b>0,31%</b>

The weighted average lifespan of the city's loan portfolio as of 31<sup>st</sup> of December 2004 was 5.9 years, and 6.7 years as of 31<sup>st</sup> of December 2005.

\* Source: Finance Service

<sup>1</sup> Fixed interest swap (IRS) transactions starting on 22<sup>nd</sup> of February 2002

<sup>2</sup> Fixed interest swap (IRS) transactions starting on 3<sup>rd</sup> of June 2003

**TABLE 4.3. THE PLANNED SERVICING OF THE CITY'S BUDGETARY LOANS AND BONDS (IN THOUSANDS OF EEK)**

Principal	Year	2005	2006	2007	2008	2009	2010-2021
Bank Gesellschaft Berlin	2000	41 279					
SEB Eesti Ühispank	2001	45 704	45 704	45 704	22 852		
Nordea Bank Finland Plc	2002	98 750					
Nordic Investment Bank	2003	62 586		13 411	13 411	13 411	147 525
Nordea Bank Finland Plc	2003	31 293		6 706	6 706	6 706	73 763
HypoVereinsbank	2004			59 989	59 989	59 989	269 951
Svensk Exportkredit	2005				46 667	46 667	256 667
SEB Eesti Ühispank	2005		11 418	11 418	11 418	11 418	
Dexia Kommunalkredit Bank	2005						99 997
<b>TOTAL</b>		<b>279 613</b>	<b>57 123</b>	<b>137 229</b>	<b>161 043</b>	<b>138 191</b>	<b>847 902</b>
<i>Loan to be taken:</i>	647 000,0	2006		46 214	46 214	46 214	508 357
<b>TOTAL PRINCIPAL</b>		<b>279 613</b>	<b>57 123</b>	<b>183 443</b>	<b>207 258</b>	<b>184 405</b>	<b>1 356 260</b>
Interest	Year	2005	2006	2007	2008	2009	2010-2021
Bank Gesellschaft Berlin	2000	513					
SEB Eesti Ühispank	2001	3 591	3 200	2 285	457		
Nordea Bank Finland Plc	2002	8 856	3 521				
Nordic Investment Bank	2003	5 695	5 234	7 119	6 806	6 493	40 967
Nordea Bank Finland Plc	2003	2 839	2 617	3 560	3 403	3 247	20 484
HypoVereinsbank	2004	12 429	14 622	16 527	14 247	11 968	25 930
Svensk Exportkredit	2005	5 882	10 815	13 300	12 857	11 083	29 482
SEB Eesti Ühispank	2005	877	1 270	1 193	759	325	
Dexia Kommunalkredit Bank	2005	15	3 295	3 800	3 800	3 800	22 799
<b>TOTAL</b>		<b>40 696</b>	<b>44 574</b>	<b>47 784</b>	<b>42 330</b>	<b>36 916</b>	<b>139 663</b>
<i>Loan to be taken:</i>	647 000,0	2006	9 705	25 418	23 569	21 721	110 736
Overdraft		354	600	1 000	1 000	1 100	15 900
<b>TOTAL INTEREST EXPENSE</b>		<b>41 049</b>	<b>54 879</b>	<b>74 202</b>	<b>66 899</b>	<b>59 737</b>	<b>266 299</b>
Other financial expenses (swap, fees, etc. )		3 881	4 771	3 500	3 500	3 500	45 500
<b>TOTAL FINANCIAL EXPENSE</b>		<b>44 930</b>	<b>59 650</b>	<b>77 702</b>	<b>70 399</b>	<b>63 237</b>	<b>311 799</b>

The tables take into consideration changes in the loan agreements taken from Nordea Bank Finland Plc and Nordic Investment Bank in 2003, as well as the planned refinancing in 2006 of the loan taken from Nordea Bank Finland Plc in 2002.

#### TALLINN'S DEBT BURDEN

According to the Rural Municipality and City Budgets Act, the total for all unpaid loans, unpaid financial lease payments, and issued bonds and other financial obligations, together with loans to be taken, financial leases, bonds and other

financial obligations to be issued may not exceed 60 % of the planned budgetary revenue, from which earmarked appropriations from the state budget have been deducted. In any forthcoming budgetary year, the total for loan amounts and loan interest to be repaid, financial lease payments and financial lease interest, as well as expenses related to the redemption of bonds may not exceed 20% of the planned budgetary revenue from the taking of loans, using of financial lease, or issuing of bonds for the budgetary year, from which earmarked appropriations from the state budget have been deducted. The aforementioned limits do not apply to loans taken to finance bridge financing for foreign aid.

**TABLE 4.4. TALLINN'S DEBT BURDEN AS OF 31 DEC 2005 AND PROJECTIONS (IN THOUSANDS OF EEK)**

	2005 actual	2006 budget	2007 projections	2008 projections	2009 projections	2010 projections
<b>NET REVENUE<sup>3</sup></b>	<b>4 613 153</b>	<b>4 833 758</b>	<b>4 728 215</b>	<b>5 001 560</b>	<b>5 210 645</b>	<b>5 434 572</b>
Repayments of debt obligation principal, inc. leasing	376 842	137 065	244 339	217 877	184 424	172 987
Repayments of budgetary loan principal	279 613	57 123	183 443	207 258	184 405	172 987
Repayments of financial lease principal	52 050	79 942	60 896	10 619	19	0
Repayment of the IBRD loan to the Ministry of Finance	45 178					
Payment of interest and other financial expenses	53 711	65 426	78 444	70 401	63 237	55 218
Interest on budgetary loans	40 696	54 279	73 202	65 899	58 637	50 618
Interest on financial leases and factoring	8 619	5 776	742	2		
Interest on overdrafts	354	600	1 000	1 000	1 100	1 100
Interest on the IBRD loan to the Ministry of Finance	162					
Other financial expenses (swap, fees, etc.)	3 881	4 771	3 500	3 500	3 500	3 500
Total principal + interest	430 553	202 491	322 783	288 278	247 662	228 205
% of budgetary revenue (exc. loans)	9%	4%	7%	6%	5%	4%
Loan servicing expenses allowed by law, 20% of the annual budgetary revenue (exc. Loans)	922 631	966 752	945 643	1 000 312	1 042 129	1 086 914
Debt burden at the end of the year	2 199 637	2 485 687	2 265 487	2 072 957	1 915 146	1 770 103

Remainder of the city's budgetary loan principal <sup>4</sup>	1 588 364	1 931 366	1 747 923	1 540 665	1 356 260	1 183 273
Remainder of financial leases and factoring	151 477	71 534	10 638	19	0	0
City's short-term obligations <sup>5</sup>	411 116	431 672	453 255	475 918	499 714	524 700
City's other long-term obligations <sup>6</sup>	48 681	51 115	53 671	56 354	59 172	62 131
Debt burden	48%	51%	48%	41%	37%	33%

<sup>3</sup> The budgetary net revenue includes § 5 subsection 2 of the State Budget – equalization fund resources, except for loan, foreign aid and other state budgetary appropriations.

<sup>4</sup> Includes the changes in loan agreements made in 2006, as well as the planned refinancing and the budgetary loan to be taken in 2006 (with bonds to be issued).

<sup>5</sup> Projections are based on 5% annual growth.

<sup>6</sup> Projections are based on 5% annual growth.

## UNCONSOLIDATED BALANCE SHEET (IN THOUSANDS OF EEK)

	31.12.2005	adjusted 31.12.2004
<b>Assets</b>		
<b>Current assets</b>		
Cash and bank accounts	333 574	51 062
Financial investments	50 000	0
Tax and penalty claims	268 221	180 140
Loan claims	5 605	4 716
Other claims and prepayments	143 159	112 550
Stock	1 251	1 547
Merchandise purchased for sale	26	0
<b>Total current assets</b>	<b>801 836</b>	<b>350 015</b>
<b>Fixed assets</b>		
Holdings in foundations and non-profit organizations	137 815	138 623
Holdings in subsidiaries and associated companies	1 420 665	1 531 761
Long-term financial investments	42	25
Long-term loan claims	10 686	15 489
Long-term claims and prepayments	43 000	99 919
Real estate investments	1 799 238	419 508
Tangible fixed assets	12 643 947	5 438 867
Intangible fixed assets	13 459	4 915
<b>Total fixed assets</b>	<b>16 068 852</b>	<b>7 649 107</b>
<b>Total assets</b>	<b>16 870 688</b>	<b>7 999 122</b>
<b>Liabilities</b>		
<b>Short-term liabilities</b>		
Accrued prepayments on taxes, fees, and penalties	17	199
Debts to suppliers	111 260	162 507
Debts to contractors	149 422	139 271
Other liabilities and prepayments	119 792	139 048
Appropriations	30 433	28 000
Loan liabilities	335 709	388 129
Derivative instruments	97	607
<b>Total short-term liabilities</b>	<b>746 730</b>	<b>857 761</b>
<b>Long-term liabilities</b>		
Debts to suppliers	3 540	21
Long-term liabilities and prepayments	2 254	3 178
Targeted financing	42 887	44 301
Loan liabilities	1 404 131	1 226 791
<b>Total long-term liabilities</b>	<b>1 452 812</b>	<b>1 274 291</b>
<b>Total liabilities</b>	<b>2 199 542</b>	<b>2 132 052</b>
<b>Net assets</b>		
Reserves	1 800	1 800
Accumulated surplus	14 669 346	5 865 269
<b>Total net assets</b>	<b>14 671 146</b>	<b>5 867 069</b>
<b>Total liabilities and net assets</b>	<b>16 870 688</b>	<b>7 999 121</b>

## UNCONSOLIDATED INCOME STATEMENT (IN THOUSANDS OF EEK)

	2005	adjusted 2004
<b>Operating revenues</b>		
Taxes	2 706 678	2 277 690
Sold products and services	670 983	644 399
Supports received	964 053	816 936
Other revenues	493 291	309 257
<b>Total operating revenues</b>	<b>4 835 005</b>	<b>4 048 282</b>
<b>Operating expenses</b>		
Supports granted	-465 961	-347 923
<b>Labour costs</b>		
Salary costs	-1 205 190	-1 171 117
Special benefits	-9 769	-12 536
Taxes and social tax payment	-411 623	-405 580
Total labour costs	-1 626 582	-1 589 233
Management expenses	-1 811 720	-1 614 296
Other expenses	-340 228	-319 019
Depreciation of fixed assets and discounts	-572 237	-413 057
<b>Total operating expenses</b>	<b>-4 816 728</b>	<b>-4 283 528</b>
<b>Operating profit for the accounting period</b>	<b>18 277</b>	<b>-235 246</b>
<b>Financial revenues and expenses</b>		
Profit from holdings	-54 013	-57 014
Revenue from deposits and securities	338 613	39 130
Tulu hoiustelt ja väärtpaberitelt	6 743	1 217
Other financial revenues and expenses	5 741	5 381
Total financial revenues and expenses	297 084	-11 286
<b>Profit for the accounting period</b>	<b>315 361</b>	<b>-246 532</b>



## ACCOUNT OF THE EXECUTION OF THE 2005 BUDGET OF THE CITY OF TALLINN (MILLION EEK)

Field	1999 execution	2000 execution	2001 execution	2002 execution	2003 execution	2004 execution	2005 execution
<b>PROCEEDS</b>	<b>2 118</b>	<b>2 242</b>	<b>4 162</b>	<b>3 658</b>	<b>3 662</b>	<b>4 143</b>	<b>5 175</b>
State taxes	1 574	1 662	1 797	1 837	2 031	2 207	2 606
incl. Personal income tax	1 497	1 539	1 670	1 721	1 911	2 089	2 483
Local taxes	53	57	60	66	64	78	101
Proceeds from the use and sale of property	243	315	1 282	522	370	476	889
Financial proceeds	14	3	26	8	4	8	20
Mixed proceeds (other proceeds)	196	202	426	417	453	517	593
State appropriations			569	661	714	834	889
Foreign aid							77
Residues directed into expenses	38	3	2	147	26	23	
<b>EXPENSES</b>	<b>2 331</b>	<b>2 370</b>	<b>3 813</b>	<b>4 222</b>	<b>4 173</b>	<b>4 505</b>	<b>5 062</b>
Education	810	843	1 298	1 453	1 523	1 654	1 726
Culture	162	155	227	237	217	240	262
Sports	45	58	146	148	168	146	206
Social care	132	145	295	307	405	379	419
Health	40	35	73	31	29	30	68
Maintenance	213	209	285	197	203	80	83
Transport	296	288	493	467	436	512	572
Utilities				59	89	60	69
Public utility construction	34	75	105	135	217	135	206
Road management	225	193	357	452	223	527	706
City planning	14	11	14	13	18	16	47
Maintenance of law and order	5	5	80	87	90	101	26
General government	200	227	286	284	312	344	285
Housing, business premises	131	92	98	197	130	174	156
Enterprise							53
Environmental protection							10
Other	24	34	54	38	53	56	58
Buying of shares, increase of share capital			2	78	22	10	36
Staple payments of financial lease							17
Reserve capital				39	38	41	57
<b>REVENUE</b>	<b>-213</b>	<b>-128</b>	<b>349</b>	<b>-564</b>	<b>-511</b>	<b>-362</b>	<b>113</b>
Proceeds from the decrease of share capital				431	119	73	
Borrowing	371	304	206	395	615	450	496
Reimbursement of loans and interests	167	167	329	-235	261	312	454

Since 2004, the budget and its execution are handled on an accrual basis (the cash basis was used in earlier years).

**EXECUTION OF INVESTMENTS BY FIELDS**

Field	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	per-centage	exe-cution	per-centage	spe-cified bud-get	per-centage	ap-pro-ved bud-get	per-centage	exe-cution	per-centage
General government	8,5	1,7	10,8	2,4	0,7	2,1	8,5	1,7	18,3	2,1	29,8	3,1	32,0	2,9	24,9	2,2			
Education	66,9	13,4	129,7	28,9	16,6	90,0	189,3	17,8	142,4	16,7	117,6	12,3	142,2	13,1	133,4	11,8			
Culture	19,4	3,9	57,3	12,8	7,9	32,2	73,6	6,9	63,1	7,4	58,2	6,1	86,7	8,0	65,8	5,8			
Heritage conservation																			
Sports	14,4	2,9	4,9	1,1	1,3	17,1	62,5	5,9	41,9	4,9	65,6	6,9	66,8	6,1	64,6	5,7			
Social care	25,2	5,1	41,6	9,3	6,9	26,5	37,9	3,6	32,0	3,8	45,1	4,7	45,1	4,1	45,6	4,0			
Health	4,3	0,9	7,0	1,6	1,8	11,5													
Housing			20,6	4,6	12,6	47,0	148,9	14,0	138,4	16,2	4,0	0,4	47,0	4,3	72,6	6,4			
Public utility construction	99,3	20,0	17,5	3,9	5,6	79,9	135,3	12,7	135,3	15,9	205,2	21,5	212,5	19,5	206,0	18,2			
Road management	239,6	48,1	118,7	26,4	36,5	192,2	401,5	37,7	273,5	32,1	416,3	43,5	438,7	40,3	444,9	39,4			
Transport	10,1	2,0	23,7	5,3	8,5	33,7													
Enterprise																			
Environmental protection																			
Security and maintenance of law and order			2,6	0,6			4,0	0,4	2,6	0,3	2,0	0,2	0,7	0,1	0,7	0,1			
Other (incl. holding)	10,0	2,0					4,3	0,4											
<b>Total</b>	<b>497,7</b>	<b>100,0</b>	<b>324,0</b>	<b>100,0</b>	<b>100,0</b>	<b>542,5</b>	<b>1065,8</b>	<b>100,0</b>	<b>853,4</b>	<b>100,0</b>	<b>956,3</b>	<b>100,0</b>	<b>1088,0</b>	<b>100,0</b>	<b>1130,3</b>	<b>100,0</b>			
<b>Incl. 1. from state funds:</b>																			
Education									10,5		56,0		56,9						
Culture								6,4	9,0				8,4						
Sports													0,1						
Housing construction								11,8	3,9				3,0						
Road construction								1,6	4,9				10,2						
Transport													3,1						
<b>Total</b>									<b>19,8</b>		<b>56,0</b>		<b>81,7</b>						
<b>2. from foreign aid:</b>																			
Public utility construction									7,1		44,9		44,9		72,3				
Road construction									5,8		21,4		13,2		10,1				
<b>Total</b>									<b>12,9</b>		<b>66,3</b>		<b>58,1</b>		<b>82,4</b>				

The investments in heritage conservation were combined with investments in culture in 2001.

Since 2004, the amounts invested also reflect foreign aid.

The use of state appropriated funds is taken into account together with the investments made from the city treasury, their use is not shown separately (2005).

In 2005, the section of other investments reflects the transferral of various properties and lands.



