

Kyiv Mayor Newsletter

December 2018



CHANGE STARTS WITH KYIV

Klitschko: increase in city's revenue by ₴2.7 billion in 2018

The mayor of Kyiv Vitali Klitschko presented his annual 2018 report to the media, overviewing the city's achievements during the past year. According to him, in fiscal 2018 the budget revenues rose by ₴2.7 billion over the prior year's budget. "In total in 2018 the city received ₴51.5 billion in revenues. You can see the continued expansion of Kyiv's annual budget over the past few years," said Klitschko.

He remarked that the socio-cultural spending makes up nearly two thirds of all municipal spending. Specifically, most of this money went to education (₴2.7 billion increase compared to 2017), healthcare (₴1.2 billion boost), and social benefits and welfare (₴900 million growth).

Among other things the mayor commented on participatory budgeting of Ukraine's capital city. "It means that we are putting budget decisions directly in the hands of community members who decide how public money is spent. Residents decide and vote which projects would receive funding. This year 141 winning project will share ₴150 million of budget funding," said Klitschko. This year's participatory budgeting winners include 62 big projects, each worth over ₴400,000 and 79 - small ones. Education and sports projects receive the most votes.



Kyiv's smart infrastructure

“Altogether three years of the smart city infrastructure significantly benefited Kyiv dwellers. These are open budget, kindergarten e-waitlists and online kindergarten enrollment, online booking of medical appointments, Safe City surveillance network, municipal fleet dispatch control and others. These are key solutions that enhance the quality and performance of core urban infrastructure as well as improve quality of life of city residents,” remarked Klitschko in his report.

He emphasized focus of the city authorities on the Safe City Project. As of today, the city has 6,800 CCTV cameras operating within city surveillance network. The city data centre collects, stores and analyzes all data from the surveillance sensors, and these feeds are provided also to the police for law enforcement purposes. “Some of the cameras are outfitted with speed detection and facial recognition technology that scans and identifies faces and car number plates. According to the Kyiv police information, the Safe City solutions allowed to reduce crime rate by 56% over the year 2016. Thus, CCTV surveillance system helps ensure public safety,” he said. Also CCTV cameras ensure technological efficiency of traffic control and management.

“For instance, two weeks ago we introduced a new dispatch center which will monitor the work of municipal service vehicles. Municipal service fleet has been fitted with GPS trackers to take full control of the fleet and monitor vehicles whereabouts. This is a new Smart City tool which particularly helpful during heavy snowfalls,” told Klitschko.

Also Klitschko noted that Kyiv was the first Ukrainian city to fully implement the Open Budget. “Every Kyiv dweller can visit the Open Budget portal and look into the budget data online. Budget data which is kept up-to-date, is absolutely safe. Every day the Treasury issues its daily statement for Open Budget,” said the mayor. “Accessible is the information about e-procurements and auctions. Every city resident can track the expenditures of city districts and even municipal companies,” remarked Klitschko.

One more tool of ensuring the transparent and accountable local governance is ProZorro e-procurement system. “Today 1800 structural departments make public procurement through ProZorro e-system which already allowed us to save almost €3,8 billion of municipal monies,” highlighted Vitali Klitschko.

Klitschko: unprecedentedly the community takes control over city's heat and power system

This year the city authorities have taken an unprecedented step of regaining control of the municipal heat and power system and discontinued the 17-year contract with a privately owned company ‘Kyivenergo’.

“This is one of the biggest heat and power complexes in Europe, that includes both CHPs #5 and #6, Energy waste incineration plant, 200 boiler-houses and heat supply stations, and the 2,700-kilometer heat distribution network. This is tremendous sector, which has been deteriorating for years, due to insufficient funding. 80% of pipeline network is totally depreciated, thus upgrading of urban district heating systems is high on our priority list,” emphasized Klitschko.

He also remarked that the city council is running the co-financed home thermo-modernization programme, according to which 70% of utility charges are paid by the city and only 30% - by the residents. Some 330 apartment buildings have already joined the program and cut heating bills by 30-40%.

Klitschko: 7 schools and 22 kindergartens constructed and renovated over past 4 years



Presenting his annual 2018 report, Vitali Klitschko told that seven schools and 22 kindergartens have been built over the past four years and these include refurbishments. In particular, one school and five preschools were built/reconstructed this year.

“Education is high on our priority list. This year the city has earmarked over ₴15 billion to educational funding, which is nearly a third of our 2018 budget. We understand that investing in our children is investing in our future,” said Klitschko. “Over the past four years we have constructed and renovated seven schools and 22 kindergartens,” he added.

“Overall the number of kids waitlisted for preschools fell by 12,6 thousand persons - by 5 times. This year five more kindergartens - either newly built or reconstructed are ready to enroll children. Demand for kindergarten places remains high. As the city is growing, we will continue our work to develop the education infrastructure,” stressed Klitschko.

According to the mayor, in 2018 the spending on healthcare amounted to ₴9.7 billion. The funding went to health facilities renovations (₴1.14 billion) and replacement of medical equipment (₴627 million). “In 2018 units of five city’s hospitals and two maternity hospitals saw a major renovation. And this is the first time over the past few decades that Kyiv maternity hospitals have been fully equipped,” emphasized Klitschko. Also this year a further 24 ambulances, worth a total of ₴50 million were bought for Kyiv’s emergency ambulance fleet. Thus, over the past few years we have brought up fleet up to 140 emergency medicine vehicles. “I want to stress that over the last two years ambulance response time and transport intervals have been shortened significantly - up to 10 minutes. Four years ago one could wait an hour for the ambulance to respond. For ambulance response time now Kyiv ranks fifth among other big cities in the world.

“This year we have allocated almost ₴9 billion for social protection of Kyivans. We continue to expand social welfare policy and programs to low-income residents. Thus, nearly ₴2 billion has been set to fund the municipal target programme ‘Care. Moving towards Kyivans’,” remarked the city’s mayor.

In particular, this year ₴227 million is committed to welfare benefits for soldiers participating in hostilities in eastern Ukraine and their families. Over 26 thousand of soldiers have been fighting in the east of Ukraine since 2014.

During a year 7 vehicles have been purchased for Kyiv’s family-type homes for children. 99 apartments have been provided for children who have been orphaned or deprived of parental care.

“Kyiv remains committed to reducing sale prices to bread for low-income Kyivans. The city has renewed a memorandum with ‘Kyivkhliv’, a privately owned company with which we have been cooperating for several years,” underlined Klitschko. He also informed that under the arrangement a discount of 25% for the most popular bakery products will be available for all purchasers. Once installed, the terminals for cashless payment at 150 bakery kiosks will help to identify a holder of a municipal identification card who will be able to purchase bread up to 70% off.

Klitschko: over 10,000 street lights converted this year

During 2018 the city has converted over 10,000 old street lights to new brighter LED lights. Next year 90% of outdoor lighting in Kyiv will be up-to-date. “The installation of LED street lights is done along with massive road reconstruction throughout the city - at over 230 urban facilities. LED street lighting improves safety and comfort driving on the streets and reduces the city energy costs by



approximately 30%. This year we have modernized over 10,000 street lights - along the main city’s arteries, at bridges and in parks,” remarked Klitschko.

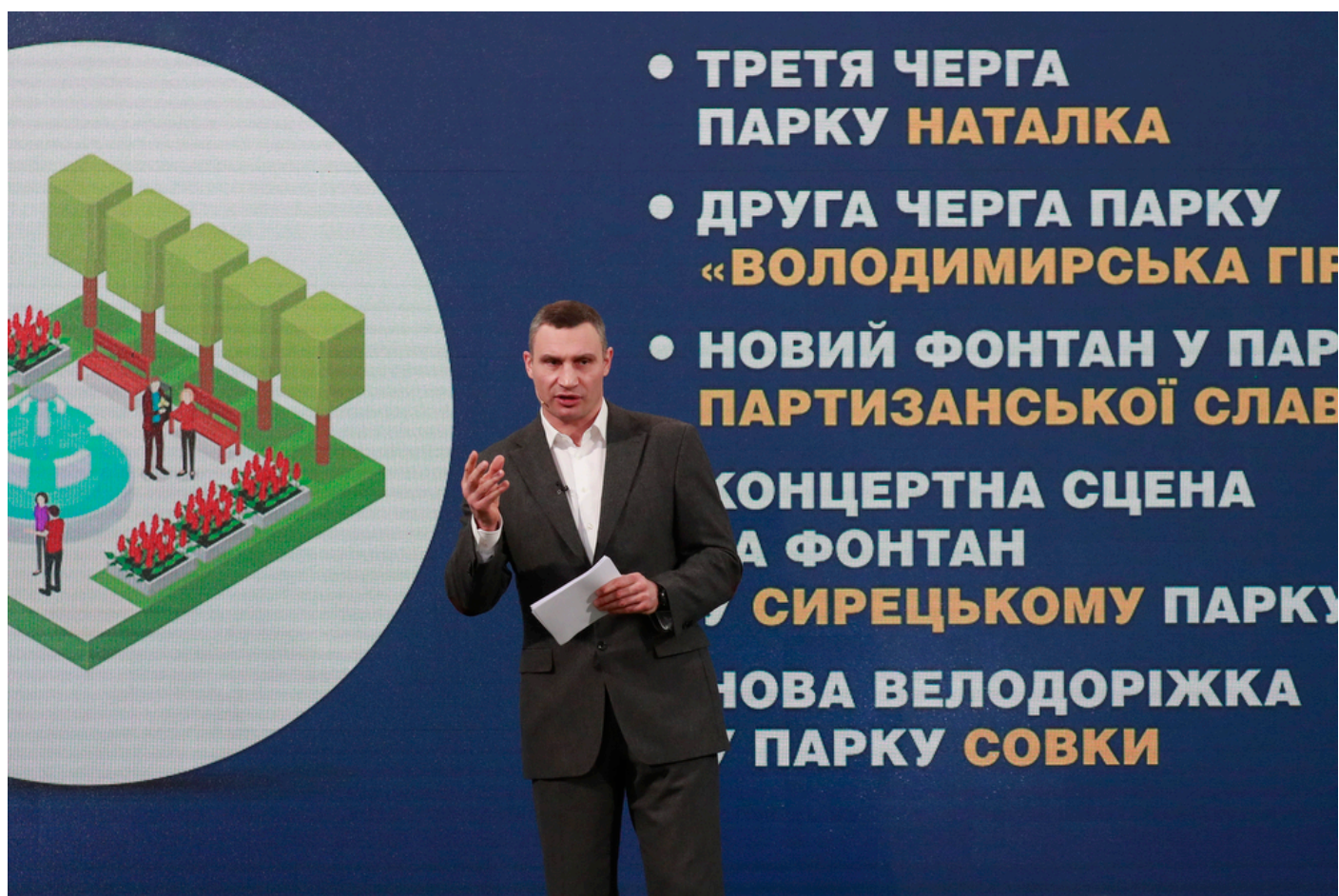
According to him, next year Kyiv authorities will allocate about ₴ 700 million for street lighting modernization, so that by 2019 year-end 90% of outdoor lighting in Kyiv will be up-to-date.

Klitschko: 339 parks and squares refreshed over 4 years

In his annual report Vitali Klitschko emphasized that 339 parks and squares have been refreshed and reconstructed by Kyiv authorities over the last four years, including 104 revived this year.

“Kyiv is the city of parks, the greenest city in Europe! And we are working to provide more well-cared recreation green spaces. This year we have renovated 104 parks and squares - both big and small. And 86 more urban spaces are now officially classified as green. Overall the city has revived 339 parks and squares,” stressed Klitschko. In general, the city dedicated some €370 million for park improvements in 2018.

According to Klitschko, 10 biggest city parks have been reopened to the public following a massive restoration: the second portion of Natalka park, Vidradny park, Syrets park, the first portions of Peremoha park and Muromets park, the upper terrace of Volodymyrska Hirka park, Rusanivska Promenade, the first portion of a new park along Shukhevich avenue and revamped descend from Peyzazhna aleya to Podil. The Kyiv zoo is undergoing a complete transformation. Next year, when the renovations of its first portion are expected to be complete, the zoo will reopen to the public.



In 2019 more new and refurbished parks will open to the public, in particular, the third portion of Natalka park and the lower terrace of Volodymyrska Hirka park. Partyzanska Slava park will have a new fountain, Syrets park - also a new fountain and new summer concert stage, Sovky park - a new cycling trail.

“We have ambitious plans for a new tourist attraction. A new pedestrian and cycle bridge that will connect Volodymyrska Hirka park to the Friendship of Nations Monument is due to be completed and open in next spring. The bridge will be a key part of a major tourist historic route,” stressed Vitali Klitschko. He also revealed plans to reconstruct Peyzazhna Alley, Artists Alley and old fountains along the historic route.

Also Klitschko announced that the city will continue working on grandiose plans for Kyiv zoo redevelopment. Three enhanced manmade lakes and a new bird wintering house are due to open in spring, followed by a new monkey house, new zoo entrance and refurbished aquarium which will be one of the biggest in the city.

Klitschko: Kyiv becomes the global sporting capital



In 2018 Kyiv has hosted many major sports events. “Kyiv is becoming the sports capital of Europe and the world. This year Kyiv has hosted some high-profile sporting events - ISKA Kickboxing World Championship, Mini-football European championship, Workout fest 2018 and - for the first time ever - the UEFA Champions League final and the 56th WBC Convention,” said the mayor of Ukraine’s capital city. He remarked that during the period of the Champions League final, May 21-26 over 300,000 foreigners have crossed the Ukrainian border checkpoints. “Each one of them is a potential ambassador of Kyiv, who would promote our city,” stressed Klitschko.

At the beginning of October Kyiv hosted another sporting showpiece - the 56th WBC Convention. For two years Vitali Klitschko has personally been negotiating the right to host the Convention in Kyiv. “During the week of Convention Kyiv residents could see boxing legends - Lennox Lewis, Holyfield, Erik Morales, Oscar De La Hoya and others. In attendance for the Convention were referees, sports officials and plenty of guests. All of them were thrilled at Kyiv and promised to come back,” remarked Klitschko. “Both UEFA and WBC senior officials marked the highest level of grand events organization. Both events were big success,” underlined the mayor.

He emphasized that in 2018 the city has invested ₴640 million in promoting sport and improving sports infrastructure. This is 20% more than in 2017. The city opened two sport schools, repaired eight sports

facilities and, partnering with the state unveiled 52 new football pitches. “We celebrate taking back Start sports complex. Now it belongs to the community and we can tackle its rehabilitation,” emphasized Klitschko.

Klitschko: Kyiv takes the lead on road reconstruction in Ukraine

According to Vitali Klitschko, in 2018 the city has fixed some 300 km of roads.

“We speak of extensive road improvement and maintenance of major arteries, inner-block passages, inner courtyards and driveways. In total we have rehabilitated almost 300 km of roads. Over the last few years we have fixed over 830 km of roads, 26 bridges and overpasses,” underlined Klitschko. “Kyiv is taking the lead on road reconstruction and I am not exaggerating! This is one of key components of urban infrastructure revival which is our main objective,” emphasized Klitschko.

According to him, this year the city has repaired several major arteries which determine the city’s traffic performance. This resulted in improvement of traffic flow on them and enabled to decongest and repair the adjacent minor streets.



As the mayor stressed, also the city authorities kick started the reconstruction of Shulyavsky overpass. The city has been running an ambitious replacement programme to improve the Kyivautodor municipal vehicle fleet. “We have been able to earmark resources and purchase 78 street maintenance vehicles - 44 tractors and 10 mini-loaders which recently handled snow on the roads. In total since 2014 Kyivautodor has acquired 221 vehicles. It means, the every second vehicle is brand-new,” emphasized Klitschko.

He announced that the authorities will continue to fix the city’s roads next year.

Klitschko: Kyivtransparkservice's first €5 million-surplus in 4 years

As Vitali Klitschko told at the annual report releasing, the municipal company 'Kyivtransparkservice' have registered its first current budget surplus in 4 years. "Currently there are 230 parking meters. We have introduced a parking map and established 38 new parking lots for pocket parking along the central streets. To ensure a pedestrian safety we have installed over 5,000 parking posts," emphasized Klitschko.

He remarked that now secondary legislation is needed to enact the provisions of the Law on local authorities parking enforcement which Parliament has adopted recently. "But we don't sit back and try to get these problems straightened out now," remarked Klitschko.

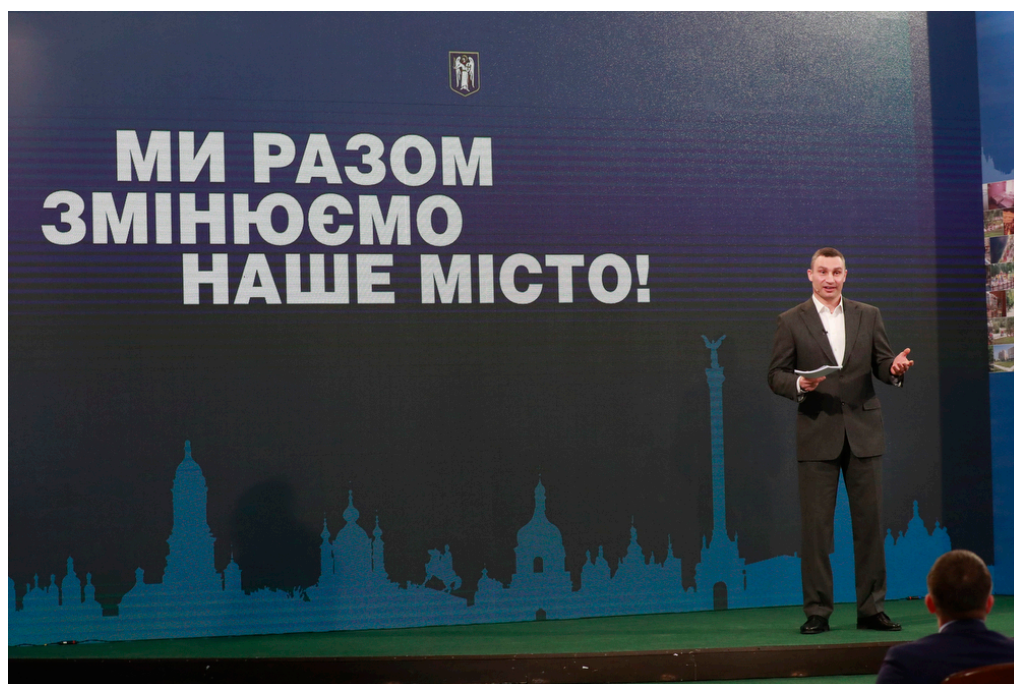
Klitschko: the city launches PESA tram maintenance and servicing centre

Also Vitali Klitschko told about a new PESA trams maintenance and service centre. "This is a significant step for establishing a joint venture to assemble Kyiv trams," stressed the mayor. "Overall over the past few years the city has introduced 45 new trams, 103 trolleybuses and 100 buses." He also noted that in 2018 two more high-speed tram stops have been refurbished along with 70 more public transport stops constructed.

According to the mayor, currently public transport authorities are testing the eTicket system which will start working soon. E-ticket validating machines have already been installed across the Kyiv public transport network. "Kyiv is a modern city and we launch the latest technological innovations including in the public transport system. The Kyiv metro and the funicular accept ApplePay. Over 100,000 passengers have already enjoyed the benefits of cashless payments as well as Apple and Google applications," remarked Klitschko.

He also emphasized that the city is reviving plans to build the Green Line metro extension to Vinogradar . "The city council authorized reallocation as much as €1,1 billion of the 2018 budget to fund the project of the metro extension. Next year the government will earmark more €2,5 billion to metro construction project," declared Klitschko.

Klitschko: plans of massive renovation of municipal housing and utility sector revealed



The city is committing about one-tenth of 2019 city budget to the improvement of municipal housing and utility sector - €5,5 billion. “We plan to continue replacing the most badly damaged heating pipelines which are a major concern every heat season,” said Klitschko.

The old dilapidated pipelines will be replaced with new, thermally insulated, to prevent heat loss. Their life span is 25-30 years. “And we are

concluding a negotiation with international financial institutions about their help in the city’s heating pipelines renovation,” he added.

As the mayor emphasized, in 2019 the city will continue to implement 70/30 program of thermo-modernization.

Klitschko reveals the highest budget priorities for 2019

The mayor of Kyiv Vitali Klitschko revealed the capital projects for the next year. “Next year we expect to have a surplus. Our revenue budget is expected to total €57 billion,” said Klitschko. “We plan to continue massive road repairs, infrastructure revival, kindergartens and schools reconstruction, refurbishment of parks, tourist attractions and public spaces of the capital city,” told Klitschko to the journalists.

In particular, he emphasized the considerable progress in social policy spending for the next year. “Next year will see a record-high spending on education - €17,9 billion which is nearly a third of our 2019 budget,” announced Klitschko. A major government subvention is earmarked for the salary hike for teachers, due to which teachers are up to 20,6% pay rise. According to the mayor, in 2019 the city plans to build a kindergarten from scratch and fully reconstruct 7 preschools and 5 schools.

€10,7 billion has been set to fund healthcare sector. Kyiv authorities are committed to further launch a healthcare reform based on the principle ‘Money follows the person’.

The city will spend €6,9 billion on transport infrastructure development. “We are set to fund the project of the metro extension to Vynohradar neighbourhood and construction of the Podilsko-Voskresenskiy bridge. Also we plan a complete reconstruction of the Kyiv funicular,” told the mayor.

Next year €1,5 billion subvention will be given to road construction, repair and maintenance. “In 2019 the reconstruction project of Shulyavsky overpass will forge ahead,” remarked Vitali Klitschko.

Klitschko at the CDU Assembly: I hope, party and Germany maintain policy stance towards Ukraine

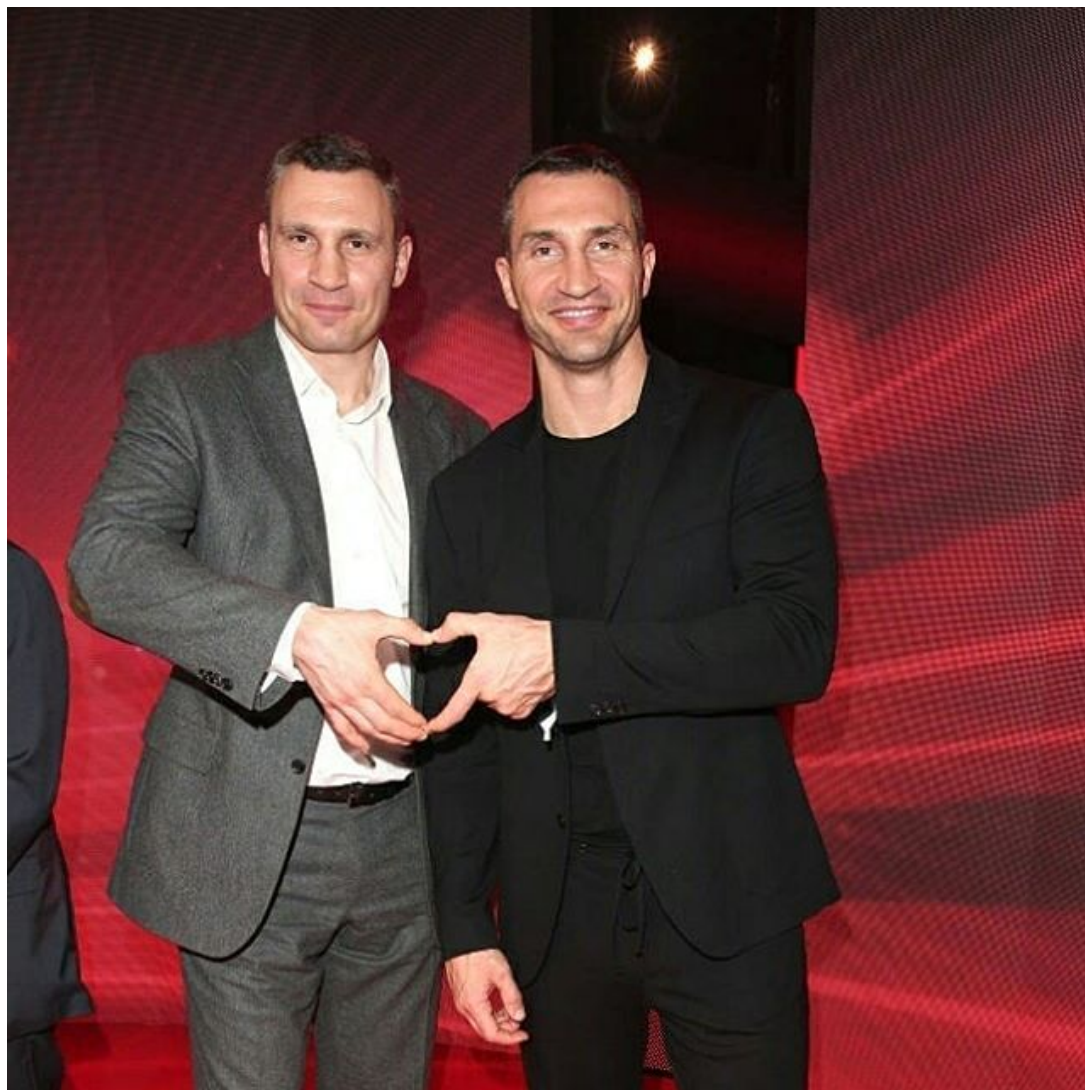
Vitali Klitschko participated in the annual congress of the Christian Democratic Union, which took place in Hamburg on December 7-8. In his comments to the journalists he expressed hope that the support and cooperation between Germany and Ukraine will progress further.

“This is not the first time I’ve been to the CDU congress, since over the last 7 years this political party has allied UDAR. We cooperate and communicate,” remarked Klitschko. “This year’s Congress is of crucial importance for both the future of the party and Germany. The CDU which is the largest political party in Germany, is holding a vote to elect a new leader, as Angela Merkel, who has chaired the CDU for 18 years, will step down as the CDU chairwoman. Also according to her earlier announcement, she will not seek re-election as Germany’s chancellor in 2021,” pointed out Klitschko.

He emphasized that the CDU champions Ukraine on its European path and supports Ukraine’s reforms and foreign policy efforts. And much depends on who chairs the party now. “But I am hopeful, the policy stance towards Ukraine will maintain and the progress, largely encouraged by Angela Merkel, that has been made over these years of cooperation between Germany and Ukraine will further,” stressed Klitschko.



Klitschko brothers participate in fundraising telethon in Germany



The mayor of Kyiv Vitali Klitschko and ex-heavyweight boxing champion Wladimir Klitschko participated in the television fundraising gala in Berlin, organized by the charity 'Ein Herz für Kinder' and live broadcast on ZDF television.

“Children are our future. And they need our support - here, in Germany, in Ukraine and worldwide. And this charity demonstrates that there’s no such thing as someone else’s kids and someone else’s problems. So, every year my brother and I join the charity that tackles the sharpest social issues globally. We urge all

sympathetic people to donate,” remarked Vitali Klitschko.

The German charity 'Ein Herz für Kinder' was founded in 1978 and soon became an internationally active aid organisation. It supports children’s hospitals, kindergartens, schools, and sports and education projects. The charity conducts an annual fundraiser, featuring famous politicians, businessmen, athletes, entertainers and civil society actors who make their own donations and persuade others to do the same. Klitschko brothers are regular participants of the telethon 'Ein Herz für Kinder'. They answer calls and thus raise money for charity projects all over the world. All donations go directly to fund aid projects for children.

Since 2008 the charity donations helped to fund about 300 worthy projects in Ukraine - treatment of serious illnesses, surgical care for Ukrainian children abroad, renovations of schools, sports and social facilities. In October 2014 Vitali Klitschko handed over €3,1 million medical equipment to Okhmadet Children’s Clinic. The equipment was donated by the 'Ein Herz für Kinder' at the initiative of Klitschko Foundation. Over the years “Ein Herz für Kinder” Foundation has raised over € 330 million donations.

Klitschko: Kyiv signs international Memo on heat and power sector development

The Kyiv city authority along with Kyivteploenergo municipal company teamed up with the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation (IFC) and the United States Agency for International Development (USAID) to sign a memorandum on Kyiv's heat and power sector development.

“Kyiv lays the foundation for securing further international cooperation aimed at Kyiv's heat and power sector development. Our efforts are devoted to transforming ‘Kyivteploenergo’ into a company delivering the highest quality of service,” stressed Klitschko.

According to him, the main objective of the cooperation is to shape a new concept of ‘Kyivteploenergo’ operating activities and a clear vision of its implementation.

The mayor reminded that this April Kyiv authorities have taken an unprecedented step of regaining control of the municipal heat and



power system and discontinued the 17-year contract with a privately owned company ‘Kyivenergo’. It includes both the biggest Ukraine's CHPs #5 and #6, Energy waste incineration plant, almost 200 boiler-houses and heat supply stations, and the 2,600-kilometer heat distribution network. This is tremendous sector, which has been deteriorating for years, due to insufficient funding. 80% of pipeline network is totally depreciated.

He emphasized that the signed Memorandum focuses on transforming ‘Kyivteploenergo’ into a company delivering the customer-friendly service, with its clearly outlined strategy based on the latest technology developments and energy-efficient solutions. The city is ready to deal with risks arising from legislation flaws and challenges facing the Ukrainian energy sector.

Aforementioned cooperation envisages also a substantial funding from Kyiv's international partners. \$100 million investment will help reconstruct, replace and renovate the dilapidated infrastructure. “Our highest priority is the most substantial changes to one of the biggest heat and power complexes including technology upgrade and management enhancement,” stressed Klitschko.

He thanked Kyiv's partners for their support and understanding.

In turn, USAID foreign service officer Farhad Ghaussi remarked that the United States are enthusiastic with this partnership since it improves Kyiv's energy safety. "We actively cooperate with Ukraine's capital city. It is a no easy task for the city to modernize its heat and power sector. But we are very optimistic about our joint task. Signing a memorandum is the first step, there is plenty of work ahead," he remarked.

Klitschko: new system of public health is our priority

As the mayor of Kyiv Vitali Klitschko announced at the presentation of the Kyiv city centre for public health, introducing a new system of public health is high on the priority list of the city authority for 2019-2020. In attendance were also officials of the Ministry of Health and representatives of the USAID Health Reform Support project.

According to the mayor, the newly launched Kyiv city centre for public health is fundamental for the entire health system. "The centre will be operational from 2018. Almost 500 sector experts and 7 new departments will join the team to work out programmes of aimed at preserving and promoting the health of the city residents," said Klitschko.

He stressed that the Centre will be focusing on eradication of the most common infectious diseases, disease prevention and promotion of active living. "The organization was established using international best practices, including those of European and the US Centers for Disease Control and Prevention," remarked Klitschko.

Since the concept of public health is new for the city's healthcare industry, international partners contribute their expert knowledge. "Kyiv leads the way in focusing public health efforts at the local level and demonstrates its commitment to improving public health. The Kyiv city centre for public health will be a platform where the city authorities, civil sector and international partners will join efforts to preserve and strengthen the health of each Kyiv resident," emphasized the director of the USAID Public Health Reform Support project Nata Avaliani.

According to the mayor, the Centre has already held over 70 campaign events on preserving and promoting the health of the whole community. He also emphasized that public health remains by far one of the most important city budget provisions. In particular, in 2018 spending on healthcare amounted to UAH 9.1 billion.

As Vitali Klitschko told, "The funding went to health facilities renovations and replacement of medical equipment. Now hospitals can provide the services of the higher quality, preserve health of thousands of Kyivans and save their life. Last year we overhauled plenty of hospital units and reconstructed 2 maternity hospitals. We purchased 627 MRI machines and CT scans and 24 brand-new ambulance cars and a specially equipped van for Kyiv's Center for Emergency and Disaster Medicine. We are working to improve the standards of medical care available both for patients and medical staff.»