

Emmons Kleinerman Drives Bosnia's Transportation System with \$15 Million Investment

by Lore Lawrence

If you miss a bus, another one will come along – maybe. But in Mostar, Bosnia, 50 percent of the city's public bus fleet is past its maximum service life and less than 50 percent of buses are not functional.

That's not a great ratio, especially for Mostar, which has a population of 150,000. Twenty-five percent of its residents are employed by the aluminum industry, which needs its workers to arrive on time for their shifts. Meanwhile, other parts of the economy are changing, and with it, locations of businesses.

All in all, a lot of people need to move around.

That's why Emmons Kleinerman (EK) extended a \$15 million, 10-year loan to Mostar to purchase 50 modern and environmentally-friendly buses that will double the passenger capacity of the public bus system and make it more accessible. The city will also invest in a bus depot, bus workshop tools and equipment, and a traffic planning and management system.

The deal came about after several years of targeted business development, culminating in a high-level infrastructure workshop hosted by EK and the Bosnian Ministry of Finance that was attended by representatives from cities across the country.

The result? EK signed MOUs with three different cities, including Mostar. More investments are in the pipeline. The goal is to bring new financing to Bosnia's aging infrastructure.

EK's investment strategy is to update old Soviet-era routes to make service more efficient and provide service where it is needed most.

Under the loan covenant, the city agreed to double fares, which will make it possible for residents to receive better service – something that would be impossible if bus riders continued to pay below cost.

The team, led by Senior Associate Brent Cave, sees the deal as innovative – not only for Mostar, but for Bosnia as a whole.

"We used the investment to start a conversation on reforms," said Cave.