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**BULGARIA**

# CASE STUDY

## Mediation Keeps Lights on for the Roma

### Residents allowed to pay back debts over time under payment plan



Photo: Radil Rankov

The Mediation Center in Dupnitsa facilitated a meeting between representatives of the local Roma community and the electrical utility company.

***“It was difficult in the beginning. People paid irregularly. Then the mediation center organized a meeting in the neighborhood. In the last three or four months, there has been a significant increase in people making regular payments,” said Mladen Krastev, head of the electricity company’s local office.***

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### Challenge

Perched on a steep hill with stunning views of the nearby Rila Mountains, Gizdova Mahala is the largest and the poorest Roma area in the southern Bulgarian city of Dupnitsa. Of the community’s almost 2,000 Roma, 90 percent receive government social assistance. Nonpayment of electricity bills by neighborhood residents was a growing problem with no apparent solution. The electrical utility was frustrated at its inability to collect back payments and control illegal usage. Roma residents were frustrated by a payment system that made it difficult for them to pay back debts and current bills. Total electricity debts exceeded \$120,000.

### Initiative

An active participant in a USAID ethnic interaction program, local leader Georgi Georgiev identified the electricity issue as a potential source of conflict. In October 2005, Georgi and Nikolina Nikolova of the USAID-supported Mediation Center in Dupnitsa decided to organize a roundtable with all interested parties. Mladen Krastev, head of the electrical supply company’s local office, said he was “absolutely skeptical” that an agreement would be reached. Georgi expected officials to reject his suggestions.

### Results

All parties were surprised when a solution emerged: individual payment plans for more than 100 households that allowed small payments to be credited towards past debts as well as current bills. “It was difficult in the beginning. People paid irregularly,” Mladen said. “Then the mediation center organized a meeting in the neighborhood. In the last three or four months, there has been a significant increase in people making regular payments.” He estimates that 5 percent of the original debt has been collected under the agreements, which allow debtor households to pay amounts as small as \$5 a month over periods up to 10 years. Some residents paid more than was required under the agreement. Additional households have begun to pay as a result of positive peer pressure from neighbors.