

Design of information sources to identify and resolve financial distress

Context

Financial distress solutions available to individuals and businesses have improved significantly in Latvia in recent years, and they continue to improve. Nevertheless, the information provided is often written in complicated language and is produced by different institutions and organisations that publish it in a variety of sources and formats. As a result, the information is fragmented and challenging for the general public to understand, and therefore the goal of helping the public to identify and resolve financial distress is not achieved.

The goal of the project


Design a centralised reference for information sources that will help individuals and businesses identify and resolve situations of financial distress.

Individual: a natural person (every person)


Business: a limited liability company, a joint stock company, a farm or fishery or a rural craftsman's enterprise, an individual merchant or an individual enterprise, a sole trader (natural person), a partnership

Financial distress – circumstances in which there are delays or difficulties in making certain payments and an individual or business is unable to meet his/her liabilities with available income or savings

Activities carried out

 **16** interviews conducted with the institutions and organisations involved in communication on financial distress

A sociological study with the participation of

 **3** focus group discussions with businesses and individuals

 **1000** individuals

 **10** co-creation workshops

 **750** businesses

Materials developed as part of the project

Assessment Report: this covered the main trends in communication on issues of financial distress, habits of individuals and businesses of obtaining information, examples of best foreign practices

Specific Recommendation Report: this covered the communication objectives, recommendations for the improvement of communication in relation to the cooperation mechanism, sources and channels used in communication, and the content of communication

Action Plan: this addressed the activities to be carried out for the implementation of recommendations of the Project, the required resources, benefit and quality indicators, risk assessment

Content: this involved the design of a prototype of communication materials (website and printable materials), encompassing visual design, textual content, and the algorithm of the questionnaire embedded in the materials


Preliminary and final reports on the implementation of the project

Challenges identified


- Joint strategic coordination is lacking in communication on financial distress issues in Latvia
- The overall information content available to target groups is sufficient yet fragmented
- One-way (asymmetric) communication with the public is mainly used


Key recommendations


 **Strengthen the governance mechanism for organising communication with target groups** by appointing a coordinating ministry and establishing an inter-institutional council

 **Establish a website that will serve as a single reference point for financial distress-related information** including a roadmap to assess one's circumstances and find the most relevant information

 **Create printable information material with key content from the website**

 **Implement an integrated, informative, and educational communication campaign** to promote the brand and content of the website

 **Conduct pilot counselling projects to facilitate the use of the website and printed materials and refer clients to the relevant institutions and organizations that can provide personalised and expert support (as needed).** Pilot projects are planned in the subordinate institutions of the Ministry of Justice (branches of the State Probation Service and prisons administered by the Prison Administration) and in the Unified Customer Service Centres of the State and local governments

 **Conduct regular public opinion surveys** to determine the target groups' needs for new types or content of information

Implementation plan

2022		2023		Scope of the Action Plan											
IV		I		Year 1 after preparation				Year 2 after preparation				Year 3 and future years			
IV		I		I	II	III	IV	I	II	III	IV	I	II	III	IV
Project : "Design of information sources to identify and resolve financial distress in Latvia"		Preparatory phase for the implementation of the activities on part of the State Providing the necessary resources and strengthening cooperation with other stakeholders		Implementation of the pilot project Testing the viability of the concept as a stand-alone solution, identifying its strengths, weaknesses and necessary improvements								Implementing full-scale activities Designing of additional functionality or scaling up pilot solutions, developing new solutions, etc.			
				<ul style="list-style-type: none"> ➤ Website (primary functionality: a roadmap) ➤ Printed materials ➤ Pilot project at the State Probation Service and the Prison Administration Pilot project in municipalities (SMUCSC) ➤ Communication campaign (Level 2) ➤ Evaluation of the pilot project 								<ul style="list-style-type: none"> ➤ Secondary functionality added (tools to assess financial position, newsletter subscription, forum, etc.) ➤ Improved (as necessary) ➤ Extended scope (a wider range of institutions and organisations involved) ➤ Campaigns would be continued at least at the same level 			

Next steps

Following the work of the project, a range of concepts and content for potential communication materials were developed. The ultimate form that these take, such as website implementation and pilot testing, will be determined post-project.