



Communication Strategy for the Euro Changeover in Latvia

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1. INTRODUCTION

Communication Strategy for the Euro Changeover in Latvia (hereinafter – Communication Strategy) is a framework document for the euro changeover communication implementation. Action part of it is the Action Plan for the Euro Changeover Communication (hereinafter – Communication Action Plan) which is at the same time Annex 1 “Action Plan for Introduction of the Single European Currency in Latvia” to Latvia's National Euro Changeover Plan. This document is created by the Public Awareness and Communication Working Group for the Implementation of the Single European Currency in Latvia. The document is subjected to amendments and adjustments during the preparation and implementation of the Communication Action Plan.

Euro Changeover Process

With accession to the European Union (hereinafter – EU), Latvia has undertaken to prepare for a full-fledged participation in the Economic and Monetary Union (hereinafter – EMU) and implementation of the single currency. Latvia has made the following preparations with a view of a full-fledged participation in the EMU:

National referendum on joining the EU

In referendum of 20 September 2003 the Latvian nation supported Latvia's accession to the EU and, consequently, also participation in the EMU and introduction of the euro. The above commitment of Latvia, as well as other new Member States, has been stipulated by the Treaty Establishing the European Community.

Resolution on preparation for participation in the Economic and Monetary Union

On 9 December 2003, the Cabinet of Ministers of the Republic of Latvia (hereinafter – CoM) adopted a resolution (CoM Minutes No.63 36§ of 9 December 2003) on preparation for a full-fledged participation in the EMU.

Latvia's accession to the EU

1 May 2004 – Latvia becomes a full-fledged Member State of the EU.

Repegging the lats to the euro

In preparation for Latvia's participation in the Exchange Rate Mechanism (hereinafter – ERM) II, on 30 December 2004 the peg rate of the lats to the euro was set at: EUR 1 = LVL 0.702804 (effective as of 1 January 2005).

Latvia joins the Exchange Rate Mechanism II

As of 2 May 2005, with Latvia joining the ERM II, the Bank of Latvia (hereinafter – BoL) unilaterally limits the lats exchange rate against the euro to $\pm 1\%$ of the central or peg rate, preserving the previous width of the fluctuation band vis-à-vis the peg currency (i.e. when the lats was pegged to the SDR¹), which is understandable and known by the financial

¹ SDR (Special Drawing Right) is a unit of account created in 1969 by the International Monetary Fund for the purpose of diversifying the range of the foreign exchange reserve accumulation instruments of its members. SDR is a synthetic currency existing only on bank accounts, not in cash (banknotes and coins).

market. According to the euro implementation criteria, the Member State will have to participate in the ERM II for at least two years.

Compliance with Maastricht criteria – the road to the euro area

The main objective of Maastricht criteria is to ensure that only those EU countries join the euro area whose economic conditions will ensure price stability and effective functioning of the euro area. The convergence criteria shall be met based on data for the reporting period, but also compliance with the convergence criteria is essential not only at a particular moment, but also over time. For this reason, during the assessment of the country special attention is given to sustainability of convergence. Convergence criteria are the following:

- Price stability – the year before the assessment, the inflation rate in the country shall not be more than 1.5 percentage points above the three EU countries with the lowest average inflation;
- Fiscal developments – the government deficit must not exceed 3% of Gross Domestic Product (GDP) and the government's total debt should not exceed 60% of national GDP;
- Exchange rate developments – at least two years before the assessment, with no serious challenges complied with normal fluctuation margins in ERM II. The state at this time has not on its own devalued the national currency against the euro;
- Changes in long-term interest rates – long-term interest rates (usually 10-year government bond rate) shall not be more than 2 percentage points above the average indicator of three best performing Member States in terms of inflation.

Implementation of the single currency in Latvia

In order to ensure an effective euro changeover process in Latvia, with the Prime Minister's 18 July 2005 decree No. 308 a Steering Committee for implementation of the single currency of the EU in Latvia was established. Five working groups have been created under the subordination of the Steering Committee, including the Public Awareness and Communication Working Group, which develops and regularly updates the Communication Strategy and Communication Action Plan for the Euro Changeover. The Manager of the Euro Implementation Project is responsible for implementation of the Steering Committee's decisions and coordination between the working groups. The euro changeover process is monitored by the CoM, receiving progress reports from the Steering Committee every six months.

The euro changeover date in Latvia is 1 January 2014

The euro changeover date in Latvia is 1 January 2014 – it was decided by the Cabinet of Ministers on 16 March 2010 with approved amendments to decree No. 148 of the CoM of 6 March 2006 “On the Latvia's National Euro Changeover Plan”.

Latvia's National Euro Changeover Plan (hereinafter – the Euro Changeover Plan)

Together with 28 February 2006 Informative Report on Accomplished and Planned Tasks for Implementation of the Single Currency of the European Union in Latvia the Euro Changeover Plan was submitted to the CoM and approved via a Government resolution (6 March 2006 CoM decree No. 148), and its purpose is to identify key tasks for the euro implementation project in Latvia, their implementation periods and areas of responsibility as well as define the euro changeover principles and scenario to ensure successful euro changeover in both the private and public sectors. With 8 October 2007 decree No. 617 the

CoM approved the updated Euro Changeover Plan, inter alia, Annex 1 “Action Plan for Introduction of the Single European Currency in Latvia” (hereinafter – Annex 1 to the Euro Changeover Plan) which according to the euro changeover perspective shall be updated on annual basis.

Activities of Annex 1 to the Euro Changeover Plan are divided into two groups

- 1st group** – activities implemented irrespective of the euro changeover day or continuously;
- 2nd group** – activities launched and finished in a set period of time against the euro changeover day (hereinafter – € day). Maximum term for implementation of these activities is 24 months.

To ensure feedback from the general public representatives of the Steering Committee and Manager of the Euro Changeover Project shall hold consultations with representatives of professional associations and non-governmental organizations (hereinafter – NGO) within the framework of the Euro Changeover Plan.

Communication Action Plan

On the basis of the Communication Strategy in Latvia a Communication Action Plan has been developed defining public awareness measures and consisting of three phases – preparation, intensive and final period.

Communication Action Plan for the Introduction of the Single European Currency in Latvia is a part of Annex 1 to the Euro Changeover Plan and it incorporates general and practical euro changeover measures ensuring a successful transition to the euro and also public awareness measures.

However, communication with mass media about issues concerning the euro changeover is ensured by the Communication Division of the Ministry of Finance (hereinafter – MoF) and the International Relations and Communication Department of the Bank of Latvia (hereinafter – BoL), as well as the Communication Department of the State Chancellery in cooperation with the Manager of the Euro Changeover Project. The Action Plan shall be regularly reviewed and supplemented according to existing situation and needs, if needed, to facilitate successful euro changeover.

Media Monitoring

To follow the process of public opinion development the analysis of media publications related to the euro changeover shall be done continuously. This task shall be performed by communication services of institutions supervising implementation of the Euro Changeover Plan – MoF and BoL – in cooperation with other institutions involved in the euro changeover process.

Publication analysis shall be carried out evaluating reflection of objectives of the Communication Strategy, frequency of messages and reproduction of worries. During the campaign development and implementation process more detailed study of general public attitude should be carried out, factors influencing the attitude and awareness of euro-related issues. Main worries and uncertainties of general public regarding currency exchange process should be analysed.

Media monitoring, summaries of the poll results and conclusions should be taken into account when updating the Communication Strategy. If necessary, the Public Awareness and Communication Working Group will make corrections in the Communication Action Plan according to these results and conclusions.

Assumptions about Changes in Society, Communication Environment and Infrastructure till the € day

Processes planned by the € day directly related to the choice/development/updating of Communication Strategy:

- Significant increase in non-cash transactions and different electronic communication – popularity of plastic cards will continue to increase, e-money and cash-in machines will be used more widely, payments via Internet bank will be made more often, public information circulation will be electronic;
- Supply of packages, press and other information to individuals without mediation of SJSC “*Latvijas Pasts*”, planned involvement of other serious “players” (€ day is forecasted on the postal service liberalisation “threshold”);
- The so called media space will be changed – new media based on technologies will play more significant role – decentralized, without restrictions, they may go beyond national limits, they have not restricted access. Number of Internet users will increase, and their activities in the network will become more various. Different target groups will have different Internet usage education and experience;
- The role of direct marketing in reaching target audience increases. Role of traditional media will reduce significantly – number readers and subscribers of traditional newspapers, journals will reduce, as well as by introduction of digital and chargeable television the possibility of informing inhabitants/businessmen through usual advertisement channels (TV users will be able to switch off commercials) will decrease.

2. OBJECTIVES OF THE COMMUNICATION STRATEGY

1. **Facilitate successful euro changeover process in Latvia.**
2. **Inform all citizens in Latvia about the euro changeover.**
3. **Explain the euro changeover process to reduce worries, facilitate confidence and change the attitude:**
 - most widespread are worries related to possible negative inflation caused by the euro changeover upon the economy, inflation growth, worsening of living standards and poverty increase, worsening of the lats and the euro exchange rate;
 - emotional losses – nation currency as national identity aspect;
 - worries caused by the lack of awareness, insufficient amount of information – uncertain scenario, worries about counterfeit money, being cheated when receiving remaining amount etc.

3. TARGET GROUPS ²

1. Banks
2. Bank clients

² See detailed description of target groups in Annex 3

3. Unemployed persons, job seekers
4. Librarians, library visitors
5. Persons with special needs (with hearing, eyesight, mental, physical, speech disability)
6. EU issues communicators (*Europe Direct*, EU information desks)
7. Citizens (socially, economically and politically active citizens)
8. Prisoners, former convicts, juvenile offenders
9. Cashiers (in banks and trading sites)
10. Households
11. Journalists
12. Coin collectors
13. NGOs
14. Consumers
15. Pensioners
16. Children, pupils, students, youth
17. Trade enterprises
18. Tourists (foreigners)
19. Entrepreneurs
20. Public administration institutions
21. Local governments (clients of municipal social services)

4. INSTITUTIONAL FRAMEWORK

Institutions represented on the Public Awareness and Communication Working Group are involved in development of the Communication Strategy and are responsible for implementation of the Communication Strategy and Communication Action Plan.

Institutions implementing the euro changeover communication process are public institutions using a common Communication Strategy and Action Plan, thus ensuring *one voice* principal. Public administration institutions which are not directly represented in the Working Group, private institutions – commercial banks, companies etc. and social partners – associations and societies acting on the basis of strategic partnership, are also significant players in the communication taking part in the strategy development and discussing process, as well as implementation.

I Institutions represented on the Working Group that are involved in implementation of the Communication Strategy or direct measure implementers:

Ministry of Foreign Affairs (MoFA)

Provides general information about the euro changeover process to diplomatic corps in Latvia, as well as Latvia's honorary consuls to foreign countries, in cooperation with its subordinated agency "Latvian Institute" regularly prepares and disseminates fact sheet on euro changeover processes in English, include the theme of campaign in seminar agendas of regional mass media of Latvia. The MoFA also disseminated information through 31 EU information points in all Latvia. The MoFA also supervises the EIROINFO phone – 67211111 which is available for interested persons on working days at 08:30-17:00 and is placed in the EU House, Aspazijas Boulevard 28.

Ministry of Economics (MoE)

Deals with issues pertaining to non-financial companies and consumers, at the same time ensuring a linkage with the non-governmental organizations and professional



associations within the scope of its operation. Ensures price monitoring within the campaign *Fair pricing initiative*.

European Commission Representation in Latvia (EKR)

Provides support to euro communication implemented by public administration institutions in Latvia and ensures dissemination of existing informative materials in the EU House, *Europe Direct* information centres and publishing of information on the EKR website, as well as provides support in lecture organization on the euro changeover in Latvia using the net of Euro Team lecturers of DG ECFIN. Currently the EIROINFO phone – 67211111 is supervised by the EKR, which the EKR has taken over to ensure the project succession and maintenance by the beginning of the euro communication, when it will be taken over by the MoF within the framework of the partnership between the MoE and the MoF. Now the phone has been redirected to the phone of the knowledge, negotiation and art room of the EU House and it operates on working days at 10:00-18:00 and Saturdays at 10:00-14:00.

***Europe Direct* information centres**

Provides support to euro communication implemented by public administration institutions in Latvia and ensures dissemination of existing informative materials in the EU House, *Europe Direct* information centres and publishing of information on web sites of *Europe Direct* information centres.

Ministry of Finance (MoF)

Acts as a coordinator among the institutions involved in preparation of the Communication Strategy and further implementation of the Communication Action Plan. The Ministry provides information to subordinated institutions. In cooperation with the BoL and the MoE, the MoF informs the public about changes in the fiscal and monetary policy and economic developments. Based on the Communication Action Plan, prepares and disseminates printed materials, develops and maintains Internet vortal www.eiro.lv, ensures implementation and coordination of informative campaign, as well as dissemination of information using the channels already at the disposal of the Ministry (ministry's web site, subordinate institutions). Ensures partnership with the European Commission.

Ministry of Education and Science (MoES)

Ensures methodological support in development of informative materials for students and teachers; coordinates dissemination of informative materials in educational institutions and coordinates different measures targeted at pupils, students and youth promoting active involvement of pupils, students and youth in the euro changeover process.

Ministry of Welfare (MoW)

Ensures dissemination of information, provides information to socially vulnerable groups of persons etc., deals with coordination and activity planning according to target audience, paying special attention to issues related to state social insurance, as well as monitors preparation of information and transfer of information to persons with special needs.

Bank of Latvia (BoL)

Informs about the cash and non-cash changeover procedure, including the conversion rate, design and security features of the euro banknotes and coins, changes in payment systems, monetary policy developments. Informs about institutional framework of the EMU, monetary policy of the euro area and issues related to activities of the European central banks.

According to SEPA project communication plan on behalf of National SEPA working group maintains the vortal www.sepalatvija.lv. Ensures partnership with the European Central Bank.

Latvian National Association for Consumer Protection (PIAA)

Acts as a coordinator for cooperation with the non-governmental organizations (NGOs) by involving its regional units, places information in its homepage and informs consumers via informative telephone. According to placement of regional divisions organizes educational measures and seminars about the euro changeover process and experience of other countries in this field.

Consumer Rights Protection Centre (CRPC)

Ensures monitoring of consumer rights protection, communication with businesses, explaining application of the euro implementation mechanisms and preparing proposals for the contents of the information to be communicated, inter alia, ensures work of the informative phone of the CRPC 65452554. In cooperation with the MoE, implements measures aimed at promoting public awareness of the positive aspects of the euro implementation, participates in organization of information days in Latvian cities/towns with participation of the local government representatives, professional associations, social services, schools, volunteer organizations, performs control over the mandatory dual price display process and communicates the results.

Ministry of Environmental Protection and Regional Development (MoEPRD)

In order to ensure awareness of people in regions provides information prepared within the Communication Campaign to local governments and Latvian Association of Local and Regional Governments (LALRG).

Public Utilities Commission (PUC)

Monitors the translation of administered public utilities tariffs into the euro, ascertaining that the rounding is to the benefit of the consumer. During the mandatory period of dual price display, the PUC web site publishes the approved tariffs for administered services both in lats and euro. Information about the tariffs of some of the most important services in lats and euro is sent to the mass media. As regards the tariffs independently set by the administered service providers, the PUC requests the required information in order to monitor the translation of those tariffs into the euro.

Ministry of Transport (MoT)

Organizes information desks in divisions of the state JSC "Latvijas Pasts" to ensure information about the euro changeover, especially in regions. Facilitates information of foreign tourists and travellers about the euro changeover related issues ensuring placement of stands in airports, ports, railway stations and other strategic points where large number of tourists is concentrated.

Ministry of Justice (MoJ)

Ensures dissemination of information prepared by the Steering Committee via its subordinated institutions, e.g. State Probation Service, the regional units of the State Land Service. Specific information is provided directly to businesses by regional departments of the Register of Enterprises, whereas the Latvian Prison Administration ensures dissemination of information to persons in prison custody.

Tourism Development State Agency (TDSA)

Ensure information of foreign tourists and travellers about the euro changeover in Latvia disseminating information to tourism operators abroad, tourism information bureaus in Latvia, hotels, on the Internet.

State Chancellery (SC)

State Chancellery as the body responsible for coordination of the work done by communication units of public administration institutions and implementation of the Government's communication policy ensures information exchange among all ministries as well as organizes cooperation with the Prime Minister's Bureau in implementation of specific euro communication activities, provides general information to the public via its information channels, including councils of non-governmental organizations and government memoranda, National Tripartite Cooperation Council.

Ministry of Health (MoH)

Disseminates information prepared within the Communication Campaign to the public via its information channels, including medical treatment institutions and family doctors.

II Communication strategic partners:

Local governments and LALRG

In cooperation with the MoEPRD ensure information dissemination in regions covering groups of persons (also remote) living in particular territory and local entrepreneurs, paying special attention to small entrepreneurs which are not involved in professional associations. Local governments are able to inform about main issues related to the euro changeover also those persons who are less interested in civil processes but who are more interested in economic and practical issues in the territory of the local government.

Private institutions – commercial banks, enterprises, SJSC “*Latvijas Pasts*”, supermarkets

Take part in the Communication Campaign implementation informing their employees and clients about topical euro changeover related questions, ensuring process of mandatory dual price display period, take part in campaign *Fair pricing initiative*.

Professional associations

Associations and representatives of NGO sector (Association of Commercial Banks of Latvia, Employers' Confederation of Latvia, Latvian Chamber of Commerce and Industry, Free Trade Union Confederation of Latvia, Association of Latvian Traders, Latvian Association of Local and Regional Governments etc.) provide link with specific target groups and active representatives of such groups. Organize and take part in discussions devoted to the euro changeover process in Latvia.

Information mediators

All individual and group efforts spared to get and disseminate information about the euro changeover shall be supported. Public Awareness and Communication Working Group will pay special attention to gathering and informing secondary information sources to achieve a megaphone effect or a situation when several voices repeat the same announcement. It creates an information network where each information provider passes on its message and helps to ensure awareness of broader public about particular issue. As secondary information

providers and partners shall be mentioned associations, organizations (especially those taking care of protection of socially most vulnerable inhabitants, rights, inhabitants with special needs), as well as public institutions with wide range of clients (SRS, SSIA, SJSC “*Latvijas Pasts*” etc.).

It should be taken into account that request for information and its dissemination will increase with the euro changeover date coming closer. All organizations are welcome to involve in the euro changeover communication activities if they wish so.

Institutions represented in the working group use all available information channels for dissemination of the euro changeover information. Their web sites are used both for placing direct information as well as displaying links to other sources of information.

The Communication Campaign is being coordinated together with key communication partners – the European Commission and the European Central Bank.

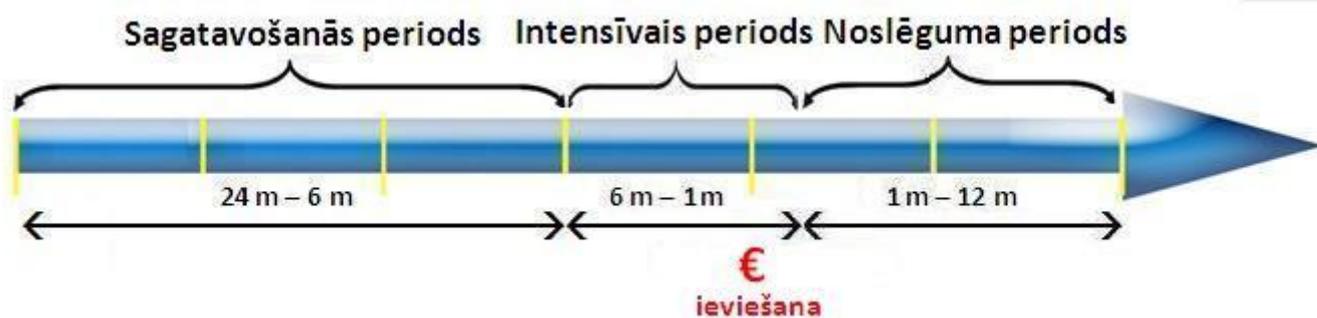
5. COMMUNICATION ACTIVITY TIME SCHEDULE

Implementation of the euro in Latvia is an issue of multilateral relations, concerning common interests of all EU Member States. The expected euro changeover time schedule will acquire an official status only upon completion of all negotiations and other formal procedures.

To ensure timely implementation of the euro changeover activities the CoM has approved the euro changeover process stating the following:

- Taking into account deadlines for 2nd group activities included in Annex 1 to the Euro Changeover Plan.
- Annex 1 to the Euro Changeover Plan shall be **updated once a year**, in case of changes it shall be submitted to the CoM for approval together with the report on practical preparation process by 27 February.
- Updating of Annex 1 to the Euro Changeover Plan shall be done on the basis of updated **forecasts for the following three years included in the Latvia's Convergence Programme**.

On the basis of what is stated in the Euro Changeover Plan the Communication Action Plan consists of 3 phases:



I phase or preparation period:

24 months before the euro changeover date – six months before the euro changeover date

1st group activities shall be implemented including reduction of worries in society and overall support provision activities. Worries are reduced in society about euro changeover-related issues – expected price growth, euro and lats exchange rate in the changeover period etc. Society shall be introduced with gains from the euro changeover process in Latvia, information about the EU and integration in the Union. *Eurobarometer* and other public opinion polls regarding attitude towards the euro changeover, as well as announcements of rating agencies and other institutions shall be explained, information shall be provided about the experience of other countries.

In this period basis should be laid for partnership in the intensive phase – addressing potential partners and rousing their interest, introduction with the process of campaign and agreeing on the ways of cooperation, as well as preparation of 2nd group activities.

It is planned to finish the phase six month before the euro changeover.

II phase or intensive period:

six months before the euro changeover date – one month after euro changeover date

2nd group activities shall be launched when the euro changeover date is named. Active provision of information shall be performed about the money identification signs, security and value of banknotes, price stability, currency exchange rate, possibilities to exchange money. The focus shall be on practical issues – security of money, implementation of the euro changeover process, activities to reduce worries shall be performed – progress of mandatory dual prices display period, including news about the campaign *Fair pricing initiative*, seminars, lectures and creation of public opinion.

III phase or final period:

one month after euro changeover date – 12 months after the euro changeover date

Provision of information about the euro implementation process evaluation, money security measures, inflation restriction, progress of mandatory dual prices display period, including news about the campaign *Fair pricing initiative*, breach communication and explanation of situations, possibilities of cash exchange without commission, and “living” with new currency in the future.

After III phase each institution shall provide information about the euro within its competence.

6. COMMUNICATION CHANNELS

The Communication Strategy is aimed at providing objective information about the EMU and the euro to the population of Latvia, improving the public knowledge about the euro coins and banknotes, non-cash euro circulation, as well as promoting the public awareness of the benefits of the euro changeover.

Therefore, a wide range of communication channels has to be used in implementation of the Communication Strategy and Communication Action Plan, ensuring objective and comprehensive information to all groups of community. Scope of communication channels and their particular use shall be evaluated constantly taking into account dynamic development of internet media – possibilities and usability to ensure that in the intensive phase channels are used as effectively as possible.

A road to secondary information providers – associations, unions, social services and state institutions with wide range of clients – also shall be found. Provide information to wide society and involve various partners, thus achieving a **megaphone effect**. It will ensure effective and successful communication with public covering all biggest groups.

The planned communication channels are as follows:

- **mass media** – national and regional newspapers, periodicals, television, radio, Internet publications, foreign mass media;
- **environment advertisements** – stands, posters;
- **creating partnership with the mass media** – probably, for more effective communication partnership could be created with the Latvian Television, Latvian Radio, national newspapers (in Latvian and Russian, for example, *Latvijas Avize* and *Chas*), as well as an internet portal (for example, *delfi.lv*);
- **informative measures** – seminars, experience exchange activities, information day measures in cities, lectures for a specific target audience, press conferences,

informative exhibitions, city festivals, competitions, advisory board, forum and other public events;

- **special measures** – exhibitions of the European Commission and the European Central Bank about the Economic and Monetary Union, euro banknotes and coins, a conference devoted to the euro changeover, the Euro Star transfer measure;
- **direct contacts** – individual meetings and information exchange, organising presentations;
- **training** – training seminars on consumer rights, training programmes for bank tellers and shop cashiers, training of trainers, students of educational institutions and their parents who pass on the obtained information to those employed in the public sector and other interested parties;
- **Internet** – Internet vortal about the euro changeover issues (www.eiro.lv), non-cash euro payment project – National SEPA Latvia internet page (www.sepalatvija.lv); information on public sector web sites, bank vortals, public Internet vortals;
- **social media** – euro communication Twitter accounts, Latvia's page on Facebook, and the most popular social network Latvia draugiem.lv;
- **informational help-desk telephone line** – a help-desk telephone line where any interested party can get replies to the questions related to the euro changeover;
- **information centres** – the Bank of Latvia Visitors' Centre "Money World", European Union information desks;
- **information intermediaries** – libraries, drugstores, hospitals, out-patient treatment institutions, NGOs, associations, local governments, district councils and parishes, educational establishments, post office departments, trade outlets and service provision places, airports, stations, banks, SSIA departments etc.

7. EURO COMMUNICATION ACTION PLAN

Continuous euro communication measures (1st group measures)

No.	Communication channel	Communication product / measure	Responsible institution	Term	
				beginning	implemented
1.	Mass media	Respond to public opinion polls providing comments and disseminating information about particular issue	MoF, BoL, institutions responsible for public awareness	Continuously	Continuously
2.	Informative activities	Design a communication logo	MoF, BoL	October 2006	April 2007
				implemented	
3.		Organise an exhibition "Creation of the Euro Coins"	MoF, BoL	January 2006	July 2006
				implemented	
4.		Organise cooperation with the EC to obtain co-financing for public awareness campaigns and sign cooperation agreement	MoF	2012	20 months before the euro changeover
5.		Organize cooperation with the ECB in regard to co-financing of public awareness measures and conclude a cooperation contract	BoL	2012	20 months before the euro changeover
6.		Prepare a summary of the Latvia's National Euro Changeover Plan and prepare regular updates	MoF, BoL	Approval of the plan in the CoM	1 months after approval of the updated plan in the CoM
7.		Ensure regular information of society about euro introduction related issues	MoF, BoL, institutions responsible for public awareness	November 2005	12 months after the euro changeover
8.		Perform regular price monitoring	MoE, CRPC, SRS, PUC, PIAA	12 months after the euro changeover	12 months after the euro changeover

9.		Discussion about the euro communication with LASAP, LSAKA etc. NGOs in the field	MoF, BoL, SC	Summer 2012	Autumn 2012
10.	Training	Regularly organize lectures involving Euro Team lecturers	MoF, BoL, MoE, SC, EC representation in Latvia	July 2006	Euro changeover day
11.	Internet	Develop the vortal www.eiro.lv	MoF, BoL	November 2006	December 2009
				implemented	
12.		Update vortal www.eiro.lv		Continuously	Continuously
13.	Social media	Create and update an euro Twitter account	MoF	June 2012	Continuously
14.		Create an euro section in the portal www.draugiem.lv	MoF	30 June 2013	Continuously
15.		Publish on regular basis information on the Latvia's www.facebook.com page	SC, MoF	30 June 2013	Continuously
16.	Help-desk telephone line	Ensure cooperation with a help-desk telephone line (a project in partnership between the MoF and the MoE)	MoF, BoL, EKR	February 2007	December 2014
17.		Provide necessary information regarding the euro changeover for the help-desk telephone line	MoF, BoL,	April 2007	Continuously
18.		Help-desk telephone line 65452554 of the CRPC	CRPC	Continuously	Continuously
19.		Help-desk telephone line 67296884 of the PIAA	PIAA	Continuously	Continuously

Euro communication measures to be implemented 24 - 0 months before the euro changeover (2nd group measures)

No.	Target group	Responsible institution	Communication product / measure	Communication channels/partners
1.	Banks, bank clients	BoL	<ul style="list-style-type: none"> • Information package about euro banknotes and coins for bank visitors; • Information package about non-cash euro payment means (SEPA); • Training of specialists about euro banknotes and coins for further provision of information in banks, trade companies 	BoL, Association of Latvian Commercial Banks
2.	Unemployed persons, job seekers	MoW	<ul style="list-style-type: none"> • Questions – answers on the web site of ESA (procedure for recalculation of unemployed benefit etc.); • Informative materials about the process of euro changeover; • Create an e-calculator 	ESA offices in Latvia, ESA website and SSIA website, SSIA regional divisions (calculation of unemployment benefits is a competence of SSIA). ESA, SSIA
3.	Librarians, library visitors	MoC	<ul style="list-style-type: none"> • Training of librarians; • Informative materials about the process of euro changeover 	Libraries
4.	Persons with special needs (hearing impaired, visually	MoW	<ul style="list-style-type: none"> • Informative materials, including in Braille; 	Apeirons, Sustento ³ and their participating organizations,

³ The Latvian Umbrella Body for Disability organisations, see <http://www.sustento.lv/section/show/4?page=1>

	impaired, people with intellectual disabilities)		<ul style="list-style-type: none"> • Training of specialists of organizations representing persons with special needs 	especially Latvian Union of the Deaf and Latvian Society of the Blind
5.	EU issues communicators (<i>Europe Direct</i> , EU information desks)	EKR, MoFA	<ul style="list-style-type: none"> • Dissemination of informative materials about euro changeover in Latvia; • Training 	<i>Europe Direct</i> , EU information desks, European Union house
6.	Citizens (socially, economically and politically active citizens)	BoL, MoF	<ul style="list-style-type: none"> • Informative campaign in media (TV, radio, thematic supplementary sheet in national and regional newspapers, Internet portals); • Informative materials; • Environment advertisements; • National event “Euro Days” – within the framework of EU days; • BoL Visitor Centre “Money World”; • Exhibitions of the EC and the ECB about the EMU and euro banknotes and coins; • Social media; • Help-desk telephone line. 	TV, radio, national and regional newspapers, Internet portals; divisions of “ <i>Latvijas Pasts</i> ”, supermarkets, central and local government institutions, BoL, www.eiro.lv
7.	Prisoners, former convicts, juvenile offenders	MoJ	<ul style="list-style-type: none"> • Informative materials; • Educative/informative materials 	Prisons, juvenile teaching institutions, State Probation Service divisions, Prison Administration
8.	Households	MoF, BoL	<ul style="list-style-type: none"> • Informative brochure about the process of euro changeover; • Informative brochure about the 	Direct mail

			design of euro banknotes and coins and anti-counterfeiting signs	
9.	Journalists ⁴	MoF, BoL	<ul style="list-style-type: none"> • Regular briefings, interviews; • Electronic informative materials about the euro changeover; • Press folders; • Training; • Representative materials; • Journalist trips to the ECB, the mint; • foreign visits about the euro changeover 	www.eiro.lv , www.sepalatvija.lv , e-mail, press conferences, special measures
10.	Ministries, public administration institutions and capital companies	MoF, BoL, all ministries	<ul style="list-style-type: none"> • Generally accessible information www.eiro.lv, www.sepalatvija.lv; • Informative materials about the process of euro changeover 	Institutions responsible for public awareness; www.eiro.lv , www.sepalatvija.lv
11.	Cabinet of Ministers	MoF	<ul style="list-style-type: none"> • Regular (semi-annual) informative reports on the euro changeover; • briefings of ministers about euro changeover measures and topical issues 	CoM
12.	Saeima	MoF, BoL	<ul style="list-style-type: none"> • Regular informative reports on the euro changeover 	Saeima
13.	Coin collectors	BoL	<ul style="list-style-type: none"> • Latvian euro coin sets 	BoL, unions of coin collectors
14.	NGOs	MoF, BoL, CoM, MoW	<ul style="list-style-type: none"> • Dissemination of informative 	NGOs

⁴ Journalists of national and regional newspapers, radio, TV, Internet.

			materials about the euro changeover in Latvia	
15.	Local governments and their citizens (as well as recipients of social services/assistance)	MoEPRD, MoW	<ul style="list-style-type: none"> • Informative materials about the euro changeover in Latvia; • Informative stands in city celebrations; • Trainings of heads of local governments (potential spokespersons in local governments) 	Electronic media, direct communication. Latvian Association of Local and Regional Governments, Latvian Association of Cities, local governments, NGOs (maintaining shelters and soup kitchens)
16.	Consumers	MoE	<ul style="list-style-type: none"> • Monitoring of prices for goods and services (CRPC); • Monitoring of public utility rates (PUC); • Revision of collective and individual claims (PRPC); • Information and consultations (PIAA regional representatives in regions); • Informative materials 	CRPC web site and help-line, PIAA and CRPC, PUC ⁵
17.	Pensioners and receivers of social benefits	MoW	<ul style="list-style-type: none"> • Questions – answers on the web site of SSIA (procedure for pension and social benefit recalculation etc.); • Training of LPF specialists; • Informative materials 	SSIA web site, SSIA regional divisions, Latvian Pensioner Association, other pensioner organizations

⁵ And PIAA regional divisions: in Gulbene, Liepaja, Ogre, Cesis, Riga, Salacgriva, Daugavpils, Jelgava

18.	Saeima Visitors and Information Centre of the Public Relations Office	BoL, MoF	<ul style="list-style-type: none"> • Training of specialists 	Help-line
19.	Pupils, students, youth, children	MoES	<ul style="list-style-type: none"> • Training animation movies; • Electronic interactive games; • Erudition and initiate competitions in universities; • Scientific papers of pupils and students on the euro topic; • Interactive games at the portal www.draugiem.lv; • Visits to exhibitions of the EC and the ECB about the EMU and euro banknotes and coins, related competitions 	Education institutions, websites, methodological unions of teachers, universities, National Centre for Education, youth organizations, youth centres in local governments, Agency for International Programmes for Youth
20.	School teachers	MoES	<ul style="list-style-type: none"> • Methodological tools for teachers; • Training materials; • Presentation of training means in regions 	MoES, methodological unions of teachers, universities, National Centre for Education
21.	Trade enterprises /service sector	MoE	<ul style="list-style-type: none"> • Training of specialists about euro banknotes and coins for further provision of information in trade companies 	Direct Trade Association of Latvia (DTAL), Association of Latvian traders (ALT)
22.	Foreign tourists	MoE, MoT, MoFA	<ul style="list-style-type: none"> • Posters in transport hubs (airport, railway station, bus station, port); • Information prepared by the Latvian Institution in a <i>NewsLetter</i> form for foreign journalists and tourism operators; 	National tourism portal www.latviatourism.lv , tourism information centres, tourism agencies, airport, railway station, bus station, port, Latvian Institute, Latvian embassies abroad, TDSA

			<ul style="list-style-type: none"> • Informative materials in foreign languages 	
23.	Entrepreneurs	MoE	<ul style="list-style-type: none"> • Training of entrepreneurs about changes in accountancy etc. 	Latvian Investment and Development Agency (LIDA), Latvian Chamber of Commerce and Industry (LCCI), Employers' Confederation of Latvia (LDDK), banks
24.	Cashiers	BoL, MoF	<ul style="list-style-type: none"> • Seminars in cities about the euro changeover process and design of euro banknotes and coins and anti-counterfeiting signs; • ECB hand-outs for cashiers 	Local governments, supermarket chains, Association of Latvian Traders

8. FINANCING

It is planned that financing of the Euro Changeover Project will be centralized, as a medium-term budget priority; financing should be introduced in the MoF strategy and updated every year according to the strategy. Considering the experience of other new EU Member States, estimates of the financing required for euro changeover communication measures shall be based on the number of population, communication costs per each resident being 1 euro.

The sources of the required financing for implementation of the Communication Action Plan are as follows:

- Latvian government budget (**centralized** through the strategy of the Ministry of Finance for all communication activities implemented by all the public administration institutions);
- Budget of the BoL;
- European Commission and ECB financing (concluding strategic partnership and/or grant scheme).

The amount of financing required from the central government budget is adjusted every year in the process of the annual central government budget formulation. In addition to the Communication Strategy implementation initiatives of the partners providing financial support also should be supported – ensuring implementation of activities, dissemination of information and materials, and financing.

9. COMMUNICATION STRATEGY IMPLEMENTATION AND EVALUATION, REPORTING PROCEDURES

The euro changeover process is organised on the basis of Annex 1 to the Euro Changeover Plan approved by the CoM, where communication activities are associated with already identified measures in other euro changeover areas.

Communication Strategy and Communication Action Plan are evaluated regularly until the euro changeover date, as well as at least six months after the euro changeover. Evaluation should be done by means of analysis of measures implemented and public opinion polls performed:

- BoL public opinion polls – two times a year, media monitoring;
- Comparing data of studies made in Latvia with annual *Eurobarometer* study about the attitude towards the euro in new Member States;
- Centralized study on awareness and attitude of different public groups.

Results of study analysis are an instrument on the basis of which the working group updates Communication Plan.

The Chairman of the Public Awareness and Communication Working Group reports about the work of the Working Group to the Steering Committee. The MoF and BoL shall perform overall **coordination** of the communication campaign reconciling all the information and communication process. Communication Strategy implementation within the framework of the Euro Project is monitored by the Manager of the Euro Project.

ANALYSIS OF PUBLIC OPINION POLLS

Analysis of public opinion polls helps to clarify the level of public awareness of the euro banknotes and coins, discloses attitude towards the euro and its implementation, as well as gives reasoning for the attitude expressed. It is essential to find out public opinion about the (subjective) level of awareness and questions the population wants to be answered. A valuable instrument to discover public opinion and awareness are also hot-lines on which citizens can ask their questions and express their attitude towards the general process. Use of all these sources will help to form the content of the campaign, control achievement of goals and, if necessary, to introduce changes.

Questions concerning the attitude of the population towards the single currency of the EU – the euro and its implementation in Latvia have been included in different public opinion polls (*Eurobarometer*, polls of the BoL in 2009). The attitude indicators from the polls can be used to better organize the euro changeover process with regard to preparing the public for the expected changes and promoting public awareness of everything concerning the single currency – the euro. Analysis of poll data in other countries gives additional reference points for their interpretation and application in communication.

Public awareness campaigns concerning the euro changeover and the advantages provided by the single currency shall be launched well in advance and in a manner understandable to the whole community. Mitigation of a negative attitude is an important prerequisite to ensure successful euro implementation in Latvia. Thus, the data from opinion polls provide additional information on tasks incorporated in the Communication Strategy to be accomplished in order to attain the set objective of promoting successful euro implementation in Latvia. However at the same time it should be taken into account that the issue regarding the euro changeover in Latvia has been already solved and the main objective of the communication is to inform timely and precisely about practical aspects of the process.

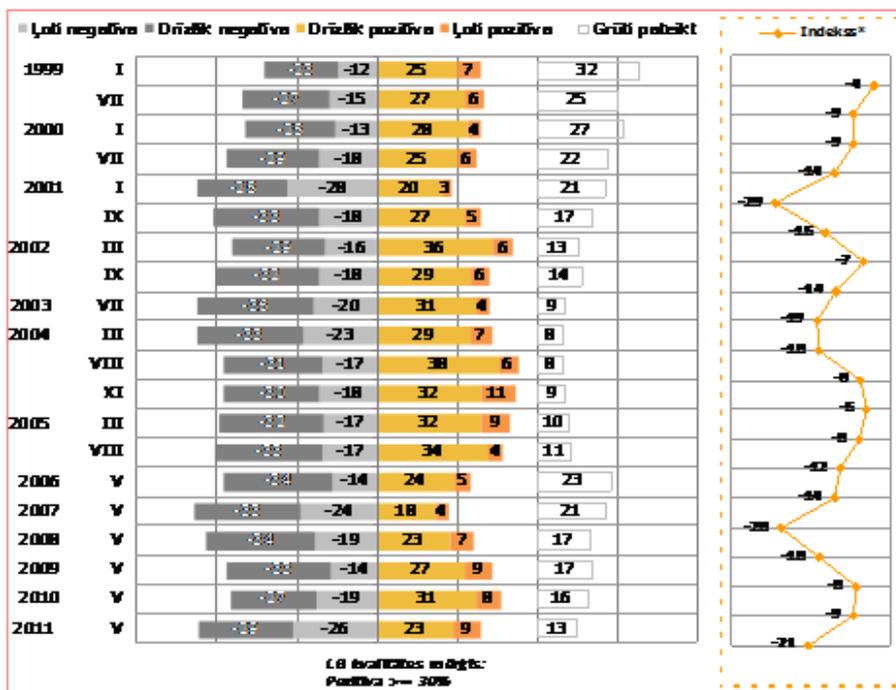
To find out public opinion and opinion of certain parties involved regarding the euro implementation and awareness of certain aspects of the process, two polls carried out in 2009 have been used: *Eurobarometer* poll “Euro Implementation in New Member States” carried out by the EC (June 2009) and public poll requested by the BoL and carried out by SIA “Factum” (May 2009) “Money and Banking System in Latvia”.

Results of the BoL poll regarding euro issues

- Overall, the EU27 population **supports the EMU with the single currency, the euro** (61%).
- They express a polarized view on the further enlargement of the EU – 43% are for it while 46% are against new countries entering the EU in future years.

Attitude towards the lats changeover to the euro: 1999-2011 (% - answers in percentage, INDEX*)
 What is your attitude towards the lats changeover to the euro?

Attieksme pret lata aizstāšanu ar eiro: 1999-2011 (% - atbilžu sadalījums, INDEKSS*)
 Kāda ir Jūsu attieksme pret to, ka lats tiks aizstāts ar eiro?



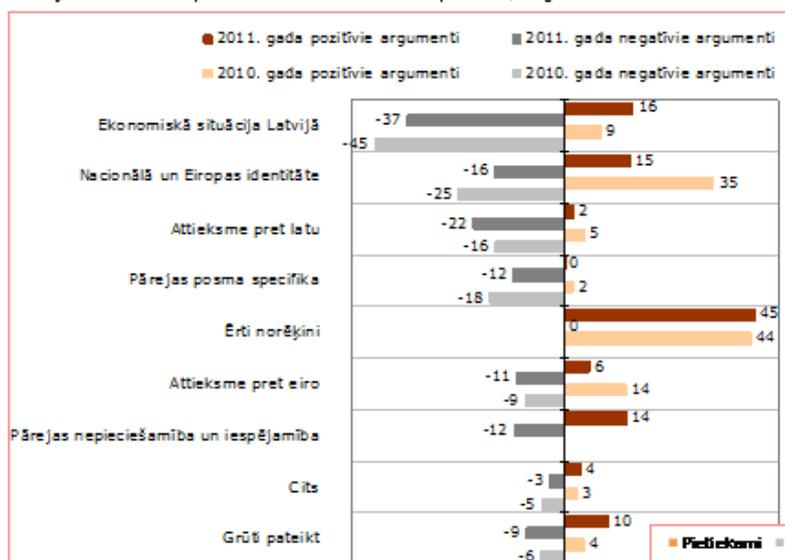
Bāze: visi respondenti, N=1000

*INDEKSS - vidējais vērtējums skalā no -100 (ļoti negatīva) līdz +100 (ļoti pozitīva)

Base: all respondents, N=1000

*INDEX – average assessment in the scale from -100 (very negatively) to +100 (very positively)

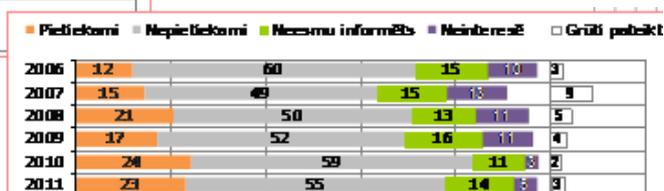
Lata aizstāšana ar eiro, vērtējuma argumentācija: 2010 - 2011 (% - atbilžu sadalījums)
 Kādēļ Jūsu attieksme pret lata aizstāšanu ar eiro ir pozitīva / negatīva?



Bāze 2011: pozitīvs vērtējums N= 325; negatīvs vērtējums N= 547

Informētība par pāreju uz eiro: 2006-2011
 (% - atbilžu sadalījums)

Kā Jūs vērtējat, vai Jūs esat pietiekami informēts par plānoto pāreju no lata uz eiro?



Bāze: visi respondenti, N= 1000

COMMUNICATION MESSAGES**MAIN COMMUNICATION MESSAGES OR BASIC THESIS*****1. Joining the EMU***

On 1 May 2004, by Latvia's community voting in favour of the EU accession at a referendum, Latvia officially acceded to the European Union and became one of its Member States. The Treaty of Accession to the EU also provides for joining the EMU and implementation of the euro in Latvia after compliance with the Maastricht criteria.

The euro implementation is recognition that Latvia's economic and fiscal policy is a success.

2. The euro will become a legal tender from the € day

From the euro changeover day, the euro banknotes and coins will become a legal tender in Latvia. A two-week period of dual circulation of the lats and the euro is planned, when for cash payments both currencies will be used. Conversion of non-cash lats to euro will be done on the euro changeover day.

Starting from the € day, the lats banknotes and coins will be gradually withdrawn from circulation and replaced by the euro. For two weeks it will be possible to use both the cash euro and lats

3. The period of dual circulation of the lats and the euro

The period of dual circulation of the lats and the euro will last two weeks, starting from the € day to the moment when the euro cash will become the only legal tender. During the period of dual circulation both the lats and the euro will be legal tender in Latvia.

Two-week period from the € day is the period of dual circulation of the lats and the euro, when population will be able to make payments in both lats and euro.

4. The period of dual display of prices

In order to ensure timely preparation of the public for changing the payment currency, promote understanding of prices in euro and provide an opportunity to monitor the level of prices in both currencies, a compulsory period of dual display of prices will be set: three months before the € day and a half-year after it. Recommended period of dual display of prices is from the moment when the Council sets the currency exchange rate, namely, approximately six months before the euro changeover day till December 31, 2014. A sufficiently long period of dual display of prices is a mechanism letting the consumers to get used to the new money and preventing a speculative rise of prices on goods and services.

Dual display of prices in all trade outlets and service provision places will be compulsory three months before and a half-year after the € day.

5. The Government will set an example to encourage traders/service providers to round the prices fairly

According to the experience of euro area countries an opinion exists that the euro changeover will facilitate price increase. Consumer price increase caused by the euro changeover in euro area countries is in average 0.2 to 0.3 percentage points from the total

inflation level. In a market economy, a government does not dictate prices, however specific measures are planned not to allow market participants to increase prices behind the currency exchange curtain. Monitoring of consumer price basket is organized, an action *Fair pricing* takes place, and the Government will set an example ensuring rounding of prices strictly according to mathematical principles. Entrepreneurs will be invited to sign goodwill memorandum for avoiding increasing of price. Mandatory period of dual display of prices will start at least three months before the € day and will continue for at least one year after the € day. Consumers should be informed to prevent an unfair boosting of prices.

The Government will take care to decrease possibility for unfair entrepreneurs to increase prices behind the currency exchange curtain.

By applying strict mathematical rounding principles in the public sector, the Government will set an example and urge traders/service providers to follow it.

6. Euro changeover will not cause money savings to shrink

In order to become a full-fledged Member State of the EMU and implement the euro, Latvia joined the Exchange Rate Mechanism II (ERM II) ensuring exchange rate stability on 2 May 2005. Moreover, on 1 January 2005 the lats was repegged to the euro, which at the moment implies a fixed exchange rate at 1 EUR = 0.702804 LVL. Consequently, euro implementation is a currency changeover based on a fixed exchange rate rather than a monetary reform.

Money savings of Latvian inhabitants will not decrease as a result of the euro changeover.

7. Low interest rates will reduce borrowing costs

Free capital flow in the single EU market is the objective of the EMU expansion, including introduction of the single European currency. Latvia does not lose the ability to implement an independent monetary policy, but gains a right to implement the overall monetary policy of the EMU by becoming one of its full-fledged participants. Single euro area will promote competition among lenders (banks, credit institutions). Competitive circumstances, in turn, support a decline in lending rates, and that creates pre-conditions for higher business development rates. Borrowing costs decrease supporting accumulation of additional capital which can be used in business development: acquiring of new equipment and opening new production sites. Such favourable conditions promote overall economic development.

A safe environment is created for businesses enabling long-term development planning, as well as access to cheaper loans will be provided.

8. Latvian lats as a symbol of independence is also a historical landmark for the future

Starting from the € day the euro banknotes and coins will become a legal tender in Latvia. It means that from this moment the lats banknotes and coins will be gradually withdrawn from circulation and replaced by the euro. Latvia does not lose the lats as a symbol of independence as the national symbols will be still displayed on the euro money when striking the Latvian euro coins (both circulation as well as collector coins). Banknotes in all the area are completely equivalent.

Latvian euro coins will promote Latvia's image in Europe.

9. Free-of-charge lats cash changeover to the euro

In order to reduce the costs associated with the currency conversion and ensure an efficient euro changeover process, for six month the lats cash will be exchanged to the euro

free-of-charge. During this period, it will be possible to exchange the lats cash for the euro in banks, SJSC “*Latvijas Pasts*”, commercial corporations having received a BoL licence for foreign currency cash selling and buying. After this period, the BoL will continue to exchange the lats cash for the euro without charging commissions for an unlimited period of time and in an unlimited quantity.

The Latvian lats will preserve its value also in the future. It will be possible to exchange the lats cash for the euro without charging commissions for an unlimited period of time after the euro changeover day.

10. Everyone will have an opportunity to exchange the lats to the euro conveniently and in a timely manner

In order to provide the population with the euro coins and banknotes, the euro changeover process provides for a maximum convenient non-cash changeover. On the euro changeover day (the € day) all lats on bank accounts will be automatically and free-of-charge converted to euro, thus the population is advised to use this non-cash payment opportunity more often and deposit cash savings with banks in advance. This will help to prevent out of turn bank visits, save time and travelling expenses that may be incurred if travelling to a bank to exchange money. Therefore, the residents must be more active and follow the information not to cause unnecessary inconvenience for them that may have been prevented.

Each resident will have an opportunity to exchange money very conveniently and in a timely manner or engage in other financial operations.

11. A single currency for consumers – a more “transparent” European market

Consumers can compare prices on goods and services in various countries, which, in turn, promotes competition. As a result of the euro changeover, residents of the EMU Member States have become smart buyers, who are able to compare prices and purchase cheaper goods.

A single market with a single currency promotes balanced prices on consumer goods.

12. Tourism development

One of the largest gains from the euro implementation for residents of the EU countries is putting an end to the issue of having to exchange currency. When travelling through the euro area countries, tourists do not have to exchange the currency of one country for that of another country. It makes travelling more convenient and cheaper, because one does not have to exchange currencies and pay the associated commissions.

Single currency – the euro – makes travelling in euro area countries more convenient.

13. Emotional worries exceed rational ones

Concerns expressed by inhabitants are mainly based on emotional rather than rational arguments, which could be explained by lack of knowledge and understanding. It means that such concerns could not be reduced with rational and well-grounded arguments; additional measures need to be applied to separate target groups.

Emotional rather than rational concerns are dominant.

14. With accession to the EU a choice was made to introduce the euro

When voting at the referendum on the EU accession, part of the population was not aware that at the same time a decision of the euro implementation was taken as stipulated by the Treaty Establishing the European Community. By implementing an awareness campaign, information is provided to the public concerning the need to implement the euro as well as the economic benefits achieved.

No referendum will be organized on the euro changeover; Latvian inhabitants expressed their approval at the referendum on the EU accession.

15. Rating agencies and economic experts, as well as senior officials express their assumptions on possible euro changeover date

Forecasts of various organisations, agencies and officials on possible euro changeover date in nearer or further time increases public uncertainty. Since there are a lot of forecasts often they are inconsistent and it is difficult for society to orient there. Information is provided to the public about the progress made on the euro changeover project and the practical aspects of the euro changeover. Work is on-going to define the rules as quickly as possible and deliver this information to businesses and citizens of Latvia, so that they can prepare for the euro changeover in due time.

Various forecasts about the euro implementation cause uncertainty and often are inconsistent. The euro changeover process is based on cash euro implementation perspective consisting of activities both during the euro changeover process preparation phase and after the official naming of the € day (at least 2 years or 24 months before the euro changeover).

16. As a result of a monetary reform, population always loses money and losses affect specifically economically low income population, changeover will also cause great inconveniences

Considering that Latvia's population has undergone several monetary reforms during the last 50 years, which also included the currency exchange, part of the population have an impression that the currency exchange is directly linked with the monetary reform as an unfair process, bringing about losses. The community, especially the elderly people, are not sure that the euro changeover is not going to be a monetary reform but a mere currency changeover. The public is constantly informed about the latest developments under the euro changeover project as well as the practical aspects of the currency changeover. The difference between a monetary reform and money changeover process is explained. Money is changed in a manner which is the most convenient to all population. A one-month period of the dual circulation of the lats and the euro will be provided the euro changeover, enabling the population to spend most of the money on routine purchases and diminishing the need to exchange the currency.

The euro changeover will be based on mathematical principles. Taking into account recommendations and following up information about the euro implementation, consumers are given possibility to avoid additional expenses or losses.

17. Worries about the loss of national currency

For the community, the lats personifies Latvia's independence and its replacement with the euro psychologically associates with losing Latvia's independence. After joining the EMU, the monetary policy decisions made by the ECB Council will also be binding for Latvia. The President of the BoL will participate in the ECB Council.

In Latvia, the lats will be forever because the BoL will perform the lats exchange without restrictions in time and amount. Also the Latvian state symbols – big and small coat of arms and Latvian folk-maid – will be reproduced on the euro coins issued in Latvia. The BoL will participate in monetary policy making for all the euro area which makes significant impact on Latvia already before now, before the euro changeover.

18. Is the lats conversion rate to the euro beneficial?

The public is concerned that the lats peg rate to the euro is not beneficial. Latvia's exports benefit considerably from the lats peg rate. In 2007, exports reaching 4.040 billion lats, which is 22.7% more than in 2006. It can be forecast that exports will continue to g.

The lats conversion rate to the euro is beneficial for Latvian exports and national economy in general. For national economy – entrepreneurs, citizens and state finances – stability of the lats is important which is ensured by narrow fluctuation band vis-à-vis the peg currency.

19. Will the euro will be introduced according to current exchange rate

The final transitional exchange rate will be approved by ECOFIN, but there is no economic justification to change the current pegged exchange rate (1 EUR = 0.702804 LVL).

In Latvia, fixed exchange rate has been constant since 1994 and it serves well. The policy of the BoL is and will remain unchanged; therefore the euro is likely to be introduced according to current exchange rate. Principles of the ERM II do not exclude possibility to make corrections of the currency exchange before the euro changeover, all involved parties should agree on it.

20. Single currency and single payment means – SEPA payments

SEPA (*single euro payments area*) is a single European currency with single set of payment instruments. By introduction of the euro, the society will be able to get all the benefits offered by the single non-cash payments – SEPA credit transfers, SEPA direct debit payments and SEPA card payments. With the three SEPA payments any customer anywhere in Europe will be able to make non-cash payments as quickly, easily and safely, as now domestic payments can be made.

It will be enough with one card and one account to make payments anywhere in Europe under the same legal and technical conditions.

Taking into account worries which should be diminished a list of frequently asked questions and answers should be published along with the Communication Action Plan. Answers on the questions in the list should be prepared by responsible institution. The list of questions and answers should be handed over to involved institutions for the use in communication with the public (including operators of help-lines).

In the euro communication principle of practical information provisions should be complied with:

- 1) The changeover from the lats as a legal tender to the euro – population will be informed about the changeover itself as well as the time of the changeover;
- 2) Money changeover issues:
 - relationship between the financial value of the lats and the euro;
 - payments abroad;
 - the visual appearance of the euro banknotes and coins, security features;
 - exchange procedure;
 - bank accounts;
 - securities, contracts;
 - functioning of ATMs, payphones etc., which currently use the lats and santimes coins;
 - non-cash and e-money payment means;
- 3) Changes in the daily life of the community related to the changeover:
 - changes in laws and regulations;
 - gains and losses;
 - currency risks;
 - the most important changes in entrepreneurship;

- practical advice (size of banknotes, the euro – means of payment in other countries etc.);
- 4) Changes in the monetary policy and economy in general.

DESCRIPTION OF TARGET GROUPS

The target audience for the Communication Strategy is all money users in Latvia. When planning communication measures, they are aimed at such target groups as households, pensioners, socially most vulnerable groups, school and university students, representatives of public administration sector, journalists and businesses, representatives of banking sector, opinion leaders, tourists, investors, coin collectors and public in general.

According to key principle defined in the Latvia's National Euro Changeover Plan (orientation towards the less favourably positioned inhabitant), particular attention will be paid to inhabitants who are more difficult to reach by means of media (e.g. pensioners living in remote areas, persons with special needs, representatives of ethnic minority groups who do not use information in Latvian, etc.). A special approach must be used in communication with those groups, involving professional associations, responsible public institutions, associations and social services in the communication campaign.

In view of the fact that persons in prison custody and those released from custody are part of the community who might find it difficult to obtain information on the euro changeover by other means, special informational activities have been envisaged within the framework of the Communication Strategy to be carried out in places of confinement and departments of the State Probation Service. Informational materials on the euro changeover (in Latvian and Russian) will be placed in the libraries and departments of the above institutions.

All public administration institutions as well as the private sector (e.g. credit institutions, trade companies, and service providers, as well as associations, NGOs and social partners) are indirectly or directly involved in the implementation of the Communication Strategy and Communication Action Plan. Communication partners involved or willing to get involved in the euro public awareness campaign will have to comply with the strategic communication guidelines. The main communication campaign partners are the EC, the ECB, the Saeima (Parliament) of the Republic of Latvia, Ministries of the Republic of Latvia, the Bank of Latvia, banks, local governments, NGOs, professional and public associations, businesses, state institutions with wide range of clients and which take care of socially most vulnerable groups etc.

In order to ensure public awareness of the Latvia's National Euro Changeover Plan and promote public understanding about the euro changeover issues, it is planned to provide information based on the target groups:

- 1) Money users – consumers, paying special attention to the following sub-groups:
 - a. Pensioners
 - b. Children, school and university students
 - c. Persons difficult to reach and people with special needs
- 2) Public sector, local governments, Saeima and NGOs
- 3) Business environment – businessmen
 - a. Trade and service sector
 - b. Banks
 - c. Cashiers
- 4) Information providers: education and training
 - a. Media
 - b. Secondary information providers
 - c. Opinion leaders

- 5) Tourists and investors – foreign residents
- 6) Coin collectors

1. Money users - consumers

Population is the main target group comprising all persons living in Latvia. All population uses money, as both daily routine purchases and running a business involve currency circulation. Therefore, the awareness of the population and readiness to face changes is ensured by a carefully designed Communication Strategy concerning Latvia's accession to the EMU and implementation of the single currency – the euro. Three sub-groups are distinguished separately:

a. Pensioners

As a target group, pensioners are characterised by relying on conservative, traditional views and values. Firstly, it refers to payment habits – pensioners use cash more often than non-cash payments and payments using internet technologies. Secondly, in this part of society the use of mass media as a source of information differs. Thirdly, although the euro changeover is not a monetary reform in anyway, but a changeover from one currency to another, it has to be borne in mind that pensioners could associate one process with another since they have experienced several monetary reforms that have left unpleasant memories associated with material losses.

Prior to regaining independence, when Latvia was still a constituent of the Soviet Union, several monetary reforms were carried out. In 1992, a decision was taken on releasing the temporary notes of the Bank of Latvia (the Latvian ruble) into circulation. In 1993, the national currency of the Republic of Latvia (the lats) was introduced. As the most observable expression of monetary reform is cash changeover, and the above mentioned monetary reforms resulted in losses to the community, this negative experience gives ground for concerns also regarding the expected lats changeover to the euro. Therefore, it is very important to explain to this target group that this is not a monetary reform but merely a changeover, to inform this target group about the euro changeover, gradually winning over the pensioners' confidence and support for implementation of the single European currency in Latvia.

b. Children, school and university students

This target group comprises pre-school children, school and university students, and special campaigns and informational materials about the euro changeover will be used to ensure awareness. The younger generation is more open and positively disposed towards the changes. Moreover, if this target group is well-informed, it will promote a positive attitude towards the euro changeover also in other groups, their families. Young people consider the accession to the EU and also the future euro changeover an asset because it facilitates travelling and provides new opportunities for obtaining education in other European countries.

c. Persons difficult to reach and people with special needs

This target group comprises socially rejected and vulnerable people, people with special needs, as well as people living in remote areas, persons in prison and former prisoners. The main goal is to eliminate fear of this target group from the euro changeover indicating that worries about security of new currency and possible losses resulting from currency change are unfounded. This group could be reached by brochures and handouts, as well as

visiting these people to explain the situation, for instance, in a form of lectures or seminars, answering most frequent questions.

It is essential also to provide information both in Latvian and Russian to cover as wide group of people as possible and avoid leaving ethnic minorities in Latvia in information vacuum. Foreign languages should be used according to effective laws and regulations.

Also information should be made available and special informative materials should be prepared for persons with special needs (hearing impaired, visually impaired, people with intellectual disabilities).

Care should be taken to cover those individuals to whom it is difficult to reach financial services – people living in remote rural areas, as well as imprisoned persons.

2. Public sector, local governments, Saeima and NGOs

This target group comprises CoM, public administration institutions, the BoL, local governments, as well as the Saeima (Parliament), and non-governmental organisations. When commencing a public awareness campaign about the euro changeover issues, it is important first to provide this information to the Saeima, public administration institutions, local governments, those employed in non-governmental organisations, who, on the one hand, implement the lats changeover to the euro, whereas, on the other hand, serve as a source of information for the rest of community. Therefore, it is important to provide very detailed information to this target group and promote a positive attitude.

3. Business environment – businessmen

Trade and service provider companies as well as financial institutions will be most directly involved in the currency changeover process. This target group needs comprehensive information about the expected changes that will affect their future operation, considering the requirements of the respective sectors. It is vital to start communication and awareness campaign aimed at this target group sufficiently well-in-advance, to give companies time for preparation for a successful euro changeover.

a. Trade and service sector

The target group comprises both public and private sector trade companies and service providers who all individually have to be well-informed in order to complete the required preparatory work in due time and plan the budget for ensuring the euro changeover process. Retail trade chains also have their channels for providing information, also to be used in preparing the end user for the currency changeover process.

This target group can be conditionally divided into three sub-groups, the work being organised with each of them separately:

- companies involved in cash circulation – trade outlets and service provision places, financial institutions, the post office etc.;
- companies related to non-cash payment means – payment cards, terminals in trade places;
- companies using banknote and coin machines.

b. Banks

Banks play a significant role in the currency changeover process and also serve as a source of information for their customers who will indirectly receive extensive information about the details of the euro changeover process through the banks' information channels (web sites, Internet bank etc.). Retail trade chains and banks will play a major role also in withdrawing the lats cash from circulation.

c. Cashiers

Cashiers of banks and trading companies are a special group because it is critical that they know how the money looks and they are forwarders of the opinion and mood. For this group direct communication in professional seminars and training materials are important.

4. Information providers: education and training

This target group comprises people who educates and introduces others with their opinion so creating information network. It is essential to the euro changeover related issues to this target group to avoid further publication of wrong or incorrect opinion. To this target group belong journalists, secondary information providers and opinion leaders. Separate informative measures should be applied to separate sub-groups.

a. The mass media

This target group is comprised of journalists coming from the national and regional newspapers as well as working on TV, radio and Internet. This target group is not big. Nevertheless, it plays a very important role in the communication process, and mass media are the ones to reflect and also shape the attitude and views of the population.

b. Secondary information providers

This group comprises representatives of various professional associations, unions and other interested groups. This audience could be reached via seminars, forums, conferences devoted to the euro changeover, as well as by founding advisory board. Discussions help these people to receive answers to their questions and get information for further dissemination.

c. Opinion leaders

This target group comprises representatives from all previously-defined target groups serving as a secondary source of information and opinion-shapers for the specific target groups. This target group comprises experts, politicians, NGO representatives, as well as persons who are opinion leaders in their respective social group, in their profession field both in their region and Latvia in general. The direct communication channel and individual approach are the most suitable for this target group.

5. Tourists and investors – foreign residents

In most cases, this target group is characterised by good knowledge about the euro. The knowledge about the lats and the euro conversion rate and the euro changeover process in Latvia, however, is scarce. Latvia's embassies abroad as well as Tourism Information Centres in Latvia are an important channel of communication.

6. Coin collectors

This target group is characterised by good knowledge about the euro changeover process in Latvia. Various unions and associations will be used as an information channel.

BASIC PRINCIPLES OF THE CAMPAIGN

The Euro changeover communication shall be implemented using integrated communication channel and tool for achievement of communication goals. Integrated marketing communication is a concept where the company, in terms of euro changeover it is the Public Awareness and Communication Working Group, carefully considers and coordinates its various communication channels – indirect communication (advertisements in mass media, Internet etc.) and direct communication channels (contacts, informative measures, informative telephone number etc.) for selling, stimulation of consumption, at the same time stimulating public relations, direct marketing, “news packing” etc., aiming at correct and implementing consequent and convincing notion of the company and its goods. In this case of the state implemented project – the euro changeover.

I Common design and slogan

All public and private institutions, as well as social partners involved in the euro changeover campaign shall use a common design and a slogan.

The design and slogan competition was launched in the end of 2006. In April, 2007, the winner was announced – a sun with a euro symbol in the middle which seems as drawn by the child’s hand, but the slogan is *eiro.lv* which relates to the Internet address of the vortal www.eiro.lv.



Figure 2



Figure 3



During the campaign according to the financing resource it could be possible to use several designs. The European Commission offers one version of the design and slogan for the euro changeover campaign to all the new Member States (*One currency, many possibilities*), but the ECB also has its own design and slogan (*The euro, our money*) to offer, which will be used in its information materials.

II Common communication source

Institutions implementing the euro changeover communication process are public institutions using common Communication Strategy and Action Plan, thus ensuring *one voice* principal. Private institutions are also significant players in the communication – commercial banks, companies etc. and social partners – associations and societies acting on the basis of strategic partnership, taking part in the strategy development and discussing process, as well as implementation.

Public Awareness and Communication Working Group recognizes that the more equivalent “players” in terms of their significance will be involved in the communication the lesser will be resistance of society and public “opinion creators/leaders” to the euro changeover and the greater will be their support to the on-going processes; that is why it is planned to develop strategic partnership.

III Partnership

All public institutions, the private sector, as well as NGOs may participate in the Euro Communication Campaign. The partnership of the Campaign can be:

- informational – information regarding the planned activities, issues concerning the euro changeover, availability of printed materials, etc.;
- financial and technical – the ECB is preparing materials for brochures etc., printing and distribution will be carried out by commercial banks (at their own expense), SJSC “*Latvijas Pasts*” will distribute printed materials etc.

IV Information

The community is basically given practical, pragmatic information, answering such questions as – how, what, when.

The question: “Why the euro is being introduced?” is answered from the euro changeover benefits point of view giving less explanations that Latvian citizens have already expressed their agreement to the euro changeover when voting in the referendum for joining the EU (September, 2003).

Nevertheless, there is always a possibility that a “deeper” explanation of the euro changeover issues will be necessary, especially considering the low support to the changeover in Latvia. For provision of such information full value of the communication introduction phase or period should be used before the euro changeover date is named.

V Reducing worries in the society a

Public opinion polls show reduction in the euro changeover supporters in Latvia; however it is linked with emotional and often hardly justifiable worries, as well general processes in national economy rather than rational considerations. Additional explanations shall be given to the target groups taking into account that the euro changeover tends to cause mainly emotion rather than practical worries. These worries cannot be eliminated only with rational arguments; that is why for some target groups psycho-emotional activities are necessary.

VI Source of campaign financing

For implementation of the public institutions' euro communication campaign a single source of financing is used – state budget which is being planned centralized in compliance with the Strategy of the Ministry of Finance. Communication measures implemented by the BoL are financed from the budget of the BoL.