

Reconomy: A proposal for Grand Challenges Explorations Round 15

Section I. What is your idea?

Indicate in one or two sentences in bold the essence of your idea.

Reconomy is an alternative market model that uses digital transaction platforms to engage all members as merchants in peer-to-peer trade to help each other build resilient communities. Our strategy is to provide self-managing and self-scaling marketplaces that build local economies from the bottom-up to leave no one behind, as we bring the full power of the sharing economy to bear on ending poverty.

Why is your idea an unconventional or creative approach to the problem outlined in the topic?

Reconomy's alternative marketplace design is focused on providing free digital transactions to reach those too poor for mobiles (as specifically permitted by The Challenge). Our marketplaces trade using digital community currency (DCC), and are facilitated by a Global Timebank that is free to join and use online, and is free to access locally at our community-based People Power Stations. Our Timebank has a unique design that provides a living library of mutual support for and by its members around the world, and creates time-credit only to reward community service. This time-credit is traded online by members to share knowledge, skills and services with a focus on sustainable local development. Members earn time-credit contributing to community projects and guiding each other in the use of this platform and in the procedures for cloning it to create community-based platforms that trade DCC — not time-credit.

Our DCC does not replace national currency, but complements it by extending continuous access to both a high-value currency and to financial services all the way to those living in absolute poverty. Reconomy's community platforms *create* DCC only to pay persons to sustainably-develop essential human and natural resources (including essential services). The value of DCC is backed by the resources and services developed; and one or two key resources, including renewable energy, are significantly discounted when purchased with the DCC to impart high-value. This discount spurs the initial demand for both the currency and the energy to establish a virtuous cycle that accomplishes the continuous growth and access to both that's vital to individual and community economic empowerment. Our digital currencies can never leave their autonomous local platforms, but are denominated in units of national currencies, so may easily be used locally together with national currencies wherever there is internet access, and so they continuously and increasingly circulate.

Describe the hypothesis for your proposal and why you expect it to succeed.

We believe that local economic empowerment is key to achieving community resilience. Thus, rather than continue to feed the cycle of unsustainable local development by merely graduating more persons into a broken system, Reconomy members will use a digital community currency to prosper through local economic development, providing essential local commodities and services for both local consumption and to the mainstream marketplace. Our DCC continuously circulates locally, funding the development of healthful food, affordable housing, basic education, basic health care, habitat restoration, art and more — anything and everything that can be accomplished locally where there is continuous and affordable access for everyone.

Section II. How will you test it?

Describe your experimental plan, including any new technologies or tools to be developed.

Our cloneable digital transaction platform is online, tested and bug-free, and Reconomy is ready to be introduced simultaneously in two communities in Uganda, where our local Directors will begin by mobilizing individuals in their existing networks to partake in training, the recruitment of additional users, and to engage in research to establish baselines from which to measure change.

At our Southeastern Uganda location, in Budaka District, we'll test the process of implementing a

municipally-based system. During a 3-4 month ramp-up, The Town will provide land for implementation of demo infrastructure, including the People Power Station with ICT, and will determine what local fees to discount when paid with DCC. For example, members may be paid with DCC to develop sanitation stations that offer such a discount to users. The discount will spur demand for the DCC and the stations; and the income (in both national and local money) would be spent to maintain and grow this service and increase access to additional essential services and commodities. This project will illustrate an instance of the power of Reconomy administered by a municipality, where the value of DCC is enhanced by local government's endorsement and discount to facilitate circulation.

At our Northern Uganda location, in Nebbi region, we'll test a more-polycentric system involving local affinity networks. These participating organizations will also provide land for demos and determine the discounted services and commodities — focused on food and renewable biomass energy development — to illustrate and test Reconomy when supported by community NGOs.

And all members will use our Timebank to share skills and lessons within and between communities.

How will the work you describe be performed within the budget and time period - include project work time, ramp up and required reporting. What essential data will you generate during your Phase I award? If your experiments in Phase I are successful, what are the next steps?

We expect mobile access to expand and for prices to improve, but the poorest persons can only afford free, which Reconomy will offer through digital transaction platforms accessed at our community-based People Power Stations. In this initial Phase, we'll develop and test user guides tailored to the communities we serve, including auto-attended audio guides to facilitate initial contact with the simplest devices by the illiterate. Our DCC will be created in both Phases to pay for development of local goods and services that will be sold for both DCC and national currency to produce the income necessary to maintain, grow and scale Reconomy's marketplaces. Prospering in this manner is a key factor in evaluation of success of the demos, as will be surveys before, during and after implementation to measure effects of the programs, especially their reach and impact on quality of life. The final two months are reserved for evaluation, community feedback and required reporting.

As we begin to scale, members will be invited to provide additional funding through purchase of DCC with national currency; and this DCC must be held for one or more years before it may be used to fund exports in a fair-trade manner. We'll also introduce the opportunity for members to buy advertising within the platforms. The development and production of renewable energy will provide varied funding from government incentives and eventually from trade of credits in energy and carbon markets. However — while we test our solution in Phase 1, and while we continuously refine and adjust procedures as we scale globally in Phase 2, and until we achieve our goal of self-managing and self-scaling marketplaces — bold philanthropic funding will be necessary for salaries and expenses, to provide ICT, and for other tools, technology and materials for our members, to meet the evolving needs of these developing marketplaces, and also will be essential to provide the initial goods and services that back the value of the DCC and discounts until our programs generate profit.

We anticipate scaling additional pilots in Uganda in Phase 2, and in several others of the eight nations targeted in the Phase 1 Challenge, including Kenya, India, and Pakistan, and beyond in communities where we have already identified support for Reconomy.

Allowable direct costs: personnel-\$50,000, supplies \$30,000, travel-\$10,000, and other expenses (equipment) 4 small renewable energy systems (\$2,000, \$2000, \$3000, \$1000)\$10,000. Tot \$100k