

# Community Currency Design Template

**Part of the Economic Integration Seed Kit**  
*Supporting the Nested Sovereignty Framework*

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## Overview and Purpose

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This template guides communities through the process of designing and implementing their own currency systems within the Nested Sovereignty Framework. It provides structured steps, design options, governance models, and implementation tools while preserving local sovereignty and ensuring regional/global interoperability.

## Template Objectives

- Empower communities to design currencies that reflect local values and needs
- Ensure technical compatibility with regional and global economic systems
- Support equity, inclusion, and justice in monetary design and implementation
- Provide both high-tech and low-tech implementation pathways
- Create resilient currencies capable of withstanding economic volatility

## Who Should Use This Template

- Community economic development committees
- Local government economic teams
- Indigenous governance councils
- Cooperative and social enterprise networks
- Transition town initiatives
- Neighborhood associations and mutual aid groups
- Regional economic coordination bodies

## How to Use This Template

1. Form a diverse currency design team, ensuring 50% representation from women, non-binary individuals, and marginalized groups
2. Work through each section sequentially, documenting decisions in the provided worksheets
3. Adapt the template to your local context while maintaining core interoperability standards
4. Use the implementation checklist to ensure a comprehensive approach
5. Revisit and refine your currency design based on pilot experience

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## Core Currency Design Principles

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Successful community currencies embody these five principles:

### 1. Value Foundation Integrity

Your currency must have a clear and robust foundation of value, balanced across three dimensions:

- **Community Trust:** Social agreements and collective confidence
- **Real Economy Backing:** Connection to goods, services, and resources
- **Design Integrity:** Technical features that support circulation and stability

## 2. Appropriate Sovereignty

Your currency should maintain clear local control while enabling broader economic participation:

- **Local Decision-Making:** Community governance over core currency parameters
- **Regional Alignment:** Compatibility with neighboring community systems
- **Global Standards:** Adherence to framework interoperability protocols

## 3. Inclusive Access

Your currency must be accessible to all community members regardless of resources or abilities:

- **Multiple Access Points:** Digital and physical currency formats
- **Minimal Participation Barriers:** Low or no costs to join and use
- **Universal Design:** Accessibility for different languages, literacy levels, and abilities

## 4. Circulation Optimization

Your currency should be designed to move regularly throughout the community:

- **Demurrage or Incentives:** Features that encourage circulation rather than hoarding
- **Exchange Limitations:** Appropriate constraints on conversion to national currency
- **Business Network Development:** Strategies to create complete transaction circuits

## 5. Resilience and Adaptability

Your currency should withstand shocks and evolve with community needs:

- **Volatility Management:** Mechanisms to maintain stability during economic disruption
  - **Feedback Systems:** Regular community input to guide evolution
  - **Crisis Protocols:** Clear procedures for maintaining function during emergencies
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## Design Process Guide

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Follow this step-by-step process to design your community currency:

### Step 1: Stakeholder Engagement (2-3 months)

- Form a currency design team with diverse representation
- Conduct community needs assessment through surveys and dialogues
- Map existing economic flows using the Resource Mapping Tool
- Identify priority economic challenges to address (leakage, underutilized resources, etc.)

**Key Deliverable:** Community Economic Needs Summary (2-3 pages)

### Step 2: Purpose and Values Definition (1 month)

- Articulate clear purpose statement for your currency
- Define core values that will guide currency design
- Establish primary and secondary objectives
- Create evaluation metrics aligned with community goals

**Key Deliverable:** Currency Purpose and Values Statement (1 page)

### Step 3: Currency Model Selection (1-2 months)

- Review available currency models and their features
- Assess alignment with community context and needs
- Select and adapt appropriate model(s)
- Document rationale for model selection

## Working Models to Consider:

1. **Mutual Credit System:** Zero-sum accounting system where credits and debits always equal zero
2. **Locally Issued Currency:** Community-backed paper or digital currency with national currency reserves
3. **Time-Based Currency:** System valuing hours of service equally regardless of service type
4. **Dual-Currency System:** Complementary currency operating alongside national currency with fixed exchange
5. **Resource-Backed Currency:** Value tied to specific local resources or production
6. **Hybrid Model:** Combination of multiple currency approaches

**Key Deliverable:** Currency Model Selection Document (3-5 pages)

## Step 4: Technical Design (2-3 months)

- Develop detailed operational specifications
- Design issuance, circulation, and redemption mechanisms
- Create governance and decision-making structures
- Establish technical implementation approach

**Key Deliverable:** Currency Technical Specification (5-10 pages)

## Step 5: Implementation Planning (1-2 months)

- Develop phased rollout strategy
- Create marketing and community engagement plan
- Establish business recruitment strategy
- Design monitoring and evaluation framework

**Key Deliverable:** Implementation Plan (5-7 pages)

## Step 6: Pilot Launch (3-6 months)

- Implement in limited geographic area or sector
- Enroll initial business and individual participants

- Begin transactions and monitor closely
- Make iterative improvements based on feedback

**Key Deliverable:** Pilot Evaluation Report (3-5 pages)

## Step 7: Scale and Refine (Ongoing)

- Expand to broader community after successful pilot
- Implement governance structures for long-term management
- Develop regional interoperability connections
- Continually refine based on community feedback

**Key Deliverable:** Quarterly Currency Performance Reports

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## Currency Foundation Elements

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Every community currency requires these foundational elements:

### Value Anchoring

Determine what gives your currency value:

#### Option 1: Fiat National Currency Backing

- Reserved national currency (typically 25-100% backing ratio)
- Pros: Easily understood, high initial trust
- Cons: Reproduces national currency limitations, vulnerable to external economic shocks
- Examples: BerkShares (USA), Bristol Pound (UK)

#### Option 2: Real Economy Backing

- Local goods and services (acceptance agreements with businesses)
- Pros: Direct connection to local economy, not dependent on national currency
- Cons: Requires broad business participation to establish value
- Examples: Transition Currency (Japan), SoNantes (France)

### **Option 3: Time/Labor Backing**

- Human time and skills (1 hour standard unit)
- Pros: Inherent equality, not subject to inflation
- Cons: Challenging for goods or business integration
- Examples: Hour Exchange (USA), Fureai Kippu (Japan)

### **Option 4: Mixed Backing System**

- Combination of multiple value anchors
- Pros: Most resilient, addresses multiple needs
- Cons: More complex to design and explain
- Examples: Banco Palmas (Brazil), Sardex (Italy)

## **Issuance Mechanisms**

Determine how your currency enters circulation:

### **Option 1: Purchase/Exchange**

- Issued when bought with national currency
- Pros: Simple, builds initial reserves
- Cons: Accessibility barriers, reproduces financial exclusion
- Implementation: Exchange offices, online platforms, participating businesses

### **Option 2: Backing Assets**

- Issued against community assets (land, buildings, future production)
- Pros: Independent from national currency, builds community wealth
- Cons: More complex legally and operationally
- Implementation: Community trust structures, cooperative ownership

### **Option 3: Mutual Credit**

- Created at moment of transaction, always sums to zero
- Pros: No central issuance needed, self-regulating
- Cons: Requires trust and consistent participation
- Implementation: Credit limits, account management systems

## Option 4: Public Spending

- Issued through local government for services, grants, or income
- Pros: Combines public backing with community circulation
- Cons: Requires government participation, potential political challenges
- Implementation: Municipal agreements, public service programs

## Circulation Features

Determine how your currency will maintain healthy movement:

### Option 1: Demurrage (Negative Interest)

- Currency loses value over time (typically 2-8% annually)
- Pros: Encourages spending over saving, increases velocity
- Cons: More complex to explain and implement
- Implementation: Stamping systems, digital expiration, fee schedules

### Option 2: Incentive Programs

- Bonuses for using currency (extra value, rewards, etc.)
- Pros: Positive encouragement rather than penalties
- Cons: Requires funding source for incentives
- Implementation: Business discounts, transaction bonuses, loyalty features

### Option 3: Use Obligations

- Required payments in community currency (taxes, fees, etc.)
- Pros: Creates consistent demand, ensures circulation
- Cons: Requires institutional participation
- Implementation: Utility payment options, local tax agreements

### Option 4: Exchange Limitations

- Restrictions or costs for converting back to national currency
- Pros: Keeps value circulating locally
- Cons: May discourage business participation
- Implementation: Redemption fees, exchange windows, business-only redemption



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# Technical Implementation Options

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Choose appropriate technologies based on your community's resources and needs:

## Digital Implementation

### Option 1: Blockchain-Based System

- **Technology:** Open-source blockchain with web/mobile interfaces
- **Requirements:**
  - Technical development team or partner
  - Server infrastructure or cloud hosting
  - User devices (smartphones or computers)
- **Interoperability:** High capability for regional/global integration
- **Security Features:** Cryptographic verification, transparent ledger
- **Cost Range:** \$5,000-\$50,000 initial, \$1,000-\$5,000 annual maintenance
- **Implementation Time:** 3-6 months
- **Examples:** Grassroots Economics (Kenya), Sarafu Network

### Option 2: Accounting Platform

- **Technology:** Database-driven accounting system with web/mobile access
- **Requirements:**
  - Basic technical implementation team
  - Server or cloud hosting
  - User devices or access points
- **Interoperability:** Moderate capability through APIs
- **Security Features:** Access controls, database backup, audit trails
- **Cost Range:** \$2,000-\$15,000 initial, \$500-\$3,000 annual maintenance
- **Implementation Time:** 2-4 months
- **Examples:** Community Exchange System, Cyclos, Community Forge

### Option 3: Mobile Money Adaptation

- **Technology:** SMS or USSD-based transaction system
- **Requirements:**
  - Mobile network access
  - Basic feature phones
  - Gateway service
- **Interoperability:** Moderate through telecom integration
- **Security Features:** PIN protection, transaction limits
- **Cost Range:** \$1,000-\$10,000 initial, \$500-\$2,000 annual maintenance
- **Implementation Time:** 1-3 months
- **Examples:** Bangla-Pesa (Kenya), M-Pesa adaptations

## Physical Implementation

### Option 1: Printed Currency

- **Technology:** Secure paper notes with anti-counterfeiting features
- **Requirements:**
  - Secure printing capabilities
  - Physical distribution system
  - Storage and handling protocols
- **Interoperability:** Low without digital tracking
- **Security Features:** Specialized paper, watermarks, serial numbers
- **Cost Range:** \$1,000-\$5,000 initial, \$500-\$2,000 per reprint
- **Implementation Time:** 1-2 months
- **Examples:** BerkShares, Brixton Pound (early version)

### Option 2: Voucher System

- **Technology:** Simpler printed vouchers or coupons
- **Requirements:**
  - Basic printing capabilities
  - Distribution network
  - Redemption tracking system
- **Interoperability:** Low without digital component

- **Security Features:** Stamps, signatures, serial numbers
- **Cost Range:** \$200-\$2,000 initial, \$100-\$1,000 per reprint
- **Implementation Time:** 2-4 weeks
- **Examples:** SOL (France), Toronto Dollar

### Option 3: Token System

- **Technology:** Physical objects representing value
- **Requirements:**
  - Token production capacity
  - Distribution system
  - Storage protocols
- **Interoperability:** Low without digital tracking
- **Security Features:** Unique design, materials difficult to duplicate
- **Cost Range:** \$500-\$3,000 initial, varies for replacement
- **Implementation Time:** 1-2 months
- **Examples:** Various historical community currencies, time banks

## Hybrid Implementation (Recommended)

### Combination Digital-Physical System

- **Technology:** Digital accounting backbone with physical representation option
- **Requirements:**
  - Both digital and physical infrastructure
  - Synchronization mechanisms
  - Multiple access channels
- **Interoperability:** High while maintaining accessibility
- **Security Features:** Combined digital and physical security
- **Cost Range:** Varies based on specific components
- **Implementation Time:** 2-6 months
- **Examples:** Bristol Pound, Chiemgauer, Banco Palmas

### Offline-Compatible Digital System

- **Technology:** Digital system with offline transaction capability

- **Requirements:**
    - Core digital infrastructure
    - Offline transaction protocols
    - Synchronization mechanisms
  - **Interoperability:** High with intermittent connectivity
  - **Security Features:** Delayed verification protocols, local validation
  - **Cost Range:** Additional 20-30% over standard digital implementation
  - **Implementation Time:** Additional 1-2 months
  - **Examples:** Grassroots Economics offline wallet, Sarafu offline protocol
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## Governance Structure

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Establish clear governance to manage your currency with community oversight:

### Core Governance Bodies

#### 1. Currency Board/Council

- **Composition:** 7-11 members with minimum 50% representation from women, non-binary individuals, and marginalized groups
- **Selection:** Democratic election by currency users with term limits
- **Responsibilities:**
  - Setting and adjusting core currency parameters
  - Monitoring system health and performance
  - Strategic planning and development
  - Managing relationships with external parties
- **Meeting Frequency:** Monthly with quarterly open meetings

#### 2. Operations Team

- **Composition:** 2-5 staff or volunteers with technical and administrative skills
- **Selection:** Hired by Currency Board or volunteer recruitment
- **Responsibilities:**

- Day-to-day management of currency systems
- User support and troubleshooting
- Implementation of Board decisions
- Regular reporting and monitoring
- **Structure:** Combination of paid and volunteer positions based on resources

### 3. Community Assembly

- **Composition:** All currency users
- **Function:** Ultimate authority for major currency decisions
- **Responsibilities:**
  - Approving significant parameter changes
  - Electing Currency Board members
  - Ratifying annual plans and reports
  - Approving constitutional changes
- **Meeting Frequency:** Annual with special sessions as needed

## Decision Rights Matrix

Decision Type	Community Assembly	Currency Board	Operations Team
Basic parameter adjustments ( $\pm 10\%$ )		Approve	Implement
Major parameter changes ( $> 10\%$ )	Ratify	Propose	Implement
Technical system changes		Approve	Implement
Annual budget	Ratify	Propose	Execute
New features/services		Approve	Implement
Emergency measures		Approve	Implement
Governance changes	Approve	Propose	

## Transparency Requirements

- Monthly financial and operational reporting
- Public transaction statistics (anonymized)
- Open board meetings with published minutes
- Annual comprehensive reporting to all stakeholders
- Accessible complaint and feedback mechanisms

## Adaptability Protocols

- Quarterly review of currency performance metrics
- Annual evaluation against community goals
- Structured process for parameter adjustments
- Crisis response team and emergency protocols
- Formal amendment process for governance documents

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## Implementation Checklist

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Use this checklist to ensure comprehensive currency implementation:

### Foundation Phase

- ☐ Form diverse currency design team (≥50% women, non-binary, and marginalized groups)
- ☐ Complete community economic needs assessment
- ☐ Define currency purpose, values, and goals
- ☐ Select appropriate currency model
- ☐ Develop technical specifications
- ☐ Create governance structure and documentation
- ☐ Secure initial funding and resources

## Legal and Regulatory Phase

- ☐ Research relevant legal requirements
- ☐ Develop appropriate legal structure
- ☐ Draft terms and conditions for users
- ☐ Create privacy policy compliant with regulations
- ☐ Establish relationship with local government
- ☐ Address tax implications for businesses and users
- ☐ Document compliance approach for transparency

## Technical Development Phase

- ☐ Build or adapt currency infrastructure
- ☐ Develop user interfaces (digital and/or physical)
- ☐ Implement security protocols
- ☐ Create administrative systems
- ☐ Test thoroughly with diverse user groups
- ☐ Develop backup and recovery procedures
- ☐ Document technical architecture and processes

## Community Engagement Phase

- ☐ Develop clear messaging and educational materials
- ☐ Create multilingual guides and resources
- ☐ Recruit initial business participants (aim for 20+ diverse businesses)
- ☐ Train business staff on currency acceptance
- ☐ Conduct community information sessions
- ☐ Develop marketing and outreach strategy
- ☐ Establish support systems for users

## Pilot Launch Phase

- ☐ Select appropriate pilot area or community segment
- ☐ Set clear pilot objectives and metrics
- ☐ Launch with community celebration event
- ☐ Monitor pilot closely with regular team meetings
- ☐ Collect systematic user feedback
- ☐ Document issues and iteratively address them
- ☐ Evaluate pilot against defined objectives

## Scaling Phase

- ☐ Refine currency design based on pilot feedback
- ☐ Develop scaling strategy with clear phases
- ☐ Expand business network with targeted recruitment
- ☐ Implement full governance structures
- ☐ Increase marketing and community education
- ☐ Develop regional interoperability connections
- ☐ Establish long-term sustainability plan

## Ongoing Operations Phase

- ☐ Implement regular monitoring and reporting
- ☐ Conduct quarterly performance reviews
- ☐ Facilitate ongoing community input
- ☐ Maintain active business engagement program
- ☐ Develop continuous improvement processes
- ☐ Build knowledge sharing with other currencies
- ☐ Celebrate and document successes and milestones

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## Risk Management

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Anticipate and address common risks in community currency implementation:

## Business Participation Risks

- **Risk:** Insufficient business participation creating incomplete circulation
- **Probability:** Medium-High
- **Impact:** Critical
- **Mitigation Strategies:**
  - Develop clear value proposition for different business types
  - Create tiered participation options with low barriers to entry
  - Offer support services and technical assistance
  - Highlight success stories and provide evidence of benefits
  - Consider anchor institutions (municipal government, large employers) as initial participants

## Regulatory Challenges

- **Risk:** Legal or regulatory obstacles to currency operation
- **Probability:** Medium (varies by jurisdiction)
- **Impact:** High
- **Mitigation Strategies:**
  - Research regulatory environment thoroughly before launch
  - Engage with authorities proactively and transparently
  - Position as complementary rather than alternative to national currency
  - Implement compliance measures and documentation
  - Join regional advocacy networks for regulatory support
  - Consider legal frameworks like "loyalty program" if necessary

## Technical Failures

- **Risk:** System malfunctions affecting currency operations
- **Probability:** Medium
- **Impact:** High

- **Mitigation Strategies:**
  - Implement rigorous testing protocols before launch
  - Develop redundant systems and backup procedures
  - Create offline fallback mechanisms for digital systems
  - Establish clear error resolution protocols
  - Maintain technical support resources for quick response

## Trust and Confidence Issues

- **Risk:** Loss of community trust in currency system
- **Probability:** Low-Medium
- **Impact:** Critical
- **Mitigation Strategies:**
  - Maintain transparent operations and governance
  - Implement robust security measures with clear communication
  - Address problems quickly and openly
  - Build reserves or backing mechanisms appropriate to currency model
  - Regularly demonstrate community benefits and impacts

## Volatility and Stability Risks

- **Risk:** Currency value fluctuations or instability
- **Probability:** Medium
- **Impact:** High
- **Mitigation Strategies:**
  - Implement balanced backing mechanisms
  - Create circuit breakers for extreme conditions
  - Develop reserve policies appropriate to currency model
  - Establish clear adjustment protocols for key parameters
  - Monitor early warning indicators regularly

## Accessibility and Inclusion Failures

- **Risk:** Exclusion of marginalized community members
- **Probability:** Medium-High
- **Impact:** High
- **Mitigation Strategies:**
  - Design for universal access from the beginning
  - Provide multiple interface options (digital, physical, etc.)
  - Offer education and support services
  - Regularly audit participation demographics
  - Develop specific outreach for underrepresented groups

## Long-term Sustainability Challenges

- **Risk:** Inability to maintain currency operations long-term
- **Probability:** Medium-High
- **Impact:** High
- **Mitigation Strategies:**
  - Develop diverse revenue streams
  - Build operational efficiency and appropriate technology
  - Embed in broader community economic ecosystem
  - Train multiple people in key operational roles
  - Document processes thoroughly
  - Network with similar initiatives for mutual support

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## Case Examples

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Learn from diverse community currency implementations:

### Bristol Pound (UK) - Urban Local Currency

- **Model:** Locally issued currency with national currency backing
- **Technical Implementation:** Digital and physical hybrid system

- **Key Features:**
  - Municipal government acceptance for taxes and services
  - Mobile payment system with text message transactions
  - Local business network of 600+ companies
  - Integration with credit union for financial services
- **Results:**
  - 70% local transaction share in participating businesses
  - £B5 million in circulation at peak
  - Increased visibility of local businesses
  - 15% increase in local procurement
- **Lessons Learned:**
  - Government participation greatly increases legitimacy
  - Digital-physical hybrid maximizes accessibility
  - Marketing and continued engagement are critical
  - Operational costs require sustainable business model

## Banco Palmas (Brazil) - Community Development Currency

- **Model:** Microcredit-issued community currency
- **Technical Implementation:** Initially physical, later hybrid
- **Key Features:**
  - Integration with community bank providing microcredit
  - Production and consumption loans in local currency
  - Business development services alongside currency
  - Community ownership and governance
- **Results:**
  - 30% increase in local economic activity
  - 2,500 jobs created in the community
  - Dramatic reduction in economic leakage
  - Replicated in 103 communities across Brazil
- **Lessons Learned:**
  - Integration with credit system creates powerful synergy
  - Community ownership builds trust and legitimacy

- Comprehensive approach beyond currency is important
- Replication requires adaptable but consistent methodology

## Sarafu Network (Kenya) - Digital Community Currency

- **Model:** Blockchain-based mutual credit system
- **Technical Implementation:** Digital with offline capability
- **Key Features:**
  - Blockchain technology with mobile access
  - Zero interest credit to community members
  - Network of interconnected community currencies
  - Offline transaction capability
- **Results:**
  - 50,000+ users across multiple communities
  - Significant economic activity during financial crises
  - Measurable improvement in food security
  - Resilience during national economic disruptions
- **Lessons Learned:**
  - Digital systems can scale rapidly with right design
  - Offline functionality critical in low-connectivity areas
  - User experience design determines adoption rates
  - Cross-community trading enhances resilience

## Sardex (Italy) - Business-to-Business Mutual Credit

- **Model:** Zero-interest mutual credit for businesses
- **Technical Implementation:** Digital accounting platform
- **Key Features:**
  - Focus on business-to-business transactions
  - Professional broker system for matching needs
  - Zero-interest credit and transaction fees model
  - Regional economic development approach
- **Results:**

- €50 million annual transaction volume
  - 4,000+ businesses participating
  - Continued operation through national economic crisis
  - Successful regional expansion model
  - **Lessons Learned:**
    - B2B focus can create stable foundation for currency
    - Broker system accelerates adoption and matching
    - Regional scale offers sustainability advantages
    - Professional operations build legitimacy with businesses
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## Complementary Resources

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Additional tools and resources to support your community currency:

### Design and Planning Tools

- **Currency Feasibility Assessment:** Spreadsheet tool for evaluating viability
- **Business Engagement Guide:** Strategies for recruiting and maintaining business network
- **Currency Parameters Calculator:** Tool for modeling currency behavior under different parameters
- **Circulation Mapping Tool:** Visual method for planning and tracking currency flows

### Implementation Resources

- **Currency Constitution Template:** Governance framework document
- **Technical RFP Template:** For communities seeking technical partners
- **Marketing and Promotion Guide:** Strategies for community outreach and education
- **Operations Manual Template:** Procedures for day-to-day management

### Monitoring and Evaluation

- **Currency Metrics Dashboard:** Tool for tracking performance indicators
- **User Survey Templates:** For gathering community feedback
- **Economic Impact Assessment:** Methods for measuring wider community impacts
- **Circulation Analysis Tool:** For tracking velocity and distribution of currency

## Legal and Regulatory Resources

- **Legal Frameworks Guide:** Options for different jurisdictional contexts
- **Tax Implications Handbook:** Guidance on tax treatment of community currencies
- **Regulatory Compliance Checklist:** Common requirements in different regions
- **Central Bank Engagement Template:** Guidelines for productive financial authority relationships

## Training and Knowledge Resources

- **Currency Administrator Training Package:** Materials for operations staff
- **Business Onboarding Kit:** Tools for training business participants
- **User Education Materials:** Guides for community currency users in multiple formats
- **Governance Training Curriculum:** Materials for currency board members

## Connection to Framework Resources

- **Nested Economic Health Index Guidelines:** For integration with framework metrics
- **Regional Interoperability Standards:** Technical specifications for cross-currency connectivity
- **Economic Integration Seed Kit:** Complete framework implementation resources
- **Decision Protocol Integration:** Alignment with framework governance approaches

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