

Community Inclusion Currencies (CICs) Training Guide - Kenya

Contact us at: <http://grassrootseconomics.org/contact>

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How to Use This Guide

This guide is designed to give communities a feel for how Community Inclusion Currencies (CICs) work. You will find out more information about what a CIC is and what kind of community support is needed. This guide gives enough background for you to know if you need to go back to one of those steps, but it does not cover them in full. The exercises give examples of some of the core issues that communities need to cover, but every instance is slightly different, so it's important to understand that using this guide is simply an introduction. The guide also does not cover next steps or the technical requirements for implementing a CIC.

If your community has already begun using a CIC such as Sarafu, you may want to do these exercises in order to better use Sarafu in the community or before issuing a local CIC. Sarafu includes excellent tracking and reporting mechanisms which can help guide you as to what exercises are most relevant to your community specifically. Grassroots Economics can help you interpret these statistics so you can pre-empt any problems that may arise by keeping track of the usage as it is really happening.

Formatting conventions

The formatting conventions follow standard conventions for similar guides.

Normal font = instructions for the facilitator (should not be read to participants)

- *Italics font* = information and directions the facilitator should say to the participants
- *Arrows (▶) and italics* = questions the facilitator should ask as written

Audience

This guide is designed for project managers, community organizers and trainers who are familiar with the environment and communities they work with. Participants are members of a community who are interested in having a CIC in their community. The ideal group size for this training is (5-10ppl). We recommend that the first CIC training be given to participants who are respected in the community and who can encourage others to participate in the CIC as it is released.

The course can be given to community leaders, businesses, group members, CIC designers, design challenge participants, students, humanitarian aid workers and volunteers. Participants who have an understanding of the local context and markets in which a CIC will be implemented will be best prepared to develop their own CICs.

Generally, the course is targeted at chamas or other savings and mutual aid groups. The trainer does not have to belong to the group that is being trained.

The exercises in this guide are useful for communities where CICs have been airdropped or granted, either before the community tries the CIC or at the end of the experiment with the initial CIC. Using an initial CIC like Sarafu will allow communities to better understand the specific challenges and advantages for their communities, and set up the proper checks and balances to make sure their own CIC is more successful if they do choose to launch a local CIC. If your community has completed an experiment with Sarafu or has been using Sarafu for some time, it's useful to look at the reports to find out what real use cases are relevant and adjust the exercises for those specific use cases.

Upon completion of the training, all of the participants should understand the training lessons and be prepared to make a decision about whether to move forward in additional education or in the implementation of a CIC in their community.

After participating in this training, some of the participants will be capable of using and developing a CIC and training other community members. The trajectory of the training and the CICs in general is to empower communities to take on the responsibility for their own financial well-being and economic growth.

Purpose of the Training

Groups using or creating Community Inclusion Currencies (CICs) need to understand, benefits, obligations and risks - as do supporting organizations and training groups. The process of creating a medium of exchange is about each member of a community knowing they have common needs - and most importantly, that they have something to offer their community, regardless of their personal circumstances.

Experience is key in understanding how to use a CIC, therefore the course is structured around exercises and experiential learning. The facilitator should have a thorough understanding of the material, and be able to address questions that arise during the exercise. More in depth material can be found at [CIC Frequently Asked Questions \(FAQ\)](#).

Before You Start

Community Inclusion Currency is a specific type of community currency. There are thousands of community currency projects worldwide with different purposes. Community currencies supplement government-issued money to help increase the economy of the community.

Why CICs?

Community Inclusion Currencies (CICs) are a means to launch community projects, jump-start or bolster local economies, boost financial inclusion and to foster independence and sustainability of underserved communities.

Unlike other community currency mechanisms, CIC is designed to fund community projects and support contributors. Using a CIC is a great way for funders to double or quadruple the amount of assistance they can provide and to encourage local economic resilience while integrating with other local, national and international economies.

You can think of a CIC as an interest-free funding mechanism that can jump-start resilient economies. CIC's enable money that is used for projects to continue to circulate in the economy, rather than being used up as the project completes. The community itself can create mechanisms to renew the monetary supply, forgive debt and fund additional projects in the community.

What a CIC Can (and Can't) Do

A CIC can:

- Fund projects within a community.
- Expand the credit available to people in a community.
- Improve local economies and even jump-start economies that are cash-poor.
- Create local interest-free credit using proven financial fundamental calculations.
- Strengthen the agency of people to be proactive and take initiative.
- Strengthen the bonds of people within a community.
- Leverage a community's strengths and talents.

- Allow exchange with government-issued currency as reserve.
- Reduce dependence on interest-bearing loans.
- Reduce inequality.
- Reward non-economic behaviors (as defined today, such as planting a forest) **only** if the community provides ongoing backing for the project.

A CIC cannot:

- Run independently: the community (or an agency) must have administrators who care for and manage the CIC system
- Generate money (like Universal Basic Income) just by adding numbers to a computer somewhere
- Operate without commitments from the issuing community to redeem the CIC for goods and services.

Sarafu-based CIC Grants (Airdrop)

The Grassroots Economics organization has been operating in Kenya for over a decade, empowering local economies through community inclusion currencies. While all the CICs can be traded out for Kenyan Shillings, the backing of the CICs is through a currency called the Sarafu, the base currency of the Grassroots Economics organization. Sarafu is recognized by all of the communities using CICs and every CIC maintains an exchange rate in Sarafu. The [Community Dashboard](#) shows the daily statistics for use of these currencies. Sarafu allows the communities to maintain an exchange rate between the different CICs, enabling communities to recognize one another's CICs and exchange between them without having to trade in and out of shillings. Therefore, the CICs can enable the local communities and then expand to encourage regional trade and collaboration among neighboring communities.

Grassroots Economics is partnering with organizations such as the Red Cross to provide support for CIC programs. Sarafu is granted to communities throughout Kenya. These grants, sometimes called Airdrops, will serve as a trial for communities to experiment with the CIC before determining whether they would like to launch their own CIC. Note that Sarafu is created based on donations which can come in the form of eMoney, bonga points or bank transfer.

The Sarafu program offers the following benefits to communities receiving the grants:

- Actual experience with a CIC before creating their own.
- Injection of credit that can be used by local people to pay for their expenses.
- Encouragement of local economic activity.
- Infusion of funds that goes where the people want it to go, encouraging independence rather than dependence.
- Statistics on the usage of the CIC. When it becomes time to implement their own CIC, these communities will have actual data on how it was used and they can determine the correct local policies based on real data.

However, the injection of Sarafu or any CIC also poses some risks to the communities, so it is important that there be some education about CICs. Potential risks:

- If people misuse the CIC, some individuals may lose money, goods or services.
- Sarafu can be used as the base currency for a CIC but only if the community preserves their CIC within the community.
- People could become disillusioned with the use of alternative currencies rather than learning lessons for improvement.
- Communities may come to expect that charities will purchase CICs with no strings attached, encouraging dependence on aid agencies.

This manual provides the educational resource that can be used by any community to mitigate these risks. If CICs are used properly, they become long-term structures for economic health of communities.

Funding CICs

CICs are tokens or vouchers which also contain a reserve. The initial reserve can be donated by an aid agency or by the local businesses, as is done with Sarafu. The reserve-donors or lenders may have a specific project in mind they want to fund, or they may allow the community to decide what projects to fund. This manual guides a community through determining how to create and allocate CIC to people and projects.

If your community does not have Sarafu at this time, the first exercise can help your community come up with projects and ideas. Projects based on the community's needs can then be presented to aid agencies and donors, in order to raise the Sarafu.

CICs work like reserve banking: Based on the amount of Sarafu that is held in the reserve, (CIC) units (equivalent to the shilling) are issued and must be backed 100% by local goods and services of the issuers. This means that cash flow is infused into the community based on the reserve and commitments from the issuers. The amount of CIC that can be issued based on the reserve is based on long term credit scoring.

Gathering the Participants

To have a CIC function in your community, you will need businesses to accept the currency instead of or in addition to national currency. Therefore, it is important to get a group of initial participants that includes important community members such as leaders, business owners, pastors, farmers, and producers. The more influential the participants are, the faster the community currency will spread in the community.

Being Willing to Play

Participants in this training on CICs will get an experience of how a CIC would work in their community. The exercises in this guide are designed prior to implementation so that enough community members can understand what they are getting into and make an intelligent decision as a community about next steps. They may or may not be ready to implement the CIC at the end of the training.

Implementation

Focus

This CIC course keeps in mind the context of Kenya and seeks to make it as broad as possible for application in similar areas. The creators of CICs in this course are primarily community groups, community based organizations, self help groups, SILCs, VSLAs, Chamas, Churches, or Savings and Loan groups. Group members should consist of people with local business and jobs who can trade amongst each other and can commit to reciprocity by backing a CIC as a legal voucher for their goods and services.

Goals

Key goals include:

1. The group trained should have the understanding, capacity and ability to:
 1. Create a clear statement of commitment, including:
 1. **Purpose and projects** for the CIC - what it will be used for?
 2. **Intent to issue and redeem** a CIC as a voucher for stated goods and services.
 2. Plan and navigate the steps toward CIC implementation.
2. The group will further explore:
 1. The commitments, risks and obligations associated with issuing a CIC.
 2. How to recruit more community support and acceptance of their CIC.
 3. Reciprocity, trade balance, what backs a CIC locally as well as reserves.
 4. Their relationship to the local economy and other community members and their role as a stakeholder in the creation of CICs and an optimal community economy.

Implementation

1. **Scripted** in various languages for facilitators to follow along. This document guides a facilitator through the process of teaching several exercises. Additional material can be found at [CIC Frequently Asked Questions \(FAQ\)](#).
2. **Duration:** Roughly 6 hours is enough time to go through the topics, exercises and discussions. A follow-up session is necessary once a training group has developed their CIC agreement.
3. **Facilitation:** Minimum 1 facilitator with experience training other groups and being part of a CIC. Having assistance or co-facilitators can help to hold different roles during exercises. Any mediators should also be trained and it is highly recommended to include local leaders and administration such as chief and sub-chiefs as they will be asked to validate community agreements.
4. **Materials:**
 1. Facilitators should have:
 - i. A visible writing surface (white/black board, flip/chart, manilla or large paper and the ability to fix those papers on the wall).
 - ii. (*optional) Ability to show a video. (eg https://www.youtube.com/watch?v=__yvrxmpDh4).
 - iii. A calculator or a smart phone with internet access.
 - iv. Game Materials:
 1. White paper (cut into business card sized pieces).
 2. Beans to use as CIC (or another colored paper denominated with 100 CIC).
 3. Coins to use as Kenyan Shillings (a 10 bob coin for each participant will do, or a different color of paper slips).
 4. Pencils or pens.
 5. Parallel rows of holes (2x5) in the ground with rows marked 2,3,4,5,6. A mancala board or bao board will do or holes in the dirt. (See <https://youtu.be/tSTzOXu4f6k>).
 2. Students should have

- i. A notebook and pencil.
- ii. *(Optional but recommended if a CIC system is available to demo with) Mobile phone (if USSD available any mobile phone, otherwise a smart phone with internet enabled.)

Course Summary

This course will take the group through several modules:

1. Local economies—The communities we live in and our relationship to money.
2. Creating a CIC—Social, political, and technical aspects of starting a CIC.
3. CIC Reserves—Defining local commitments for redemption and using reserve funds.
4. Community Engagement—Growing, using and maintaining a CIC.
5. Getting Started—Review and implement practical next steps.

Local Economies

Introduction

A Community Inclusion Currency (CIC) is a tool that allows a community to develop their own credit system with social and reserves. When used well it can enable trade and support local markets when national currency is scarce. When well maintained, a CIC can enable communities to reach a common vision.

Like any tool, when not used responsibly, CIC has the potential to cause harm. The goal of the guide is to model how problems can occur, how to avoid harm, and how to design toward optimal usage.

History

Community groups of different types have been making currencies since before humans had written history. In fact, [the first writing was an accounting record of wages of workers in Mesopotamia](#). CICs come from a long history of grassroots economies and alternative monetary systems. There are many types of alternative financial systems throughout history in every area of the world.

We recommend you see the following videos and if possible, have participants see some of these videos before coming to the session.

Videos of other Community Currencies (CC):

1. CIC Animation: <https://www.youtube.com/watch?v=bHM1DRHSUPw>
2. Bancos Palmas: (Portugese with English Subtitles) <https://www.youtube.com/watch?v=h8YLFKr7IZs>
3. Berkshares: (English) <https://www.youtube.com/watch?v=bzzkDRljW30>
4. Sardex in Sardinia, Italy (English). <https://youtu.be/6qqKvctFZt0>
5. Torekes in Belgium, (Flemish with English Subtitles) <https://www.youtube.com/watch?v=LFAcnNJSza8>
6. Eusko, Basque Country (French). https://www.youtube.com/watch?v=pUHG8W8W8_8
7. Brixton Pound (English). <https://vimeo.com/151998677>

Basic CIC Usage

A core principle of CICs is that community members have more support, goods and services to offer each other than they have national currency to buy them; that there is the potential for an abundance of both supply and demand that the community can fulfill for itself if they had an adequate medium of exchange.

Humanitarian organizations may purchase, create and distribute a CIC such as Sarafu in order to support local trade during a crisis response. While community groups may create their own CIC in order to establish a local credit to stabilize and grow their economy and to facilitate local projects.

Resource Mapping

A CIC that is issued based on the sole backing of chapati and spent only on flour then re-spent on chapati alone may not help you prepare for a wedding or plan a community garden. Looking at the full (and potential) list of goods and services on offer and demand in a community and planning how a CIC will flow through those resources is very important. Understanding which of those resources are available locally and which are imported, as well as which are sold locally and which are exported, will ultimately provide a roadmap toward a sustainable market.

What defines local or community? What would happen if everyone in your community had a job? Is there enough work on farms, roads, houses and so on to give everyone full employment? If a community can come together with their needs, abilities, and resources, full employment is possible.

Community Currencies: Lecture and Discussion 30 Minutes

Make sure everyone has a pen and paper to take notes.

Say the following:

- *The money we use is government-issued money, the Shilling. Money is an invention of a group of people who are willing to accept this type of money as a means of exchange. Throughout human history, people have used different types of exchange: shells, paper money, special rocks and gold coins. Money is just an agreement among people that something can represent a trade value. Hopefully, you have seen some videos about community currencies. If not, I will share some links and we can see some during the breaks or after today.*
- *A community currency is a form of money that people inside a community can use to trade in addition to the government issued money. Usually, communities use the measure of the government currency as a reference unit, for example, 1 Sarafu is equivalent to 1 Shilling in Kenya. This makes it easy for communities to use an alternative without having to calculate exchange rates.*
- *Today, we are going to look at one form of community currency, called Community Inclusion Currencies or CICs. CICs have two specific qualities that are not found in other currencies. One quality is that a CIC can be used to fund community projects. The other quality is that a CIC price can fluctuate in relationship to the shilling.*
- *In all Community Currencies, it is the responsibility of the community to care for and maintain the value of the currency, just as it is the government's responsibility to care for the value of the shilling. We all know it is dangerous when the government does not do a good job of preserving the value of the money of a country.*
- *The exercises we do today are designed so you get to experience the way that a CIC works. You will get an understanding of how to use the currency and what problems you need to avoid if you want to continue to have a currency that is stable and serves the community.*

The following questions are designed to make sure the participants understand the basic ideas you have presented, and that they all start to participate in the discussion.

Ask the following questions in order. Allow several answers to each question before moving to the next:

- ▶ *Have you ever thought about where money comes from? How do you feel about creating a currency for your own community?*
- ▶ *Do businesses in the community experience cash flow problems?*
- ▶ *How is a voucher different from money?*
- ▶ *How do people in the community borrow money today?*

(Note: Probe for formal borrowing such as banks, Micro-Finance Institutions, Savings and Credit Cooperatives, and for informal borrowing—such as borrowing from relatives or moneylenders, taking goods on credit.)

- ▶ *How easy and how fast is it to borrow from these sources? What are the conditions for borrowing from these sources?*

Exercise: Knowing Our Community

Materials

- Whiteboard / chalkboard / flipchart
- Chalk / markers
- Small white slips of paper
- Small blue slips of paper (could be any color)
- Pen / pencil for each participant
- Masking tape (or any tape to put something on the wall)

Set-Up

Give each player the following materials:

- Pen / pencil
- 1 A4 sized white paper
- 6 medium sized white slips of paper (or numbers of your choosing)
- Beans = at least enough for 10 for each participant. These will have a value of 10 CICs each.

Exercise setup

Say the following:

- *Having a shared goal and shared projects are important success factors for CICs. In this exercise we are going to understand our community better. The purpose of the exercise is to understand what we could use the CIC to do in our community.*
- *Sometimes community currencies are printed like paper money, but today most community currencies are digital—because most people now know how to use mobile money on their phones. CIC will generally be mobile or digital money but we will use paper and beans to signify our CIC today. This allows us to see where the entire supply of CIC is at all times, so we can understand how the money flow works.*
- *In this exercise, we are going to map our resources and needs. Then we will simulate trading with the paper and beans. At the end we will take account and discuss what happened.*

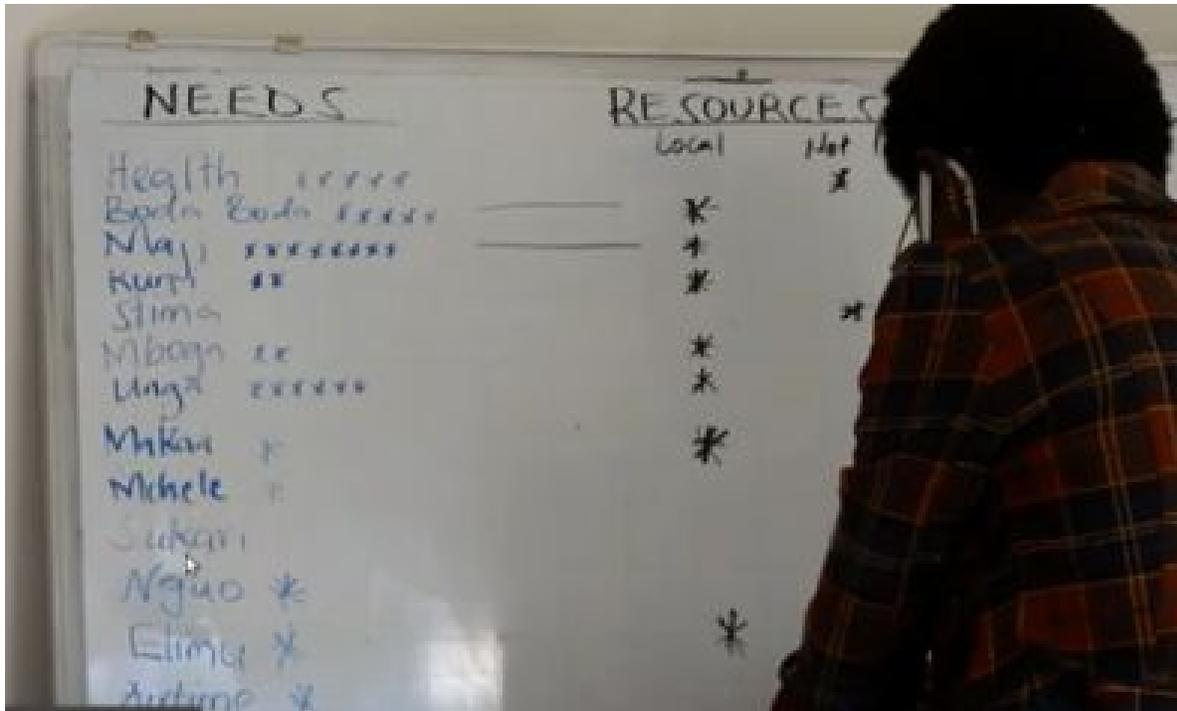
Step 1: Resource Mapping

Needs: Identify all the needs people have in the community and trace their sources. What does the community import? (for example, money, flour) What about needs like emotional support, tree planting?

Say:

- *Think about the needs of the community, including physical needs like petrol and flour. Also think of services like a boda boda ride or childcare, and care needs such as tending to someone ill.*
- *Write down on the large piece of paper 2 or 3 of the needs and I will write them on the board here.*

Then collect the papers and write them on the board. Add a star each time the resource is repeated. Your board will look similar to this:



Ask:

- ▶ *Which of these must be imported?*

Mark the ones that are imported rather than locally produced

Ask the following questions and allow for discussion:

- ▶ *What are the most common resources we identified?*
- ▶ *Are there any 'circular' trades or cycles where the money would stay within the community?*
- ▶ *What happens to the national economy when there are more imports than exports? (Note: Compare this to the leaking bucket idea: There is more water flowing out than flowing in.)*

Step 2. What can I offer?

Say:

- *Now we will look at what we can offer. Take a look at this list or think of other things that you provide the community. What services or items can you provide to*

help others fulfill their needs? If you don't have something right now, what could you provide in the future?

- *Please take the slips of white paper. Each paper will represent something you can sell to the community. On each piece of paper, write down something you are selling. Try to choose something that you can actually sell in the community. If you don't have something right now, you can just choose from the list so we can play the game.*

Step 3. Barter Credit

In this exercise the group is going to trade in the beans, representing the CIC, for the goods they are trading, represented by slips of paper. In Kenya, Grassroots Economics and other organizations distribute a CIC called Sarafu for community support. Sarafu can be used as a reserve currency against new CIC currencies if the community takes care to keep the Sarafu in circulation by spending it and accepting it for goods and services.

Say:

- *Remember, money is just an agreement between people. If we agree that beans are money, we can use them for trade. Imagine a trusted group of people in the community did the same: created a voucher for their goods which we could use for a currency.*
- *We are now going to pretend that these beans are a kind of money. Each bean is worth 10 CICs, and we are saying the CIC is equivalent to the shilling. I will now give everyone 10 beans, to represent 100 CICs. Make sure to count your beans so we all start out with the same number!*

Give each participant 10 beans (You can choose the number and adjust the text above). Have them count to make sure they got the same as everyone else.

- *Now, look at your white slips. On the back, write down a price for that item. It needs to be multiples of 10 shillings, because we only have the beans for now.*

Give them time to write on the back of each slip. Also do some slips for yourself, including one for a Boda ride. On the back, write down 50 etc.

- *Now we are ready to trade. For example, I have a Boda ride (hold up the paper) and on the back I wrote 50 (flip and show the back). If you want the ride, you give me 5 beans. I give you the slip with the Boda ride and then take another white slip*

and write the same on the new slip, Boda ride on one side and 50 on the back. I still have the motorbike and can give someone else a ride. The same for your services. If you sell one, write up another slip. It's like a market so you can sell as many as you want of your items or services.

- ▶ *Now go around to one another and buy things you would normally buy. Everyone should make at least 5 trades. After you make 7 trades, sit down and we will know we are done when everyone is back in their seat.*

Play for 5-10 minutes and finish 5 trades.

Step 4. Community Trade Audit

Set up a chart on the board with everyone's name.

Say:

- *Let's find out what happened. Count your beans. If you think you have the most, say out loud what you have. We will have the person with the most go and write their name and how much they have, and then so on with the next person who has the most.*

Have people call out their bean totals, and write their names with the number of beans they had, in order of the most beans to the least beans, on the board.

NOTICE BOARD
2020

Kwekwe	- 800
Alex	- 700
Natava	- 600
Vivian	- 600
Ndoko	- 500
Mbeya	- 500
Karua	- 500
Dorris	- 500
Johnson	- 500
Musanda	- 400
Jacob	- 400
Ndigna	- 400
Roy	- 200
Kauli	- 200
Imy	- 100
Zinabu	- 100

Discuss in the group:

- ▶ *What is interesting about the amounts?*
- ▶ *The person at the top (name the name) has a trade balance surplus of _____ Sarafu. That means that she didn't spend so much in the community and sold a lot of her products or services. What could the community do to make sure she has more to buy?*
- ▶ *The people at the bottom (name the names) have trade debits of _____ (their starting amount minus their balance). This means they did not offer goods or services that were in demand enough in the community. What could we do about that?*

Listen for ideas like bringing in additional people into the circle, training people for new professions, reducing consumption of things that are not produced locally, etc.

Now, count what was purchased. You could do that by collecting slips or a raise of hands for what people bought.

Item	Amount Traded	Number	Non-local?
Boda (Bike ride)	200	2	
Water	200	2	
Chapati (food)	400	4	
Tomatoes	0	0	
Petrol	200	2	*

Discussion questions:

- ▶ *What do these papers tell us about the trade in the community?*
- ▶ *What is interesting about the trades?*
- ▶ *With the columns in mind reflect on the daily needs. Are some, most, or all daily needs being met by what was traded? Is there anything missing?*
- ▶ *How would someone restock inventory that came from outside needing Kenyan Shillings?*

Discuss and write down a list of challenges, such as:

- Restocking
- Trust

- Distance between users
- People not knowing where to spend
- Holding too much CIC
- People changing CIC pricing
- Seasonal products
- Supplying a limited amount (100 CIC): advantages and disadvantages.

Community Inclusion Currency Sustainability

In the previous exercise many questions may have come up, such as what happens if you end up with too many CICs. The types of question people may ask include:

- “How will I restock my shop with items that can only be bought in Kenyan Shillings?”
- “What if people spend, then refuse to accept back CICs?”

In this section, we do exercises that show the trust and mutual stewardship that are required for having a successful CIC. Introducing a CIC is not a one-time event. Some communities refresh the CIC on an annual or bi-annual basis, deciding how to handle imbalances and applying for funds for additional community projects. Successful projects and community cohesion make your community a good candidate for further development. A community that knows how to care for its community currency can fulfill the long-term goals of the community.

Community Currencies: Lecture and Discussion 30 Minutes

Make sure everyone has a pen and paper to take notes.

Say the following:

- *In the last exercise we have seen that a CIC needs to be managed properly such that the trade is balanced to some degree.*
- *There are three elements I will discuss now and you can ask questions, then we will do some exercise to understand how this works.*
- **Community backing:** *Without community backing, the currency cannot work. Business people and community members make a promise of how much CIC they will accept, and for what goods. For example, the shopkeeper might be willing to accept 2,000 CIC for locally-grown vegetables. She might not be willing to accept any CIC or only a small percentage of the price in CIC for the packaged goods that are imported. We will do an exercise where all of us make promises of how much CIC we are willing to accept. Committed community backing means that the CIC issuing community group are committed to redeeming any tokens they spend and maintaining a **zero trade balance** over time. In other words, the shopkeeper is committing to spending the CICs with other community members, not just spending or accepting them.*

- *Of course, nothing will compensate for people who spend CIC but don't accept it back. So there are some important ways that you as community members will need to take care of your currency and we will also have a discussion about what would work for your group after we do that exercise.*
- *Important caution: If you continue to care for the CIC properly, you will have a long-term economic impact to create an independent community. If you treat a CIC as "free money" and are careless, the CIC circulation will slow and eventually stop and also create resentment against the people who took advantage of the situation at other people's expense. If you watched the videos, you saw in many cases that the community currency created better relationships—this is only possible when people behave in trusted and caring ways.*
- *The community projects are where the CIC helps you improve your community much more than just putting money in circulation. The best thing about these community projects is that the CIC gives you the opportunity to decide for yourselves what projects are most important, and to pay your local townspeople for doing those projects. It might be planting trees, building a health center, educating the children—whatever you think is most important. You do not rely on someone outside to tell you what projects to do. Instead you yourselves make decisions about what is best for your community.*

Exercise: Projects and Purpose of the CIC

In this exercise, the group will discuss the needs of the community and consider projects that they could do if they had funding for some community projects. You can do this in small groups of 4 or 5, or in the classroom together. You can have them form groups themselves or count off to create more random groups.

Say:

- *We are now going to explore what it would be like for you to create and use a CIC for your community. As I mentioned before, when we create the CIC, we create a currency we can use for trade—but also we create surplus credit that can go towards projects.*
 - ▶ *In your small groups, discuss what you think the community needs and the goals for the community. Examples might be providing basic needs, growing the economy, helping the needy—it is up to you what your goals could be. Have one person write your ideas. I will give you 5 minutes.*

After 5 minutes have them stop and say:

- ▶ *That was the first part. Now, thinking about the goals that you wrote down, consider in your group some projects you would want to fund to reach those goals. Projects could be one-time projects, such as building a health center or planting trees, or every-day projects such as collecting garbage or education. Have one person write the ideas. Again, I will give you 5 minutes.*

After 5 minutes, have them stop. Have a group discussion with the purpose of determining the top ideas and projects that the group would initially want to fund.

First, write down the ideas of the purpose of the CIC on the board, or have all the lists posted on the board. Have the group discuss the ideas and reach a consensus about the purpose.

Then, write down all the projects that would meet that purpose. Have the group choose a maximum of 3 projects that would be the initial projects of their CIC.

Write the chosen projects on the board.

- ▶ *How much money would we need for each of these projects?*

Next to each project write the amount of money to devote to the projects.

Keep the groups for this part and say:

- *Now we need a name and abbreviation for the CIC. Kenyan Shillings are called Shillings and the abbreviation is KES. You could make any name for your currency. For each long name, also we want a short name we can use. The short name should be less than 6 letters.*
- *The name we choose now is just for this workshop today. If you like it, you can keep it for your CIC in the future, but you do not have to, so just have fun thinking of names we can use today.*
 - ▶ *In your groups, I will give 5 minutes to create a name and an abbreviation. For example, you could have a token called Wanoma and the abbreviation could be NOMA. Please take 5 minutes now in your groups.*

After 5 minutes, stop the action. Have each group say the name and abbreviation and write it on the board. Have the group vote for a name.

Now that you have the name, purpose and projects, you can create the first part of the CIC Commitment form. On the board, write it in the following format:

CIC Commitment Form (Exercise)

CIC Name: Wanoma Token

Goals:

1. Meet basic needs for all even without KES
2. Growth of local economy
3. Unity/togetherness/oneness
4. Saving KES
5. Poverty eradication
6. Helping the needy and elderly

Projects:

Project Name and description	Minimum giveaway/ payment for work on that project
Elderly care: supporting village elders in their homes or farms	100 CIC daily
Collective Farming: a day's work	300 CIC Daily

Take a bit of time for discussion.

- ▶ *How do you feel about the mission, project and name that you have chosen for your project? These are just for today's workshop, but how would it be to apply these projects for real in your community?*

Discuss for 5-10 minutes. It's helpful to have people feeling inspired about what they could accomplish in the community before going to the community commitment. Choose 1 project for the following exercises.

Say:

- ▶ *Now we're going to do some more exercises. For the exercises, we will choose one project. We now need a project manager for the project we mentioned above. Who will be the project manager?*

Have someone volunteer to be the project manager.

CIC Reserves

The reserve fund serves several purposes. It limits how many CICs can be created while also allowing CICs to be converted to their reserve (namely Sarafu) as well as

other CICs. Anyone holding Sarafu can add them to the reserve pool, in order to receive additional CICs.

Understanding what happens when people liquidate their CIC and pull out reserve Sarafu or add Sarafu into the reserve to create more CICs is very important, as it will change the supply CIC in your community.

You can imagine the reserve as a seed bank, at which, after a deposit of seeds (Sarafu) you get a share slip (CIC) that allows you to pull seeds back out in the future. When there are very few seeds in the bank then there are very few CICs in circulation.

Exercise: Community Commitment

In this exercise, the community will explore the levels of commitment of the participants in the community currency. You will be asking people to really think about what they can commit and accept if the community were to adopt a CIC, so these commitments should be “real” in that the participants will be able to actually accept and spend CIC if the project goes forward. The participants should see themselves as the issuer group who will be starting the circulation of their CIC in the community.

At this point, people may be experiencing some level of skepticism about whether this will work, and whether they may end up losing money or products in the CIC issuance. This is normal. Allow them to express those concerns and then try the exercises. After the exercises, have an open discussion to have them discuss their concerns and see how they can support one another to address the issues that might come up.

Materials:

- Small paper (half an A4 or a large index card) 1 per player
- Large Paper (full sheet of A4) 1 per 2 player
- Easel-sized / Flipchart Paper (a few sheets for the room)
- Writing implements for everyone
- Sarafu, coins: at least a 10 coin for each participant. (these could be replaced with pieces of paper with a 100). These will represent 100 Sarafu.
- Beans, at least 10 for each participant, (these could be replaced with pieces of colored paper with a 10 CIC written on it).
- A timepiece for tracking rounds.

Setup:

- Keep participants in the same groups from the previous step.
- Hand out 5 small, blank slips of white paper to each participant.
- Provide fresh sheets of A4 paper if needed.

Roles for the Exercise

In this and the following exercises, the group will need people to play certain roles. People can try different roles in different exercises. Following are the roles that are needed:

- Reserve Banker: The banker is responsible for the reserve. This person will collect Sarafu for reserve, distribute the CIC and exchange CIC for Sarafu for use in other communities.
- Project Manager: For the community project(s), a project manager will determine who gets the CIC for performing services for the projects.

Exercise:

Say:

- *Think back to when we played through making a CIC. During that exercise I gave some of you large sheets of paper that had goods and services on them. You used those goods as your commitment to make a CIC. Now I want you to think about your real community. What goods or services does your community have to make a CIC? For example, vegetables, land, a water source, a taxi service.*
- *Now write down some goods and services on each piece of paper. You can use the ones we had before or other goods. Right now, it is a good idea to think about things you really could commit to the CIC. If you have a retail business, you might be willing to sell 20% of your items for CIC and use those for other things in the community.*

Give everyone a few minutes to write down the goods on their small slips of paper.

- *When we played through using a CIC. Remember that when you committed goods to back the CIC, you then had to sell those for CIC during the trading exercise. This is what it means to commit to selling an item or service for CIC. Now that we thought about what we might do for our community, it requires a commitment. This commitment comes from you and other business people in the community.*

- ▶ *What would you be willing to commit to selling in return for the community currency? How much of it would you be willing to sell in return for the CIC instead of Sarafu? For the exercise, we will be committing 400 shillings worth of goods or services each, but if we were doing a real-life commitment, the community would need to reach at least 400,000 KES of commitments.*
- ▶ *Everyone should contribute 400 shillings worth of commitments. That means, you have 400 shillings worth of goods or services to sell and accept the CIC.*

The group discusses what commitments they can make. Give them 5 minutes.

Use the following Issuance Table to put everyone's commitments on the board.

- *This table is called the Issuance Table. When you make a commitment to a real CIC, this is how it will work. You say what you will commit; For example, (Sally) will provide 400 KSH worth of (chapatis) in return for 400 CICs. To guarantee that commitment she will put 400 Sarafu in the reserve account. Based on that 400 Sarafu of reserve, 400 CIC will be created. She will receive 200 of the CICs against the commitment and we have another 200 CICs that are now available for the projects (if the community agrees on such issuance).*
 - ▶ *Are there questions about this? We will be playing a game to show how it works.*
 - ▶ *We would like one person to be the reserve banker who is responsible for the reserve and the contract. Who will do that?*

Have the reserve banker sign each person up with the sheet below. The banker will not be trading during this round, but the project managers will be using CICs to hire people to execute the projects.

Now calculate how many total commitments there will be. The commitments will be the number of people playing times 100.

- ▶ *We will be issuing (total commitments) CICs. That will mean that we have (Half the commitment) for projects. How much should we give to each project?*

Look back at your chosen project descriptions and choose one project to work with for the exercise. Have the group decide how much to allocate to the projects. Have each project manager write down how much they should get.

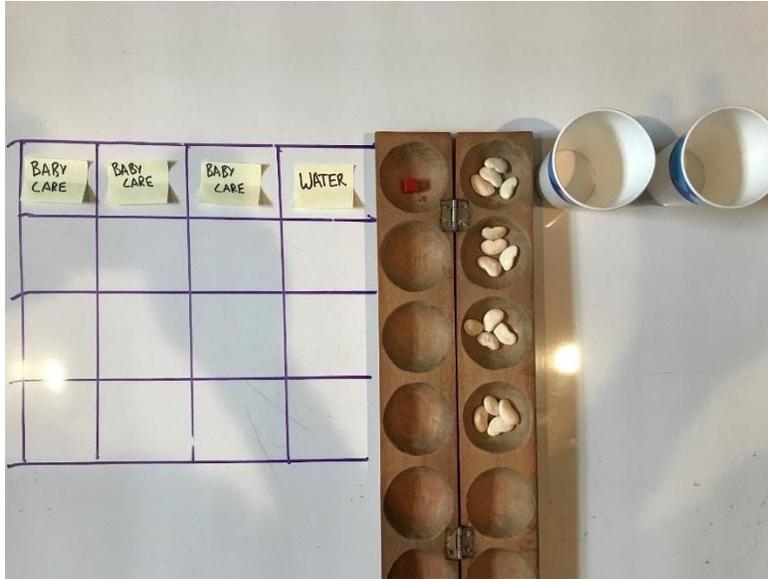
Now, you will need to have a mancala board or holes in the ground. On one side, you will have 4 beans and the other side will be blank.

- *Now we will take everyone’s commitment and issue the CIC. You will have to put in 2 coins to represent your reserve of 200 Sarafu. You will receive 2 CICs representing 100 Sarafu each, and 1 CICs will go to the project manager. You will sign that you received your CICs.*

Go through the table below and fill out everyone’s commitment. As each person fills out the commitment, have them give you the coin or paper that represents 100 Shillings for the reserve. In return give them 2 beans that represent 100 CICs each and put 2 beans aside for projects. When they receive their CICs, have them sign the table.

Contributions (Issuance Table)

Name	Product sold	Commitment	Reserve	Sign	CIC received	Community Projects
Joyce	Water	200	200		200	100
Janet	Sugar	200	200		200	100
Jacob	Maize flour	200	200		200	200
Mwanaidi	Rice	200	200		200	200
Phred	Phone	200	200		200	200
Amina	Kuni	200	200		200	200
Mbui	Maji	200	200		200	200
Vivian	Boda	200	200		200	200
Njambi	Mboga	200	200		200	200
Nadzua	Maji	200	200		200	200
	Total	2,000	2,000		2,000	2,000



Have the banker do that.

- *This might seem like a problem, but what happens is that when you pay 200 CIC, someone else can buy those 200 CIC for 100 Sarafu. In this way, there is an incentive for people to keep the exchange rate fairly stable. We will now do some trades and see how it works.*

Practice Exchanges

- *Now, we will do another few rounds of trading like we did in the beginning, but we now have two new possibilities. We can trade in and out of the economy with the treasurer. We can also have people perform work for the projects. If the project is something like buying food for the needy, the project manager could use the CIC at the grocery shop. If it is planting trees, someone can say they will plant the tree and the project manager can give them CIC for the project.*
- *Let's do 5 rounds of trade with the project managers. For this round, we will not have the exchange open with the reserve banker.*

Have them do 5 rounds of trade. Then, as in the beginning, do a chart to see where the money went.

Player	Wanoma (CIC name)	Community Work (CIC)
Mwanaidi	500	300
Amina	400	0
Njambi	250	200
Jacob	200	100
Mbui	200	200
Janet	200	300
Nadzua	100	400
Phred	100	500
Joy	0	200
Viv	0	200
Totals	500	2000

- *Now we will do another round. In this round, you can exchange your CIC for Sarafu. When you do that, the coin will be taken out of one side of the bowls and the CIC will be put into the bowl, so someone could also add Sarafu to buy CIC for the existing exchange rate.*
- *Please do another 5 rounds of exchange and we will then see what happened.*

Player	Wanoma (CIC name)	Sarafu	Community Work (CIC)
Mwanaidi	500	0	100
Amina	400	0	0
Njambi	250	0	200
Jacob	200	0	100
Mbui	200	0	200
Janet	200	0	300
Nadzua	100	100	400
Phred	100	0	500
Joy	0	200	200
Viv	0	300	200
Totals	500	500	2000

Discussion and Takeaways

- ▶ *What happened as a result of the CICs? Was there a change in the amount of economic activity?*
- ▶ *Does the amount of Sarafu pulled from reserve during a cash-out make sense?*

- ▶ *Does the amount of CICs created initially (as in the previous exercise) **and** as a result of adding more reserve make sense?*
- ▶ *Why would anyone add money to reserve?*
- ▶ *What is the importance of the social backing and commitment of the issuers here?*

Experimenting with Roles

At this point, the group should have the general idea of how the trades work. Now, it's useful to try what-if scenarios. If the community already has experience with Sarafu, use the reporting or ask the participants what kinds of scenarios had been an issue with their community and use those as the what-if scenarios for the game.

Before each scenario, redistribute the CIC and Sarafu evenly, as they were at the beginning (2 beans each). Everyone should also have a few papers or coins that represent 100 Sarafu each. Again, make sure everyone starts with an equal amount.

You can give them an opportunity to change the goods they are selling between games if they want to.

Following are scenarios to try. You can also have the group come up with scenarios to try.

Say:

- *We are going to try some scenarios to see some of the problems that might occur with a CIC. The first scenario will have one trader who can only accept Sarafu. Everyone else will continue as usual. Who is selling something they must buy from outside the village?*
- *In this round, make sure that you stand in line in an orderly way to trade with the Bondometer. Banker, it is your job to make sure that people take turns and the first to come is the first served when they want to buy or sell CICs.*

Choose someone who has goods they need to purchase for Sarafu as that one vendor, or if there is nobody, just ask who wants the role.

Run 5 to 10 minutes of trade with that person taking the role. Then show the results, as in the tables before.

Player	Wanoma (CIC name)	Sarafu	Community Work (CIC)
Mwanaidi	500	0	100
Amina	400	0	0
Njambi	250	0	200
Jacob	200	0	100
Mbui	200	0	200
Janet	200	0	300
Nadzua	100	100	400
Phred	100	0	500
Joy	0	200	200
Viv	0	300	200
Totals	500	500	2000

Ask the following questions and give time for discussion.

- ▶ *What happened here? What was different from previous rounds?*
- ▶ *How would someone restock inventory that came from outside needing Kenyan Shillings?*
- ▶ *Who has the most CIC and how could they spend it?*
- ▶ *What happens when a lot of people cash-out their CICs?*

- ▶ *What happens when a lot of people add money to the reserve?*
- ▶ *How hard is it to balance trade?*
- ▶ *What about the user who only accepted Sarafu? Do they have balanced trade?*
- ▶ *What can we do as a community to mitigate this situation? In what ways could this vendor accept at least some CICs even if they need the shillings for the purchase of goods?*
- ▶ *How much work was done for community projects?*

You can run additional experiments with different roles, depending on the amount of time that you have and the concerns of the groups. Examples of roles that people could take:

- Someone with nothing to trade who is being given CIC from the project (elderly, for example).
- Someone who is taking advantage of the system and cashing out as much as possible.
- Someone who does not honor their commitment to receive CIC.

After each round, you can discuss what happened. You don't always need to make a board of the totals when it is obvious what happened as a result of the game.

Understanding What It Takes to Create a Live CIC

The exercises above allowed the community to experiment with exchanging in a system with a CIC and regular currency. To have a currency in a real community, there is a minimum of 100,000 Sarafu in reserve requirement. Communities that are able to raise a reserve backing of 400,000 Shillings may be eligible for an Airdrop of an additional 200,000 Sarafu from Grassroots Economics and our backers.

In the next exercise, we will take a look at the minimum requirements of the community and start to speculate whether they could have a CIC.

You might want to write the following on the board. These are the requirements for a CIC that is recognized in the Grassroots Economics project. (It is possible for communities to create their own currencies, but they will not be tradeable with other communities through the Sarafu system.)

How many CICs to create?

The amount of CIC a group can created depends on two things:

1. Community commitment: The amount of commitments of goods and services that members of a group have pledged to redeem for CIC.
2. Reserve: The amount of Sarafu the group is willing to put forward.

The maximum number of CICs that can be created is limited based on a reserve requirement of 100% as well as the community commitment. So with 100,000 Sarafu as reserve a community can create 100,000 of their own CIC tokens if there are at least 100,000 Kenyan Shillings of audited community backing commitments. The reserve requirement may be lowered based on the performance of the group or additional Sarafu may be allocated to the group.

While the number of CIC to create is important the speed of circulation is even more crucial to maintaining a local market. There should be enough CICs in circulation, such that the community can maintain the amount of trade it desires.

Who should create a CIC?

CICs are not short term projects - as they seek to provide sustainable public financial infrastructure. CICs seek to be an alternative when national currencies are scarce and

hence provide a safety net for communities in crisis. Creating a Community Inclusion Currency is like having a baby: it is a responsibility that needs to be taken seriously for the life of the currency. It is of utmost importance that the community backing be as solid as possible with the full support of the community, mediators, elders and chief. Trustful communities can build wealth much easier than trustless communities. It's not only about how hard the participants work, but how much work is lost through cheating, theft, corruption, etc. The community should be prepared to provide protections and sanctions against problematic behavior. For a good example of how this is done, [see our blog on building strong communities](#) . Trust and trustworthiness are themselves forms of wealth.

In order to certify and support a community to create a CIC, Grassroots Economics' CIC Creation criteria requires groups creating a CIC to have:

1. Valid certificate, with initial registration at least 1 year prior to the creation.
2. Minimum 10 members with active membership.
3. Demonstrable backing for tokens created. (Business audit).
4. A minimum balance of 100k Sarafu to be used as reserve.
5. A leading member that has gone through this training.
6. A completed CIC Commitment Agreement (see below).

Explain the CIC creation rules. Say:

- *In real life to launch a community currency, there must be a minimum of 100,000 Sarafu in reserve, a commitment agreement, at least 10 members who are active. If you can make the requirements, the Grassroots Economics organization can support the CIC in providing an exchange to Sarafu and other community currencies. This is useful for exchange between different villages and communities.*
- *If the community does not have reserve of 100,000 Sarafu then no new CIC will be created.*
- *If the community has 100,000 Sarafu in reserve then 100,000 CICs could be created, but only with community backing (show the column of backing). But if the Community Backing is only 50k then no CIC will be created. It is important to put*

down both the reserve and the commitment. It is possible that someone will put in the reserve and a different person would put in the commitment. In this example we have all committed equal amounts but in real life, different people have different resources. Some people might have more Sarafu and other people might be able to contribute more services.

- *If the community is able to come up with 400K of shillings or Sarafu equivalent in the community, Grassroots Economics may be able to provide an additional grant of 200K Sarafu if the community meets all necessary requirements.*
- *In this exercise, we will actually think about how much you could contribute in commitments and reserve funds. We will see how close this group is to being able to have your own community currency.*

Have everyone in the group write on the commitment chart how much they could commit to receive in CIC, and how much they could contribute in actual capital to the reserve account.

- ▶ *Please fill in the chart with what you think you could really afford to put in the reserve and receive in CICs. Remember that when we open the reserve, for each shilling you put in the reserve, you get 2 CICs. So, you will have more currency to use after you make the commitment, and if you need shillings you can withdraw them. However, as you saw before, you won't necessarily be able to withdraw in shillings for the full price.*
- ▶ *In the chart you could have several items that you offer. For example, maybe you sell Boda rides but you also can repair other people's motorbikes. Some people might be able to give more reserve, and some people might be able to offer more services.*

Name	Product sold	Commitment	Reserve
Joyce	Water	2000	500
	Child care	4000	500
Jacob	Boda rides	10000	2500

At the end of the exercise, discuss the results.

- ▶ *Did we reach the minimum 100,000 Sarafu in reserve and 100,000 in commitments?*
- ▶ *If we didn't have enough, how could your community reach the 100,000 in reserve? Who else would you want to join?*
- ▶ *Could we possibly reach the 400,000 Sarafu required for consideration of the additional grant from Grassroots Economics?*
- ▶ *Does the committed group have any potential for circular trade?*
- ▶ *Are you satisfied with what you decided to put in the community backing?*
- ▶ *If others had written higher or lower numbers, would it have influenced you to give more or less?*
- ▶ *Do you have a different way or better way to come to a decision like this?*
- ▶ *Is this a fair and equitable way of making this decision?*
- ▶ *What, if anything, could have made this process better?*
- ▶ *Who needs to be in the initial commitment agreement?*
- ▶ *How should the group and greater community enforce this agreement? Who will arbitrate challenges and should also sign the agreement?*

Introducing CICs to the rest of community

In this section, there will be discussions and exercises to explore how well the participants understand CICs and to present some potential worst-case scenarios. At the end of the section, they should be prepared to go back to their communities, train others, and develop community agreements.

Understanding the Risks

- *A CIC is not meant to be a store of value, it is a tool for facilitating local trade. Holding onto a CIC is like holding onto a piece of the economy. It has more value if it is traded and accepted. If someone sells all their imported inventory for CICs and can't buy any more stock, their business could collapse.*

Obligations

- *It is up to all of the participants to monitor themselves and the other members, and make sure that people are keeping their commitments to accept CICs. If people are not accepting CICs for goods in the communities, nobody will want to hold them, and people will stop accepting them.*
 - ▶ *How do you feel about your community's ability to keep their word and accept the CIC? Are there people who you think are more or less likely to keep the agreement? What would you do to make sure that everyone who commits actually keeps the commitment?*

Dispute Mitigation

- *Should you create and spend a CIC you are obligated to accept it back. The CIC Commitment Agreement should state the repercussions and they should be enforceable by local authorities. There are many possible cases where disputes will arise such as CICs being stolen or someone refuses to accept more after spending. All of these cases need to be thought through before they happen. We will now discuss some worst case scenarios, so you can be prepared and think about how to put in place agreements to prevent these problems or to mitigate the risks if something goes wrong.*

Worst Case Scenarios

Mention each scenario and then give people time to discuss.

- ▶ *Someone convinces Mama Sammy to accept CIC for all her stock and she can no longer buy her stock.*
- ▶ *The reserve fund banker works slowly and it takes time to cash in and out of the CIC to shillings.*
- ▶ *Someone collects CIC in a devious way and then spends it all on an unsuspecting shop owner and never accepts it back.*
- ▶ *One of the committed backers spends all the CIC in another community.*
- ▶ *The community project funds are not fairly distributed to people for work. The project managers play favorites or fund people who aren't really doing the work.*

Balancing Inventory

Anyone using a CIC will have the same question, “If I accept CIC where will I spend it and how will I restock or buy things that need Kenyan Shillings?”.

For a CIC issuer starting with a lump sum of CIC the answer is simple: accept back at least as much as you have spent—then spend more and repeat.

But for a business accepting it for the first time the answer

- *If you as an issuer are trying to convince someone to accept it, you have to point them to where they can spend it. Ideally, they can spend at your businesses or others in the issuer group, or with other users that have begun to accept it. If that is not an option for them and they need things that simply can't be found in the network and they have yet to enroll their suppliers, they have some options:*
 - *They can liquidate their CICs and pull out national currency in order to buy from suppliers (importers). Note that because of the rule of diminishing returns you will likely get less national currency out of your CIC.*

- *Alternatively, you can be careful and accept only as much CIC as they know they can spend on other expenses.*
- *As a group, it is up to you to make sure there are active members and if there are particular services or items in demand, you can find people who sell those things and invite them to join.*

Exercise: Balancing Inventory

- *To manage businesses wisely, participants in the CIC need to do inventory balancing. If you are selling something that can't be purchased with CIC and accepting CICs for it you must make up that loss in some other way—such as saving national currency on the purchase of daily food for your family.*
- *For example, if you accept 400 CIC for an imported product you are selling you must spend 400 CIC on something that will save you having to spend 400 in National currency, so that you can still purchase your stock. We will now do an exercise to show how that works.*

Have someone role play as a shop that sells something that can't be purchased for CIC (yet). Determine how often you buy stock and how much you buy it for and sell it for: (For example, Coca Cola. Once a month you buy for 20 shillings a bottle and you sell it for 40 shillings a bottle.)

- ▶ *How much CIC can you use daily in the community?*
- ▶ *How much CIC you can accept per bottle?*
- ▶ *Would you set a different price in shillings than you would in CIC?*
- ▶ *What would happen to the demand for local drinks as opposed to Coca-Cola as the CIC becomes more popular? Is that good for the community?*
- ▶ *How important are imported products?*
- ▶ *What types of businesses can accept the most CICs?*

Takeaway: The individuals can see for themselves how to calculate the amount of CIC they can accept for important products.

Reflections after the course

Ask the participants to talk about what questions CICs and the exercises bring about. This sheet is based on Elinor Östrom's **Commons Governance Rules**.

1. Who is part of a CIC and who is not? What are the rules for joining? (*Define clear group boundaries.*)
2. Are the rules governing CIC creation and usage locally appropriate? (*Match rules governing the use of community resources to local needs and conditions.*)
3. Who can participate in modifying those rules? (*Ensure that those affected by the rules can participate in modifying the rules.*)
4. How are CIC rules legitimate outside the community or group creating them? (*Make sure the rule-making rights of the community members are respected by outside authorities.*)
5. How are CIC member behaviours and rule compliance monitored? (*Develop a system, carried out by the community to monitor member's behaviour such as trade balance. Consider how frequently to meet and how to deal with participants who can't meet in person.*)
6. How are disputes resolved in the community? (*Provide accessible low-cost means for dispute resolution.*)
7. What kind of governance layers are there for maintaining CICs? (*Build responsibility for governing the common resource in nested tiers from the base level to the entire ecosystem.*)

Next Steps

1. Read more the CIC Frequently Asked Questions (FAQ) and test your knowledge with the CIC Quiz.
2. Ensure your chama meets all the criteria and understands this material.
3. Develop a CIC Commitment Agreement and have it audited by Grassroots Economics and the local administration.
 - a. If approved your CICs will be distributed as per the agreement.
4. Start trading and building your community and economy.
5. Contact info@grassecon.org or dial +254757628885

Appendix A: CIC Commitment Agreement Template

Note: Community acceptance, usage and the value of a CIC starts with the issuer backing and vision. This backing is audited and a document as described below must be approved by mediators, the local chief and elders. CIC issuers that spend their CIC in the community must accept it back and are considered in debt until they do so. The following is an example of a statement of commitment and intention to develop a CIC.

We [*Chama Name*] have decided on this date [*date*] to create a Community Inclusion Currency named: [*CIC Long Name*] and abbreviated: [*CIC Short name (5 letters max)*]

CIC Vision

The purpose of the CIC is in order to fulfill these goals:

(examples.)

- 1. Economic: To develop a more stable local market.*
- 2. Social: To encourage people to share with each other when national currency is scarce*
- 3. Environmental: To protect and rehabilitate our environment.*
- 4. Community Care: Elderly and special Needs*
- 5. Projects: The creation of a communal farm.*
- 6. etc.*

Committed Goods and Services and Reserve:

We have counted commitments from our members of goods and services listed below:

Member name, [phone/account number], Goods and or Services, Method and schedule to redeem, total commitment, Reserve, Signature

- 1. Susan Zuri, 0727806621, Full grown goats, 4000 CICs a month for 25 months, 100,000/=, 0, [Signature]*

2. Sally Mtu, 0727806621, Mboga, 4000 CICs a month for 25 months, 100,000/=, 25,000, [Signature]
3. Philip Bob, 0727806621, Chimba, 4000 CICs a month for 25 months, 100,000/=, 50,000, [Signature]
4. Jane Boby, 0727806621, Tailor, 4000 CICs a month for 25 months, 100,000/=, 25,000, [Signature]

Tokens Created: The total amount of commitment has a value of *[Total Commitments e.g. 100,000 Kenyan shillings]* on the local market.

A total of 100,000 *[CIC name]* tokens will be created (note that can only be 1x the reserve and can't be higher than the amount of member commitments).

Reserve: The total amount of reserve contributions has a value of *[100,000]* Sarafu from our members.

As reserve the community puts forth *[100,000 Kenyan Shillings]*. This reserve will be held in a digital asset bonded to the CIC.

Participatory Budgeting / CIC Distribution

Group account holder: All initial tokens will be sent to the following account *[Name, phone number]* then distributed as stated in this document.

CIC Distribution: All CICs created will be distributed as follows to fulfill the CIC Vision stated in this document as follows:

(Examples:)

1. 25% of the total token amount will be distributed, to committed members listed above, proportional to their reserve contributions. This could be distributed in 4 installments once per month.
2. 25% of the total token amount will be distributed, to committed members listed above, proportional to their commitment to redeem them. This could be distributed in 4 installments once per month.

3. *50% will be distributed in 4 installments once per month and held in this account [Name, Phone number] and used for a community project as follows:*
 - a. *People will be paid for organized communal farming 400 Tokens per day.*
 - b. *Tree planting services at 100 Tokens for trees planted reaching 6 months maturity.*
 - c. *Distributed to the needy*

Agreement Duration and Cycle:

1. By signing this document members commit to a yearly cycle where all trade balances should come back to zero by the end of each year on this date [Date].
2. This document, purpose and distribution, purposes and vision can be redone each year.

Mediators: Elect at least 2 people to act as mediators for any conflicts. This can include the chief, subchief, village elders.

Name: Phone number

Conditions:

3. By signing this document members commit to redeeming [CIC Name] for their goods and services up to the amount they have spent [CIC Name].
4. Should any of the above members not be able to keep their stated commitments they will be considered a defaulting member.
 - a. A defaulting member agrees toward local arbitration with the group and the assigned mediators and a fine in [token name] or Kenyan Shillings of up to the amount they have spent but can not redeem, payable to the Group account holder.
 - b. The chama members unanimously agree to filling any gaps in commitments that can't be fulfilled by a defaulting member.

5. Should a committed member wish to leave the network they must have a trade balance of 0 and pay any outstanding fines.
6. The use of this CIC should follow all the rules or by-laws in the constitution of the group creating them.

Signed and dated:

*[Chairperson, Vice Chairperson, Secretary, Treasurer], [Mediators (Chief, Elders)],
[Grassroots Economics]*