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The LoREco project wants to support the development and strengthening of local, regenerative economies. Hence, LoREco will provide an economic system that wants to maximise the following elements, on a local level:

- augment financial security
- provide space for personal development
- (re)active the local social connects
- aid ecological recovery
- add additional meaning to 'value'

In order to achieve these elements, LoREco developed a currency-ecosystem that is parallel and complementary to the euro. This currency-ecosystem is built around a digital **complementary currency**. With this currency, goods and services can be bought from actors that are part of the ecosystem. The euro is regarded as a reference to enable the 'correct' pricing of the goods and services in the complementary currency. One coin in this currency can, for instance, be equal to one euro. In the currency ecosystem, it will not be possible to directly exchange complementary currency for euro and vice versa, it is thus a unit of account, not an exchange rate.

LoREco developed a **digital tool for interaction** that enables two main functions. On the one hand, the tool is a platform where providers of goods and/or services can easily be matched with potential buyers and vice versa. On the other hand, this tool enables the currency transactions and logs the current accounts of each participant in a transparent and simple way.

Each month, every person that is part of the currency-ecosystem will receive a fixed and unconditional amount (i.e. **guaranteed income**) of complementary currency in their account which can be spend within the ecosystem as they see fit. The size of this guaranteed income will depend on the size and financial base of the ecosystem. In other words, when only few actors participate within the system, the guaranteed income will be rather small. As soon as several different buyers and providers are active, the amount can go up.

The limits of the currency-ecosystem are determined by the network of actors within it. The LoREco project envisions an ecosystem on the city/village level, where each actor within the city or village (e.g. citizens, shops, businesses, NGO's, municipal services, etc.) can participate in the currency-ecosystem. However, such systems can also be developed on a smaller scale (e.g. a network of actors working on a specific common goal) or on a larger scale ((bio)regional).

Sustainability and regeneration are at the centre of the LoREco currency-ecosystem. Sustainability is defined broad and holistically, ranging from sustainability on natural capital, financial capital, intellectual capital to human and social capital. Actors active in the ecosystem will not only gear their organisations to treat these multi-capitals responsibly, it is preferred that their activities are of a regenerative nature. In other words, actions are taken to positively affect one or more of the five capitals. Thus, although everyone within the ecosystem can

provide goods and services in the complementary currency, they will be strongly stimulated to organise their activities as sustainably as possible.

Each provider in the ecosystem will be able to show and prove their sustainability efforts. This is made possible by, on the one hand, achieving the standards of a number of existing labels that fit the multi-capital framework (e.g. BCorp, Fairfin label, ...) and, on the other hand, by drafting and committing to a **personalized charter** in which the organisation puts forward a number of goals regarding the positive and sustainable handling of one or several of the different capitals. The progress on these goals is monitored by a specialized organisation. Moreover, a peer-review ratingsystem is installed to enable the participants to develop a sustainability score for each provider.

Based on these sustainability assessments, each provider will be categorized in the corresponding sustainability level or tier. These **sustainability tiers** can range from 'intention to become more sustainable' over 'capital neutral' to 'regenerative provider'. Additional efforts to better the sustainability of their activities allows providers to rise between the tiers.

These sustainability tiers are linked to a reward system with **bonus coins** for the buyers. Those who spend their complementary currency on more sustainable goods and/or services, will receive a certain amount of bonus coins. To check if one has a right to the bonus, the ratio of 'sustainably spend coins' versus the total amount spend that month, will be calculated every month. Spending with providers in higher sustainability tiers, will have a higher weight in the calculations. As soon as the ratio is high enough, bonus coins will be added to the participant's account.

It is possible to save complementary currency in your account. However, to prevent excessive accumulation of coins, a percentage of negative interest (**demurrage**) will be owed as soon as a certain threshold is reached. The demurrage system is a progressive system; a fair amount of savings is always demurrage-free, but as soon as the threshold is reached, the percentage of demurrage will increase at certain levels of saved coins.

The amount of coins collected by the demurrage will, to a certain extent, be reinvested in the local economy through projects of providers in high sustainability tiers or in projects of providers from lower tiers aimed at progressing into a higher tier. The digital tool for interaction can be used by each participant in the currency ecosystem to indicate which **projects for the common goods** they want to support, should demurrage be applied to their saved amount of coins.