Using Purpose Bound Money as a tool to help achieve Sustainable Development Goals

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Abstract

In the pursuit of sustainable development, purpose-bound money (PBM) emerges as a transformative financial innovation, offering a structured and impactful approach to addressing the United Nations' 17 Sustainable Development Goals (SDGs). By earmarking funds for specific, socially beneficial purposes, PBM ensures that financial resources are directed towards meaningful and targeted outcomes.

Compared to conventional systems, PBM significantly reduces administrative burdens, decreases fraud and misuse, stimulates the local economy, and provides precise control over the allocation and usage of funds, including who receives how much, where, on what, and when. Enforcing rules is straightforward and, when implemented correctly, PBM can be extremely cost-effective and efficient. Additionally, it is highly eco-friendly, as processing a PBM transaction consumes considerably less energy than a traditional bank transaction.

This paper explores the intersection of PBM with each of the 17 SDGs, aiming to demonstrate how PBM can be meticulously aligned with these goals to maximize impact. By providing (real-world) use cases and analyzing the benefits of PBM, this paper highlights how this innovative financial approach can transform aspirations into tangible outcomes, steering us closer to realizing the 2030 Agenda for Sustainable Development.

Introduction

In the quest for sustainable development, financial innovation plays a crucial role. Among these innovations, purpose-bound money (PBM) emerges as a transformative tool, offering new pathways to address the world's most pressing challenges. This concept, while relatively novel in mainstream economics, holds immense potential in steering financial resources towards meaningful, impactful causes.

The United Nations' 17 Sustainable Development Goals (SDGs) provide a global blueprint for dignity, peace, and prosperity for people and the planet, now and in the future. These goals, ranging from eradicating poverty to combating climate change, demand not only global attention but also a dedicated and strategic allocation of resources. Purpose-bound money as facilitated by MultiKnip, in this context, becomes a beacon of hope, offering a targeted approach to funding initiatives that directly contribute to these goals.

In this paper we explore the intersection of purpose-bound money with each of the 17 SDGs. It delves into how PBM, as a concept and practice, can be meticulously aligned with each goal to maximize impact. Through a detailed examination of each SDG, we will unravel the potential of purpose-bound funds to act as catalysts for sustainable development, highlighting how strategic financial commitments can lead to tangible, long-lasting change across diverse sectors. From poverty alleviation to promoting sustainable cities, the role of purpose-bound money is dissected, offering insights into how this innovative financial approach can transform aspirations into tangible outcomes, thus steering us closer to realizing the 2030 Agenda for Sustainable Development.

The intersection of purpose-bound money and sustainable development

In an era where sustainable development is not just a goal but a necessity, the intersection of financial strategies and global development agendas has become increasingly crucial. Purpose-bound money (PBM) stands at this crossroads, representing a financial mechanism uniquely poised to drive meaningful change. At its core, PBM is money allocated for specific, often socially beneficial purposes, ensuring that funds directly contribute to predetermined objectives and targeted stakeholders. This specificity is what sets PBM apart in the realm of sustainable development.

Defining purpose-bound money

Purpose-bound money is characterized by its targeted allocation and use. Unlike general funding, funds designated as PBM are tied to specific outcomes, such as environmental conservation, social welfare, or technological innovation for public good. This earmarking ensures that the financial resources are not only invested but are also utilized in ways that align with particular sustainable objectives.

Relevance in modern economics

In contemporary economics, the role of PBM is becoming increasingly significant. As public and private sectors seek to address complex global challenges, the need for directed, impactful investments grows. PBM offers a structured approach to funding, ensuring that capital is not merely spent but is invested in a manner that yields measurable benefits aligned with the SDGs.

PBM and sustainable development principles

The principles of sustainable development — economic viability, environmental protection, and social equity — align seamlessly with the concept of PBM. By directing funds towards initiatives that encapsulate these principles, PBM becomes a potent tool for sustainable progress. It ensures that economic activities do not come at the expense of environmental degradation or social disparity. Instead, it promotes a balanced approach where economic growth is achieved alongside, and in support of, ecological sustainability and social well-being.

Driving targeted funding

The strength of PBM lies in its ability to channel funding into specific sectors and projects that directly contribute to the SDGs. For instance, funds bound for clean energy projects support SDG 7 (affordable and clean energy), while investments in educational initiatives advance SDG 4 (quality education). This targeted investment approach ensures that each dollar spent is a step towards achieving a specific SDG.

Maximizing impact

The focused nature of PBM allows for maximized impact. Since the funds are earmarked for specific objectives, their effectiveness can be closely monitored and measured against set targets. This not only ensures accountability but also facilitates a deeper understanding of the impact of these investments, allowing for adjustments and improvements in strategies over time.

Facilitating innovation and collaboration

Purpose-bound money also fosters innovation and collaboration. By clearly defining funding purposes, it encourages creative solutions tailored to specific challenges. This specificity can stimulate partnerships across sectors, as organizations align their efforts towards common goals. Public-private partnerships, in particular, stand to benefit from this approach, combining governmental oversight with the efficiency and innovation of the private sector.

Trust is key

By using modern technology like the 3rd generation blockchain we use at PBTokn we supercharge PBM. Trust is one of the main factors to achieve your goals when it comes to SDGs. Transparency, decentralization and immutability are the main ingredients we deploy to generate trust. Trust in the system, the process and the numbers will generate trust in the outcome of the project.

Blockchain in a practical and positive way

By using the latest distributed ledger technology we ensure getting all the positives of blockchain without the negatives (permissionless fast transactions while using highly energy efficient networks, registering transactions on an immutable ledger in a secure and trustworthy way). To avoid potential bias and negative perceptions towards blockchain, these details are not directly communicated to users. Instead, users experience a seamless, efficient, and reliable payment process: "people buy cars, not engines". Users just want to experience a fast, easy, secure and smooth payment process.

The importance of purpose-bound Money

The intersection of purpose-bound money and sustainable development represents a key juncture in modern economics and global development strategies. By ensuring that financial resources are meticulously directed towards sustainable objectives, PBM holds the promise of driving meaningful, impactful change. As the world strives to achieve the 17 SDGs, the role of purpose-bound money as a catalyst for sustainable development becomes increasingly indispensable. Through its strategic application, we can not only envision a sustainable future but actively invest in its realization

Circular money versus digital community coins (DCC)

MultiKnip is based on the principle of circular money, this differs a lot from so-called digital community coins. Circular money is issued by a municipality, corporation or organization to distribute subsidies/grants/budgets. In the MultiKnip case they are the ones that will give the end-users a QR-code to load the issued funds into the wallets on their phones (it is actually stored on a blockchain). The fiat money (representing the collateral for the issued funds) stays in the bank account of the issuer. Only pre-approved (whitelisted by the issuer) retailers can convert circular money into fiat currency by sending it to the issuer, who then makes a direct payment from their bank account. End-users cannot convert the funds in their wallets into fiat currency directly. In fact, transactions can only be initiated by retailers, with end-users having the ability to approve or reject payments, making it impossible for end-users to transact among themselves.

Circular money is restricted in its use, but with MultiKnip we turned that into a major feature. 90% of all conventional money flow is conditional: you receive a salary when you work, you receive child support when you have children, you pay a retailer when you receive goods. In MultiKnip we enhanced circular money with conditionality (by making it programmable) resulting in a very broad spectrum in use-cases.

Another feature of circular money, as implemented in MultiKnip, is its ability to benefit multiple parties with the same amount of money. By deploying these funds, the issuer can stimulate the local economy while also supporting end-users. This dual benefit can be precisely targeted, with the emphasis sometimes placed on the end-user and other times on the retailer. For example, in the case of the German Kulturpass, the German Minister of Culture allocated €200,000,000 to support the cultural sector, which had suffered significantly during Covid. Each 18-year-old citizen received €200 over two years, which could only be spent on theater, music, books, and similar cultural activities. This approach helped both the cultural sector survive and young citizens engage with culture using the same funds.

Digital Community Coins can be transferred between end-users, mimicking our conventional monetary system and, consequently, inheriting issues such as money laundering and terrorist financing risks. This is why national banks mandate Know Your Customer rules, and DCCs are often viewed as problematic. The primary goal of DCCs is to keep money circulating locally to stimulate the local economy.In most systems the users are charged a fee when they hold their coins in their wallet too long. This "holding cost" combined with the lack of broad acceptance (not everyone accepts being paid in these local coins) and the strict rules and regulations make setting up and maintaining a DCC a very challenging task.

Aspect	Circular Money	Digital Community Coins (DCC)
Definition and Issuance	Issued by municipalities, corporations, or organizations for subsidies, grants, and budgets. Loaded via QR codes into blockchain wallets. Fiat collateral remains with the issuer.	Mimics conventional money, flowing between end-users. Inherits risks like money laundering and terrorist financing, requiring KYC rules.
Conversion to Fiat	Only pre-approved retailers can convert to fiat by requesting payment from the issuer.	End-users can transact directly, posing regulatory challenges.
Usage	Restricted but programmable for specific uses. Supports local economies and precise targeting (e.g., German Kulturpass).	Aims to localize money flow but faces "holding cost," limited acceptance, and regulatory hurdles.
Economic Impact	Stimulates local economies through controlled spending.	Intended to boost local economy but struggles with acceptance and compliance.
Challenges	Needs careful retailer management and conditionality programming.	Encounters regulatory scrutiny, KYC requirements, holding costs, limited liquidity problems and limited acceptance.

PBM and individual SDGs: A targeted approach

In general..

Achieving the Sustainable Development Goals (SDGs) largely depends on allocating the right financial resources to the right people in the right places to implement effective actions. While this task is challenging even in Western countries, it can be nearly impossible in less developed regions. Bureaucracy, fraud, misuse, and corruption often play significant roles, leading to substantial portions of resources being diverted elsewhere.

Sometimes the lack of transparency is such a large stumbling block that investors are too hesitant to fund improvements in the first place. PBM can solve the largest part of this problem while decreasing administrative burdens and since PBTokn records every single transaction on a blockchain the records can be trusted and used as proof.

SDG 1: No poverty

How PBM Can Contribute

PBM can fund direct financial assistance, create job opportunities, and supports small businesses. PBM can target investments toward microfinance institutions and social enterprises, empowering individuals economically.

Images sources:
https://www.bluechipfoundation.org/blue-chip-foundation-un-sustainable-development-goals-no-poverty, Ahmed akacha, https://www.pexels.com/de-de/foto/frau-wasser-kleid-herstellung-10629440/

Use Case

MultiKnip in the Netherlands (2023) distributed €5,000,000 to 20,000 families to fight energy poverty. Families could only buy energy-saving products to lower their energy bills, contributing also to SDG 7.

PBM can play a pivotal role in poverty alleviation by funding programs that provide direct financial assistance, create job opportunities, and support small businesses in impoverished communities. By targeting investments towards microfinance institutions and social enterprises, PBM can empower individuals economically, thereby making a substantial dent in poverty levels. But also in a more direct way PBM can alleviate burdens: MultiKnip was successfully deployed (2023) in the south of the Netherlands to fight energy-poverty: 5.000.000€ was distributed to 20.000 families that got into financial problems because of the skyrocketing energy prices (in a way that these families could only buy energy saving products to lower their energy bill - consequently also contributing to SDG 7-).

SDG 2: Zero hunger

How PBM Can Contribute

Use Case

Addressing hunger requires funding in agricultural productivity, food security, and nutritional programs. PBM can support sustainable farming practices, improve food distribution networks, and finance initiatives that address malnutrition, especially in vulnerable populations.

IMages sources: Quang Nguyen Vinh, https://www.pexels.com/de-de/foto/bohnen-auf-tablett-2131905/

Giving children from underprivileged families "lunch money" (that can only be used in school canteens and is not valid at fast food companies) also contributing to SDG 3 and since there is a correlation between healthy nutrition and the results of tests you could also count it toward SDG 7

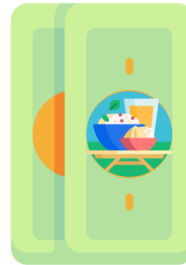Addressing hunger requires funding in agricultural productivity, food security, and nutritional programs. PBM can support sustainable farming practices, improve food distribution networks, and finance initiatives that address malnutrition, especially in vulnerable populations. A simple example for this is giving children from underprivileged families "lunch money" (that can only be used in school canteens and that is not valid at fast food companies) which is also contributing to SDG 3 since there is a correlation between healthy nutrition and the positive results of tests.

SDG 3: Good health and well-being

How PBM Can Contribute

Use Case

Investing in healthcare infrastructure, research, and disease prevention programs is crucial. PBM can be strategically used to pinpoint funding in these areas, but also to incentivize (good) healthy behavior, and stimulate exercise.

Images sources: CDC, https://www.pexels.com/de-de/foto/mann-menschen-kind-arzt-3997722/

MultiKnip can also easily be deployed on a corporate level: Giving employees a budget they can only spend on fitness center admission and for paying for personal trainers or pay for healthy lunches.
The city of Heerlen uses Knip technology for taking colleagues to lunch or bringing home flowers from local florists.

Investing in healthcare infrastructure, research, and disease prevention programs is crucial. PBM can be strategically used to pinpoint funding in these areas, but also to incentivize (good) healthy behavior, and stimulate exercise. Contributing significantly to global health and well-being. MultiKnip can also easily be deployed on a corporate level: giving employees a budget they can only spend on fitness center admission and for paying for personal trainers or pay for healthy lunches.
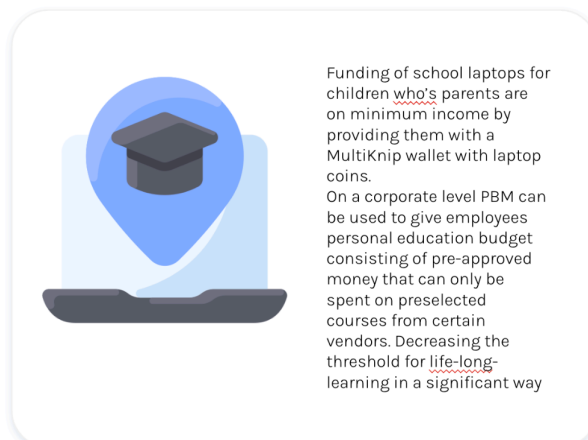
SDG 4: Quality education

How PBM Can Contribute

PBM can contribute to quality education by funding school infrastructure, teacher training programs, and educational technology. Investments can be directed towards scholarships and financial aid for underprivileged students, ensuring inclusive and equitable quality education. A

Images sources: Scott Ehimare,

Use Case

Funding of school laptops for children who's parents are on minimum income by providing them with a MultiKnip wallet with laptop coins.
On a corporate level PBM can be used to give employees personal education budget consisting of pre-approved money that can only be spent on preselected courses from certain vendors. Decreasing the threshold for life-long-learning in a significant way

PBM can contribute to quality education by funding school infrastructure, teacher training programs, and educational technology. Investments can be directed towards scholarships and financial aid for underprivileged students, ensuring inclusive and equitable quality education. A simple example of this can be the funding process of a school laptop for children whose parents are on minimum income: by providing them with a MultiKnip wallet with laptop coins they can buy the technology they need (but not spend the money on alcohol and lottery tickets). On a corporate level PBM can be used to give employees a personal education budget consisting of pre-approved money that can only be spent on selected courses from certain vendors. Decreasing the threshold for life-long-learning in a significant way

SDG 5: Gender Equality

How PBM Can Contribute

PBM can fund programs promoting gender equality, women's economic empowerment, and protection against violence.
Funding can also support initiatives aimed at increasing women's participation in political and economic decision-making processes.

Images sources:
Tim Samuel, https://www.pexels.com/de-de/foto/frau-freiheit-bunt-farbenfroh-5845282/

Use Case

Providing girls with a MultiKnip wallet to buy women's hygiene products and/or medication (so the number of absentee days in school for girls will decrease). (Also related to SDG 1 and indirect SDG 4)

For the safety of young girls/boys one could provide a wallet with PBM that can only be spent on taxicab fare: if they have to travel late at night and public transport does not feel safe they can pay with the taxi-coins to get home safely.

Investments through PBM can be channeled into programs that promote gender equality, support women's economic empowerment, and protect women and girls from violence. Funding can also support initiatives aimed at increasing women's participation in political and economic decision-making processes. A simple example on a local level (but also related

to SDG 1 and indirect SDG 4): provide girls with a MultiKnip wallet to buy women's hygiene products and/or medication (so the number of absentee days in school for girls will decrease). For the safety of young girls/boys one could provide a wallet with PBM that can only be spent on taxicab fare: if they have to travel late at night and public transport does not feel safe they can pay with the taxi-coins to get home safely.
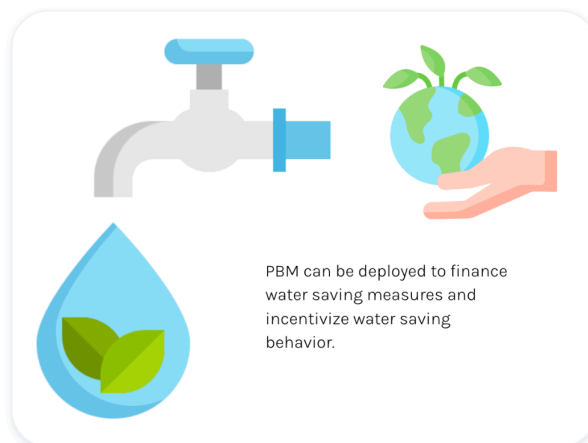
SDG 6: Clean water and sanitation

How PBM Can Contribute
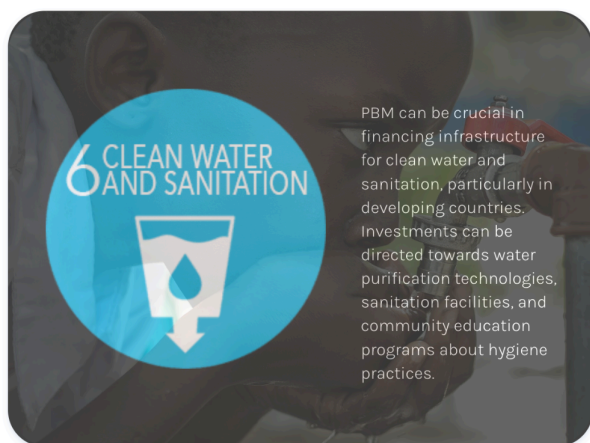
Use Case

PBM can be crucial in financing infrastructure for clean water and sanitation, particularly in developing countries. Investments can be directed towards water purification technologies, sanitation facilities, and community education programs about hygiene practices.

PBM can be deployed to finance water saving measures and incentivize water saving behavior.

Images sources: Dii Nyau, https://www.pexels.com/de-de/foto/junge-trinkwasser-auf-wasserhahn-1446504/

PBM can be crucial in financing infrastructure for clean water and sanitation, particularly in developing countries. Investments can be directed towards water purification technologies, sanitation facilities, and community education programs about hygiene practices. PBM can be deployed to finance water saving measures and incentivize water saving behavior.

SDG 7: Affordable and clean energy

How PBM Can Contribute

Use Case

PBM can fund solar, wind, and hydroelectric power projects, contributing to the global transition towards sustainable and clean energy sources.

EnergyKnip was used in Emmen, The Netherlands, to distribute 50,000 wallets for citizens to buy energy-saving products.

Largest public service blockchain project in The Netherlands.

Benefited the Municipality, citizens, retailers, and the environment.

Recently used in Groningen to improve SME building energy efficiency.

Exploring wallet use to distribute profits from solar and wind projects to nearby villages as money or kWhs.

Images sources: Erik Karits, https://www.pexels.com/de-de/foto/vogel-dach-eule-elektrizitat-10268580/
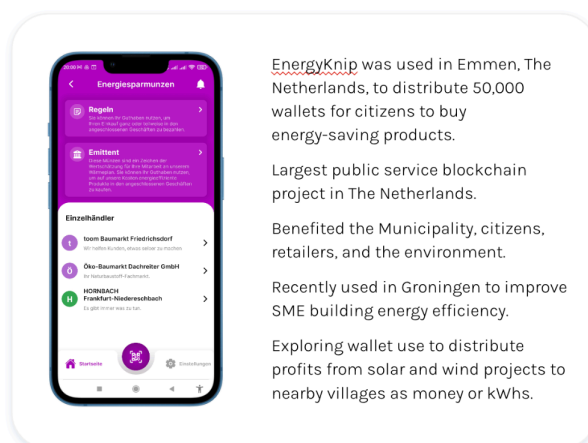
Investing in renewable energy projects and technologies is essential. PBM can fund solar, wind, and hydroelectric power projects, contributing to the global transition towards sustainable and clean energy sources. The very first version of MultiKnip (EnergyKnip) was deployed in Emmen, The Netherlands (deployed in January 2022). 50.000 wallets were

distributed (making it the largest public service blockchain project in the country) so citizens could only buy energy saving products with the money. It resulted in a win-win-win-win-situation for the municipality, the citizens, the retailers and the environment. More recently MultiKnip was used in the city of Groningen to make the buildings of small and medium-sized enterprises (SMEs) more energy efficient. MultiKnip is currently looking into an application where wallets are going to be used to distribute profits from energy (electricity) generating projects (solar & wind) to surrounding villages (this could be in money but also as kWh's) to compensate for the inconvenience and stimulate the local economy and social cohesion.
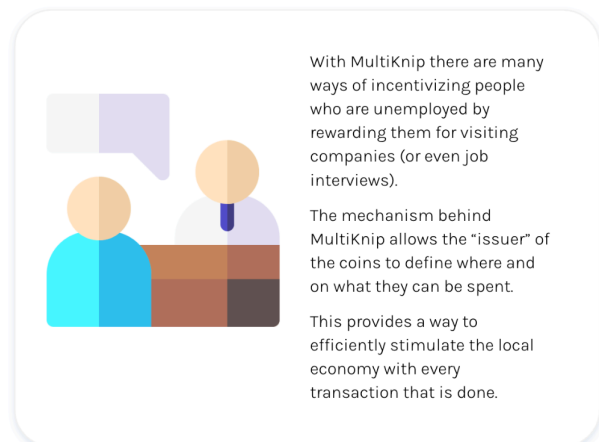
SDG 8: Decent work and economic growth

How PBM Can Contribute

PBM can support sustainable economic growth by funding small and medium-sized enterprises (SMEs), creating job opportunities, and investing in industries that offer decent work conditions.

It can also vocational training programs that equip individuals with skills for the modern job market.

Images sources, RF._.studio, https://www.pexels.com/de-de/foto/frau-die-in-papier-schreibt-3810788/

Use Case

With MultiKnip there are many ways of incentivizing people who are unemployed by rewarding them for visiting companies (or even job interviews).

The mechanism behind MultiKnip allows the "issuer" of the coins to define where and on what they can be spent.

This provides a way to efficiently stimulate the local economy with every transaction that is done.

PBM can support sustainable economic growth by funding SMEs, creating job opportunities, and investing in industries that offer decent work conditions. It can also support vocational training programs that equip individuals with skills for the modern job market. With MultiKnip there are many ways of incentivizing people who are unemployed by rewarding them for visiting companies (or even job interviews). The mechanism behind MultiKnip allows the "issuer" of the coins to define where and on what they can be spent. This provides a way to very efficiently stimulate the local economy with every transaction that is done (people cannot use them on Amazon or Zalando).

SDG 9: Industry, innovation, and infrastructure

How PBM Can Contribute

Investments can be made in sustainable industrialization, infrastructure development, and innovation.

Use Case

PBM can fund research and development in sustainable technologies and support the building of resilient infrastructure that fosters innovation and industry

Investments can be made in sustainable industrialization, infrastructure development, and innovation. PBM can fund research and development in sustainable technologies and support the building of resilient infrastructure that fosters innovation and industry.

SDG 10: Reduced inequality

How PBM Can Contribute

PBM can support programs that provide equal opportunities for marginalized groups, including people with disabilities, indigenous communities, and racial and ethnic minorities. PBM can be an enabler for many inclusion projects, ensuring the money is deployed where it is really needed.

Use Case

MultiKnip can be used to give international students who arrive at a city that is unfamiliar to them, a wallet with welcome coins enabling them to explore the city, enjoy drinks and food and integrate with local society. (This mechanism can also be used to help them with housing, cost of living, etc.).

Reducing inequality requires strategic investments in social programs and policies that address income disparities. PBM can support programs that provide equal opportunities for marginalized groups, including people with disabilities, indigenous communities, and racial and ethnic minorities. PBM can be an enabler for many inclusion projects, ensuring the money is deployed where it is really needed. Example: MultiKnip can be used to give international students who arrive at a, to them unfamiliar, city a wallet with welcome coins enabling them to explore the city enjoy a few drinks on a terrace and integrate with local society (this mechanism can also be used to help them with housing, cost of living, etc.).
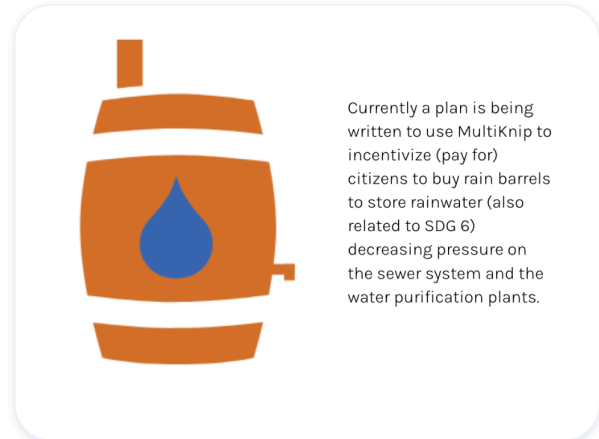
SDG 11: Sustainable cities and communities

How PBM Can Contribute

Use Case

PBM can fund direct financial assistance, create job opportunities, and supports small businesses. PBM can target investments toward microfinance institutions and social enterprises, empowering individuals economically.

Images sources: Scott Webb,
https://www.pexels.com/de-de/foto/flachwinkelfotografie-eines-hochhauses-305833/

Currently a plan is being written to use MultiKnip to incentivize (pay for) citizens to buy rain barrels to store rainwater (also related to SDG 6) decreasing pressure on the sewer system and the water purification plants.

Investments can be directed towards urban planning projects that promote sustainable cities. PBM can fund public transport systems, green building projects, and initiatives that improve urban resilience against climate change and natural disasters. Example: Currently a plan is being written to use MultiKnip to incentivize (pay for) citizens to buy rain barrels to store rainwater (also related to SDG 6) decreasing pressure on the sewer system and the water purification plants. Instead of giving a subsidy to social entrepreneurs in a direct manner a city could decide to do it in an indirect way: gifting citizens tokens (as a reward, a christmas present, etc.) with which they can only buy products or services from these social entrepreneurs. This would not only help provide a revenue stream but also new customers for these entrepreneurs. In this way every Euro helps 2 parties and will create synergy. A Belgian city wants to use MultiKnip to combat heat stress in the city by distributing PBM to families living in the city center which can only be used for buying plants and trees that generate shade, contributing to lowering the temperature in the city.
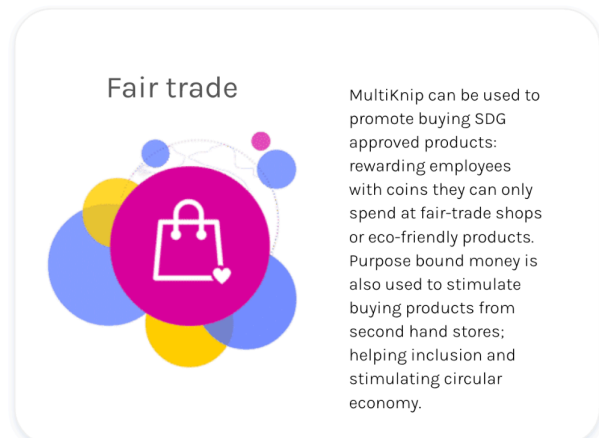
SDG 12: Responsible consumption and production

How PBM Can Contribute

Use Case

PBM can support the development of sustainable consumption and production patterns. This includes funding for waste reduction initiatives, sustainable supply chain management, and consumer education on sustainable practices.

Images sources: Yulia Rozanova,
https://www.pexels.com/de-de/foto/mann-der-gemuse-reinigt-3543660/

Fair trade

MultiKnip can be used to promote buying SDG approved products: rewarding employees with coins they can only spend at fair-trade shops or eco-friendly products. Purpose bound money is also used to stimulate buying products from second hand stores; helping inclusion and stimulating circular economy.

PBM can support the development of sustainable consumption and production patterns. This includes funding for waste reduction initiatives, sustainable supply chain management, and consumer education on sustainable practices. MultiKnip can be used to promote buying SDG approved products: rewarding employees with coins they can only spend at fair-trade shops or eco-friendly products. There are currently plans to use PBM for immigrants to help them settle as fast as possible in a city by not only providing them housing but also a PBM budget which they can use to buy recycled/refurbished furniture for their house therefore contributing to the circular economy.
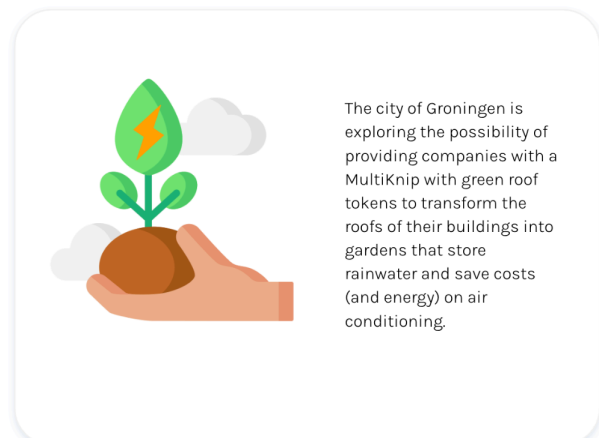
SDG 13: Climate action

How PBM Can Contribute   **Use Case**

Investments through PBM can be pivotal in funding climate change mitigation and adaptation projects. This includes supporting renewable energy projects, funding research in climate science, and investing in disaster risk reduction strategies.

The city of Groningen is exploring the possibility of providing companies with a MultiKnip with green roof tokens to transform the roofs of their buildings into gardens that store rainwater and save costs (and energy) on air conditioning.

Investments through PBM can be pivotal in funding climate change mitigation and adaptation projects. This includes supporting renewable energy projects, funding research in climate science, and investing in disaster risk reduction strategies. In Groningen the city is looking into providing companies with a MultiKnip with green-roof-coins to tranform the roofs of their buildings into gardens that store rainwater and save on air conditioner cost (and energy).

SDG 14: Life below water

How PBM Can Contribute   **Use Case**

PBM can fund marine conservation projects, sustainable fishing practices, and initiatives reducing ocean pollution.

Funding can also support research and conservation efforts focused on marine biodiversity..

PBM can be directed towards marine conservation projects, sustainable fishing practices, and initiatives aimed at reducing ocean pollution. Funding can also support research and conservation efforts focused on marine biodiversity.
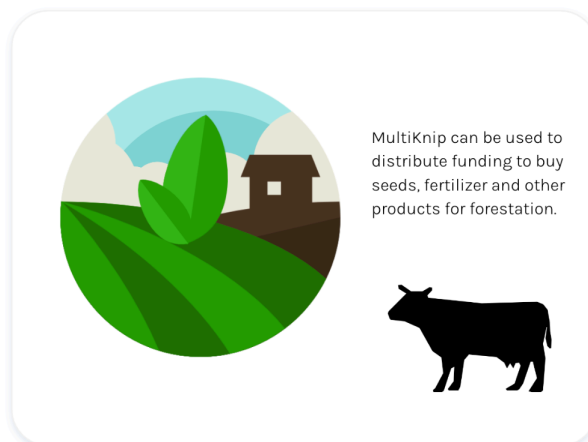
SDG 15: Life on land

How PBM Can Contribute

Investing in land conservation, reforestation, and the protection of biodiversity is essential. PBM can fund national parks, wildlife conservation projects, and initiatives that combat deforestation and desertification.

Use Case

MultiKnip can be used to distribute funding to buy seeds, fertilizer and other products for forestation.

Investing in land conservation, reforestation, and the protection of biodiversity is essential. PBM can fund national parks, wildlife conservation projects, and initiatives that combat deforestation and desertification. MultiKnip can be used to distribute funding to buy seeds and other products for forestation.
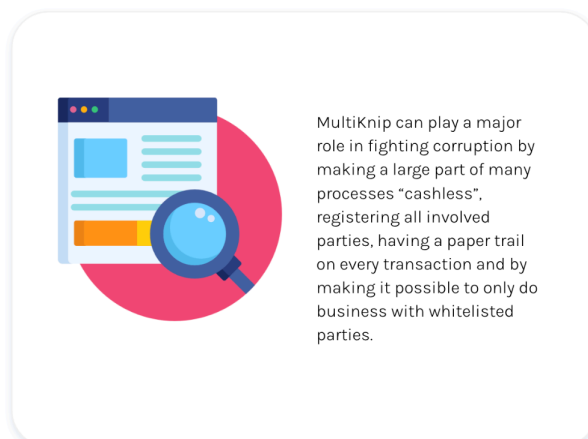
SDG 16: Peace, justice, and strong institutions

How PBM Can Contribute

PBM can support projects that promote peace, justice, and strong institutions. This includes funding for the rule of law, support for democratic processes, and initiatives that fight corruption and support good governance.

Use Case

MultiKnip can play a major role in fighting corruption by making a large part of many processes "cashless", registering all involved parties, having a paper trail on every transaction and by making it possible to only do business with whitelisted parties.

PBM can support projects that promote peace, justice, and strong institutions. This includes funding for the rule of law, support for democratic processes, and initiatives that fight corruption and support good governance. MultiKnip can play a major role in fighting corruption by making a large part of many processes "cashless", registering all involved parties, having a paper trail on every transaction and by making it possible to only do business with whitelisted parties.
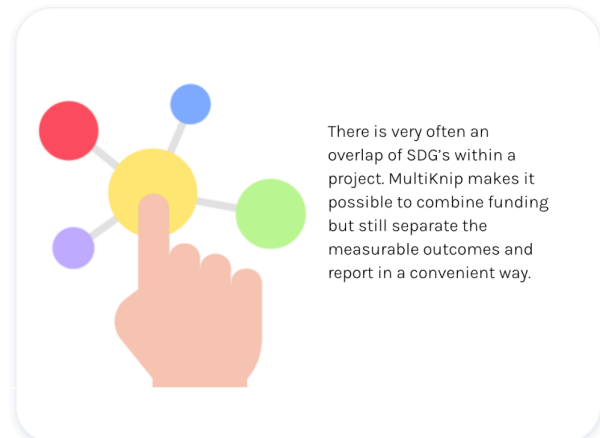
SDG 17: Partnerships for the Goals

How PBM Can Contribute

PBM can be used to foster partnerships at all levels. This includes funding collaborative projects between governments, the private sector, and civil society that aim to achieve the SDGs, as well as supporting international cooperation on sustainable development issues. A

Images sources: fauxels,
https://www.pexels.com/de-de/foto/foto-von-leuten-die-einander-die-hande-halten-3184436/

Use Case

There is very often an overlap of SDG's within a project. MultiKnip makes it possible to combine funding but still separate the measurable outcomes and report in a convenient way.

PBM can be used to foster partnerships at all levels. This includes funding collaborative projects between governments, the private sector, and civil society that aim to achieve the SDGs, as well as supporting international cooperation on sustainable development issues. As shown in the examples of many of the above mentioned SDG's; there is very often an overlap of SDG's within a project. MultiKnip makes it possible to combine funding but still differentiate the measurable outcomes and report in a convenient way.

PBM as a catalyst

So far we have shown PBM as direct help to enable people to purchase products or services aligned with one or more SDGs. A person uses the PBM in a store and the store owners receive fiat money to cover the purchase. MultiKnip enables new business models to leverage PBM to make an even bigger impact as a multiplier; use PBM to trigger/stimulate citizens to donate goods or time by rewarding them for doing something good.

Example:
A municipality wants to help Ukrainian refugees on the matter of mobility and has a budget of 20.000€ to buy bicycles to be distributed among the Ukrainian refugees.

Conventional way:

Buy 100 cheap bicycles (200€) and give them away to forementioned group.

PBM-as-a-catalyst way:

Start a campaign and ask citizens if they have a bicycle in their garage that they don't use anymore and would like to donate at one of the selected bicycle shops. In return they will receive a QR-code with 50€ PBM which can be spent at local participating restaurants. The bicycle shops will receive 50€ to fully repair the bicycle(s). The refugees will receive a QR-code which will enable them to go to one of the participating bicycle shops to buy one of the aforementioned bicycles.

Comparison/Outcome:

- On the conventional way we were able to provide 100 bicycles to 100 happy refugees but the 20.000€ budget would probably flow outside the community (to a large factory)

- On the catalyst way we created: happy citizens ("we did something for a good cause and we received a nice meal"), happy restaurants (new revenue and customers), happy bicycle shops (new revenue and new customers), 200 happy refugees, happy municipality (they doubled the impact because now a bicycle cost only 50+50=100€ and stimulated citizens engagement for the cause), 200 bicycles were saved from the scrapyard (circular economy) and the complete budget was kept inside the municipality (stimulating the local economy)

Other benefits

Purpose Bound Money in the case of MultiKnip can have many other extra benefits because it is administered through the app. The MultiKnip app of course facilitates the basic functions needed for handling PBM, it shows:

- The current balance per coin (it can handle many different coins at the same time)

- Transaction history (so people can see where and when they spend their coins)

- Where the user can spend the coins they have in their wallet (accepting retailers are listed in the app with address (even link to google maps), phone number, web address and short description.

- The name and contact information of the issuer

- The rules for using the coins (context)

- The expiration date of the particular coins

Messaging

The app makes it possible for the issuer to communicate to users holding coins. This enables sending messages to the users even if they are anonymous to the issuer. This could be messages signaling the onboarding of new retailers or special events for this group of users. This also makes it possible to signal users that a new subsidy has come available for which they can apply.

Alerts

The app will alert users when there are coins in their wallet when they expire (standard at -30 days and -10 days) to enable them to spend them within the time limit.

No information is stored on the phone of the user

MultiKnip uses distributed ledger technology to store the value which is shown in the wallet (we consider coins but also data as value). This means that even if the user's phone gets destroyed or stolen the only thing he/she has to do is scan the original QR-code with the new phone. This will bring back all the information (balance, transactions, etc.)

Questionnaires

Each QR-code which is used to import coins can be connected to a number of questions the users have to answer. This gives the issuer the chance to gather data (anonymously) about the user (for instance demographic) and/or the usage of the budget. Enabling them to understand the users better and/or use the information for reporting/justifying the budget spent.

Realtime Monitoring

Because the coins are stored on a decentralized ledger we are able to provide the issuer with a dashboard that can show many useful parameters and information. The issuer gets to see:

- How many wallets activated

- How much money is still in the wallets

- The percentage of the budget that was used

- How much money was already paid to the different retailers (even on transaction level) and how much is currently owed to the retailers

- Comparison between retailers (where is the money spent most)

The dashboard enables issuers to measure the flow of products/services/funds not only at the end but also make adjustments to the campaign accordingly while it is running.

No special hardware needed for the retailers

When utilizing modern payment solutions like bank cards the retailers have to use special card reader hardware which are ultra secure and which are provided (sold or rented out) by payment providers. This gives the payment providers a business model where they can charge the retailers money for accepting card payments. MultiKnip uses no extra hardware, it even uses the exact same app the citizens are using. It is just activated by a special kind of QR-code which connects the app on this phone to the IBAN of the retailer. The app can be installed on many (employee)phones at the same time so they can all concurrently accept payments. Every transaction is done and stored on the distributed ledger. Every transaction is transparent for everyone in that company (only the lead sees the total balance and can press a button releasing the funds to the bank account). There are no fees or charges to the retailer for using MultiKnip and accepting the payments.

Programmable Money

As an advanced feature: the tokens/coins in MultiKnip can be programmed with rules to allow, stimulate or prohibit certain behavior. Spending pre-programmed coins can trigger events that will release new/other coins. Example 1: paying for cooking classes (to learn home-cooking and start eating healthier) with cooking-class-coins will automatically trigger the release of 3 healthy ingredient packages (coins to buy them). This encourages users to practice at home what they learned in cooking class and strengthen the habit of cooking at home. Example 2: the Dutch city of Heerlen has special rules programmed in their employee benefits coins (which they receive every 3 months). To stimulate the usage we programmed rules where they get more new coins if they spend more of them (with a maximum) and do not get extra coins if they do not use them (within a certain timeframe).

Conclusion

Purpose-bound money provides a targeted, effective way to address each of the SDGs. By channeling funds into specific areas aligned with these goals, MultiKnip can significantly contribute to sustainable development across multiple sectors. This strategic approach ensures not only that funds are used efficiently but also that their impact is maximized, bringing us closer to achieving the 2030 Agenda for Sustainable Development.

Interested in using Purpose Bound Money for your use-case?
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