Building a financial ecosystem for thriving commons in Amsterdam

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Introduction

In the heart of Amsterdam, a quiet revolution is underway. Amidst growing disillusionment with traditional market mechanisms, an increasing number of residents are gravitating towards collective initiatives known as commons. These endeavors, from community gardens to shared childcare and public space management, prioritize community well-being over profit, while at the same time avoiding bureaucratic complexities. As commons gain momentum, offering localized solutions to pressing needs, the City of Amsterdam looks for ways to support this movement.

One area where support is needed is finding and enabling the transfer of money into commons in such a way that it is adapted to the essence of commoning and that will allow commons to build a sustainable organization. At the forefront, AmsterDOEN, Amsterdam's Action program for commons, is dedicated to supporting commons for the betterment of community life and sustainable development. Commons, distinct from conventional enterprises, operate on principles of collaboration, where members jointly manage shared resources such as land, urban spaces, and software. Rooted in social solidarity, fairness, inclusivity, and sustainable practices, these peer-governed communities exemplify grassroots resilience.

Recognizing the importance of commons and their potential, AmsterDOEN has partnered with the Schumacher Center for New Economics to explore a novel framework: Relationalized Finance. This innovative approach seeks to provide tailored support towards financing and funding the invaluable contributions of commons.

This report delves into the concept of commons and their role in modern urban societies. It aims to clarify the characteristics of commons and their value-creation dynamics. Additionally, the report scrutinizes their financial needs and proposes strategies for supporting commons, while acknowledging the very different priorities and designs of existing financial systems and thus their operational challenges in financing commons projects.

Moreover, the report advocates for commons as a humble yet potent vehicle for community empowerment and democratic governance of shared wealth. It emphasizes the need for innovative financial models, such as relationalized finance that align with and support the ethos of commons, resilience, social cohesion, and ecological stewardship.

In synthesizing theoretical insights with practical strategies, this report seeks to offer modest guidance for funding commons and supporting the movement. With collaborative efforts and thoughtful approaches, Amsterdam can harness the latent potential of commons to build more inclusive, sustainable, and thriving communities, both locally and beyond.

1. What are Commons?

- Define commons and their significance in various contexts.

Commons represent intricate social systems comprising a community, a shared resource, and specific protocols for stewardship. These entities stand apart from conventional frameworks of state regulations, market forces, and traditional resource management practices. At their core, commons embody social practices, norms, traditions, values, and culture, which collectively shape group governance and how shared assets are used.

Contrary to the conventional understanding of economics, commons are not simply unowned resources. Standard economic frameworks fail to capture the essence of commons, because these frameworks focus predominantly on individual agency, contract freedom, price as thé distribution mechanism and property rights. These frameworks, often aligned with liberal political theory and market economics, overlook the generative capacity and social significance of commons - mainly because the complex social, provisioning, and practical dynamics of commons cannot be priced.

Commons are not a recent phenomenon; rather, they have been a consistent presence in community life throughout history. Despite their prevalence and functionality, commons often lack recognition in academic theory, mainstream politics, and popular culture. However, a robust "Commonsverse" exists, encompassing numerous peer-governed provisioning projects across various domains. These commons span diverse categories, including land, urban spaces, open-source software, alternative currencies, fisheries, co-operatives, and arts and culture initiatives, among others.

Key Attributes of Commons:

1. *Inalienable Non-extractive Shared Wealth:* In commons, shared wealth is considered inalienable in perpetuity. There are no intentions to liquidate common assets or "cash out" in the future, a feature that ensures their longevity and sustainability. Commons and the value and wealth they create, are not designed to yield financial gain.

2. *Shared Commitments and Values*: Peer governance of shared wealth involves structured, collective decision-making and control. This process includes participation and consent of members, fair allocation of responsibilities and benefits, and the promotion of social solidarity alongside individual differences and initiatives.

3. *Relational Practices of Commoning:* Commons prioritize group collaboration over individual agency and a transactional mindset. This is the case within the commons, as well as in the way commoners interact with their environment and with external contacts and stakeholders. By emphasizing collective action with individual initiative, commons strengthen the agency of both groups and individuals.

4. *Entanglement with Living Systems:* Humans within commons recognize their entanglement with other living systems and the local landscape. Often therefore commons are rooted and imbedded in local culture and nature. In commons it is recognised that individual humans, species, and ecosystems are interdependent in deep and complicated ways. This understanding, akin to the "new animism" in biology and ecology sciences, prompts a shift towards respectful, dynamic relationships with nature.

5. *Focus on creation of integrated multiple types of value, fitting to the community*: commons are for, by and from its members, who form a community around the shared resource. Commons regenerate the community because the community needs are catered for. The commons work for the community, generating what is needed: reliable information, fresh vegetables, a sense of safety, and a sense of belonging. Commons are not focused on producing financial profit. Commons typically thrive on the different types of non-marketed value, and typically a commons will cover several domains of value

(ecological ánd social ánd healthcare) as a result of its cross-domain and societally integrated activities.

These attributes underscore the multifaceted nature of commons, highlighting their role in fostering sustainability, social cohesion, and democratic governance. By embracing commons principles, communities can navigate complex challenges and cultivate more equitable, resilient, and harmonious societies.

A note on inalienability, decommodification, neutralising ownership, asset lock and owning onesself

A key characteristic of a commons is the principle that the shared wealth it represents cannot be sold. These assets are locked, ideally for seven generations or indefinitely. As a result, ownership ceases to be a guiding principle within the commons. This eliminates the role of shareholders in decision-making and essentially allows the commons to self-govern and self-own.

In our current legal and economic systems, implementing this principle with regards to businesses but also land and other assets involves creating legal structures that separate legal and economic ownership. Steward-ownership is one approach, where a corporation issues a golden share held by a foundation. Another option is to establish a partnership with a foundation as a silent partner within the Dutch ‘commanditaire vennootschap’ structure.

Examples of organisations that work towards realizing steward ownership are Sleipnir (see annex), WeAreStewards, Purpose Foundations VrijCoop for land and buildings and Grond van Bestaan for land.

C***ommons as a socio-economic form:***

- decommodify their shared infrastructure and shared wealth - making sure shared wealth and shared infrastructure can not be turned into a product, suitable for a transaction ;
- limit use and extraction to levels that can be sustained;
- peer govern themselves in inclusive, participatory ways;
- allocate benefits based on supply, need, fairness, and long-term stability;
- respect their local landscape and circumstances; and
- self-regulate any interactions with markets to ensure collective stability
- have the potential to engage and empower marginalized and disenfranchised groups because commons address basic needs in an economically inclusive manner.

Commons can be classified in numerous ways as a result of their multifaceted nature. In annex 1 we have provided for a (non-exhaustive) overview of the types of classifications we see.

- How are commons different from other types of organizations we see around us?

In the visual below, we have depicted the spectrum of organization from market to community, where ownership is alienable in a market setting and inalienable in a community setting. We have plotted the traditional corporation, community wealth building and cooperatives and commons in this spectrum.

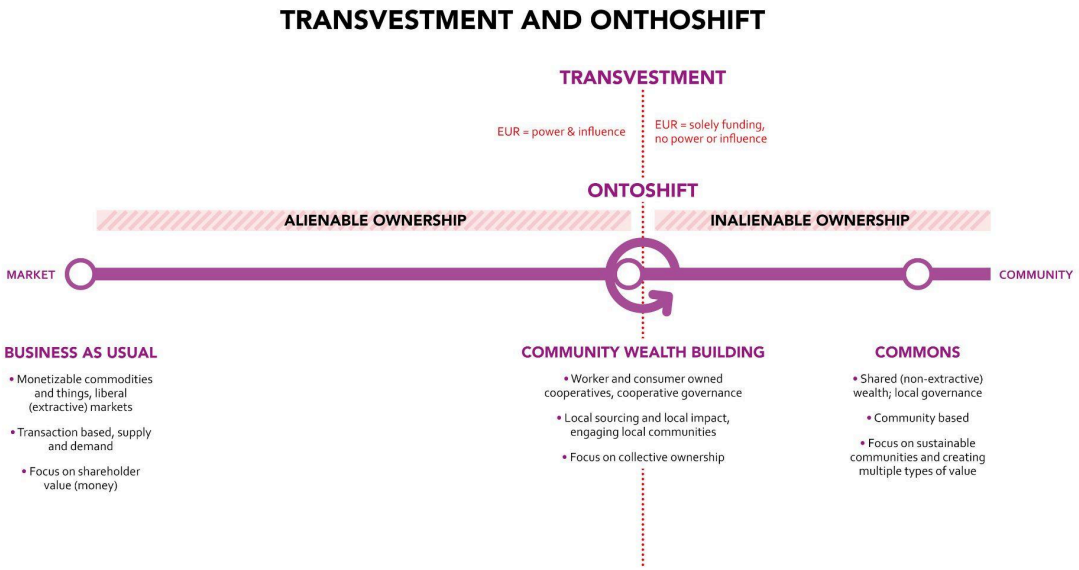
Commons stand apart from other organizational forms like traditional corporations, community wealth building (CWB), cooperatives, and citizen-organized initiatives. At their core, commons are distinguished by their foundation on shared wealth that cannot be commodified and their emphasis on relationships intricately woven with other living systems and place.

Traditional corporations primarily operate within market frameworks, relying on private ownership and transactional exchanges. In contrast, commons are rooted in the notion of shared wealth, which transcends individual ownership and fosters interconnectivity with both human and natural systems.

In the spectrum of organizational models, Community Wealth Building (CWB) emerges as a significant intermediary between commons and traditional corporations. Community wealth building (CWB) is a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people. Local needs are met by local entrepreneurs, thus eliminating local wealth extraction. CWB initiatives in Amsterdam seek to integrate community interests into economic activities. The main potential distinction between CWB and commons lies in their approach to ownership and wealth distribution. In CWB, ownership structures may resemble traditional corporations, where activities can be sold or profits distributed to owners - who are local entrepreneurs and the employees. Conversely, commons always operate on a self-owned basis, ensuring that wealth generated remains within the collective domain.

While both citizen-organized initiatives and commons often adopt a foundation-based structure, their operational dynamics can sometimes diverge significantly. Commons are characterized by peer-governance, emphasizing collaborative decision-making and egalitarian principles. Conversely, initiatives led by foundations can exhibit hierarchical structures with governing boards, delineating a clear power structure.

Comparing commons with traditional corporations, CWB, cooperatives, and citizen-led initiatives underscores a fundamental paradigm shift, an onthoshift, in how we conceptualize organizational dynamics. Embracing commons entails a departure from conventional models of ownership and economic exchange, towards a more holistic and collaborative approach rooted in community empowerment and shared prosperity.

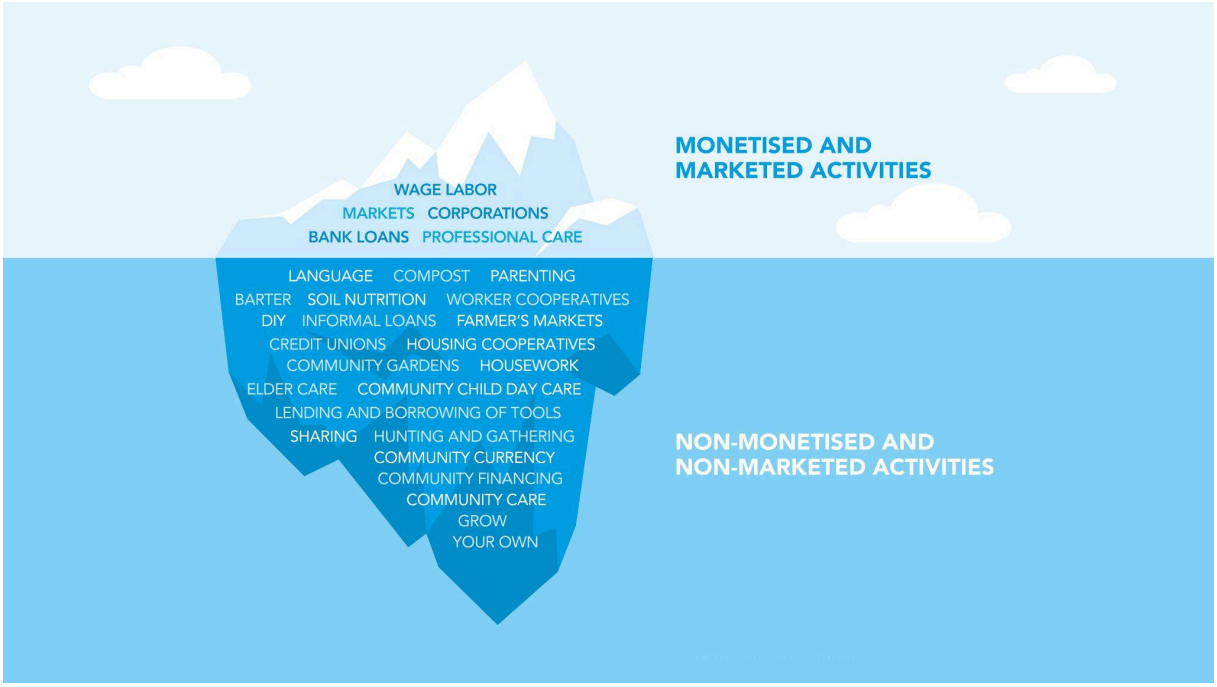


2. Value of commons, value creation by commons, what do the commons value?

- Explore the meaning of value for commons, the different types of value commons create and methods for acknowledging and supporting their value creation processes.

Commons represent a profound departure from traditional economic paradigms, offering a rich tapestry of value creation that extends beyond conventional monetary metrics. Understanding and

communicating the diverse types of value generated by commons and their socio-economic dynamics are central to appreciating their significance. However, current frameworks, including markets, property law, and regulatory structures, often fail to grasp the value and complex dynamics of commons, undermining their potential for development. The reason for this lack of understanding is that commons operate in a completely different realm from the current frameworks: the value created by commons is typically not transactional or translatable in monetary terms (e.g. fresh air, safe communities, reliable information)



Why are commons good for the community?

- *Fulfillment of Basic Needs*: Commons play a vital role in meeting basic human needs, such as food, shelter, and healthcare, thereby enhancing community resilience and well-being.
- *Social Cohesion and Trust:* By fostering deep social connections and a sense of belonging, commons strengthen social cohesion and trust within communities, mitigating social isolation and fostering solidarity.
- *Education and Skill Development*: Commons serve as hubs for experiential learning and skill development, offering apprenticeship opportunities and practical education grounded in real-world experiences.
- *Long-Term Resource Stewardship*: commons prioritize the sustainable management of communal resources, respecting diverse time horizons necessary for their organic development. Unlike capital-centric systems that prioritize short-term gains.
- *Empowerment of Citizens*: Commons have the potential to engage marginalized groups and communities who are often disenfranchised from traditional politics and policy-making processes. By empowering individuals to actively participate in decision-making and resource management, commons foster a sense of agency and collective ownership that transcends conventional hierarchies.

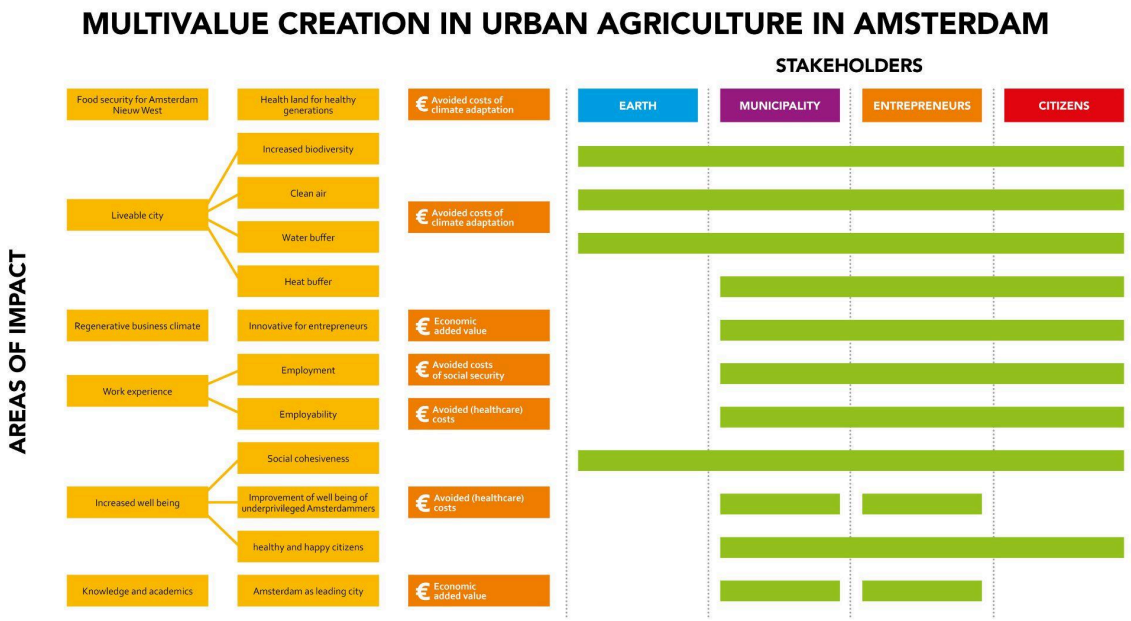
Commons generate a multitude of types of value in their ecosystem that are balanced

Commons generate a diverse array of balanced values within their ecosystems, fueled by their shared ambition and objectives. This holistic approach leads to the creation of multifaceted value types in the environments where commons thrive. Integrated into their surroundings and deeply embedded within their communities, commons prioritize a wide range of values.

For example, the so-called energy fixers who vist residents at their homes and help with insulation and energy saving measures (such as performed by Groene Hub, Fixbrigade and Weesp Duurzaam) not only help residents cut down on energy usage but also cultivate meaningful connections with them, particularly with individuals who tend to avoid official institutions. Likewise, Linux offers an open-source solution that prioritizes safety and accessibility for its users, while also democratizing technology and fostering global collaborative innovation without any cost or ownership and licensing barriers.

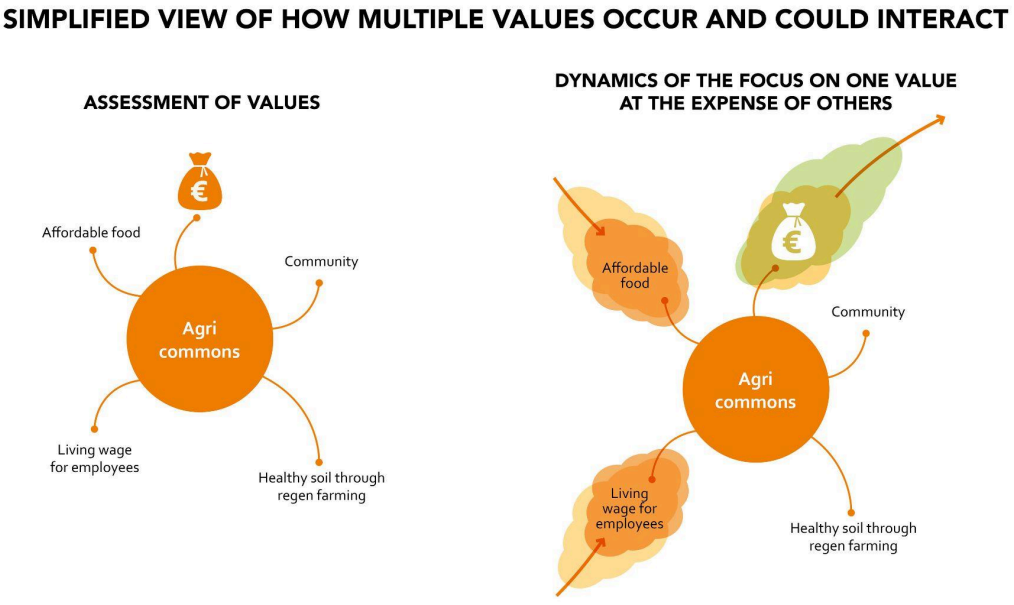
SIMPLIFIED APPROACH TO PRIMARY, SECONDARY AND TERTIARY IMPACT OF ENERGY FIXERS

Commons effectively close the loop within their ecosystems through their activities, aligning community needs with their values. This distinction is crucial compared to owner-based or top-down initiatives, as commons prioritize harmony over singular values, whether financial, cultural, or natural. Financial value, in particular, serves as a means rather than an end in commons, In governing activities, commoners will make decisions based on balancing all values.



What commoners contribute to value and what they value

Commoners contribute in many ways to the activities, by devoting time, talent, network, knowledge, tangible resources, and money. For the commoner, one type of resource is not more valuable than the other, because all contributions are necessary for the commons to thrive. The dedication of commoners to their endeavors mirrors that of a commercial start-up founder, where individuals can become deeply passionate and feel a profound sense of ownership, sometimes to the extent that it consumes their involvement. Recognizing and nurturing the multifaceted value generated by commons is essential for building resilient and thriving communities.



What is the current problem with the non-financial types of value that are contributed and generated?

Through commons, priceless ecological and social value is generated. In general we see that commons do not generate much financial income, and in any case never focus primarily on generating financial income.

If commons require financing to sustain their activities, the existing protocols of the financial system often fail to meet their needs. Indeed, the market/state focus on monetization and economic growth frequently undermines these values, because it requires a prioritization of (direct) financial value, which in turn leads to a disbalance between financial and other values. This also leads to the situation where commoners are fully involved in their organization (they have real 'skin' in the game), whereas the bank can not recognize this because this involvement and contribution is majorly non-monetary.

In general, the non-financial value that is created by commons has several issues:

- Cross-silo-impact: Value created often spans multiple silos in primary and secondary impact: making it challenging to quantify and attribute. For example, a communal garden can contribute to a sense of community leading to safer streets, resulting in lower crime. The garden provides for a space for professionals to educate young people providing for skilled workers and employment opportunities, and reducing future welfare costs. Volunteers engaged in the garden are less lonely and have more physical activity, leading over time to lower health care expenses.
- Dispersed financial results: Any positive financial outcomes resulting from the created value are dispersed across different sectors, indirect, and often realized in the future. Consequently, it becomes difficult to recognize, attribute, and utilize these financial benefits to cover expenses or repay loans.
- Lack of holistic recognition: The segmented nature of value creation results in the absence of an overarching view of the value generated and a lack of holistic recognition of its significance. This makes it challenging to assess the overall impact and value derived from commons initiatives in a comprehensive way.
- Unequal distribution of costs and benefits: Another challenge arises from the unequal distribution of benefits and costs. While some individuals or groups may bear the costs associated with commons initiatives, such as time, effort, or financial resources, others may reap the benefits without contributing proportionately.
- No available language: parallel to the issue of lack of recognition, there is a lack of appropriate language to write and talk about and thus indicate and underline the importance of non-financial value.
- Invisible secondary avoided costs: non-financial value that is created oftentimes results in avoided financials costs in a different realm or sector. This is especially true when the non-financial value is created through destruction of financial value. An example: by cutting the number of river cruise boats coming through Amsterdam, the city will lose 63 million of revenues and approximately 700 work places. However, cutting the number of cruise ships will result in cleaner air and a more livable city, reducing long term health care costs for residents and avoiding costs that pollution causes.

Going forward

Governments and public organizations benefit primarily from the full range of types of value that commons create. By embracing innovative approaches to finance and governance, city governments can play a pivotal role in supporting the growth and sustainability of commons initiatives, contributing to a more equitable and inclusive society.

1. How to demonstrate the multiple types of value created in and by commons?
2. How to involve communities and others in transvestment by making the multiple types of value and benefits clear?

In Amsterdam, the RIMI (Regeling Integraal Maatschappelijk Initiatief) utilizes the MAEX platform to evaluate and measure the success or additional value of the initiatives it backs. MAEX offers a robust framework, aligned with the SDGs that Amsterdam also uses in its strategic plans.

MAEX offers the possibility to quantify and financialize the ecological and societal value of the initiatives. We suggest value to be expressed and assessed within its context, in its own denomination, rather than through financial metrics to avoid derivate decision-making.

Can commons scale?

People often doubt whether commons can work effectively on a larger scale and make big changes. This is because commons are oftentimes linked with small-scale activities. They argue that because commons are small, they can't really help solve major issues like climate change, environmental problems, energy shortages, poverty, and inequality. The thinking is that big problems need big solutions, usually created by governments. So, according to this way of thinking, commons don't have much to offer in tackling these huge challenges. However in their book Free Fair and Alive Helfrich and Bollier Show how commoners all over the world are bringing about positive change in social and political systems.

Valuable reforms can be made by working within the existing system. Often focusing on creating new institutions or programs, like cooperatives, environmental regulations, or income-redistribution schemes. However, these reforms may not lead to the larger transformation we need. Too often, progressive initiatives are taken over by investors or corporations, hindering their ability to create systemic change. To break this pattern, commons need support to scale and flourish on their own terms, protected from external pressures. Helfrich and Bollier see potential in strategies like developing community charters[1], using digital platforms for cooperation, and forming partnerships with the public sector. Despite being relatively new, they show these approaches offer promising ways to help commons thrive even within the most challenging political landscapes.

Bringing commoning practices to a larger scale is a new challenge, but it's not impossible. While there are many real-life examples of commons, there isn't a fixed way to make them work on a big scale because each one needs to fit its specific situation. Simply passing new laws or rules won't make commons grow bigger; they need to connect with real people and support their own motivations and ideas. In short, policy needs to work together with commoning itself.

To make this happen, we need to rethink how policies are made and the structures they're based on. Commoners are working on creating new types of institutions that can support commoning practices, which could change the way politics works over time. The goal is to reshape political activities so they can support new kinds of institutions and interactions between different levels—small, medium, and large. Fixing large systems often requires rethinking and improving their smaller components and pieces. Commoning isn't just a concept; it's a way of doing things that can influence every part of society.

3. Financing Needs of Commons

- Identify the stages at which commons require financing and assess current financing options available to them.

[1] David Bollier & Silke Helfrich,Free fair and alive (New Society Publishers, 2019), 319-323.

Commons, with their unique social ecosystems, may require financing at various stages of their development, from inception to ongoing operations and steady-state or federation/decentralization.

Commons may require external financing for purposes such as capital investment, working capital, and covering operational expenses. This need can arise at different stages of a commons' existence, being the pioneering phase, establishment, and transition to sustainability. Financing may be necessary for both short-term (one-off investment) and long-term (ongoing funding of operations) needs. Some commons will be able to generate sources of surplus income from market-facing activities, making it possible to service loans. Some commons will not have predictable income or the outlook towards a self-sustaining source of financial income. Different commons have varying financial needs, ranging from modest to substantial.

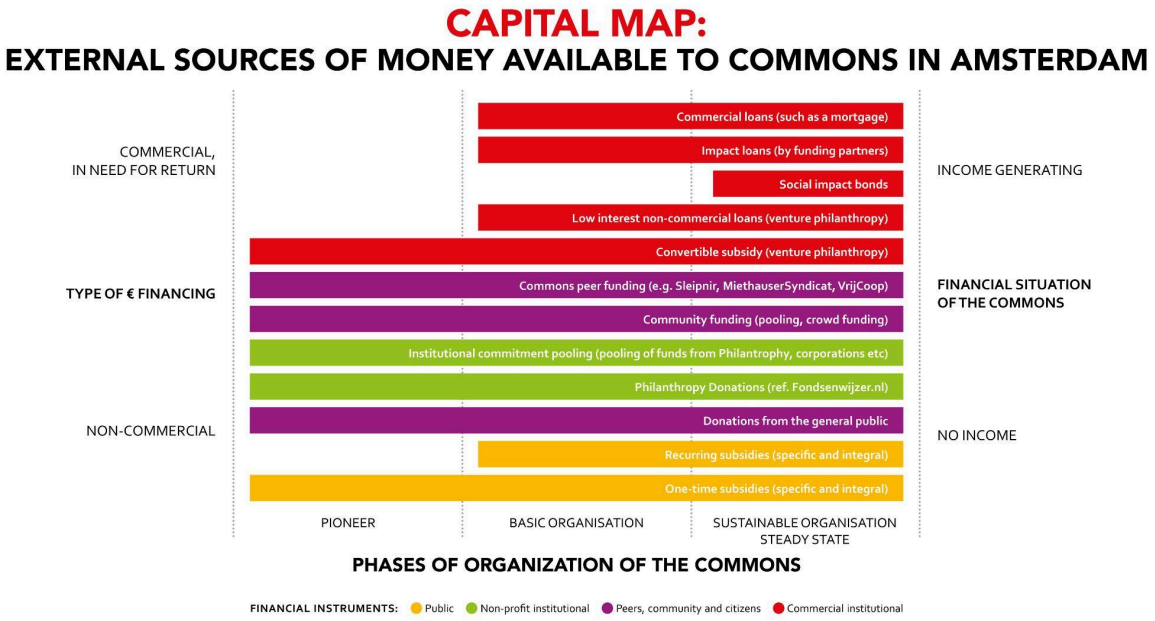
While traditional funding mechanisms can be effective for supporting commons initiatives, certain financial instruments, like marketable equity or market-interest-bearing loans, will not align with the purpose, design, and ethos of commons. Transactional and extractive financial relationships tend to interfere with, and weaken, the ethos, social practices, and cultures of commons projects – and ultimately, therefore, their value-generating capacities. By contrast, funding sources such as crowdfunding, pooling, donations, and specific types of government grants are more congruent with the values of commons and are therefore more able to support their growth and sustainability. By design, commons seek to limit use and extraction to levels that can be sustained (the usufruct of an asset rather than drawing down the asset itself), and so any financing for the commons must understand this requirement and make suitable accommodation for it..

Mapping Financing Instruments for Commons:

To understand the range of external financing instruments currently available and their applicability to different types of commons, we have created a capital map of the sources of money currently available to commons in Amsterdam.

We have mapped the categories of instruments to four different variables:

1. Source of funding depicted in the colors
2. Type of financing: commercial (needing a certain return and repayment) to non-commercial (no return and/or repayment needed)
3. Applicability to the financial situation of commons: do the commons have any income to pay interest or repay loans?
4. Applicability to the phase of organisation of a commons



Challenges

How regular (profit-driven) finance is misaligned with commons

Commons often encounter difficulties in securing regular funding. The primary obstacle lies in the fact that financial gain is not the primary motivation for commons, which of course is a serious deficiency by the terms of conventional financing systems. Moreover, many mainstream financing instruments, such as impact investing, heavily rely on ownership of shares, which is not fitting nor feasible for commons initiatives.

Due to the collective ownership structure of commons, banks have trouble financing commons because it does not fit in their risk models. As a result, banks perceive commons financing as high risk, making bankability even more difficult.

Some commons may never have stable and expanding financial income and thus will depend on its members and friends for ongoing financial support, as well as donations and subsidies. However, in general, state subsidies and philanthropic funding tend to be limited in duration. In addition, the timing of their funding tends to be irregular, which makes it difficult to sync subsidies and grants with funding needs in commons.

The multivalue priorities of commons can also be a problem in securing credit, subsidies, or grants because commons do not usually fit into programmatic funding categories at philanthropies, state agencies, and investment pools. In any case, their financing categories tend to reflect top-down, institutional priorities, not the situation-specific, cross-sectoral needs of commoners as identified by commoners themselves.

And finally, since commons are not generally focused on economic gain, financial partners may understandably be reluctant to offer credit or grants to them, especially since financiers won't directly or fully benefit from the non-monetary value that commons generate.

Operational Challenges

Existing government structures often pose legal and regulatory barriers to commons operations because their regimes were not designed to serve the needs of commons. Sustainable collaboration

between government and commons therefore requires new facilitation and support infrastructures, especially in finance. This will require ongoing dialogue, negotiation, and adaptation among multiple actors to develop shared solutions for the future. Special attention is needed for how to adapt financing infrastructure—including legal frameworks, governance structures, and socio-cultural learning—to overcome operational hurdles to financing commons.

Furthermore, the high costs of land and real estate, based on market pricing of this scarce resource, increase the funding needs of commons. In practice this results in a restriction of the availability of physical space for commons because commons can simply not afford to compete with commercial buyers of land or real estate.

Theoretical and philosophical challenges

There are also serious theoretical and philosophical challenges to understanding and communicating the diverse value created by commons. It is not well-appreciated that commons prioritize non-monetizable values such as social cooperation, trust, and belonging, all of which contribute significantly to local development and broader societal goals.

These types of value – social, ecological, qualitative, not easily measured or propertized – are essential to stable communities and social trust as well as to planetary well-being. Yet because standard economics generally regards these types of value as "externalities" – something for "someone else" to take care for – they tend to be neglected or overlooked. National, provincial and municipal governments sometimes step up to support these types of value, especially in the wake of crises and egregious social circumstances, but political and bureaucratic systems and money can only achieve so much. The virtue of commons is their ability to engage the inner lives and social practices of people, giving them a sense of belonging, pride in their collaborative provisioning of needs, and social trust and integration with people who matter in their lives. (It might be added that commons can achieve such things less expensively than overhead-heavy centralized systems can.)

For these reasons, it makes sense to imagine new forms of finance to support commons as *relational social systems* that can do what neither markets nor the state does well: mobilize and orchestrate local, energies on behalf of social need, equitable allocations from production, ecological resilience, and community well-being. It's about focusing on what's good for the environment, fairness, and community happiness rather than profit driven motives.

Challenges:

1. *Misalignment with regular (profit-driven) finance:* Commons often struggle to secure funding due to the disconnect between their values and the transactional, profit-driven nature of the current financing system. Lenders require borrowers to generate sufficient profits, organize themselves to generate monetizable, propertized value, and structure ownership to be compatible with financial protocols.

2. *Perceived high risk by banks:* Banks may perceive commons financing as high-risk because their finance methodologies and risk models cannot take account of commons projects. Not surprisingly, this makes it difficult for commons to obtain loans or financial support.

3. *Dependency on ongoing financial support:* Many commons are "money-lite" provisioning systems that rely heavily on the participation of their members and in-kind support. They may not have stable sources of income and may require ongoing financial support to fund their operations.

4. *Cross-silo nature of value creation:* The organically interconnected nature of value-creation within commons initiatives means that quantified cost-benefit "verticals" for products and processes cannot be isolated and optimized. This makes it difficult to fit commons into the programmatic vectors of traditional funding sources.

5. *Limited direct benefit for financial partners:* Financial partners may not directly benefit from the non-monetary value generated by commons.

6. *Legal and Regulatory barriers:* The decentralized, community-driven governance frameworks of commons are often a mismatch with all kinds of existing laws and regulations as well as fiscal and financial structures. For example, traditional property law is ill-equipped to address the dynamic, interconnected nature of living systems that commons seek to manage on a collective basis. As a result, existing legal frameworks tend to privilege traditional forms of individual or business ownership and governance, making it extra difficult for commons to win legal recognition and therefore to obtain financing.

7.*Structural barriers to loans and capital investments*: In a competitive market, commons encounter obstacles in securing larger capital investments and loans as they compete with established businesses. Banks and investors are tailored to market players rather than the needs of commons. This is particularly true for land and real estate, where high costs drive up funding requirements for developing and maintaining commons.

Conclusion:

The primary supporters and beneficiaries of the invaluable non-monetary value that commons create are governments and public organizations. Therefore, the city government of Amsterdam can play a crucial role in fostering resilient and thriving communities.

The City of Amsterdam and public organizations are key beneficiaries of the social, non-monetary value that commons generate. It has a keen if implicit interest, therefore, in supporting the types of "living value" that commons generate, especially since businesses tend to regard such value as "exogenous variables" to market exchange. While state agencies offer many programs and strategies to shore up this gap in social and ecological value (through regulation, subsidies, legal incentives, etc.), there is a strong case to be made for meeting these needs more effectively via commons.

This goal would be well-served by developing innovative financing mechanisms for commons, establishing dedicated funds or grant programs, and facilitating commoners' access to shared resources and infrastructures. By contributing to the growth and sustainability of commons initiatives, the City could help people meet their needs more directly, equitably, and in socially connected ways, than markets and conventional social services allow. Assisting the commons sector would also promote a more equitable and inclusive society.

4. How are Commons supported in Amsterdam and how can this be improved?

What funding practices are currently in place to support Commons initiatives in Amsterdam and elsewhere, and what steps can be taken to enhance this support further? Some examples

In order for a city to support the multiple types of value that commons generate – care, social trust, ecological stewardship, and local, community, civic engagement, new ways of thinking about finance and value must be developed. Addressing the financing needs of commons requires a departure from

conventional models and the embrace of innovative, community-centric approaches. To create financial ecosystem that nurtures commons, collaborative efforts and strategic partnerships are necessary.

The paradigm shift lies in reimagining how value is generated, as well as the associated risks and timeframes. In redefining their roles concerning commons, cities can catalyze a ripple effect of positive change. Therefore, it's not solely about what requires financing, but rather how financing is conducted.

The development of commons-based financial models and instruments is paramount in this endeavor. These models, spanning regulation, investment, accounting, taxation, insurance, and procurement, have the potential to encompass multi-dimensional and longitudinal forms of value. By leveraging both institutional and private capital, Amsterdam can address local and global social and environmental challenges more effectively.

In essence, by embracing these new approaches and fostering collaboration between commons with both public and private entities, Amsterdam can play a pivotal role in advancing a more just and sustainable transition.

What is needed is a clear understanding and identification of this new paradigm and new ways of governing these.

Existing funding practices that support the commons

We will begin by examining current funding practices in Amsterdam, as well as other locations, carried out by government bodies and philanthropic organizations. These practices showcase characteristics that hold promise in supporting commons while upholding their integrity.

City of Amsterdam funding practices that support commons

With the ‘Integraal Maatschappelijk Initiatief’ Amsterdam has designed a type of funding specifically catered to civic activities that overlap multiple areas of policy within the municipality. Commons are by definition integral initiatives and can benefit from this municipal funding approach.

The MAEX, also used as a measuring tool by Amsterdam to assess the impact of initiatives, allows for so-called Impuls Financing: MAEX pools funds from corporates for specific impact topics (e.g. electrification of transport, or sustainable food) and through a knock-out and lottery system distributes funds to initiatives and organizations that apply for the funding. The corporate funders have no say in where the funds are distributed to.

Other practices of the City of Amsterdam to support commons

The city of Amsterdam supports commons not only through funding but also by establishing a decentralized autonomous organization (DAO) to enable public, private, and civic entities to connect, form new relationships, and improve cities through self-organization. This approach aims to help private companies gain assessed social impact for their ESG rating and make it possible for companies to contribute to local initiatives.

Also the city of Amsterdam is actively working on Community Wealth Building in Nieuw-West and Zuidoost. Community wealth building (CWB) is a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people. Local needs are met by local entrepreneurs, thus eliminating local wealth extraction. In CWB local ownership, and often employee ownership, is key. Therefore, commons due to their local nature and ownership structure can well fit in CWB practices. However, CWB does not

impose requirement on the ownership of the local organisations and therefore not all organisations that participate in CWB are commons.

Philanthropic funding practices that support commons

A lot can also be learned from the different philanthropic organisations. For example, DOEN Foundation has recently performed a pilot on Participatory Grantmaking, in which commons are given full ownership for the process of grantmaking and distribution of funds to initiatives. This gave very insightful results and confirmed that in transition the peers will be able to prioritize together where funding should be allocated to. In a way, this is also a form of peer certification as it provides for legitimacy of the initiatives and their objectives.

Another noteworthy example is the Civil Society Movements Fund (Fonds Burgerbeweging), which champions citizen engagement in societal development by addressing democratic deficits through robust support for grassroots movements. Through participatory grantmaking, decisions are decentralized, empowering communities to shape their own destinies and fostering accountability. Operating with transparency and openness, the fund actively involves stakeholders in decision-making, nurturing trust and credibility. In this manner, the Civil Society Movements Fund sets a commendable standard for supporting commons initiatives. This collaborative initiative pools funding from the Democracy and Media Foundation (SDM) and was established in conjunction with Porticus, the Postcode Lottery Neighborhood Fund (part of the DOEN Foundation), and Adessium. Housed within SDM, the Civil Society Movements Fund has embraced an active learning approach, which involves a concentrated emphasis on reflection and evaluation, along with proactive sharing of insights.

Recently a new tax regulation has been issued that allows for ANBI foundations under specific criteria to make investments in beneficiary organizations without the need for an individual tax ruling. This also includes granting loans. The ruling acknowledges that ANBI (impact) funding can be key to the feasibility of an initiative and understands the limits commons may have on servicing debt in a market conform way. This seemingly provides an opening for ANBI funds to cater for low-interest loans to commons, that may otherwise be seen as high risk (high interest) lender, without having to go through an approval process with the Dutch tax authority.

Additional plans within the AmsterDOEN program and their potential to support commons.

The City of Amsterdam has set up an incubator program with the MeentCoop that focuses on creating commons/public partnerships and building a standing interface between the city and commons. The incubator program is set up to help co-learning about the relationship between commoners and the municipality.

Commons Register

The municipality already supports commons initiatives in energy, housing, care, through various programs, regulations, and collaborations, in an attempt to democratize ownership and foster community wealth building. However, the patchwork of policies and the growing maturity of the commons movement suggest that more effective and structural collaboration is likely needed. There is also a need to clarify the distinct character of commons and their characteristics and value-proposition in contrast to enterprises that may seem similar in terms of social objective but have different and more traditional ownership structures and relationships to markets, such as cooperatives, for-benefit corporations, and social impact businesses.

In response to this, there's a proposal for a 'commons register' a so-called ‘chamber of commons’. This register offers collectives meeting specific criteria the opportunity to register as commons and position themselves as potential partners for the municipality. This participatory approach aims to simplify procurement processes, particularly favoring commons initiatives. This register aims to maintain a balanced perspective and avoid overly rigid guidelines. Ensuring inclusivity involves actively engaging commons in shaping the criteria for the register, thus preserving the diversity and adaptability of initiatives. This collaborative effort not only supports ongoing development and learning within the municipality and with commons but also promotes mutual thriving and understanding.

Peer certification

Having commons reviewing and certifying commons, in a peer process could enhance the quality and legitimacy of decisions regarding the Commons Register. A peer review process could also be seen as enhancing peer learning and exchange and the building of the capacity of commons. One example of this is the Community Balance. In Barcelona, citizen collectives must adhere to certain social criteria to take over or manage municipal assets such as real estate, land, or usage rights. The Community Balance, a questionnaire used at both the organizational and project level, evaluates the collectives' activities. This evaluation is carried out by the collectives themselves as well as by 'peers' within the local community. The assessment examines factors such as internal democracy and participation, profit redistribution, and the social and sustainable impact on the local area. The Community Balance was developed collaboratively by the city government and the Solidarity Economy Network (XES), with input from various local community organizations. Implementation of this idea needs additional research, however, and deliberation about its feasibility in Amerdam.

Another example of peer certification process for judging the performance of commons is the Participatory Guarantee System (PGS) also used by Agroecological Farmers. PGS are locally focused quality assurance systems. They certify producers based on active participation of community members and are built on a foundation of trust, social networks, and knowledge exchange. Incorporating other commons initiatives into the Participatory Guarantee Systems (PGS) methodology could involve peer and self-assessment processes to ensure accountability and effectiveness. An applicant-commons must establish internal processes for managing finances to ensure transparent accounting and maintain the integrity of the commoning processes and culture. They could use existing tools such as Open Collective to ensure this (see below).

5. Developing Financial Infrastructure for Commons

- Examine the need for new financial flows and infrastructure to support commons, including concepts like a regrantor fund, commitment pooling and alternative currencies.

As demonstrated in the previous section, there has been a noticeable shift in the goals and strategies for deploying philanthropic funds. However, these examples are not fully representative of commons initiatives and constitute only a small fraction of available funding and investments. In this chapter, we delve into the urgent necessity for new financial sources and infrastructure to bolster commons initiatives, paying special attention to concepts like regrantor funds, commitment pooling, and alternative currencies.

So how might finance be structured differently?

In structuring finance in a different common-friendly way two concepts are key: relationalised finance and transvestment.

Relationalized Finance:

Relationalized finance is an approach to financial management that incorporates collaboration, mutual assistance, and nonextractive lending and investment models. It consists of commons (or other organizations) establishing frameworks of peer governance and provisioning that allow their communities to share costs, participate personally, and mutualize benefits. Raising funds is "relationalized" because the commons must aggregate funds from their community and its allies, on behalf of a shared mission that requires mutually beneficial collaborations.

Unlike traditional capitalist finance, which prioritizes profit and extraction from loans and equity investments, relationalized finance is more focused on meeting the needs of members directly and fairly, without the overhead costs and profit margins of markets. This process itself helps mitigate social disparities by making food, housing, and services more affordable. Since commoning does not entail pressures to maximize revenues and profits, it also creates more economic and social space for using regenerative practices in farming, conservation, and water systems.

It requires a different way of looking at finance, by valuing the relationships above the transaction.

Commons need a way of financing that empowers them and that is aligned with their social and ecologically minded practices. Relationalized finance acknowledges the full spectrum of value that commons create, as opposed to the financial value alone. It is also aligned with and supportive of its peer governance, collaborative provisioning, and nonexploitative social ethos. Of course, the challenge of relationalized finance is to see value in a richer, broader way than conventional finance.

Transvestment:

A pivotal concept emerging from research is *transvestment:* the deliberate transfer of value from conventional capitalist circuits of money into commons-based circuits of value. This transfer may take the form of donations, bequests, collective investments, etc., but we characterize it as *transvestment* to underscore that there is a different constellation of value that is being supported. Morever, that value is being supported in ways that cannot be readily re-appropriated by markets or businesses in the future because there is a stable, qualified commons acting as the steward of the "living system of value creation" – whether it is a neighborhood, community land trust, Fab Lab or hackspace, timebanking network, care collective for the elderly or childcare cooperative.

In other words, the value generated exists within the collective web of relationships, and not merely in the material, market value of the "goods and services" exchanged. Commoning is itself a generative activity, one that unfortunately is regarded as "off the books" because its value cannot be reliably quantified, monetized, or traded in markets. This helps explain why people who perform family and household care work, for example, earn so little despite the enormous value of their work. Treating finance as support-infrastructure for commoning is a powerful and cost-effective way to support care work in its many variations without resorting to makeshift markets and government programs that may or may not work as effectively or efficiently as commoning can. Commons operate independently of funders requirements, generating the value that fits their objectives and not the objectives of the funders.

The concept of transvestment facilitates the intentional transfer of wealth to safeguarded circuits dedicated to commons value creation. Coined by German software developer Dmytri Kleiner and artist Baruch Gottlieb, this process is crucial for bolstering the resilience of a commons project against the power of "governing-through-money," which is essentially what happens through bank loans, shareholder equity, and wealthy board members/investors. Transvestment ensures the long-term autonomy of commons by directing funds, including donations and cooperative investment pools, solely to commons with robust internal structures capable of resisting the influence of external

funders. Effective peer governance, legal frameworks, and "relationalized property" are indispensable, along with commoning practices, to prevent the risk that common wealth will be liquidated in the future and to uphold the integrity of the commons as a shared resource.

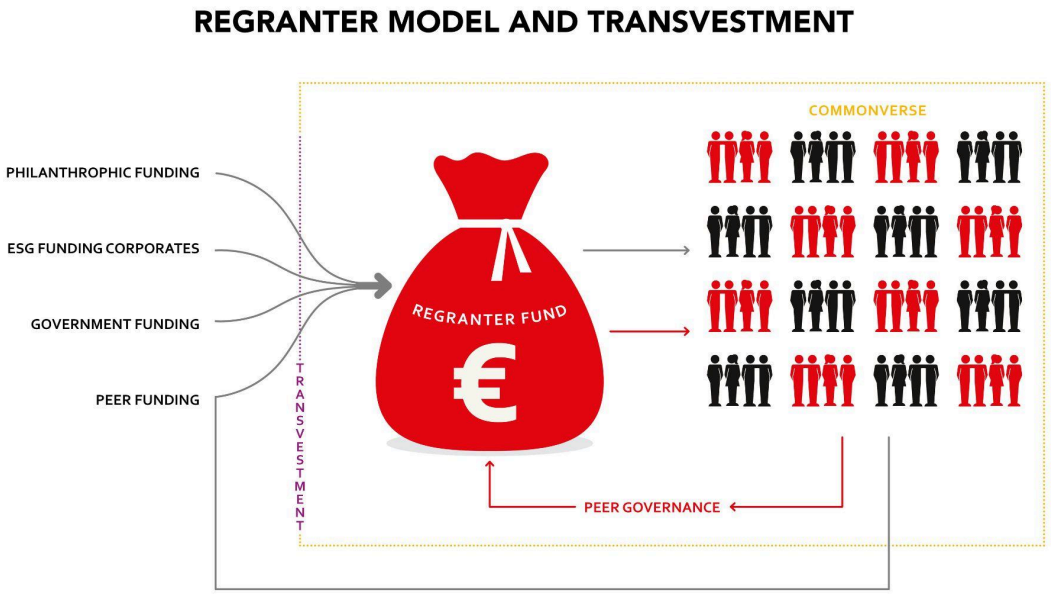
Another objective of transvestment is to safeguard the value generated within commons from being co-opted or re-appropriated by the markets. For instance, although a community land trust may successfully remove land from the speculative market and transfer it to collective community control, the enduring success of this transvestment hinges on the commons' ability to permanently decommodify the land and prevent its future sale on the open market. Commons can ensure this outcome by committing to maintaining common wealth as shared and inalienable indefinitely. This necessitates a blend of legal strategies, internal governance rules, social norms and practices, and public policies.

This report outlines fundamental criteria for achieving effective transvestments while bolstering the stability of commons. This transition entails a shift from market-based, transactional models of value creation, typical of conventional finance, to relational systems of value, or relationalized finance. Commons with well-developed cultures of shared purpose, proven provisioning practices, and stable peer governance have demonstrated the feasibility of functioning independently of capitalist finance even as they interact with markets.

Regrantor Fund

One way to begin a system of relationalized finance and transvestment is to establish regrantor bodies to channel funds to specific types of commons under a new set of finance protocols and performance goals. A key reason for establishing a regrantor fund is to insulate the beneficiary-commons from the potential demands and influence of funding partners. While funds would be approved and transferred only after assessing the quality of peer governance and culture in a given commons, the original funders (the City, supportive businesses, philanthropies, etc.) would not be able to dictate policies or terms to the beneficiary-commons in the manner of a shareholder or institutional investor. The point is to protect the commons in its pursuit of its collective objectives, under its governance order, without intrusive demands by funders.

A regrantor fund accepts donations from any source with the commitment to invest the pooled funds in organizations and projects that enhance and generate social and environmental value through the commons as a socio-ecological form. The regrantor fund is managed by peers from the greater commons community of the City of Amsterdam. Its governing body would consist of existing (funded) commons in the community, who would then act as colleagues, mentors, and collaborators to help the beneficiary-commons flourish. Besides providing practical and technical assistance, the regrantor governing body would reinforce the social solidarity of commoning in the city and help ensure that decisions are aligned with collective interests.



The funding partners have very limited influence in funding objectives (other than for example the funding of commons in Amsterdam) and have no claim on ownership or financial returns or repayment. Funding partners can take satisfaction in supporting the social and ecological (non-monetary) value that the commons generates, as supported by the pooling and transvestment of funds. Over time, the regrantor fund will be seen as a key force for supporting social needs, ecological restoration, and the common good, as refracted through a "commons lens." In other words, its work is not simply philanthropic, nor business-driven, but rather important financial support for commoning as a distinct system of value-stewardship: helping living systems interact in autonomous and complicated ways to generate value – a process that neither markets nor state agencies are well-equipped to do.

Commons supporting Commons: The role of a commons federation and the potential for pay-it-forward solidarity funds

In practice, the creation of a (loose) federation of like-minded projects or pay-it-forward schemes to help others has proven effective in the creation of a pool of funds that can generate and fund new pioneer organizations. Such funds provide a way to acquire the infrastructures for new commons (apartment buildings, land, etc.) while propagating the practices and cultures of commoning that are so necessary. One noteworthy example of this is the co-housing federation Mietshauser Syndikat in Germany, VrijCoop and Sleipnir in the Netherlands.

Federating commons with similar missions helps prevent them from becoming too centralized, insular and rigid while reinforcing their sense of social solidarity and generous outreach. This can happen with for example housing cooperatives that do not allow new members from outside of their circles. In other words, a commons does not develop an identity restricted to its members, as a cooperative sometimes does, but rather is outward facing and socially ambitious. This is how for example Mietshauser Syndicat operates. Cultivating this ethos is especially important if there are ‘assets’ held by a commons such as land and buildings.

Please see to the description of Sleipnir in annex 2.

Commitment Pooling

Another example of collaboration is commitment pooling[2], where different commons initiatives support each other by sharing resources or expertise. Grassroots Economics, a Kenyan NGO, developed this concept based on traditional economic systems that have sustained communities for generations. These systems, known as Rotational Labor Associations, emphasize mutual aid and resource sharing.

Grassroots Economics worked closely with local elders and communities in Kenya, drawing on their extensive knowledge of non-monetary economics centered on mutual service and community resource coordination. This collaborative approach enabled Grassroots Economics to transform traditional economic practices into a comprehensive protocol that has potential global applications. Commitment pooling avoids creating derivatives of products and services and strengthens local economies. Additionally, it values non-monetized provisioning services. This protocol lays the foundation for various economic activities, including local trading systems, production financing, and interconnected networks, all while preserving the essence of community and mutual support. It empowers communities to build a more inclusive and resilient economic future, reflecting the collaborative ethos of traditional practices.

Exit to Community

Exit to Community (E2C) is an effort to develop alternatives to the standard business model of the startup “exit” which allows founders and venture capitalists to cash out on their early-stage investments. Also, E2C can occur in a later more mature stage of a company, for instance we see this in the case of family-owned businesses. Rather than simply aiming for an acquisition by an othercompany or a public stock offering, startups and organizations can instead sell ownership in the company to their community members. All commons are ‘owned’ and stewarded by their community. Exit to Community (E2C) can be utilized as a funding mechanism for commons-based initiatives by providing a means for community members to collectively acquire ownership and financial control of an initiative or asset such as a building or a piece of farmland. Exit to Community is a transitional strategy for using conventional finance to get going and then to make the transition to communing possible. Here's how E2C can be used to fund commons:

1. Community Buyout: In an E2C scenario, community members pool their resources to collectively purchase ownership stakes in the initiative. A next step is to transform the ownership to a commons-based company such as a steward-owned structure, neutralising ownership. This collective ownership model then allows the community to directly fund the project by contributing capital towards the buyout.

2. Community Fundraising Campaigns: As part of the E2C process, the commons-based initiative may launch community fundraising campaigns to raise capital from community members. These campaigns can take the form of crowdfunding efforts, membership drives, or direct appeals for financial support.

3. Community Investment Vehicles: E2C can involve the creation of community investment vehicles, such as cooperatives or investment funds, through which community members can invest capital in the commons-based initiative. These investment vehicles pool resources from multiple community members to provide funding for the project.

4. Token Sales or Initial Coin Offerings (ICOs): In blockchain-based E2C models, the commons-based initiative may issue tokens through a token sale or ICO, where community members can purchase

[2] https://www.grassrootseconomics.org/commitment-pooling

tokens as a form of investment in the project. The funds raised through token sales can be used to finance the commons.

Overall, Exit to Community can serve as a funding mechanism for commons-based initiatives by empowering community members to collectively contribute funds towards the project's ownership and financial sustainability. Depending on the intention of the previous owner, the fist step in the buyout is more or less extractive - e.g. in case the previous owner insists on capitalising on its accumulated wealth in the company. By leveraging the collective resources and financial contributions of the community, E2C enables commons-based initiatives to secure the funding they need to thrive and fulfill their mission.

Land and real estate
Finally a brief note on a non-financial tool the municipality holds for facilitating commons. A major challenge for commons is access to land and real estate. High land and real estate costs increase the funding requirements for developing and maintaining commons. The municipality owns a significant amount of land and real estate. By designing strategies to leverage this municipal ownership, it may be possible to enable commons to benefit from reduced operational costs. We recognize the sensitivity of this approach but also highlight that if you view it though as multi value lens the municipality stands to gain from the potential value created by the commons and could therefore fulfill their policy objectives.

Financial Infrastructure and tools for enabling

Sharing and managing financial infrastructure and tools
Different types of commons (solar, heat, land food) could share administrative costs. These backoffice organisations could also operate as a commons, focusing on developing expertise and technology to handle administrative tasks efficiently, affordably, and transparently. This idea holds promise for municipal service providers, offering services such as bookkeeping and administration for commons at fair prices. It could potentially be integrated into a pool of commitments for greater efficiency.

Sharing commons financial infrastructure, including administrative tools, legal frameworks, and assistance, is essential. These resources often overlap in their requirements and functionalities.

Using software platforms/tools to support financial infrastructure

Open Collective is a platform for groups and organizations to transparently manage funds. It enables fundraising, expense management, and payments to contributors. Popular among open-source projects and community initiatives, it promotes transparency, flexible funding, and community engagement. Its core features include transparent financial reporting, flexible funding models, expense management, collective budgeting, and community engagement. Overall, Open Collective democratizes funding and financial management for groups and projects, facilitating transparency and accountability.

Loomio is an online platform designed for collaborative decision-making within groups and organizations. It allows members to propose ideas, discuss topics, and reach decisions through structured deliberation processes. With features such as proposal creation, threaded discussions, and various decision-making tools like polls and consent-based voting, Loomio promotes transparency, inclusivity, and efficiency in decision-making. The platform documents the decision-making process transparently, ensuring accountability and tracking the participation of members. Overall, Loomio

provides a user-friendly and accessible space for groups to engage in democratic and participatory decision-making, leading to more informed and collectively supported outcomes.

Other platforms and tools designed specifically for financial management and allocation by commons and collectives

Depending on the specific needs and goals of collective, different platforms may be more suitable for managing their finances collaboratively and effectively. These platforms offer various features and approaches to financial management by commons and collectives, including transparency, democratic decision-making, and decentralized governance.

Some of these platforms for financial infrastructure include:

1. CoBudget: CoBudget is a platform focused on collaborative budgeting within organizations and communities. It allows groups to allocate funds transparently and democratically, enabling members to propose funding ideas, collectively decide on budget allocations, and track how funds are being used.

2. Open Collective: While primarily known for its fundraising capabilities, Open Collective also offers features for financial management by collectives. It provides tools for transparent accounting, expense tracking, and payment management, allowing groups to manage their finances collectively and transparently.

3. Commons Engine: Commons Engine is a platform that enables communities to tokenize and manage their shared resources using blockchain technology. It allows groups to create and manage digital tokens representing ownership or access rights to common resources, facilitating transparent and decentralized financial management.

4. FairShares Commons: FairShares Commons is a legal and governance framework designed for collective ownership and management of assets. It provides guidelines and tools for setting up cooperatives and other collective ownership structures, as well as mechanisms for fair distribution of profits and decision-making power among members.

5. Colab: Colab is a platform for collaborative accounting and financial management by cooperatives and collectives. It provides tools for budgeting, expense tracking, invoicing, and financial reporting, tailored to the needs of cooperative and collective enterprises.

6.Decidim: Decidim is an open-source platform for participatory democracy and citizen engagement. It enables organizations, municipalities, and communities to co-create policies, projects, and budgets through collaborative decision-making processes.

7.Consul: Consul is another open-source platform for participatory democracy, developed by the City of Madrid. It allows citizens to propose ideas, participate in discussions, and vote on proposals related to municipal governance and community

8. Goteo: Goteo is a platform for civic crowdfunding and collaboration on citizen initiatives and social, cultural, technological and educational projects. It is a tool for generating resources 'drop by drop'. There is a non-profit foundation (with consequent tax advantages for donors) behind the platform, and a multidisciplinary team developing tools and services for co-creation and collective funding.

Conclusion:

Developing a financial infrastructure for commons requires innovative approaches that prioritize social and environmental value over profit-driven and extractive motives. It is quite a departure from how we normally think about finance and funding but by embracing relationalized finance and engaging in transvestment communities can make the first steps towards sustainable and equitable financing practices, fostering resilience and thriving of commons.

6. Thriving Commons

- *Discuss strategies for commons to thrive, including considerations for their future sustainability*

The goal is to support the multiple types of value that commons generate – care, social trust, ecological stewardship, and local, community, and civic engagement. While both government and markets depend on these forms of value, neither at this time has the institutional capacity to nourish and protect them nor do government and markets understand them in the light of the current economic system and corresponding structures. Indeed, the market/state commitment to the financialization of value and to economic growth often undermines these values.

Finance is the chief focus of this report, and we have seen that supporting commons financially requires more than channeling money to worthy projects. Money can paradoxically weaken and corrupt commons if they have not sufficiently developed their internal cultures of commoning. So in addition to creating a new system of finance to support commons, there is a need for strong governance in commons, an inspiring learning environment and intervision between various commons initiatives in Amsterdam. The City of Amsterdam has launched a pilot incubator program in collaboration with the MeentCoop, aimed at fostering commons/public partnerships and establishing a formal interface between the city and commons initiatives. The program is designed to promote co-learning between commoners and municipal staff, providing insights into their relationship.
This co-learning exercise could potentially offer valuable lessons on how governments can support the financial needs of commons by addressing legal and regulatory barriers, and enabling the creation of new legal and financial frameworks owned and managed by the commons. Through this partnership, the city can facilitate the growth of the commons movement by providing space and resources.

The City of Amsterdam could be especially helpful in structural needs of commons:
--*Help to develop a more integrated financial ecosystem of commons in Amsterdam.* While commons can occasionally survive on their own, they are much hardier, resilient, and creative if they are loosely connected and supportive of each other. This requires that key commons projects be in ongoing communication and collaboration with each other, and that they have enabling infrastructures to make this sort of sharing easier and more normal.

– *Create Space for Commons:* Create regulatory, financial, and experimental spaces to support the development of commons initiatives.Additionally, offer physical spaces like buildings and land for

commons to thrive by identifying underutilized municipal properties and converting them into shared resources for community initiatives. In this way reducing their financial needs.

-- *Help to coordinate various types of social reciprocity and value exchange*[3] and *develop larger "commitment pooling infrastructures."* To facilitate and encourage various types of value exchange via commoning, coordinating infrastructures can make a huge difference. But the character of an infrastructure must be tailored to the specific type of commoning, which takes many forms: conventional social collaboration; the use of neighborhood or community credit vouchers that circulate as a kind of currency; locally bounded markets that are protected from capitalist interventions and control; the indirect reciprocity of mutual aid networks and gift economies; resource sharing and pooling (tools, books, clothing); etc. In many cases, skillfully designed online platforms and administrative coordination could help advance their types of exchange, but there is always a need for in-person cooperation and governance as well.

--*Peer education and training about finance and commons.* Building an ecosystem requires collegial support from other commons working in other theatres of action, but facing similar challenges. Peer education and training are also needed because many people are new to commoning and need basic introduction to its practices and ethic. A more significant challenge is the mindset of existing nonprofits, co-ops, and experimental projects, whose organizers often remain within some old paradigms of top-down, hierarchical management and averse to participatory decision-making, trust- and culture-building, nonviolent communication, and conflict resolution, among other patterns of commnoning. Since these issues are irregularly understood, it's important that there be safe, standing spaces in which commoners can learn from each other, reach out to peers across their various thematic silos to share problems, brainstorm possible solutions, and align their interests and collaboration. In other words, the culture of commoning remains a work-in-progress.

A thriving ecosystem of commons will therefore require ongoing consultation, community conflict resolution, administrative coordination with city authorities, technical and legal support to commons, infrastructures to empower commoning, and peer education and training.

[3] Will Ruddick, "Commitment Pooling: A Protocol for Grassroots Economics," version 0.1

Conclusion and Recommendations

- Summary of key findings and recommendations for advancing the commons movement.

What if we saw wealth not just as money? Imagine if investing meant investing in our collective well-being. What if our financial system valued diverse ways of creating and managing money, respecting the fact that many essential types of value can't be measured or financialized?

Key Findings:

1. *The Need to Better Understand Commons:* Commons represent a paradigm shift from traditional economic frameworks. They are governed by social practices and cultural norms rather than state regulations or market forces, even though there may be modest interactions with both markets and the state.

2. *The Multiple Forms of Value Created by Commons:* Commons generate integrated and diverse types of value beyond monetary metrics, including care, social trust, ecological stewardship, and community engagement. Embracing commons principles offers important pathways for fostering ecological sustainability, social cohesion, and democratic governance that are not available via government or markets

3. *Challenges in Recognizing the Value Generated by Commons:* Government bodies, markets and even commons themselves often have trouble recognizing and sustaining the enormous (non-financial) value that they create. That is why innovative forms of state engagement with commons are so vital.

4. *Innovative Financing Models:* Traditional financing options often fall short in meeting the distinctive needs of commons initiatives. Innovative financing models are therefore necessary in order to support the work of commons in supporting ecology, social equity, self-determination in meeting needs, and community well-being.

5. *Catalytic Roles of City Governments:* City governments can provide invaluable support to commons initiatives through alternative financing mechanisms, dedicated funds and grant programs, and facilitated access to shared resources and infrastructure.

6. *Learning and Adaptation by Funding Partners:* Traditional funding partners can learn a great deal from commons by engaging with them. By adjusting their focus and risk models, they can begin to acknowledge and support the value that commons generate.

7. *New Commons/Public collaborations and Partnerships:* Collaborative efforts between public institutions and commons are important in advancing infrastructure for commons. The proposed commons registration and peer certification processes could open up promising new avenues of collaboration, social inclusion, and accountability within the commons movement.

8. *Innovative Financial Infrastructures:* Developing a robust financial infrastructure for relationalized finance and transvestment requires innovative vehicles such as regrantor funds, commitment pooling agreements, and possibly DAO and alternative currencies.

9. *Overcoming Challenges:* Theoretical, philosophical, and operational challenges must be addressed, including understanding diverse types of value, establishing new government structures, and sharing financial infrastructure.

10. *Capacity-Building*: Peer education and training are essential for commoners to navigate commoning practices effectively. Safe spaces for collaboration and capacity-building initiatives such as the incubator programs can support the development and sustainability of commons initiatives.

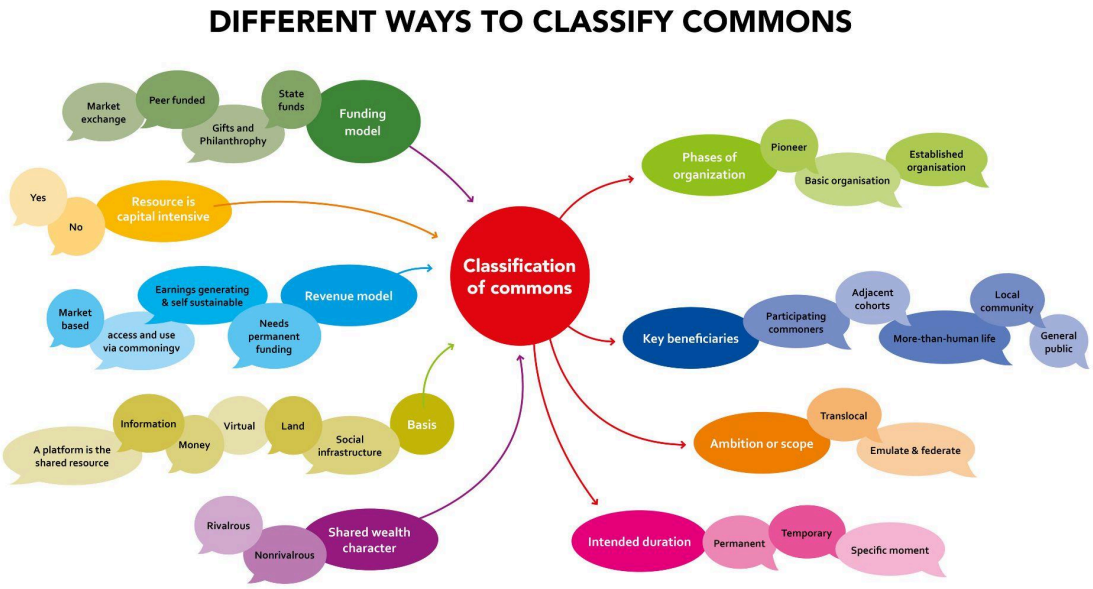
The challenges of developing a robust, intelligent, and integrated commons sector in the City of Amsterdam are significant. But so is the promise of empowering commons to serve functions that are not necessarily met, or met well, by government and markets. It is a ripe moment for thoughtful experimentation and institution-building to meet the challenges posed by climate change, global investment and markets, and unmet social and community needs. We believe that supporting thriving commons initiatives can contribute to the well-being of communities and the environment.

Recommendations for AmsterDOEN:

1. *Create Space for Commons:* Establish regulatory, financial, and innovative frameworks to nurture the growth of commons initiatives. Conduct research into opportunities for providing access to physical spaces such as buildings and land to support the thriving of commons. For instance, explore potential avenues in the upcoming commons incubator program to include access to municipal properties and land. This would involve transforming these properties into shared assets for community projects. Furthermore, consider revising municipal tender criteria to recognize and support commons initiatives by emphasizing their multifaceted value to the community.
2. *Promote an Integrated Policy Approach Across Departments:* Encourage collaboration and synergy across different sectors and departments to support the growth of commons initiatives. This holistic approach can address the complex and multifaceted nature of commons, ensuring streamlined support and resource allocation.
3. *Encourage Different Perspectives:* Facilitate ways to promote an understanding of commons that goes beyond traditional economic frameworks. Encourage policymakers, stakeholders, and the public to recognize and value diverse forms of non-monetary contributions and benefits within commons initiatives.
4. *Visualize and Measure Non-Monetary Values:* Explore, refine, and adapt existing methods for visualizing and measuring the non-monetary values of commons, such as social cohesion, environmental impact, and community well-being. Prioritize participatory approaches and peer certification to collect qualitative data through surveys, interviews, participatory mapping, and network analysis. This evidence will offer valuable insights into these values and their impact on the city.
5. *Develop a Financing Ecosystem for Supporting Commons:* Develop partnerships and invest in building a robust financing infrastructure tailored to the needs of commons initiatives. Further explore opportunities for innovative financing mechanisms that prioritize social and environmental value over profit-driven motives.
6. *Further investigate the feasibility of developing a Regrantor Fund:* Consider creating a Regrantor Fund to support commons initiatives. Explore the potential of leveraging decentralized autonomous organizations (DAOs) as a solution for managing and distributing funds. We see an important link here with the proposed commons register.
7. *Further investigate lowering financial needs:* Explore ways to minimize financial needs through strategies such as resource sharing, collective purchasing, and leveraging existing community assets to reduce the financial burden on commons initiatives.

Annex 1

Characteristics of commons



Annex 2

Sleipnir - Commitment Pooling and regrantor fund in practice

Imagine a form of commitment pooling where a group of companies act as funding partners and contribute to form a pool of funds, as well a pool of operational resources, that can be put to work to strengthen each other.

Sleipnir is a collaboration where the associated companies work together with the objective of creating shared wealth to support each other. This in order to transform the way business is done in such a way that it is earth- and people-oriented and focused on providing to the world goods and services that are actually needed and that contribute to a safe and healthy world. The shared wealth created consists on the one hand of financial means, and on the other hand of operational means and knowledge and experience.

The Sleipnir collaboration has no hierarchy or responsible structures. The entrepreneurs together decide how the shared wealth is cumulated and put to use. Having said this, two legal structures are set up that act as anchor for the collaboration: the Sleipnir Foundation and Sleipnir Association.

When entrepreneurs reach out to Sleipnir to join the collaboration, the first step is to join as a member of the Sleipnir Association. Sleipnir Association is open to any company and entrepreneur that intends (now or at a certain point in time) to neutralise ownership and that is organised in such a way that earth, people and wellbeing are primary objectives. A membership fee is paid and the companies commit to paying a total of 5% of annual revenues (over a period of 5 years) as a contribution to the liquidity fund that is managed through the Association. This liquidity fund has as objective to provide low-interest loans to its member-companies, in order to stimulate entrepreneurship. Capital raised in the liquidity fund does not provide for a return to the funders. Interest is only charged to cover for the direct costs of running the fund. It is risk-carrying funding, meaning that if a company cannot repay a loan, it will have to be written off, thus reducing the total capital of the fund. When a company or entrepreneur wants to leave the collaboration, it returns its membership and it will be reimbursed its membership fee as well as the amount of its total contribution that is still in the capital. In short, the

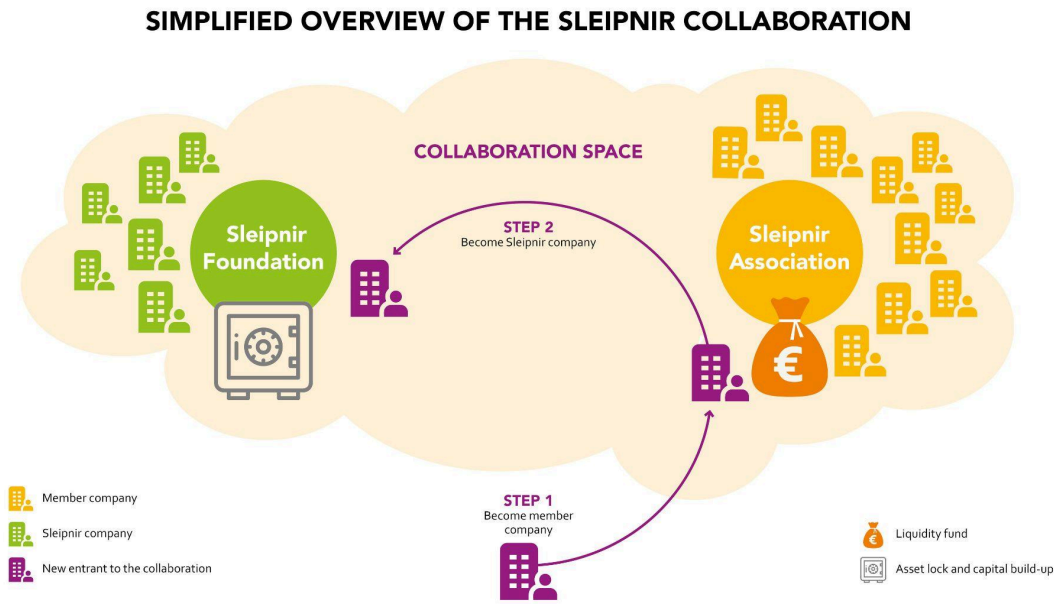
member-companies are the funders and the beneficiaries of the liquidity fund. In addition to providing funding, the member-companies meet up and share knowledge and experience and sometimes operational means or personnel as well. Also individuals can become a member of the Association and contribute to the liquidity fund, although these individuals are never beneficiaries.

In case one of the member-companies is in need of funding, it can turn to the Association with a request for funding. Together the member-companies form the governing body of the fund, deciding on which company receives what amount and in what way.

Sleipnir Foundation is a Dutch foundation ('Stichting') with the objective to transform the way business is done in such a way that it is earth- and people-oriented and focused on providing to the world goods and services that are actually needed and that contribute to a safe and healthy world. Sleipnir Foundation is co-owner of steward-owned companies (hereafter 'Sleipnir companies'), resulting in that these companies become self-owned, neutralizing the ownership of these companies. The Sleipnir companies are also member-companies in the Sleipnir Association. In the Dutch legal structure, Sleipnir Foundation acts mostly as the 'stille vennoot' in commanditaire vennootschappen.

As co-owner, the Foundation acts as a safe place for the Sleipnir companies to transfer the annual profits to that exceed the needs for the livelihood of the entrepreneurs and the employees. These excess profits accumulated as capital in the Foundation and can be put to use as balance sheet funding for the Sleipnir companies. How this excess wealth is put to use is decided on by a delegation of the Sleipnir companies. The formal board of the Foundation that is required by law, has no say in this.

This peer governance is structured in such a way that Sleipnir itself has no interest of its own and all companies in the community are considered equal partners.



As all entrepreneurs have neutralized their ownership, there are only collective interests to take into account, within each company and with the Sleipnir group as a whole. Sleipnir exists in this form for over 30 years now and it has proven a strong and healthy business community.

There are several reasons why this collaboration works:

- It is based on each entrepreneur owning up to his/her own responsibility, trust in each other and the group, and a belief that strength lies in genuine collaboration.

- All entrepreneurs intend to or have let go of the ownership of their companies and the excess wealth a company could create for its traditional owner. The intention is to use this excess wealth to strengthen the companies and thus the ecosystem. The companies are self-owned. Therefore there is no self-interest and decisions can be made for the general good.

- The two-step way of working, first member in the Association, then the sharing of ownership with Sleipnir Foundation allows for free space to try out what works, to learn and to experience the way the community works.

- Although the Sleipnir collaboration has several structural elements and overall (governance) agreements, it is not the form itself that allow for this way of working. It is because the people involved live in the way they want the structure to perform.

- Experience is teaching Sleipnir that together, as a community, we have abundant wealth and means for entrepreneurial endeavours without the need to actually own anything.

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