

ANNEX L

Supplement to PHREVO Framework Paper, Version 1.0

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MEP: PHREVO Stable Currency

*Material Custody, Regenerative Impact, and Distributive Justice
The Financial Circulatory System of the PHREVO Architecture*

Author

Andres Jimenez

Founder, PHREVO — Independent Research Initiative

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Symbol

PH \odot (PHREVO Stable Currency)

Status

Conceptual architecture — not a financial product. This annex is a design proposal, not an offer of any financial instrument.

Relationship to Framework

The MEP is the financial circulatory system of PHREVO. Without it, PHREVO has philosophy, policies, and metrics — but no blood. With it, PHREVO becomes a living organism capable of self-sustaining.

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FOUNDING MONETARY STATEMENT

Money is not neutral. It is a decisional architecture. Every monetary system encodes a theory of value, a hierarchy of priorities, and a model of who bears the consequences of economic decisions. Contemporary money is born from debt, grows through speculation, concentrates in the hands of those who generate the least regeneration, and requires infinite growth on a finite planet. The MEP inverts this logic entirely: money is born from verified regeneration, grows through demonstrated community wellbeing, distributes automatically through every transaction, and is bounded by the planetary limits it is designed to protect.

L.1 Executive Summary

The PHREVO Stable Currency (MEP, Moneda Estable PHREVO) is a post-capitalist monetary architecture designed to replace the extractive, speculative, and concentrating logic of contemporary money with a system of material custody, regenerative impact, and verifiable distributive justice. It is the financial instrument that completes the PHREVO framework: the PHREVO-Score measures wellbeing, the Exchange allocates resources by impact, and the MEP is the currency through which that value circulates.

Unlike fiat currencies, speculative cryptocurrencies, or corporate stablecoin models, the MEP does not base itself solely on institutional trust or financial markets. It does not promote infinite growth or private accumulation. It does not convert nature into a commodity. The MEP recognizes that real economic value emerges from three inseparable sources: the Earth (matter and planetary limits), Communities (living labor, cooperation, and care), and the Future (intergenerational regenerative impact).

Three structural innovations distinguish the MEP from every existing monetary model. First, a multilayer material backing that anchors the currency in physical reality: stable minerals (gold and silver, held without leverage), strategic minerals (lithium, rare earths, held under circular sovereignty conditions), and verified regenerative impact (the revolutionary Layer 3, where restoring an ecosystem or improving community health literally creates monetary capacity). Second, an algorithmic emission formula governed by impact and planetary limits rather than political discretion or speculative demand. Third, automatic redistribution through Smart Clearing — a mechanism by which every transaction in the PHREVO economy automatically generates a fraction redirected to the Basic Impact Income (RIB) of the local community.

Legal disclaimer: The MEP is a conceptual design proposal developed as part of the PHREVO academic framework. It is not a financial product, not a security, not an investment offering, and not available for purchase or use. Any actual implementation would require extensive legal, technical, and regulatory work in the relevant jurisdictions.

L.2 The Crisis of Contemporary Money: Structural Diagnosis

We are living through a historical inflection point that can be called the Great Human Transition: a moment in which the structures of the old world — based on paper, carbon, and bureaucracy — are collapsing against technological tools capable of regenerating the planet. This context is characterized by a systemic contortion: while artificial intelligence, biotechnology, and clean energy advance toward the future, the political and economic institutions remain anchored in the extractive logics of the last century.

The crisis of contemporary money manifests through five structural axes that the MEP is designed to directly counter.

L.3 Five Political Principles: The Non-Negotiable Design Rules

The political principles of the MEP are not moral wishes. They are design rules integrated into the engineering of the model. They are non-negotiable: removing any one of them produces a different currency, not a modified MEP.

L.3.1 Custody, Not Ownership

In the PHREVO ecosystem, the classic notion of private property is replaced by a cooperative and multilayer custody model. The assets that back the currency are considered common goods where use, management, and benefit are separated. The community always retains a layer of power over the resources of its territory, preventing wealth from being captured by private elites or state bureaucracies distant from local reality. The economic center of gravity shifts from the corporation to the organized community, which is the entity responsible for custodying and governing the value-generating processes.

This principle operationalizes in the MEP's relationship with mineral backing: the lithium or rare earths that constitute Layer 2 of the backing are not owned by PHREVO, nor by the investor, nor by the state. They are under community custody with transparent blockchain certification. The investor holds a right of impact, not a property right.

L.3.2 Binding Planetary Limits

The MEP recognizes that the current environmental collapse is a direct consequence of a system that demands infinite growth on a finite planet. Ecology ceases to be an "externality" and becomes a mandatory validation filter for any economic action. Backing and emission are conditioned by respect for natural cycles and verifiable ecological footprint through regeneration metrics by bioregion. If an economic activity violates the biophysical limits of the territory, the system has technical instruments to penalize or block it.

No existing central bank has a planetary limit. No corporate stablecoin has a "justice brake" that activates if inequality increases. The MEP does. This makes it the first monetary architecture where ecological boundaries are variables of the monetary formula, not external considerations.

L.3.3 Impact as Value Creator

In the PHREVO post-capitalist architecture, value is born from the abundance of positive impact, inverting the capitalist formula where value was born from scarcity and extraction. Social and ecological impact is the primary indicator of success: an organization is worth not by how much it accumulates, but by how much it cares and regenerates. Monetary capacity is generated through tokenization of real impact assets (e.g., clean water, sovereign energy) whose veracity is audited in real time through the PHREVO-Score and ethical blockchain technology. Community health, care work, and ecological restoration become central assets of the financial system.

L.3.4 Justice as Mathematical Condition

Justice in PHREVO is not an ethical supplement but the redistributive economic engine. Unlike the traditional system that attempts to correct inequality at the end through charity or taxation, the MEP redistributes value from the beginning of the productive process. Smart Clearing is automatic: every transaction registered in the

PHREVO economy generates a "impact drip" that directs resources toward community funds and the Basic Impact Income. Inequality is treated as a technical failure; the distribution algorithm prioritizes vulnerable groups through "justice weights" that balance purchasing power and decision power.

L.3.5 Community Sovereignty

The MEP returns the community to its natural place as the deciding subject and axis of deep democracy. Communities have a binding veto power over any emission or project that threatens their wellbeing or territory. Critical decisions must pass through Legitimacy Panels — groups of citizens and local experts who grant the "Digital Green Light" to unlock financing. The power to influence the currency depends on the ethical reputation and verified impact history of each individual in their Impact Passport, not on their financial capital. This is liquid democracy applied to monetary governance.

L.4 The Three-Layer Backing Architecture

The MEP's material backing architecture represents the definitive transition from an economy of debt and speculation toward one of material custody and regeneration. Unlike traditional systems where money is emitted discretionally, the MEP uses a multilayer backing design that links the currency directly to the physical stability of the Earth and the verified wellbeing of communities. This architecture is what makes it impossible for the MEP to be an instrument of speculation: its value is anchored in reality that can be independently verified.

Layer 3 is revolutionary. It means that regenerating the planet and caring for communities is literally creating monetary value. Not charity. Not compensation. Not a subsidy. It is the economic heart of the system. When a community restores a watershed, it is not just protecting the environment: it is generating monetary backing for the currency that circulates in its territory. Care work, ecological restoration, and community health creation are not externalities. They are the productive core.

L.5 The Emission Formula: MEP as Monetary Constitution

The MEP emission formula is the monetary equivalent of the PHREVO-Score's lexicographic priority rule: a structural constraint that cannot be overridden by political discretion, corporate interest, or short-term urgency. The formula introduces two interlocking concepts that together constitute what can be called the monetary constitution of the PHREVO economy.

L.5.1 Maximum Permitted Emission (EMP): The Planetary Ceiling

The EMP defines the technical ceiling of the currency, ensuring the system never emits more value than the Earth and its material custody can sustain. It is calculated from three components: the verified multilayer mineral backing (Layers 1 and 2), adjusted by a prudence coefficient that prevents emitting 100% of the backing and maintains a stability margin, and constrained by the planetary extraction limits that make ecological boundaries a binding monetary variable. If the territory cannot regenerate, the EMP decreases. If the backing is reduced by ecological degradation, the monetary ceiling falls automatically.

$$\text{EMP} = (\text{Mineral Backing}_1 + \text{Mineral Backing}_2) \times \text{Prudence Coefficient} \times \text{Planetary Limit Factor}$$

No central bank has a planetary limit factor. No corporate stablecoin integrates ecological regenerative capacity as a ceiling on monetary emission. The EMP makes this the first monetary system architecturally constrained by the biophysical reality of the planet it depends on.

L.5.2 Effective Authorized Emission (EEA): The Impact Flow

While the EMP marks the ceiling, the EEA decides how much currency actually circulates based on the production of dignity and regeneration. No "empty tokens" are emitted: each unit of MEP in circulation must be backed by a verified Evidence Package confirmed by IoT sensors and the PHREVO-Score, which measures ecological regeneration and real wellbeing. The EEA is also adjusted by the community's capacity to absorb resources without generating distortions, prioritizing the strengthening of the Living Local Economy.

$$\text{EEA} = \text{Verified Impact Score (64 KPIs)} \times \text{Community Absorption Capacity} \times \text{Justice Weight}$$

The EEA also carries an automatic justice brake: if inequality increases or wealth concentrates beyond defined thresholds, the emission algorithm blocks or automatically redirects toward the Basic Impact Income (RIB) to rebalance the system. Inequality is not a tolerable byproduct: it is a technical failure that the monetary system detects and corrects in real time.

L.5.3 The Emission Process: From Impact to Currency

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L.6 Smart Clearing and the Basic Impact Income (RIB)

Smart Clearing is perhaps the most operationally important mechanism of the MEP for distributive justice. It is the automatic redistribution engine embedded in the currency itself — not in a tax system, not in a government program, not in a philanthropic initiative, but in every transaction of the PHREVO economy.

L.6.1 How Smart Clearing Works

Every transaction registered in the PHREVO economy automatically diverts a percentage — approximately 2% in the baseline design — toward the Basic Impact Income fund of the local community. This is not a tax. It is not voluntary. It is an architectural feature of the currency: every time MEP changes hands, a fraction automatically strengthens the community it circulates in. The mechanism requires no discretionary political decision, no bureaucratic intermediary, and no cultural shift toward generosity. It is mathematical, automatic, and verifiable.

The most radical claim of the MEP is also the simplest: what if money, by its very structure, strengthened communities every time it was used? What if redistribution was not a subsequent correction of inequality but an architectural feature of exchange itself? Smart Clearing operationalizes this: every transaction is simultaneously an economic exchange and an act of community reinforcement.

L.6.2 Basic Impact Income (RIB)

The Basic Impact Income (RIB) is the mechanism through which Smart Clearing proceeds reach community members. Unlike Universal Basic Income — which is funded by taxation and requires political consensus — the RIB is funded by economic activity itself. The more the PHREVO economy circulates, the larger the RIB pool grows, automatically, proportionally, and without requiring a vote. The RIB also carries an impact dimension: community members who perform documented care work above a household threshold receive supplementary RIB according to a formula that recognizes unwaged care as productive economic activity (operationalizing the Fraser-Federici-Tronto care framework of Annex C). This makes the RIB simultaneously a redistribution mechanism and a recognition system for the invisible labor that sustains all economic life.

L.7 Monetary Governance: The Community as Decision-Maker

The MEP governance structure replaces technocratic centralization with a model of shared sovereignty. It is neither a state currency nor a corporate currency. It is a community currency with global rules. The key governance innovation is that decision-making power over the monetary system is distributed according to verified impact, not according to accumulated capital.

L.7.1 Governance Institutions

L.7.2 The Impact Passport and Justice Weights

Each participant in the PHREVO economy carries an Impact Passport — a verified record of their contribution to community wellbeing across the six PHREVO-Score dimensions. The Impact Passport determines the participant's Justice Weight: their effective power to influence monetary governance decisions. This replaces the plutocratic principle (power proportional to capital) with an impact-democratic principle (power proportional to verified contribution to the common good). Justice Weights also influence access to RIB supplements, priority in the PHREVO-Exchange allocation mechanism, and representation in Legitimacy Panels. The system creates systematic incentives for impact: the more demonstrably you contribute to the common good, the more governance power you hold. This is not idealism. It is architectural design.

L.8 Comparison with Existing Monetary Models

The MEP is not a modification of existing monetary models. It is a structural replacement. The comparison table below illustrates the architectural differences.

L.9 The MEP in the PHREVO Ecosystem: Integration

The MEP does not exist in isolation. It is the financial circulatory system of a complete architecture. Every other PHREVO instrument either feeds into the MEP or is funded by it. Understanding the MEP requires understanding its integration with the rest of the framework.

L.10 Implementation Roadmap and Technical Requirements

L.10.1 What the MEP Requires to Exist

The MEP is a design proposal, not an operational system. Making it real requires significant technical, legal, and institutional development across multiple domains. The following inventory is honest about the gap between the conceptual architecture and operational deployment.

L.10.2 Phased Deployment Strategy

L.11 The MEP as Money That Tells the Truth

The most concise way to describe the MEP is: money that tells the truth. Every unit of MEP in existence corresponds to a verified unit of real regeneration. Every transaction of MEP automatically redistributes to the community it circulates in. Every emission event has been validated by the community with veto power over it. Every holder of MEP holds not a claim on debt, but a record of verified care for the world.

Contemporary money tells a story. The story of debt: every dollar, euro, or peso in existence was created as someone's obligation to pay back, with interest, more than they borrowed. This story requires infinite growth. On a finite planet, it requires infinite damage. The MEP tells a different story: the story of regeneration. Every PH \odot in existence was created because something real and verifiable improved in the world. A watershed restored. A community's care infrastructure strengthened. A child's health improved. A family's food sovereignty secured. Those are not metaphors. They are the literal backing of the currency.

The MEP transforms money from an instrument of debt into an infrastructure of truth. Money, in the PHREVO framework, is not a claim on future production. It is a record of past regeneration and a commitment to future protection. When you hold MEP, you hold a verified unit of care for the world.

This is why the MEP completes PHREVO. Without it, PHREVO has a philosophy (the design of the decision, Annex K), metrics (the PHREVO-Score), governance (the 4-16-64 matrix), a market (the PHREVO-Exchange), and a legal architecture (Annex D). With the MEP, it has a currency — the medium through which all of that value actually circulates, strengthens communities with every transaction, and makes the system financially self-sustaining rather than dependent on external donors or state recognition.

The MEP is the piece that makes PHREVO an organism rather than a framework. Organisms circulate. Frameworks describe.

L.12 Legal Disclaimer and Status

The MEP as described in this annex is a conceptual design proposal developed as part of the academic PHREVO framework. It is not a financial product, not a security, not an investment vehicle, not a payment instrument, and not available for purchase, use, or investment in any jurisdiction. Nothing in this annex constitutes financial advice, investment advice, legal advice, or a solicitation of any kind. The MEP has not been registered with, approved by, or evaluated by any financial regulatory authority in any jurisdiction.

Any future implementation of the MEP or any derivative thereof would require: jurisdiction-specific legal analysis and regulatory compliance; engagement with relevant financial authorities; independent technical audit of all algorithmic and blockchain components; community governance processes for all territorial deployments; and independent verification of all impact claims. The authors of this framework explicitly disclaim any representation that the MEP as described could be implemented in any jurisdiction in its current form without significant additional development and regulatory engagement.

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Andres Jimenez — hello@phrevo.earth — phrevo.org

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