

The AFOMA Protocol

An impact-to-earn protocol enabling the creative economy

Visualize a protocol that enables frictionless experience for artists and artisans, especially from marginalized regions. An entirely new experience where exceptional creators gain fair access to a global market. A protocol that will drive a purpose-driven ecosystem and catalyze the adoption of Web3 for traditional creators across the globe.

Done with your imagination?

Well, we've created it, and it's called **The AFOMA Protocol**.

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Abstract

The informal economy has come to be defined and described in different ways. For consideration in this Whitepaper, and according to WIEGO, it is the diversified set of economic activities, enterprises, jobs, and workers that are not regulated or protected by the state. As the formal economy remains unsustainable due to a number of factors, the informal economy accounts for the primary source of employment and the backbone of economic activity across sub-Saharan Africa. In fact, according to the World Bank, it is an essential contributor to poverty alleviation. However, the sector is significantly plagued with barriers that prevent scale and prosperity.

We introduce the AFOMA protocol, an impact-to-earn protocol designed to enable a global social impact ecommerce ecosystem that will eliminate barriers within the creative sector and, as a result, help bridge the gap in inclusion and global market access, resulting in prosperity within the informal economy.

Introduction

AFOMA (meaning “Goodwill” in the Igbo language) was created out of the need to impact humanity by enabling individuals to lift themselves out of poverty. The protocol was inspired by the humanitarian works conducted by its sister organization, AZONETA, a registered charity in Canada whose purpose is to alleviate poverty and zero hunger, provide quality education, and promote good health and well-being across sub-Saharan Africa. Through the work AZONETA conducts, it became apparent that there needs to be a more permanent and sustainable solution than simply treating the symptoms of a more deeply rooted issue. According to the International Labour Office (ILO), a high percentage of youth and women make up the informal economy.

As previously mentioned above, with the high population growth rate of certain developing regions such as Africa, the pivotal role of the informal sector is expected to remain critical for the foreseeable future. For this reason, the creative (handicraft) economy (a niche within the informal sector dominated by youth and women) is well-positioned to attain the benefits of the AFOMA protocol. The AFOMA protocol will enable a social impact ecosystem designed to offer an end-to-end solution that will enhance the creative (handicraft) economy (a niche within the informal sector) and eventually lead the future and the mass adoption of Web3 within this economy.

AFOMA Marketplace will be a multi-vendor global handicraft marketplace for marginalized artists and artisans (a marketplace without borders) leveraging the protocol, and will leverage the features of Web3 for incentivisation and governance.

The Problem

High growth potential markets in emerging economies, like Africa, are being left behind in the digital economy by their formal institutions due to socioeconomic factors and archaic centralized market structures. Looking at Africa as a use case, we see over 70% of its population is predominantly digitally savvy youth population.

The informal (creative) economy is where these youth seek out opportunities to either provide additional or supplemental income or for employment. According to the United Nations Development Programme (UNDP), nearly 83% of jobs in Africa and 85% in Sub-Saharan Africa are informal, absorbing many of the continent's young employment seekers. At the heart of the creative economy are cultural and creative industries (CCIs), operating at the crossroads of arts, culture, commerce and technology. They are also the most significant job providers for workers aged 18-25, making it the industry of tomorrow.

Unfortunately, this sector has stagnated because of the lack of financial capital, innovative technology and broken or legacy financial payment systems, resulting in their inability to scale and access the global market. In other instances, even within developed countries, business models also introduce barriers that expand the gap regarding diversity, equity and inclusion.

The Solution

The global handicraft market (second largest employer after agriculture in some developing countries such as India), dominated by women and youth, reached US\$ 680 Billion in 2021, according to Business Wire. The market is expected to reach US\$ 1.2 Trillion by 2027, exhibiting a CAGR of 10.41% between 2022-2027.

Unfortunately, a market this size lacks penetration or benefits B2C business models across developing regions, even though these regions account for 65 percent of handicraft exports worldwide. As previously mentioned, some of these can be attributed to business models, lack of capital and emerging technologies.

Digital Assets have the potential to benefit and shape the informal sector if leveraged responsibly and applied to address real-world issues to achieve a common good. Our approach to the adoption of Web3 and Digital Assets brings us to the AFOMA protocol token (OMA), a utility token designed to empower people to help themselves while helping the world. The AFOMA ecosystem, enabled by its native token (OMA), will offer the following solutions:

- A new business model for the creative economy that will drive decentralization, which will enable processes for peer to peer market economy to compete with large

- centralized market leaders in ecommerce.
- A bridge towards the adoption of Web3 at its core, which will leverage blockchains, cryptocurrencies, and NFTs to give power back to artists and artisans in the form of ownership.
 - A purpose-driven ecosystem that rewards its community as they contribute towards its sustainability and vision.

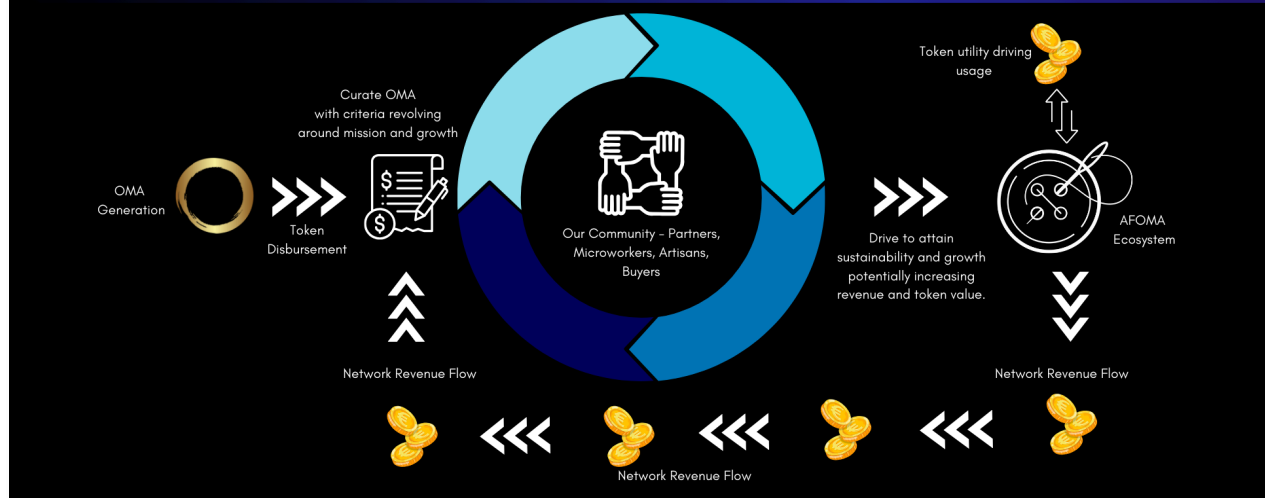
Application of the AFOMA Protocol - An enabler within the ecosystem

A critical point to note is the purpose behind the AFOMA protocol, which is to act as an enabler for social good, but most importantly, to maximize the potential of existing Web2 business models operating within the creative space and catalyze the evolution of these traditional models into Web3.

The AFOMA ecosystem will be designed and built in multiple segments rather than adopting a monolithic architecture to achieve this. The goal of each segment within this architecture is to offer shared value, of which the AFOMA protocol plays a critical role as an “enabler.” Overall, this design’s goal is to adopt a mission-first business structure where the ecosystem benefits artists, artisans and the entire community equitably as they contribute. In this model, the financial return becomes a by-product, a form of regenerative finance that sees money as a means, not an end, and where circulation replaces accumulation.

This ecosystem architecture feeds into the evolution of the creative economy to Web3. This evolution will be attributed to the AFOMA protocol. See diagram below:

A Sustainable Ecosystem for the Creative Economy



The Ecosystem

The purpose behind the AFOMA protocol is to drive a purpose-driven ecosystem that will change the narrative on Web3 ideology from being extractive to being regenerative.

Catalyzing the adoption of Web3 for traditional artists and artisans is one of the primary purposes behind this ecosystem, and the AFOMA token protocol plays a critical role in achieving this. As a result, it is necessary to introduce an innovative online solution, **AFOMA Marketplace**, to the ecosystem.

AFOMA Marketplace, a Web3 enabled online marketplace will promote individual artisans and artists by lowering (or potentially eliminating) the entry and operational obstacles for borderless transactions across developing countries and the rest of the globe.

The AFOMA protocol will be instrumental in driving the business through incentives to the community and enabling innovative processes to lower hurdles across its supply chain and transaction processes. Pull strategies drive demand which will be essential for long-term sustainability within the ecosystem and the AFOMA (OMA) token.

AFOMA Marketplace and Token Utility

To understand and demonstrate the economics of the AFOMA protocol, we will need to explore its utility within the **AFOMA Marketplace**.

Seamless onboarding of users to Web3 - AFOMA Marketplace automatically creates and provides every user (sellers and customers) signing up with an in-app Web3 wallet. This seamless onboarding eliminates the need for specific technical knowledge to set up a Web3 wallet for average users. The in-app wallet can be accessed by standard marketplace sign in and helps the users manage digital assets including AFOMA (OMA) tokens. This feature will introduce thousands of users to OMA tokens and widespread holding of OMA tokens.

Loyalty and rewards using OMA tokens - The marketplace will use AFOMA(OMA) to distribute loyalty rewards and incentives. This can also be extended to other marketplaces and corporate social responsibility initiatives run by partners, with the former being external to the AFOMA ecosystem. AFOMA Marketplace will have a token buyback process to meet the needs of its incentive programs.

The AFOMA protocol will achieve the following:

- A loyalty and partner rewards program with liquidity will create a demand for the token based on the offering of a secondary market beyond the ecosystem. The liquidity offered through the protocol token rewards (OMA) is more attractive than traditional loyalty points confined within a closed ecosystem.
- Allow for a sharing economy (governance rights) for users that have earned tokens through marketplace engagements and other social initiatives driven by our partners (for-profits and non-profits aligned with vision and objectives of the marketplace).

Examples of incentives earned through marketplace engagements can include but not be limited to the following:

- To incentivize customers for the purchase of any handmade products within the marketplace.
- To incentivize customers and (or) sellers for a successful referral that results in a sale or onboarding of an artisan, respectively.
- To incentivize sellers for positive feedback offered by customers who purchase their product.

The purpose behind the incentive generated by the protocol on the Web2 marketplace and other marketplaces external to the ecosystem is to drive the following:

- Customer Acquisition
- Maximize Customer Lifetime Value
- Increase Customer Retention

Examples of incentives earned through social initiatives driven by partners can include but not be limited to the following:

- Education programs such as STEM, Blockchain and other related courses which can benefit the ecosystem.
- Social impact-driven programs primarily supporting artisanal and artist communities contributing to the marketplace.

Community Building and OMA - AFOMA Protocol token reward (OMA reward) is about building a community where positive contributions and engagements within the marketplace ecosystem is incentivized using the OMA token.

- **Microworkers** - The potential to reach artists and artisans in marginalized and poor communities exists. However, this demographic will experience challenges in possessing or understanding applications that exist within the ecosystem. This is one of the reasons the AFOMA protocol incentivizes programs that drive education, especially in STEM and blockchain technology. However, this is not enough to attain inclusion and equity. Creating a program to support such creators and the ecosystem is necessary to achieve this. This led to what we call a “microworker program”. The support to creators and the ecosystem will include but not be limited to the following:
 - Seeking and onboarding creators and their products on the AFOMA marketplace
 - Offering quality assurance (validation) for products sold and being delivered to our logistics partners
 - Offering last mile services for creators that live in rural communities
 - Offering affiliate marketing for creators

The AFOMA protocol will be used to incentivize these microworkers. The protocol is well suited for this purpose for the following reasons:

- Payment fragmentations
- Low transaction costs
- Efficient and quicker settlements

It is important to note the AFOMA Marketplace’s dependence on the loyalty program, and need for regular buy-backs of the AFOMA token with part of the revenues generated by the marketplace for the program driving the demand of the token .

- **Token holder incentives in the marketplace** - AFOMA Marketplace will roll out

various incentives for token holders within the marketplace.

- **Token holding rewards for Customers** - Customers earning and holding tokens meeting published thresholds can avail extra discounts, free gifts etc.
- **Token holding rewards for Sellers** - Sellers earning and holding tokens meeting published thresholds can avail preferred commission on sales, discount on ads and listings etc
- **Staking and Liquidity Pool Rewards** - Available to the AFOMA community of token-holders who choose to hold and provide liquidity support for the AFOMA (OMA) token, with the potential to earn additional OMA rewards for the token-holders.
- **Governance** - By offering creators and the rest of the AFOMA community (token holders) a place and voice within the ecosystem, the AFOMA protocol token (OMA) will enable an ownership economy that will drive decentralization and governance, allowing holders the right to vote on issues that govern the development and operations of the AFOMA protocol.

All the utilities mentioned above serve the microeconomics behind the AFOMA protocol as it relates to enabling creatives and enhancing a more inclusive business model. However, it is essential to note the overall contribution to its macroeconomics as it, in the long term, will play a key role in the regional, state and country economy.

Progressive Decentralized Business Model

Decentralization is a business model that involves transferring decision-making power and functions from a single central authority to operating units at different organizational levels. Factors such as globalization and the volatile macroeconomic situation have driven more small and big businesses to adopt that flexible and agile type of governance.

To attain the mission behind AFOMA, it makes sense to take a progressive approach to build a decentralized environment due to the lack of education and digital penetration in some of these marginalized regions the AFOMA ecosystem is looking to serve.

So, the AFOMA ecosystem will adopt a hybrid business model relying on centralized and decentralized components. However, the desire will be to leverage the AFOMA protocol token to transition the ecosystem and its components to a decentralized model with user governance in the future.

Technical Specification

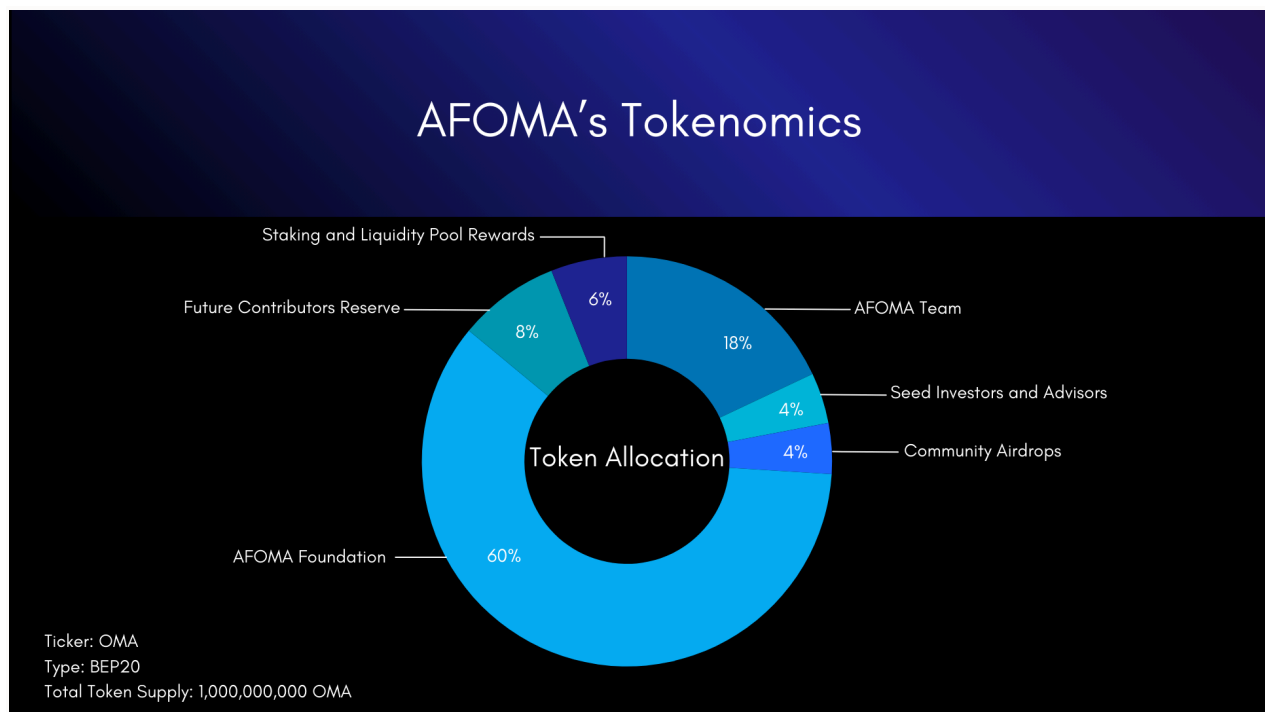
The AFOMA Protocol (OMA) token will be a BEP-20 token. A token standard on Binance Smart Chain (BSC) that extends ERC-20, the most common Ethereum token standard. The BEP-20 standard also enables EVM compatibility, which resolves all problems regarding usability.

Binance Smart Chain is a chain with a fast-growing user base, increasing transaction volume, and rising TVL (total value locked). Furthermore, developers are also building more dApps on BSC. These are some of the factors behind choosing the token standard for the AFOMA protocol. Another factor behind this choice is the considerably low gas fee and the popularity of Binance across developing regions like Africa.

Transaction costs related to the OMA token within BSC will be covered by (BNB), the native token fuelling the Binance dual chain architecture. The OMA token post-TGE will support decentralized (non-custodial) crypto wallets that support the BEP-20 standard.

As part of the AFOMA Protocol's roadmap, we will be exploring interoperability across multiple chains, which will be popular with our community.

Tokenomics



The AFOMA (OMA) Token will adopt a deflationary token model with a limited token supply of one billion (1,000,000,000) OMA tokens.

One of the key components of the initial OMA token distribution is to allocate 60% of the total supply into the AFOMA Foundation wallet. This will primarily be used to drive incentives/rewards and grants to the community and partners (supporting the AFOMA vision), respectively, as they contribute towards the growth and sustainability of the ecosystem. In the

end, the goal is to allow the OMA token to fall into the hands of users (a community) who are genuinely contributing towards the AFOMA vision, growth and sustainability. The unlocking of the tokens allocated to the Foundation wallet will be done over a number of years, with no more than 20% of the tokens distributed in a calendar year. The community will govern the utilization of the tokens through project proposals and voting.

The Founders and Core Development team allocation will be used to incentivize the extensive project team working on the core components of the ecosystem. The vesting for this allocation will be done over a 24 months monthly vesting, based on the role, responsibility and token allocated to the member of the team. For all token distribution (Founders, Core Development, Advisors and Investors), a monthly vesting token release will be adopted, regardless of the length of the vesting schedule.

Roadmap



Conclusion

AFOMA protocol will drive a social impact ecosystem designed to enable the creative and informal economy. The AFOMA protocol will offer purpose-driven incentives (impact-to-earn) to members of the community who can contribute towards empowering and lifting others towards prosperity.

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