Blockchain Based #GamingForGood in Africa

About Usiku Games:

Usiku Games is creating a #GamingForGood movement across Africa. We develop mobile games that have a positive social impact and result in some desired behavior change. We find ways to harness the power of gamification to solve the difficult social challenges in our players' communities. Our games are not only fun, they also make the world a better place by contributing to African youths' education, financial savings, and positive social nudges.

At almost USD $180 Billion annually, video games have become one of the biggest industries globally. They are now larger than the music and film industries combined. Games are taking over as a primary creative communication channel for today's youth to share stories, and cultures. This is especially true in Africa, which has the fastest-growing middle class in the world, and the largest youth population with several countries (eg:Kenya) having a median age of just 19.

Over the past three years, Usiku Games have published over 30 new mobile games for social impact partners such as: Johns Hopkins University, Johnson & Johnson, the UK Government and GIZ, the German development agency. Our team of 25 Kenyan digital natives have reached millions of youth across the continent with our **"Made in Africa, for Africa"** innovative new content.

Some of our recent funding partners:

Project Background:

Increasing Resilience Through Enforced Savings

The reality in Kenya today is that if you hand any youth on the street a free 1,000ksh bill (about USD$10) on a Friday afternoon, not one of them would take that money and put it into their savings account, school fees or health insurance. Like so many youth around the world, they would take that money and head out for a fun evening with friends.

This behavior pattern has led to a population at severe risk to unplanned shocks. The best development efforts towards promoting economic growth and poverty reduction can be wiped out by a personal injury, natural disaster or financial emergency.

At Usiku Games, we have seen the potential of social impact gaming to create powerful behavior changes in the areas of gender based violence, education and healthcare. Based on this experience, we developed the hypothesis:

> ### Can #GamingForGood combined with the power of blockchain in a Win-To-Earn model be used as an enforced savings mechanism to increase resilience amongst Africa's youth?

Problem Statements:

1) Aside from Sierra Leone, Sudan and Liberia; Kenya has the lowest gross savings rate in Africa. It is less than half the rate of personal savings in Nigeria, South Africa or the United States when adjust for income. This places Kenyans at substantial risk of future calamities, and decreases their economic resilience.

2) Today's youth will turn a deaf ear to traditional NGO / Gov't messaging, and have been very difficult to reach with effective educational content around personal financial planning, disaster preparedness and long-term savings.

3) While the youth are more receptive to content conveyed through "serious games", local game development studios have struggled do develop economic sustainability, because of the challenges around monetizing games in the African environment.
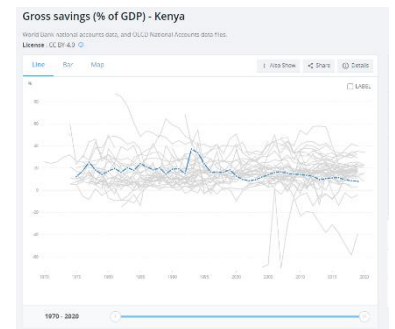
How Big Is The Problem / Opportunity?

- There are over 350 million connected smartphones in Sub-Saharan Africa, more than all those in the United States, Canada and Mexico combined. Pre-covid activations were growing at 20% CAGR in Africa, vs just 2% in America.
- The median age in Kenya today is 19 yrs. **Over 80% of the country's 50 million population is less than 35yrs old.**
- Africa has the fastest growing middle class in the world.
- Estimates are that there will be more than 680 million internet connected smartphones in Africa by 2030
- Kenya's gross savings for 2019 was just USD$152 per capita (just 32% of the Nigeria's rate, despite Kenya's GDP per capita being 87% of Nigeria's)

> ### We intend to prove the case for blockchain based #GamingForGood in Kenya first, and then scale the solution to the hundreds of millions of youth with smartphones across Africa.

How Can Gaming Help?

- Kenya's youth love playing mobile games. Our first 16 mobile casual games have already been very successful, already garnering over 1,000 game starts per day, with almost no paid marketing.

- In particular, the youth (like in many African countries) are strongly motivated by the dopamine hit provided by the potential of winning real money. At their height, SportPesa was averaging over 1 million daily active users in Kenya, who were playing on average 3+ times per day. Annual spend on mobile sports betting in the top 5 countries in Africa was USD $37 Billion annually in 2019.

- By restricting the outflow of game winnings strictly to socially beneficial destinations (eg: savings, health insurance, school fees) we can gently build an enforced savings mechanism and create new lasting habits.

How Is This Structure Different From Gambling?

- As an organization, Usiku Games is strongly *anti-gambling*. Our solution provides a similar thrill to what players may be used to from gambling, which is part of what will entice them away from the gambling options in the market.

- This solution is not gambling because:
    a) The games are **FREE to play**. The player is not putting any money in to the platform
    b) The game mechanics are based on **skill, not chance**. It is possible to get better at our games, with practice, talent and time.
    c) The players are *earning* the prizes through their efforts, rather than winning them through some random chance.
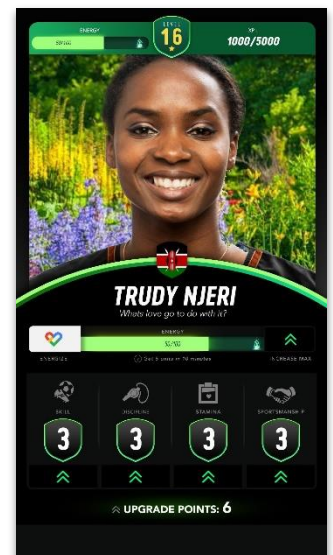

How Can Blockchain Concepts Help?

We propose creating *two* new tokens associated with Usiku Games:
- The first publicly traded token "UsikuKoins" ($USIKU) will create a mechanism for international / external investors and social impact funders to participate in a market of increasingly scarce and valuable assets, which are not only liquid and potentially profitable, but also have a clear measurable social impact. Every UsikuKoin purchased or traded has a direct impact on an African youth's life.
- The secondary "Stable Coin" will be pegged to the Kenya Shilling in value. These coins will be used strictly within the games and cannot be traded publicly. As the players play the mobile casual games, they are earning these stable coins through their efforts and successes.
- When ready, the players may choose to invest their coins in-game for power-ups, unique NFT's and virtual items. Or, the player may choose to "Cash out" and convert some (or all) of their coins in to the social good of their choice. We will exchange the coins to Kenya Shilling FIAT, and pay the equivalent amount directly into the long-term savings / health insurance / education account of the player's choice. The player never touches the actual funds, and therefore cannot divert them to short-term distractions.

How Does The System Work?
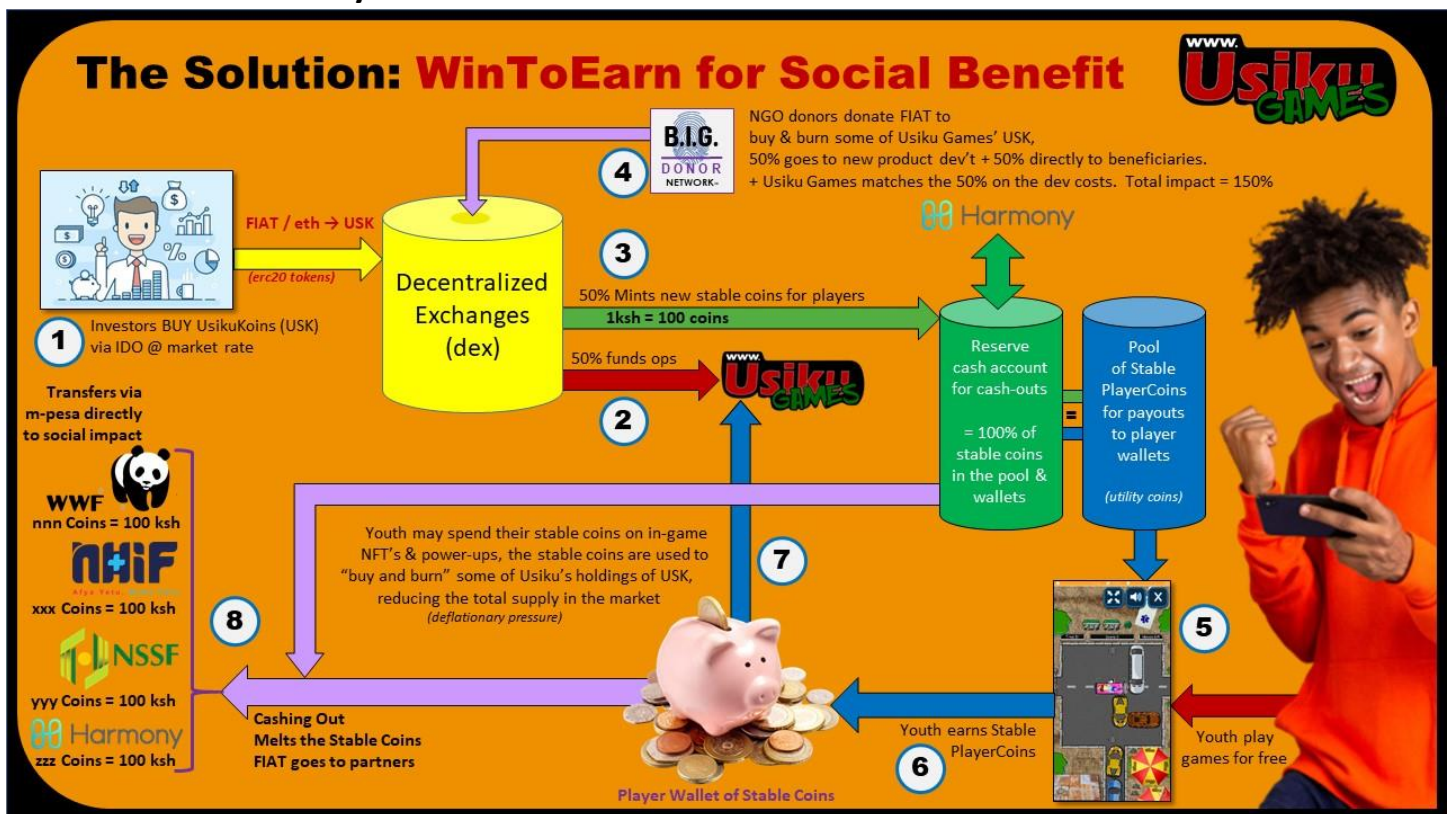
1. Crypto investors & socially minded individuals buy "UsikuKoins" ($USIKU) during one of the phases of the IDO (see below for roll-out plan). While we are still exploring options, the UsikuKoins will likely reside within the Solana ecosystem, because of the Proof of Stake low carbon footprint and open-source approach. The coins will be available / tradeable on one of many decentralized exchanges (DEX).

2. 50% of all funds raised per token sold, will go to fund:
- Development of future games via Usiku Games
- Creation of a Game Maker Fund DAO – to increase capacity in the local industry
- Usiku Games operations of the platform
- User Acquisition marketing campaigns

3. 50% of all funds raised will go directly towards minting new "StablePlayerCoins" (SPC) for use as the in-game utility currency. These coins will be available for players to earn during their free-to-play games, thereby transferring some portion of the coins from the common pool and in to the player's individual wallet. The StablePlayerCoins will be backed by a cash reserve pool of equivalent value, in order to cover 100% of the future possible "cash-outs" by the players, when the StablePlayerCoins will need to be converted into Kenya Shillings FIAT.

4. NGO's and Government development agencies often commission custom games from Usiku Games in order to address specific social challenges. (eg: reforestation, women's empowerment, healthcare) By hosting these games on the same Win To Earn platform, will increase the likelihood of players wanting to engage with the social impact game, since they will now have a chance to earn coins by doing so. These donors, will donate their funds to "Buy & Burn" $USIKU from Usiku Games' holdings, with 50% going towards the new product development, and 50% going directly towards enlarging the pool of "StablePlayerCoins". Usiku Games will match dollar-for-dollar the donors funding for new development. Therefore, for every $1,000 a donor donates, they will generate $1,000 worth of new social impact game development AND $500 of direct

funding towards youth savings and health/education investments.

5. The youth play the mobile casual games, completely for free. First and foremost the games must be fun to play. Without the element of fun, then none of the other financial engineering will matter. (see below for examples of the games) As they are playing the games, they are accomplishing certain missions. These might be clearing a level, collecting gems, or defeating a villain boss character. Every time the player accomplishes another success, they earn more of the stable coin.

6. All of the StablePlayerCoins that player earns during the game are transferred from the communal pool, into the player's individual wallet. All transactions are recorded in the ledger, providing complete transparency and auditability for funders to review if needed.

7. The youth may choose to reinvest some of their earned coins back in any of the games, in the forms of buying NFT in-game tools/assets/power-ups, which the player can buy, hold and sell in the future potentially for a profit of more stable coins. The coins spent on such in-game purchases will be used to "Buy and Burn" some of Usiku Games' holdings of $USIKU, with the funds being used to sustainably cover the costs of operating the platform.

8. When the player is ready to "cash out" they will choose how many coins they want to spend, and select the recipient from a menu. These will include topping up their account with the National Health Insurance program (NHIF), depositing to their pension fund (NSSF), pay school fees, etc. The outbound exchange rate from stable coins to Kenya Shillings, can be adjusted for each different option in order to allow us to dynamically shape the desired behavior change through targeted campaigns. Since the payments will be made directly via m-pesa to the destination, the player never touches / has access to the funds themselves, reducing the risk that the funds will be diverted. Whenever a Stable Coin is paid out to a third party (eg: school / NHIF) the coins involved are melted decreasing the total pool of stable coins. All cash out transactions will incur a 2% gas fee, which will be used to "Buy and Burn" some of Usiku Games' holdings of $USIKU, with the funds being used to sustainably cover the costs of operating the platform.
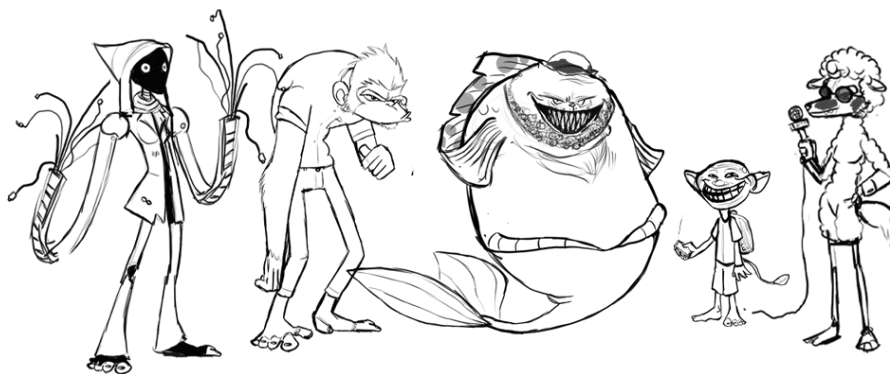
Some of the Super Villains from our recent retro-Donkey Kong mobile arcade game aimed at protecting children online.

Long-Term Savings through Harmony $ONE staking

In many parts of the world, those with a little extra savings can put that money to work for them through passive income from fixed deposits, unit trusts and low-risk investments. For the largely unbanked youth in Africa those options are not easily available. Inspired by the Aadhaar micro investments scheme in India, which allows people to invest as little as ₹100 (USD$1.35) and earn income, we have created a mechanism for average Kenyan youth on our platform to "stake" the coins they've earned in the games, by exchanging them into Harmony $ONE crypto tokens held on their behalf. Typical returns are in the range of 5% - 10%. By aggregating the staking across all players on the platform, the end-users are completely sheltered from the complexities of having a dedicated wallet, dealing with exchanges, etc.


Harmony's Staking & Incentive Design

Capacity Building via The Usiku Game Maker Fund DAO

To be really clear, we are building a "platform" not just "a game". Once operating, we want our platform to be filled with all sorts of fun casual games that players can enjoy and earn from. In order to fulfill that vision, we intend to go beyond our own inventory of games by supporting the burgeoning game development industry in Africa.

As a part of this project, we will launch the **Usiku Game Maker Fund DAO** to build capacity in the local community. Our intention is to begin with a fund of *100 million Kenyan Shillings* equivalent of $USIKU, that will be granted on a non-equity basis to developers creating games which use the defined API's for connecting with our stable coin rewards.

The DAO will be run with a defined governance structure to attract, identify, select and foster projects. Once live, the game developers will then benefit from a percentage revenue share of the coins earned by players on their game. The more people like and play their game, the more the developers will earn as a recurring income stream. The DAO will also be run on the Harmony blockchain platform, providing complete transparency and accountability, ensuring no fears of graft or preferential treatment.

Design and operation of the DAO is inspired and informed by the SandBox Game Maker Fund, and the Harmony Africa DAO – both of which have shown successful models for building capacity in a trust filled decentralized manner. Full details will be provided in our whitepaper.
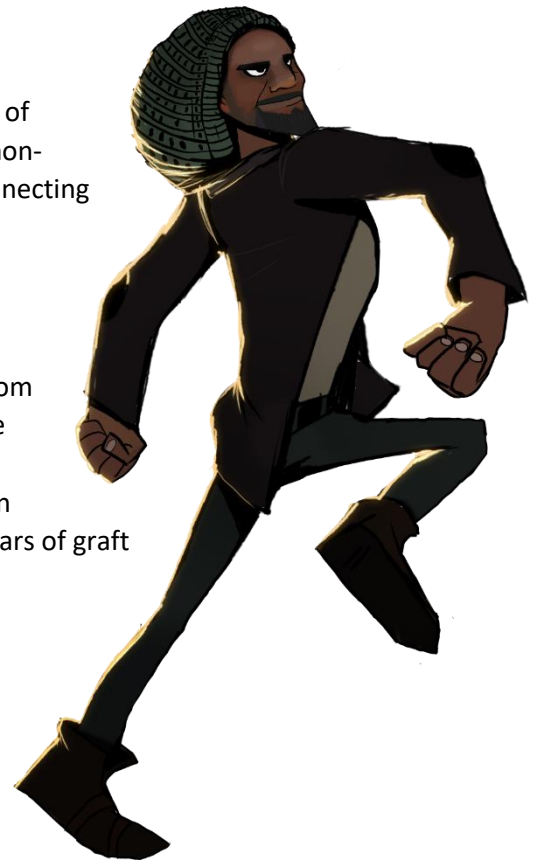
How Can This Help NGO's / Development Agencies?

Usiku Games' Win-To-Earn blockchain gaming model has several benefits for NGO's and government development agencies who want to have a measurable impact in the community:

1) By placing their social impact on the Win-To-Earn platform their game transforms from an educational piece with a serious message, into an exciting game where players can earn real money. This should drastically increase that particular program's reach and engagement levels.

2) Since all transactions are "on-chain", the funder has access to complete transparent reporting on the specific use of their funds, and the impact specifically generated by them. From a measurement and evaluation (M&E) perspective, this gives a level of detail & auditable tracking unprecedented in the development sector.

3) The entire Win-To-Earn model is designed around incentivizing the player to perform desired behaviors. These may be in-game values-based behaviors (eg: friendly cooperation with another player in need, in order to both accomplish a mission) or they may be real-world choices, such as where to invest the coins they have earned. (eg: bonus rates for conversion to career training courses)

Some of our current NGO / Development Partners:

Why Not an African Metaverse?

Many of the blockchain gaming efforts so far have focused on building fanciful 3D metaverses in which "Gamers" (with a capital "G") interact and compete to collect coins. However, today in Africa there are very few such gamers with PC's or gaming consoles. **Africa is a mobile-first continent,** dominated by low-cost Android smartphones. We are focused not on the few Gamers, but rather on the in between moments for the hundreds of millions of ordinary Africans on their way to work/school and sitting in traffic. Most of them have never heard of NFT's or cross-chain custom crypto-tokens. What they do know, is that when they get bored they like to play a casual game for a few minutes. We are creating games for them, with African characters and music. Games that allow them to "win" real money while still having fun. We believe this extra economic incentive will ween them off the sports betting and non-African Candy Crush type alternatives.

Reducing the Tech Burden of Crypto:

Our goal is to have the youth be able to enjoy the platform, and complete all of the possible transactions, without ever having to understand what a crypto token, or NFT is. We want to eliminate all of the friction of having to create multiple wallets, learn about staking and exchanges, etc by obfuscating it behind a simple UI/UX. As far as the player is concerned, they will have played a favorite game, won some cute gold coins, and used them to pay for practical things like their school tuition or doctor's fees.

Impact Partners:

Below are some initial examples of the types of social impact partners that our players will be able to "Cash Out" their earned coins to…

NHIF is the public health insurance program from the Government of Kenya. There is a push to have ever Kenyan registered and contributing to the program, in order to establish a safety blanket for future possible emergencies.

NSSF is the public pension fund for all Kenyan citizens. Contributions are made automatically as a part of salaries, however with so many youth in the informal sector, they are not contributing in to their account, and are missing out on years of compounding interest.

Britam is the largest insurance player in the market, providing great stability. They offer a "unit trust" savings product that acts like a fixed deposit, earning substantially higher interest rates than is possible through a traditional bank account. Players can transfer their funds into a long-term (30 days, 6 months, 1 year) account, and earn.

HEALTH SAVINGS - The best laid plans can shatter when an unexpected health emergency happens. M-tiba empowers youth to put away funds for a rainy day, which can then be accessed at hospitals and doctors' offices around the country to pay their bills.

TECHNICAL / VOCATIONAL TRAINING – The massive youth demographic bulge means that there will be demand for millions of new jobs annually. In the OECD countries, an average of 40% of the adult population have vocational qualifications. Players can use the coins they have won on our platform to pay their school tuition fees to take technical and vocational training courses.

WILDLIFE CONSERVATION – Africa is such a unique and special place on the planet because of our co-existence with the wildlife all around us. Agriculture and settlements are threatening the Wildlife territories in many areas. Players may choose to donate a portion of their coins towards World Wildlife Foundation's conservation efforts.

REFORESTATION – Climate change is being accelerated across many parts of Africa because of human deforestation activities. Seedballs is addressing that with an innovative, large scale method of planting millions of new trees. Players may choose to convert a portion of their coins towards planting new trees in Kenya's semi-arid North.
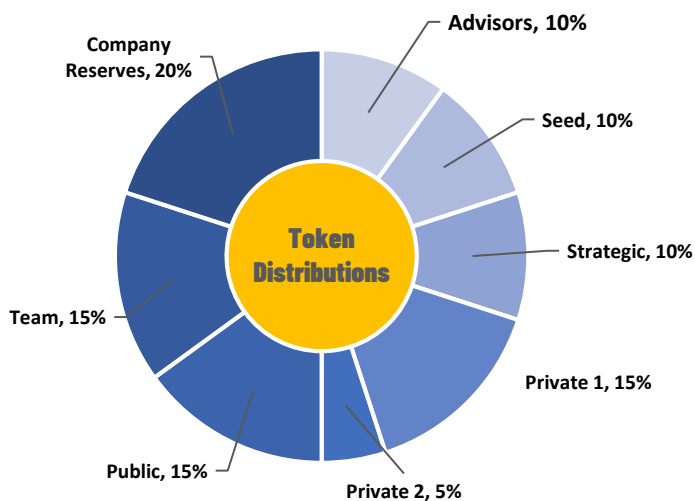
How Will The Funds Be Used?

One of the best parts of this structure is the completely transparent way that funds flow. Since all transactions are recorded in the ledger, there will be full accountability. Here is how every UsikuKoin sold will be used:

50% Direct Donation to Player Pool						50% Funds Platform Operations			
School Fees	Health Insurance	Pension	Crop Insurance	Savings	Safe Transport	Staff Costs & Product Dev't 40%	Marketing 30%	Tech Ops 20%	Finance Costs 10%

How Will The UsikuKoins Be Released?

Token Genesis Event (TGE)
total initial raise: USD $4.6m

Token Distributions

- Advisors, 10%
- Seed, 10%
- Strategic, 10%
- Private 1, 15%
- Private 2, 5%
- Public, 15%
- Team, 15%
- Company Reserves, 20%

Advisors
in–kind tokens
1 month cliff
10% linear release every month after 1 month
$0k / $100k

Seed
$0.001 per token
1 month cliff
10% linear release every month after 1 month
$0k / $500k

Strategic
$0.002 per token
1 month cliff
10% linear release every month after 1 month
$0k / $500k

Private 1
$0.004 per token
4% release on TGE
8% linear release every month for 12 months
$0k / $2m

Private 2
$0.006 per token
10% release on TGE
10% linear release every month for 9 months
$0k / $1m

Public
$0.01 per token
50% release on TGE
50% release after 1 month
$0k / $500k

Caring For the Planet at the Same Time:

There are no Proof Of Work requirements for minting the UsikuKoins, thereby avoiding the massive energy consumptions which justify the environmental concerns about many crypto projects. We are committed to minimizing the carbon footprint of the project, through choosing Proof Of Stake blockchain ecosystems, such as Solana. By the time the $USIKU tokens are released, Usiku Games have committed in writing to becoming a **100% Carbon Neutral Game Studio**, and a full member of the United Nation's "Playing For The Planet Alliance."

About The Existing Games:

We currently have 15 mobile casual games that are Made In Africa, For Africa. Each game has been designed to include player progressions which will allow the unlocking of the stable coins. These release moments may relate to the completion of a level, beating a certain villain, or capturing collectibles. Our plan is to use a portion of the funds raised to fill out the portfolio to more than 30 mobile games. Here are some samples:
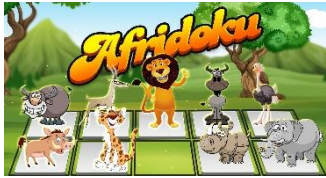
AFRIDOKU – An African twist on the classic puzzle game.

JAM NOMA – Help the police clear the traffic jam.

OKOA SIMBA – Based on 2048, climb the food chain to freedom.

Maasai M'kali – Collect your cattle and beat the boss.

BATTLE TUK TUKS – A super fun 3D variation on Battleship.

AGE OF ASANTE – Relax and unwind with this calm puzzle.

CHUKUA MBUZI – The goat is trying to get away, stop him!

MAMA MBOGA – Slice your way through Mama's fresh fruit.

The cast of characters from our retro-arcade mobile game: **Capital Kong**

For more details about Usiku Games' Blockchain #GamingForGood platform,

Please contact: Jay Shapiro – CEO – jay@usiku.games