

THE CELO
FOUNDATION
ANNUAL
REPORT 2021



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Introduction

Last year was one of incredible growth for the Celo community. The achievements in 2021 of the various projects and organizations in our ecosystem are particularly impressive when considered against the backdrop of the ongoing COVID-19 pandemic. Although people worldwide were forced to adapt to a “new normal” dictated by COVID and its ever-changing variants and resulting restrictions, innovation in the blockchain and crypto sectors continued at great speed. We saw play-to-earn games, NFTs, and decentralized finance (DeFi) use cases tip our industry into the mainstream conversation.

This is the second Annual Report published by the Celo Foundation, one of many members of the global Celo community focused on supporting financial inclusion, environmental health, and connectivity through the growth and development of innovative technologies.

This report contains Celo Foundation financials, which we proudly share to support the full transparency of our contributions and impact of our work, in addition to highlights and commentary on where the Celo community and the industry at large are headed as further development of these transformative technologies continue.

On behalf of the entire Celo community working collaboratively around the world, and the ecosystem of technologies that invigorate Celo’s mission, we invite you to discover and experience the future—a more prosperous world made possible by Celo.

A Letter from Rene Reinsberg, President of the Celo Foundation

As we head into the fifth year of working on Celo, we celebrate a bustling community of thousands of amazing projects and applications, and proudly acknowledge over 11.9M total addresses and more than 121.9M transactions processed on the Celo blockchain as of this writing. I am especially proud that despite ever-changing economic cycles and the extremely fast-growing ecosystem, Celo remains sharply focused on our original mission formulated in late 2017: to build a financial system that creates the conditions for prosperity—for all.

As a community, we have stayed true to our values. I am proud of the ways colleagues, partners, and community members support Celo's mission to build for the long term and drive the regenerative finance (ReFi) movement. I believe ReFi can create the systemic change needed to reverse the climate crisis, improve the health of our communities, and empower individuals.

We build products that create the conditions for prosperity for everyone, everywhere

Celo's earliest use case was as an infrastructure powering peer-to-peer payments, especially on mobile devices. Today, applications built on Celo do so much more. The [Valora](#) mobile app, which launched in early 2021, is now used in over 120 countries, not just as a peer-to-peer wallet but also as a gateway to a suite of DeFi applications.

Mobile DeFi on Celo now enables more people to access decentralized exchanges and lending opportunities, as demonstrated by [Ubeswap's](#) high percentage of mobile traffic (86%). And through our [Defi for the People](#) initiative, [launched in August](#), we have accelerated our efforts toward providing anyone with a mobile phone and an internet connection access to the same financial tools and services used by the top 1%, including credit and stable, low-risk yield opportunities.

We want growth of local economies to regenerate global ecologies

In October, with the [introduction of the Climate Collective](#), a Celo community effort, we proposed to allocate at least 40% of the [Celo Reserve](#) to tokenized nature-backed assets, including protected forests, peatland, and regenerative ag, by the end of 2025.

At the current size of the Reserve, this would meet about 0.25% of the IPCC carbon removal goal! Currently, a few Celo community projects have created NFTs and tokenized representations of natural capital and carbon credits. Soon, however, more will be developed to include stake-to-preserve opportunities (for forests, for example), oracles that instrument and report on the ecological state of forests and soil, and exchanges and NFT marketplaces that create liquidity for natural capital-backed assets.

We see a world where creators and founders reshape local economies

We see many opportunities on the protocol and application levels around community currency projects, vertical marketplaces, gaming, small-group culture creation, and community DAOs.

In 2021, community commerce efforts across the Celo ecosystem included the launch of mutual credit protocol [ReSource](#). Additionally, one of the most exciting developments of the year came in early December, when the popular crowdfunding platform [Kickstarter announced](#) its plans to build an open source, decentralized version of its application on the Celo blockchain.

This year, commerce will continue to be a potent force for strengthening community.

Togetherness in 2022

As people from around the world continue to join the Celo community, it is more important than ever to anchor our growth in two core values—unique purpose and connectedness. The Celo Foundation recognizes that we are all healthier and happier when we are part of a strong social community, and we are excited to do our best to enable everyone in the community to build meaningful relationships and reach their full potential. If you are new to Celo, I invite you to join us and work alongside all of the amazing people aligned in our ambitious goal of building a regenerative financial system that creates the conditions of prosperity for all.

Sincerely,



Rene Reinsberg
Co-Founder, President of the
Celo Foundation

Participating in the Movement

Meet the Celo Foundation

The Celo Foundation¹ is a U.S.-based organization that, in accordance with Celo’s mission, believes in a future where people everywhere can thrive from financial inclusion, a healthy environment, and connectivity through innovative technologies, including the Celo blockchain and its ecosystem of projects. The Foundation contributes grants to support ecosystem development, technical research, environmental health, community education and engagement, and outreach efforts—activities that support an inclusive and sustainable financial system that creates the conditions for prosperity for everyone.

In April, the Celo Foundation welcomed Dick Parsons to its board as a result of a community nomination process. In October, two new board members, Jai Ramaswamy and Morgan Beller, were announced with support from the community.

By the end of 2021, the Celo Foundation team had grown to 54 Partners working in 15 countries worldwide:

 Brazil	 Kenya	 Turkey
 Canada	 Mexico	 UAE
 Colombia	 Nigeria	 Uganda
 Germany	 Philippines	 United Kingdom
 India	 South Africa	 United States

1. The Celo Foundation is a non-stock, nonprofit corporation which promotes the use of open source cryptographic networks to globally support prosperity, financial inclusion, and environmental health through research, education, and outreach. The Celo Foundation is incorporated in the state of Delaware and, importantly, does not control the Celo Platform or core ecosystem of technology. The Celo Platform and ecosystem of technology is driven, supported, and maintained by the Celo community, including individuals and entities who hold any amount of CELO.

Celo's Research and Innovation team meeting in-person for the first time in San Francisco. (Pictured, left to right, Angelo Kalaw, Mashiat Mutmainnah, Will Le, and Nikhil Raghuvveera.)



We recruited talent in all areas: Strategy and Operations, Marketing and Communications, Social Media, Events, Finance and Investments, Developer Relations, Research and Innovation, Talent, and HR. As new teams formed and when COVID restrictions permitted, we held mini offsites, virtually and in-person.

The Alliance for Prosperity

A key building block of the Celo Foundation is the Alliance for Prosperity, a group of mission-aligned Celo Foundation members committed to increasing adoption of the Celo Protocol, its digital assets, and its ecosystem of technologies.

To achieve their objective, Alliance members are encouraged to do one or more of the following:

1. Back project development efforts
2. Build infrastructure
3. Implement design use cases on the Celo Protocol
4. Integrate Celo assets into their projects
5. Collaborate on local and regional education campaigns to advance blockchain technology knowledge

The Celo Foundation invites any mission-aligned organization to join the Alliance to help generate momentum behind creating a more inclusive and sustainable financial system.

In April, 2021, Deutsche Telekom became the first mobile carrier to join the Alliance for Prosperity.

New Alliance Members in 2021



Deutsche Telekom, a German telecommunications company headquartered in Bonn.



Prosegur, an innovative security company with a presence in 26 countries.



Opera, developer of a browser that enables users to explore Celo's cUSD stablecoin and more from a built-in wallet.

BLEUMI

Bleumi, a one-stop payments platform for expansion into new markets.



Hope for Haiti, an organization focused on improving the quality of life for all Haitians.



CARE, a 75-year-old organization with a mission to improve life for the world's most vulnerable people.

KICKSTARTER

Kickstarter, a global crowdfunding platform on the Celo blockchain.

MOSS

Moss, A Climate Collective member that combats climate change by providing carbon credits to anyone.



PayU, a payments platform that enables its merchant customers to accept Celo's cUSD.

To learn more and apply to the Alliance, visit <https://celo.org/alliance>.

Powering the Movement

Building Blocks Toward Prosperity

Celo's mission is to build a financial system that creates the conditions for prosperity for all and inspires contributors around the world to help grow the Celo ecosystem.

Celo was founded on two core values—unique purpose and connectedness. The key building blocks underlying these values include a decentralized, open source, proof-of-stake (POS) blockchain technology stack (Celo Platform); CELO, the core utility, governance, and staking token native to the Celo Protocol; and Celo stablecoins (currently cUSD, cEUR, cREAL).

Celo Blockchain

The Celo blockchain—also referred to as the Celo Protocol or, simply, Celo—is a mobile-first, open source, proof-of-stake platform with smart contract functionality that brings the powerful benefits of decentralized financial (DeFi) tools and services to anyone with a mobile phone and an internet connection. Optimized to enable fast peer-to-peer and merchant payments across devices, carriers, and borders, the Celo Protocol offers financial inclusion and autonomy to over 6B smartphone users worldwide.

The Celo Protocol is unique. Not only is it the world's first carbon-negative blockchain supporting a commitment to green Web3 sustainability, but also it combines address-based encryption technology with a fixed supply of its native asset, CELO, and several stable-value assets (cUSD, cEUR, and cREAL) to offer users a simple, mobile payment solution.

Additionally, all the crypto assets on Celo have ERC-20-compliant interfaces, meaning that while they are not ERC-20 tokens, the tooling and code that

support ERC-20 tokens have been adapted to interact with the Celo blockchain.

The open source, Ethereum-compatible nature of the Protocol provides a world of opportunity for developers to not only build applications on top of the Celo blockchain, but also create solutions for cross-chain interoperability, such as via [Abacus](#), [Allbridge](#), [LayerZero](#), and [Wormhole](#), all of which support or have announced support for Celo. The transmission of value across chains allows more people to take advantage of the many technologies being developed in the space, including central bank digital currencies (CBDCs) as they emerge.

Although the Celo blockchain is permissionless, it can run in permissioned environments, which is perfect for CBDC experimentation. In September 2021, [Provo](#), a value-add sandbox for public and official sector digital asset testing on the Celo Protocol, was launched. Provo brings together the key elements needed for central and commercial banks, as well as financial and regulatory authorities, to delve into designing and issuing CBDCs in permissioned and/or permissionless environments on the Celo platform, risk-free.

Anyone can develop on Celo. For more technical information, please visit [Celo on Github](#).

Celo Governance

The Celo Protocol is governed by a community of CELO holders, who elect Validators and manage the network through an on-chain staking and voting process. All changes to the Protocol—including smart contract upgrades, asset additions, and modifications to asset-allocation targets in the Celo Reserve—are first proposed and then voted on by CELO holders. A quorum threshold model is used to determine the number of votes needed for a proposal to pass.

36 Governance Proposals Passed In 2021

Proposal Topic	Proposal Number(s)
cREAL Stablecoin Launch	<u>#46, #47, #48, #49, #50</u>
Celo Ecosystem Treasury	<u>#43</u>
Granda Mento Launch	<u>#33, #37, #41</u>
Increase Block Target Density	<u>#39</u>
Increase Validator Set Size	<u>#28</u>
The cEUR Stablecoin Launch	<u>#22, #26</u>
Activation of the Celo Community Fund	<u>#18</u>

For detailed information on Celo community governance and voting, and the entire Celo Protocol, peruse the [library of Celo technical documentation](#).

Celo Native Assets

CELO is the core utility, governance, and staking token native to the Celo Protocol. It has a fixed supply of 1B and a variable value. CELO serves as the primary asset in the Celo Reserve (the diversified portfolio of cryptocurrencies and natural assets that back and maintain the stability of the Protocol's stable assets), as a Celo platform fee token, and as its staking and voting token. Other Reserve digital assets include BTC, ETH, DAI, and cMCO2 carbon credit tokens.



CELO's important function is to maintain the value of the stable assets in the Reserve. It does this thanks to a critical stability component of the Celo blockchain called Mento. The Mento stability mechanism dynamically provides insight into the demand for Celo stable assets at any given time. For example, when Mento algorithms determine that there is an increase in the demand for cUSD, users are incentivized to create more by purchasing CELO on a decentralized exchange, and then trading it for cUSD. When Mento determines the demand for cUSD is decreasing, users are instead incentivized to "burn" cUSD by selling it for CELO.

As the governance token of the network, CELO supports the security, growth, and development of the Protocol by enabling CELO holders to stake the asset in support of Validators, vote on changes or additions to the core technology proposed by community members, and earn rewards.

To learn more about the CELO asset, explore the library of [Celo technical documentation](#).

Celo Native Stablecoins

Celo has three native stable assets—Celo dollar (cUSD), which tracks the value of the U.S. dollar; Celo euro (cEUR), which tracks the value of the euro; and Celo real (cREAL), which tracks the value of the Brazilian real. All are valuable sources of liquidity. Anyone, anywhere can quickly and inexpensively send, receive, or hold cUSD using Celo-compatible decentralized applications (dapps) on their mobile phone or desktop browser.

Energizing the Movement

State of the Industry

In 2021, crypto further embedded itself into the global financial ecosystem and mainstream consciousness.

Market capitalization briefly touched a record high of \$3T in early November, following rallies by bitcoin (BTC) and ether (ETH). While BTC remained the most dominant coin, accounting for around a third of the total, ETH benefited from the growing popularity of DeFi apps and the surge in demand for non-fungible tokens (NFTs). Ultimately, the market didn't sustain this lofty valuation, but it still rose from \$767B in January to end the year at \$2.2T, according to Coinmarketcap.

We also witnessed major upgrades to the infrastructures underpinning BTC and ETH in 2021. First, Ethereum's London hard fork in August changed how transaction fees are estimated, paving the way for its transition to a proof-of-stake consensus mechanism. Bitcoin's Taproot, its most significant update since 2017, followed in November. Taproot improved the privacy and efficiency of transactions and the network's ability to execute smart contracts.

Venture capital firms invested a record \$30B into crypto startups, creating more than 40 unicorns (organizations valued at \$1B+). FTX and Gemini exchanges were among the chief beneficiaries of VC funds, although consumer apps like Moonpay also raised substantial capital. In April, Coinbase became the seventh biggest new U.S. listing of all time. Its valuation hit nearly \$80B at one point on its market debut, just short of AirBnB's record of \$82B, before closing at \$61B. Further evidence of crypto's mainstream adoption came in October, when the first bitcoin ETF started trading on the New York Stock Exchange. Launched by ProShares and registered under the ticker BITO, the fund reported net assets of \$141B as of November.

Demand for stablecoins also rose. Data gathered by The Block Research showed the supply of dollar-backed crypto increased by 388% to a market cap of over \$140B. Among the drivers were the growing use of derivatives and retail traders taking advantage of the generous yields paid by DeFi protocols. Trading wasn't the lone use case, however; a report published by Messari Hub, a leading provider of crypto research, recognized the real-life applications of Celo's stablecoins as tools to enhance financial inclusion.

NFTs had a breakthrough year, grabbing attention around the world. The NFT market reached \$41B in 2021—only about \$10B less than the value of the global art market. Digital artist Beeple helped build the profile of these innovative crypto assets when Christie's sold his Everyday's collage for \$69.3M in March, the third highest price at an auction for a living artist. NFTs also gained traction in emerging markets. Platforms like Sorare and Axie Infinity didn't just allow users to play-to-earn (P2E), a valuable method of rewarding users, they introduced many to the DeFi ecosystem for the first time.

Another exciting innovation in the crypto scene was the emergence of Decentralized Autonomous Organizations (DAOs) as the future of crowdfunding. Data published by DeepDAO revealed that assets under management held by DAOs grew by 40 times between January and September, from \$380M to \$16B. A consortium calling itself ConstitutionDAO raised \$47M to purchase a copy of the U.S. Constitution at an auction held by Sotheby's, although it lost out to a higher bidder.

In terms of regulation, developments were generally positive, suggesting crypto is here to stay. In the U.S., politicians introduced 35 bills covering crypto regulation, the promotion of blockchain technology, and encouraging further exploration into central bank digital currencies (CBDCs).

Crypto adoption received a major boost in September when El Salvador became the first country to approve bitcoin as legal tender. President Nayib Bukele argued that the move would increase access to financial services for the unbanked and underbanked, make remittances easier and faster, and give the country greater independence. However, El Salvadorans and global regulators were skeptical due to the potential economic disruption.

Finally, China took a stand on crypto in 2021. The government barred financial institutions from processing transactions in May, outlawed mining in June, and then issued an outright ban in September. Authorities blamed crypto's environmental impact and its role in fraud and money laundering, although Beijing continued to prepare its rollout of a CBDC it's keen to establish as the country's primary digital currency. But China's loss was Kazakhstan's gain. Kazakhstan's cheap energy supply attracted many of the displaced miners, but a crackdown later forced many miners to cease operations.



Celo's DeFi for the People initiative brings decentralized finance to the world's 6B smartphone users.

Focus on People and Our Planet

Celo Initiatives

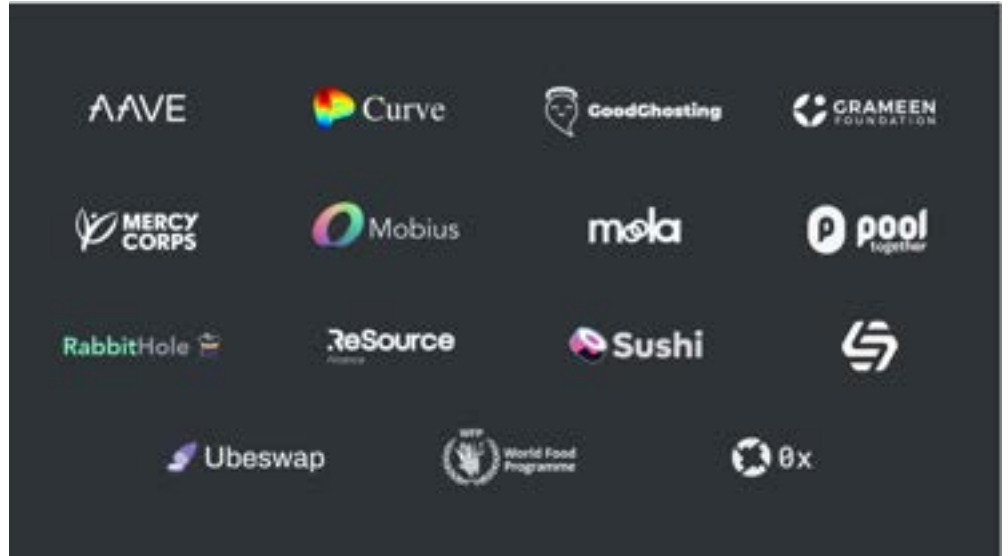
DeFi for the People

The Celo Foundation launched the \$100M DeFi for the People (DFTP) initiative on August 30, 2021, to make DeFi accessible to the 6B smartphone users around the world. A collaboration of global crypto organizations united by a common goal, this program has allocated \$100M for grants, incentives, educational initiatives, and pilots to support DeFi projects and partners that align with Celo's mission of prosperity for all.

DeFi has experienced explosive growth in the last two years, but has yet to gain widespread adoption. Key reasons include the fact that DeFi often does not meaningfully address real-world use cases, DeFi protocols can be difficult to use and understand, high gas fees can make DeFi cost prohibitive for most, and DeFi is not always mobile friendly for the billions of people who access the internet through their mobile phones. DeFi for the People aims to change that by bringing builders together to create the infrastructure and products for a robust DeFi ecosystem that is easy to use and accessible to the people who need it most.

For billions of people, a mobile phone is their most important device and often their only access to the internet. Celo's mobile-first platform—with millions of wallet addresses across 150 countries as of December 31, 2021—presents a unique opportunity to bring DeFi solutions and the benefits they afford directly to those mobile users. More and more real-world DeFi applications are being built on Celo every day.

New DeFi for the People partners in 2021.



Making Savings Easy: How DFTP Partner GoodGhosting and the UN WFP Enabled Kenyan Youth to Save

Last fall, Celo partnered with the [UN World Food Programme](#) to conduct a [digital microwork pilot](#) in Nairobi, Kenya, that connected young people at risk of hunger to online microwork via the Corsali mobile app (now [Vana](#)). Using Corsali, pilot participants were able to earn income in the form of Celo's cUSD by completing small machine-learning tasks.

DFTP partner [GoodGhosting](#) also participated in this pilot by offering the young microworkers a decentralized savings tool. GoodGhosting enables anyone to deposit various types of digital assets into [savings pools](#) and generate rewards as a result.

In this pilot, workers who earned cUSD through the Corsali digital microwork platform were given the opportunity to access a [one-week savings pool](#) to grow their earnings by 47.11% (annual percentage yield). Nearly 40% (38.82%) of the microworkers chose to participate in the GoodGhosting pool. Pilot participant Lillian Odhiambo, a 25-year-old worker from Nairobi, spoke highly of her experience. "GoodGhosting took the pressure out of savings," she said, "and made it really fun to do with friends."

While 50% of pilot participants chose to spend their earnings on immediate needs, GoodGhosting showcases the potential for DeFi savings on Celo for everyday people, and the power of linking stablecoin payments and new forms of income to DeFi.

To learn more about digital microwork on Celo, see *Stories Built On Celo* below.



Lillian Odhiambo
Pilot participant from Nairobi

“GoodGhosting took the pressure out of savings and made it really fun to do with friends.”

Climate Collective

The Climate Collective is a Celo community-driven initiative created to fight climate change by tokenizing rainforests and other carbon-sequestering assets. These tokenized assets will be added to the Celo Reserve so that they, in addition to the crypto assets in the Reserve, back Celo stablecoins. The aim of the Collective is to allocate up to 40% of the Reserve to tokenized nature-backed assets by the end of 2025. Like all assets proposed for inclusion to the Reserve, nature-backed assets must be voted on and approved by Celo governance.



In October 2021, the Climate Collective launched with 10 member organizations, including Toucan Protocol, Curve Labs, Kolektivo, Loam, Moss, and Regen Network. Today, the Collective is led by Craig Wilson, who brings extensive experience to the initiative. He co-founded The Crop Project, a regenerative agriculture company, and has worked with early-stage companies and public-private consortiums at NYU Tandon Future Labs. Wilson heads a stellar team that includes A. Nirvaan Ranganathan, Program Lead; Ottavio Siani, Finance Lead; and Chairman Ed Walters, Co-founder and General Partner at Allegory, a firm investing in climate-focused Web3 projects.

The Collective has three main objectives in addition to the aforementioned allocation of nature-backed assets to support the Celo Reserve. First, it aims to support companies and projects that are building at the intersection of climate change and Web3 through partnership, grant capital, and strategic support. Second, the Collective will use its membership model as a node for partnership, resources, communication, and action, and draw on its platform to tell the stories of its members. And finally, the Collective will educate and motivate both climate experts that are crypto-curious and crypto experts that are climate-curious to build and inspire the next generation of grantees and partners.

With all eyes on climate issues in 2022, the Collective looks forward to providing grant funding, technical guidance, and ecosystem-building incentives to support the development of several innovative 'green tokens' to be proposed to the Celo governance community for launch on the Celo blockchain and inclusion to the Reserve later this year.



Craig Wilson
Climate Collective Lead



“Climate change is fundamentally a mass coordination problem, and Web3 is a mass coordination tool. These two should be working in concert, not in contrast.”

Celo's Year In Review

By the end of 2021, the global Celo community of designers, developers, dreamers, and doers from over 150 countries grew substantially. The evidence of their combined efforts is clear.

Momentum Over the Year: 2021 Milestones

February

February 10: Introducing Valora

Valora, the first mobile peer-to-peer payments and remittance app built on the Celo blockchain, was inspired by the idea that everyone should have full control of their money, and that sending money should be as easy as sending a text message. In late July, Valora spun out of cLabs (with a \$20M funding round led by a16z) to become its own entity.

April

April 16: The Celo Foundation Welcomes Richard Parsons to its Board

The Celo Foundation was founded with a mission to support a financial system that creates the conditions of prosperity for all. Richard brings deep expertise in traditional financial services to the Foundation Board, as well as a perspective that is key to realizing our vision for a new ecosystem of financial products and services.



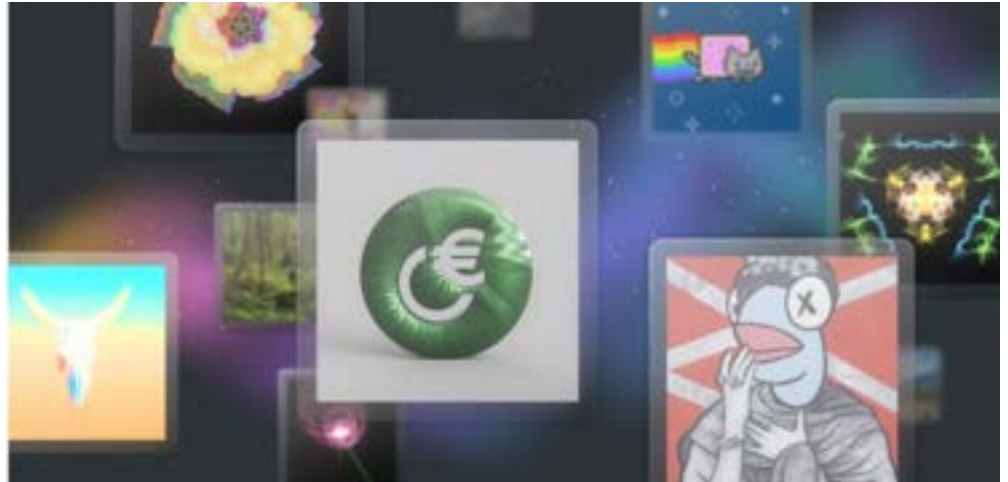
April 20: Deutsche Telekom Joins the Celo Ecosystem

Deutsche Telekom, a leading telecommunications company with more than 242M mobile customers, disclosed a strategic purchase of CELO and joined the Alliance for Prosperity as its first mobile carrier member. This partnership allows the carrier to seamlessly integrate all of the mobile friendly solutions in the Celo ecosystem and serve customers in new, meaningful ways. Deutsche Telekom also became a Validator on the Celo network.

April 22: Launch of the Celo Euro (cEUR)

cEUR, the second native stablecoin launched on the Celo blockchain, algorithmically tracks the Euro. The new asset feeds a remittance market for Europe, enabling users to quickly and inexpensively transfer digital money across borders as easily as sending a text. Like cUSD, cEUR supports users, developers interested in building on Celo, and organizations looking to innovate with digital money through blockchain-based products and services for the benefit of their customers.

July



July 22: NFT Projects Love Celo

Artists and others are putting a lot of thought into the marketplaces and the blockchains they use to mint their works. Discover the growing list of projects that rely on Celo to create NFTs, including [Award Pool](#) and [Ariswap](#).

August

August 19: Mobius Becomes the First Cross-Chain Stableswap DEX Built on Celo

Mobius is a decentralized exchange that enables users to easily trade assets of similar value, including cUSD-USDC and even cBTC-wBTC, with low slippage and fees. Now a member of the DeFi for the People initiative, Mobius helps to accelerate the adoption of decentralized finance among the 6B smartphone users worldwide. [Learn how to use Mobius](#).

August 30: Unveiling of DeFi for the People

DeFi for the People is a collaboration of global crypto organizations united by a common goal: bring DeFi to the 6B smartphone users around the world via Celo. Projects integrated this year include [Sushi](#), [PoolTogether](#), [Ox](#), [Valora](#), [Ubeswap](#), [Mobius](#) and [Moola Market](#).

September

September 13: Celo Goes Cross-Chain

cLabs launches Optics, a protocol for gas-efficient and trust-minimized interoperability. Unlike other cross-chain communication systems, Optics is neither a custodial bridge, validator-based bridge, nor header relay. Instead, it leverages an optimistic bridging mechanism to enable radically cheaper communication between chains, while still preserving decentralization.

September 22: Mysten Labs Joins the Celo Ecosystem

By collaborating with Mysten Labs, a startup led by Novi's former Head of Research Evan Cheng, we set our sights on Celo becoming the fastest EVM chain, with up to 140,000 transactions per second. The partnership marks a significant milestone for furthering the usability and scalability of the Celo platform.

September 28: The First DeFi for the People Hackathon

For the Make Crypto Mobile Hackathon, Celo committed \$2.5M in prizes and seed funding to Web3 project developers building mobile-first DeFi solutions for the 6B smartphone users around the world.

September 28: The Introduction of Provo — A Value-add Sandbox for CBDC Experimentation on Celo

Provo enables central banks to explore and experiment with central bank digital currencies (CBDCs) and other digital assets in risk-free permissioned and/or permissionless environments on the Celo platform.

October



October 6: The Celo Climate Collective Is Introduced

The Climate Collective is a community-driven effort to fight climate change by tokenizing rainforests and other carbon sequestering assets. The collective, which featured 10 companies at launch, including Curve Labs, Kolektivo, Moss, and Regen Network, aims to add tokenized trees to the Celo Reserve over the next four years, so that Celo stablecoins can be backed, in part, by rainforests.

October 11: New Celo Foundation Board Members Announced

Jai Ramaswamy and Morgan Beller are the newest members of the Celo Foundation's Board of Directors. Board members support the Foundation in several ways, including engaging in strategy development and oversight, attending all Board meetings, and serving on committees.

KICKSTARTER

December 8: Kickstarter Announces Plans to Move Its Platform to the Celo Blockchain

Kickstarter makes a “commitment to a more open, collaborative, and decentralized future” by choosing the Celo network to host its new decentralized protocol. In their [article published on the Kickstarter site](#), Perry Chen, Founder of Kickstarter, and Aziz Hasan, Kickstarter CEO, explained why they opted for Celo: “We’ve chosen Celo, an open source and carbon negative blockchain platform, as the best technology and community on which to build the protocol. We’re inspired by the Celo ecosystem’s thoughtful approach to building the technology they want to see in the world.”

Developers will start to build in 2022, aiming toward a full transition later in the year.

Celo by the Numbers

Platform Statistics as of December 31, 2021 ²

Addresses

Total

2.65M 5,916% year-over-year growth

Non-contract addresses

1.185M 2,595% year-over-year growth



Asset Holders (number, circulating supply)

 CELO

558K \$433M

 cUSD

330K \$99M

 cEUR +  cREAL

~40K \$42M

Transactions

Total

84.1M 5,115% year-over-year growth

30-day moving average

553K 4,777% year-over-year growth

Total Value Locked

\$426M ³

2. Source: <https://explorer.celo.org/stats>

3. Source: <https://defillama.com/chain/Celo>

Community Growth

Global Community Statistics ⁴

Total community members

~375K

Number of countries represented by members

135+

Social Growth

Twitter

[@CeloOrg](#) Twitter followers

644.55% year-over-year growth

Increase in Twitter impressions

700% year-over-year growth

Builder Community

Total builders

3,957 **619%** year-over-year growth

Number of active builders

848 **637%** year-over-year growth

Blog

[Celo Blog](#) followers

294.45% year-over-year growth

4. Source: Celo Foundation off-chain data; total community members calculated from unique email addresses collected via programs (e.g., Celo Camp), at events (e.g., conferences, hackathons) and from newsletter subscriptions.

Celo Foundation Grants Program

About the Grants Program

The Celo Foundation Grants Program is an open initiative that supports projects committed to the mission of building a financial system that creates the conditions for prosperity for all. Only by working together can Celo ecosystem partners collectively meet that goal.

The Celo Foundation Grants Program focuses on four key areas:

1. **Technical and Research Grants:** Awarded to projects fostering innovation and development of the Celo Platform and Celo reference wallets.
2. **Ecosystem Support:** Provided to projects lowering barriers to entry and encouraging the accessibility of Celo to developers and end-users.
3. **Education and Community Grants:** Awarded to projects or efforts aimed at educating and expanding Celo's global community.
4. **Social Impact Assistance:** Provided to projects expanding Celo's access and community impact.

Grants Program Application Process

The Grants Program provides entrepreneurs and projects with the capital and mentorship they need to succeed, with the ultimate goal of accelerating technical growth and expanding the Celo ecosystem.

The Grants Program encompasses a six-step journey to ensure project success:



Grants Portfolio

\$77.6M⁵

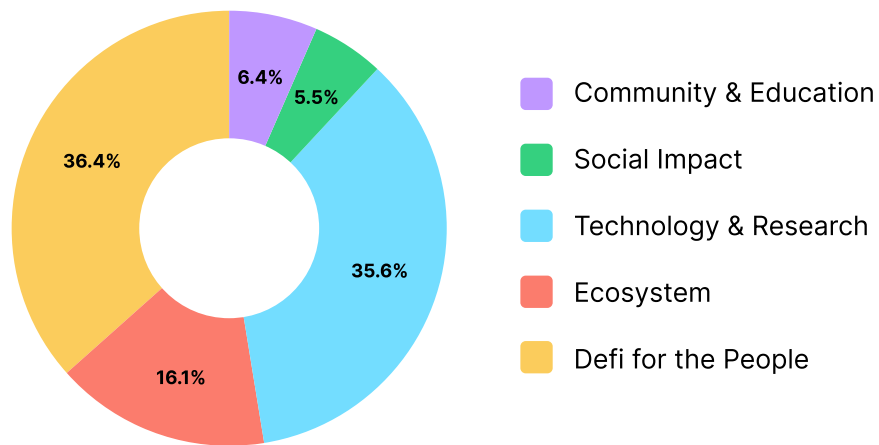
Total Value

161

Grants Issued

53

Countries



Breakdown of the USD Value of Grants Committed in 2021

Category	Amount
Community & Education	\$4,949,100
Social Impact	\$4,259,705
Technology & Research	\$27,624,885
Ecosystem	\$12,531,828
Subtotal	\$49,365,518
Defi for the People	\$28,273,835
Total	\$77,639,353

5. This is the total amount funds committed by both the Celo Foundation and the AP Grant Foundation Company, but not yet disbursed.

Masa Finance and Talent Protocol were the Celo Camp Batch 4 gold and silver prize winners, respectively, in December 2021.



Included in the Education category of the 2021 Grants Portfolio are the Celo Camp and Hackathon programs.

Celo Camp

Applicants

568 12.5% year-over-year growth

Graduates

52 48.57% year-over-year growth

Countries represented

84 5% year-over-year growth

Number of founders who raised more than \$1M after Camp

10 42.86% year-over-year growth

Teams (in Batches 3 and 4)

82 100% increase

Make Crypto Mobile Hackathon

Participants

2,383

Submissions

197

2021 Strategic Grantees



Celo Camp, the popular Celo/Upright accelerator program.



Mysten Labs builds foundational infrastructure to accelerate Web3 adoption.



tBTC provides trustless Bitcoin-backed ERC-20 tokens.



Etherscan, a leading block explorer and analytics platform.



Token Soft and Wrapped.com enable cross-chain bridges for layer-one protocols.



Nansen, a leading blockchain data analytics platform.



Keyko, a full-stack Web3 product and services builder.

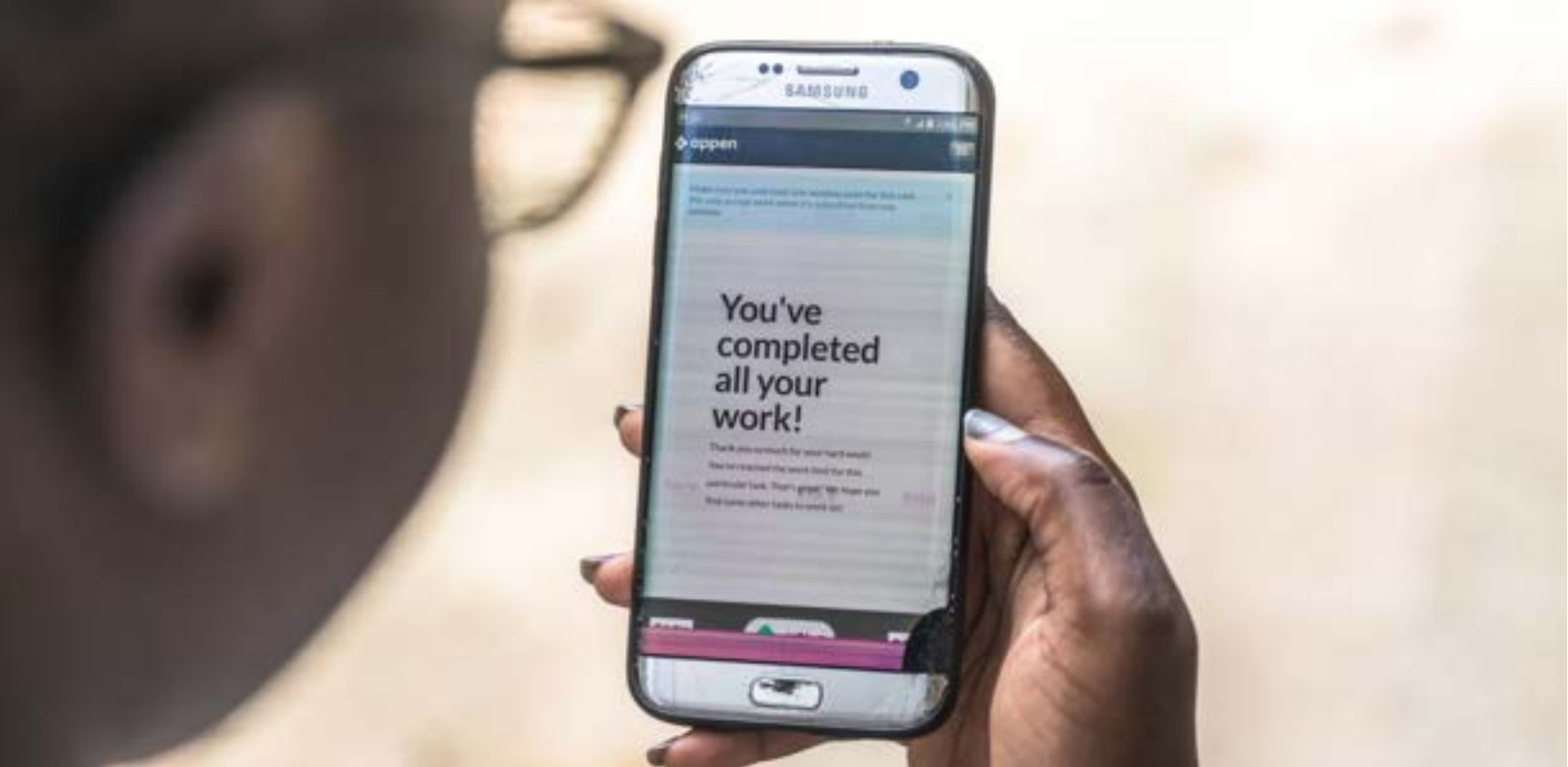


Curve Labs and Kolektivo enable local communities to create and manage their own regenerative economy to fuel prosperity.



Dapp Radar, a leading app store for decentralized applications.

For a complete list of grantees, please see the [Celo Ecosystem Grant Directory](#).



A worker in Kenya completes digital microwork tasks provided by Appen on her mobile phone.

Celebrating in the Movement

Stories Built On Celo

Celo was created to be a fully accessible, global financial system that people everywhere can use to prosper in the long term. Its mobile-first design, low transaction costs, and global reach make Celo the blockchain of choice for many partners looking to bring prosperity to financially excluded communities around the world. Here are a few of our favorite examples of projects using Celo in novel ways to foster financial inclusion.

Microwork with Mercy Corps Ventures: Connecting Low-Income Youth to the Global Economy

Digital microwork is a form of digital labor that breaks up complex technical projects into thousands of fractional tasks. With the dramatic increase in mobile adoption and internet coverage, microwork has the potential to unlock income opportunities and increase savings potential for underemployed communities.

The data annotation industry was valued at \$1.4B in 2020, and is estimated to increase at a 26% compound annual growth rate (CAGR) to \$13.5B by 2030. Yet, because of the high cost and frictions of cross border



Lucy Atieno
MCP-Celo pilot participant,
from Nairobi

“I have not been in active employment, so I have mostly been at home. For me, the microwork came in as an opportunity to make use of the extra time...and earn something so that I could take care of some responsibilities.”

payments, opportunities are largely concentrated in the U.S., Europe, and other developed economies—out of reach for communities in emerging markets that might benefit most from access to online work that requires minimal skills.

In early 2021, the Celo Foundation participated in a pilot initiative with Mercy Corps Ventures (MCV), alongside Alliance for Prosperity members cLabs, Kotani Pay, and Corsali (now Vana), to provide 200 low-income youth in Kenya with the opportunity to earn income by performing micro-tasks. The pilot served as testing ground to determine whether Celo’s cUSD stablecoin could dramatically reduce the costs and challenges associated with sending and receiving cross-border payments for completed digital microwork.

First, participants received guidance on cryptocurrency basics and cUSD transactions, navigating micro-tasks, and cashing out their earnings to M-Pesa. Next, they completed digital microwork tasks provided by Appen via the Corsali app. Within a few seconds of completing their tasks in the app, participants were paid in cUSD. After linking their Corsali account to the Valora.app, a popular cryptocurrency wallet built on Celo, participants were able to transfer their earnings into their wallets for a fee of only 0.02%, regardless of transaction size.

Transacting with cUSD via a mobile phone meant that participants were charged an average of 93% less in fees, which drastically increased their earnings, making microwork economical for them. With Valora’s user-friendly design and rewards feature, the increase in earnings empowered participants to grow their savings.

The success of the MCV-Celo pilot demonstrates how communities around the world can use blockchain technologies in tangible and transformative ways. By introducing the cUSD payment model for cross-border microwork transactions, hundreds of Kenyan youth are now able to take advantage of the low fees and speed the Celo blockchain offers to help earn a living and financially secure their future. Moreover, employers everywhere can now reach and compensate global talent.

Read the complete report, [The Potential of Cryptocurrency for Kenya’s Youth](#).

Community Commerce with Grameen Foundation: Supporting Entrepreneurs In the Philippines with Digital Financial Tools

In May 2021, the Celo Foundation and Grameen Foundation (in partnership with Ekolife Marketing Cooperative and local non-government organization Atikha Overseas Workers and Communities Initiative) launched a program that provided working capital in the form of a stable digital currency to low-income microentrepreneurs in the Philippines.

Overseas Filipino cooperative members and workers who lost their jobs and were repatriated as a result of the COVID-19 pandemic needed alternative ways to support their families once they returned home. Grameen Foundation responded by implementing the Celo Social Dividend Campaign, which focused on the plight of 800 of those workers and their families.



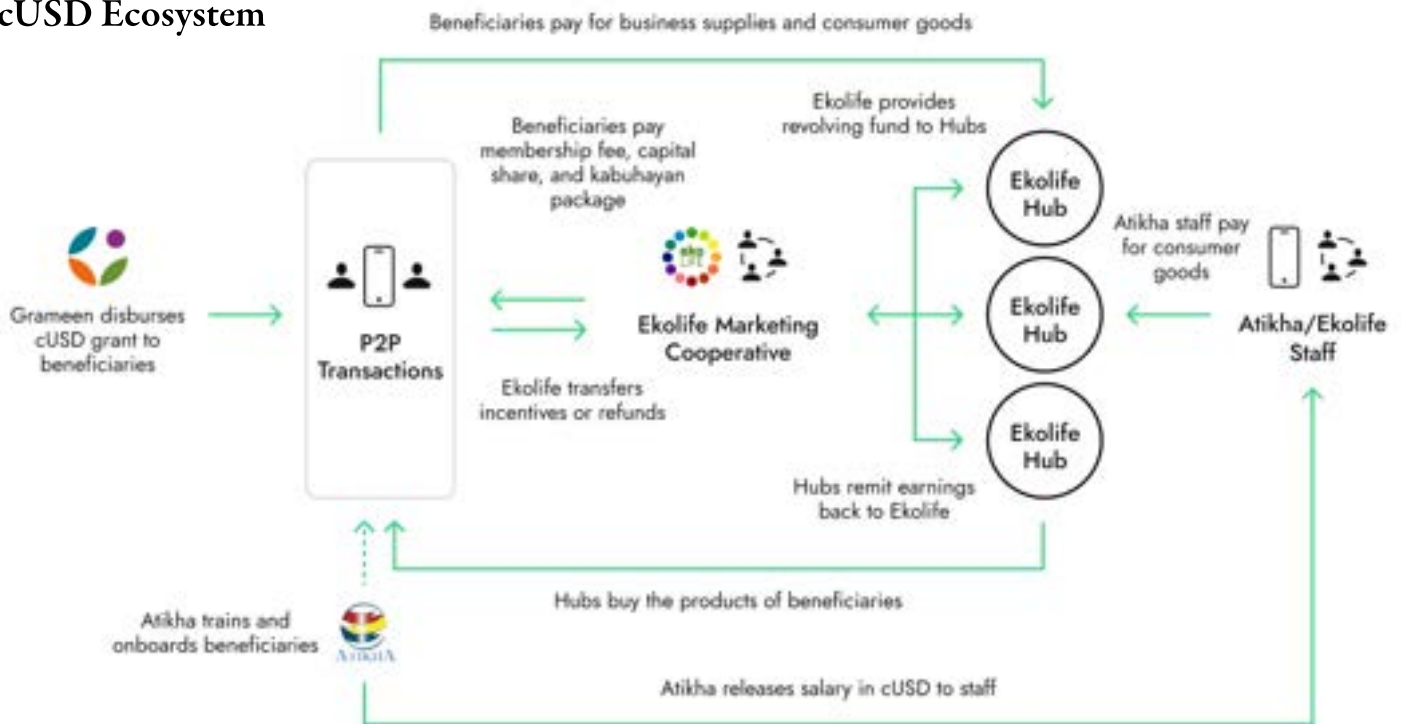
Christine Jeanne Violago
Country Manager, Philippines,
Grameen Foundation



“Economic resilience begins by empowering first-time microentrepreneurs through the use of digital tools, access to seed capital, and a supportive social network. With the support of Celo, repatriated migrant workers regained the confidence to make better financial decisions for themselves and become active players in the entrepreneurial ecosystem that they collectively established.”

Each worker received a small grant of cUSD in their Valora mobile wallets from the Grameen Foundation and local partners. Recipients then used their cUSD to purchase Kabuhayan Packages—kits that contain equipment, raw materials, and supplies to start their own businesses and spur economic recovery. Each produced goods that were sold to other workers, to the Ekolife Cooperative, or to the public for cUSD through Valora, marking the first time a stable asset cryptocurrency—cUSD—was used to support a supply chain and a microentrepreneurial ecosystem.

cUSD Ecosystem



The flow of cUSD in the microentrepreneurial ecosystem.

One microentrepreneur, Maria Belly Cuello, worked overseas before the pandemic and sent money back to her family in Iloilo, Philippines. A combination of the pandemic and family struggles forced her to return home without a source of income. Through the Celo-Grameen Social Dividend Campaign, Maria received a 200 cUSD grant and training in financial tools, including Valora, which enabled her to start a wholesale rice business. Today, Maria has regained confidence and is able to support her family and run her business—any cUSD she receives in her Valora wallet can be used to purchase raw materials from partner cooperatives in the community. As a result of the program, which ran until November 2021, cUSD adoption increased gradually throughout these activated communities.



The Grameen Foundation uses Celo to support microentrepreneurs like Dienderlyn Ilagan (pictured) from Batangas Province, Philippines.

Celo-Grameen Program Highlights

 160,000

Celo Dollars disbursed as capital support

333% membership growth and digital transformation of Ekolife Marketing Cooperative through pilot use of cryptocurrency

88% of beneficiaries reported satisfaction with Valora digital wallet

45% increase in beneficiaries who reported that they trust cryptocurrency by the end of the project

29% of beneficiaries reported regular, steady, and high income from their business after 1-3 months

800 repatriated OFWs and their family members gained access to alternative livelihood opportunities, business training, and marketing support

13 newly-established Ekolife Hubs, which generated the circulation of 44,958 Celo Dollars in three months

Read the final report, [A Community-Based Entrepreneurial Ecosystem Powered by cUSD and Valora.](#)

Celo Foundation Financial Summary

The Celo community grew significantly in 2021, and much of that growth can be attributed to the Celo Foundation Grants Program. Over 50 payments totaling more than \$35M were made by the Celo Foundation to grantees during the year, amounting to a 125% increase over 2020. Grants made up over 50% of the total spend in 2021, and we expect this proportion to increase significantly as the Celo ecosystem continues to expand globally.

Celo Foundation Annual Expenses by Currency

Category	FIAT	CELO	cUSD	cEUR	Total
Service Fees paid to Multi-Year Collaborators ⁶	\$25.67M	\$2.05M	\$2.89M	\$0.02M	\$30.63M
Professional Services	\$1.26M	\$0.00M	\$0.00M	\$0.00M	\$1.26M
Celo Foundation: Grants/Ecosystem	\$0.64M	\$32.76M	\$1.29M	\$0.00M	\$34.69M
AP Grant ⁷ : Grants/Ecosystem	\$0.41M	\$7.57M	\$4.19M	\$6.55M	\$18.72M
Other General & Administrative Costs	\$1.84M	\$0.00M	\$0.00M	\$0.00M	\$1.84M
2021 Total Annual Expenses	\$29.82M	\$42.38M	\$8.37M	\$6.58M	\$87.14M

6. Service fees paid to multi-year collaborators include vested CELO and compensation paid to community contributors.

7. AP Grant Foundation Company ("AP Grant") has an information-sharing agreement with the Celo Foundation, but it is a separate entity with a separate balance sheet from the Celo Foundation.

Currently, the Celo Foundation’s revenue to cover the above expenses comes primarily from programmatic sales of CELO according to the Celo Foundation’s Treasury Policy. In 2021, the Celo Foundation sold 8,950,002 units of CELO for total proceeds of \$40,818,126. As the ecosystem matures, an increasing proportion of revenue will derive from investment returns, similar to an endowment.

The average price of the CELO token in 2021 was \$4.19. The market value of assets held by the Foundation as of December 31, 2021, denominated in USD,⁷ was \$183,848,743 (~100% increase from 12/31/2020).⁸

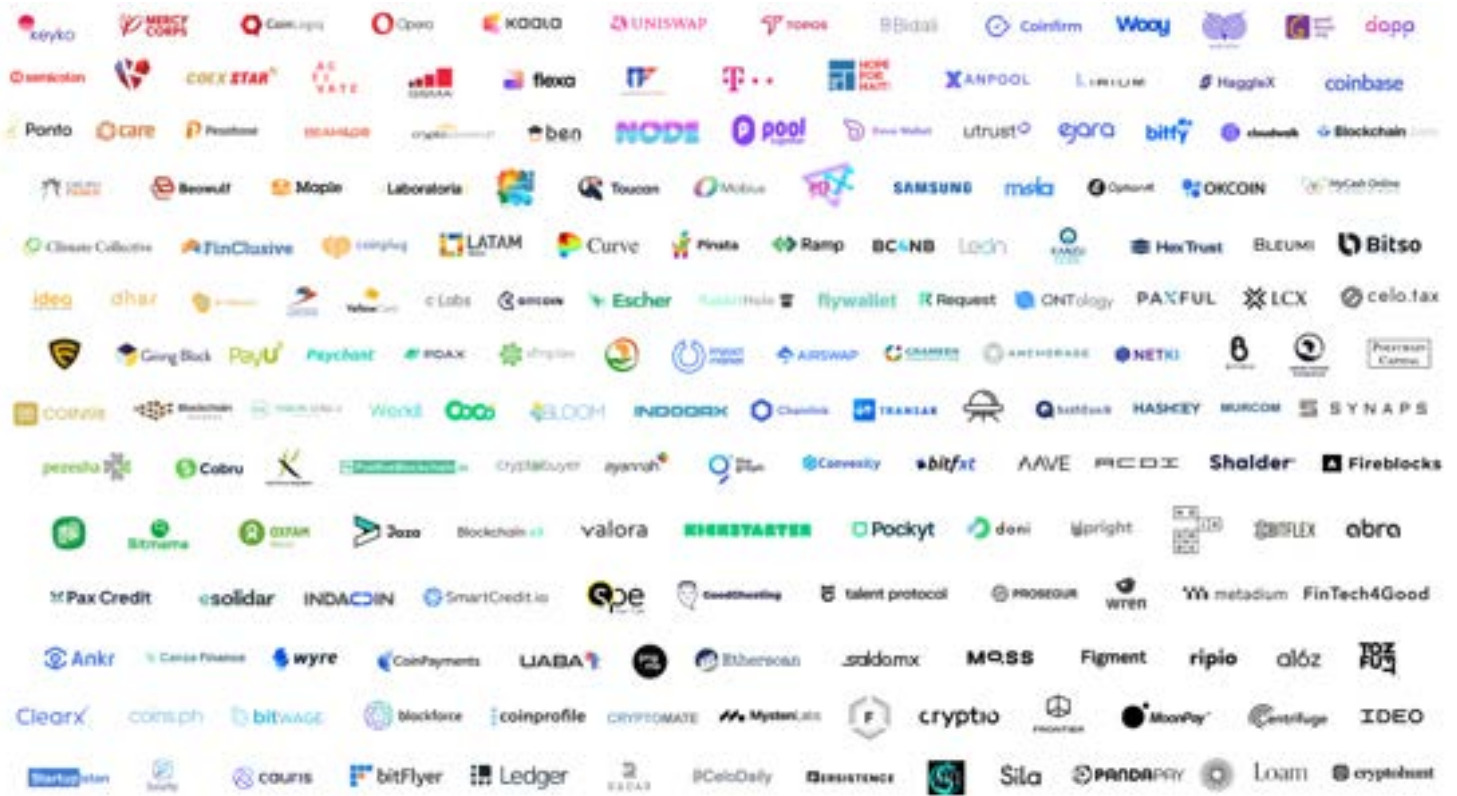
Celo Foundation Asset Balances⁸

Asset	Asset Units	Value	Percentage
CELO	27,216,700	\$144,689,224	79%
cUSD	7,809,580	\$7,760,836	4%
cEUR	780,724	\$882,218	0%
BTC (incl. cBTC/wBTC)	113	\$5,191,341	3%
ETH (incl. cETH/wETH)	3,150	\$11,956,567	7%
USDC (incl. cUSDC)	1,443,537	\$1,443,947	1%
FIAT Balance (\$)	N/A	\$11,924,610	6%
Total Value of Assets		\$183,848,743	100.00%

8. Balances above do not include the balances of AP Grant Foundation Company, which focuses on international grants and is consolidated with the Celo Foundation for tax purposes. As of 12/31/2021, AP Grant Foundation Company had \$416,230,389 worth of assets, including 76,154,699 units of CELO.

Join the Movement






Build the Path to Prosperity with Celo



Celo Alliance for Prosperity members.

Thank you for your interest in the Celo Foundation and your support of the Celo Protocol, ecosystem, and community. Creating a future where people everywhere can thrive from financial inclusion, a healthy environment, and connectivity through innovative technologies is only possible with your help.

We are excited about the future of Celo and all that we can accomplish together. Please visit the [Celo Foundation](#) to learn more about our efforts and initiatives, explore all of the ways to partner with the Celo community, and apply for membership to the Alliance for Prosperity.

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Celo Foundation