

Request for Proposal

Voluntary Carbon Credits on Celo

April 2021

Issued by:

AP Reserve Foundation Company

Statement of Purpose

To encourage the creation of tokenized, high quality, voluntary carbon credit assets on the Celo blockchain for ultimate use in the Celo Reserve (the “Reserve”). (Please note that any assets ultimately purchased and held by the Reserve must be approved through [Celo on-chain governance](#)).

Building on Celo

Celo technology was designed to empower anyone with a smartphone anywhere in the world to have access to financial services, send money to phone numbers, and pay merchants. Building on Celo gives developers access to an EVM compatible platform with native stable value assets and a lightweight identity protocol based on mobile phone numbers. It also opens up access to global smartphone users through the Valora mobile wallet, giving developers and builders an opportunity to develop high impact projects. Builders can use cUSD to pay for transaction fees, and any other ERC 20 token once passed through a governance proposal. With this identity protocol layer, mobile apps can be built using the [Celo SDK](#), lowering barriers to entry for emerging entrepreneurs.

Full documentation of the platform can be found [here](#).

The Celo Reserve

AP Reserve Foundation Company oversees, in part, the Celo Reserve (the “Reserve”). The Reserve is a diversified portfolio of cryptocurrencies and assets supporting the ability of the Celo protocol to expand and contract the supply of Celo stable assets, in-line with user demand, which also, for example, ensures the stability of the Celo stable assets (like cUSD and cEUR). The current CELO, Bitcoin, Ethereum, and Dai Holdings in the Reserve are public. Please see [celoreserve.org](#) for more information about the current holdings.

Reserve asset selection is completed through governance by the Celo community. At the moment, any new Reserve assets under consideration should be freely traded and settled 24/7 on (liquid) markets, and should be based on an open-source protocol. Adding assets to the Reserve that are native to the Celo blockchain are preferred, as rebalancings (to governable

target weights of the Reserve) can be done on-chain, in a decentralised, transparent (and cost-efficient) manner. A primary upside of using crypto assets in the Reserve is that all transactions with the Reserve can happen on-chain, in a decentralized, fully-auditable way.

Adding tokenized, high quality, voluntary carbon credit assets on Celo to the Reserve include several advantages to the Celo platform:

- Diversification of the risk factors within the Reserve improves and encourages stability;
- Linking effective products that mitigate climate change to the growth of the overall Celo platform is beneficial for the planet;
- On-chain rebalancing improves cost-efficiency, decentralisation, and transparency of the Reserve; and
- Adding high-quality assets to the Reserve may benefits the asset itself, as the publicity encourages awareness from the larger Celo global community.

We believe there is significant potential asset growth for the Reserve. The Celo Alliance for Prosperity now has over 130 members with a combined reach of over a billion users, and there is active development on the Celo platform across the world.

Scope of Work and Deliverables

Your proposal for tokenizing high quality carbon credits should include:

1. The full name(s) of the project or organization ("Project") and team(s);
2. A brief history of the Project;
3. Jurisdiction of the Project and any relevant licenses and legal opinions or memoranda related to the status of the token assets;
4. Information related to the number or amount of previous carbon credit tokens and/or transactions of the Project;
5. Links to any relevant whitepapers of the Project;
6. Links to any source code, if applicable, and any relevant blockchain addresses;
7. Links to any trading activity, if applicable (e.g. marketplaces / exchanges);
8. Copies of any audits, if applicable; and
9. Links to any active communities and media.
10. Methodologies for the sourcing of high quality carbon credits, and verification of that quality;
11. The proposed lifecycle of the expected token assets;
12. The structure of, and potential rights with, the token assets;
13. Characteristics of the token assets that are consistent with, or are differentiated from, the current voluntary carbon credit markets and structures; and
14. The potential market growth of the proposed project.

Outcome & Performance Standards (basic minimum, what should be accomplished, and how to monitor)

Key Objectives in evaluating the proposed token assets include:

1. The quality of the tokenized voluntary carbon credits;
2. The efficiencies and innovations of the proposed structure;
3. The simplicity of the design;
4. The transparency of the tokenization process;
5. The cost-efficiency / overall efficiency in the tokenization process;
6. The price of the token asset;
7. The native blockchain for the token asset (for efficiency, preferably Celo)

Timeline

Once engaged, there is no definite timeline of service as we expect the Reserve to continually review and rebalance the assets held. The gating decisions for this RFP will be made by the board of AP Reserve Foundation Company, with an on-chain governance proposal for the community following.

Point of Contact

If you have any questions, please send an email to Info@CeloReserve.org.