

Proposal for Utilization of Celo Block Validation Rewards

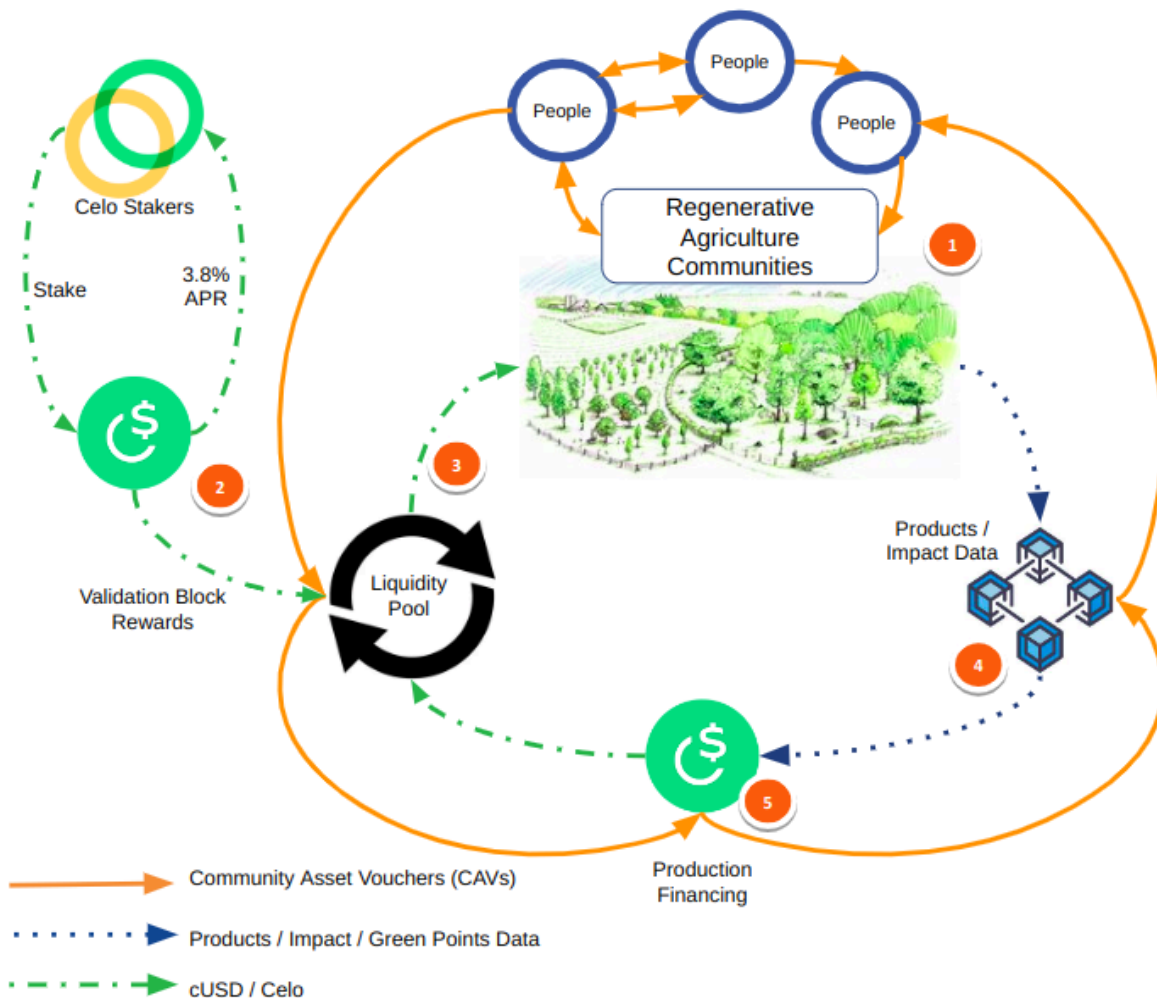
by Grassroots Economics Foundation

Introduction

Grassroots Economics Foundation, a pioneer in leveraging blockchain technology for community upliftment, has recently been approved as a validator on the Celo network. This significant milestone enables us to further our mission of financial inclusion and mutual aid across the globe. We now present a comprehensive proposal and ambitious plan for the allocation and usage of Celo staking rewards, aiming to fortify our commitment towards regenerative agriculture and the revitalization of indigenous mutual service practices to support over 1 Million acres of regenerative agroforestry and 10,000 daily peer to peer Celo transactions in the next five years.

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Conceptual Infographic




1. Communities creates a commitment toward environmental services as well as other related products (in the form of a CAVs (ERC20 Celo tokens))
2. Validation Block Rewards (cUSD) are deposited into the liquidity pool (revolving fund) (With 3.8% APR for stakers)
3. The Liquidity Pool accepts the vouchers of Grassroots Economics accredited agroforestry communities. These CAVs are exchanged for cUSD in the pool.
4. Products from the community are verified and made available for purchase using the CAV vouchers. Digital verification data will be pushed to IPFS and certified by Environmental Expert driven certifications.
5. Anyone can exchange cUSD or Celo for CAVs to support communities and can also exchange the CAVs to receive products.

Background

Grassroots Economics is a Kenyan based non-profit foundation committed to uplifting marginalized communities by leveraging the power of blockchain technology. We have successfully transitioned to the Celo network and have been actively contributing back to the Celo ecosystem. This proposal outlines our vision, capabilities, and the mutual benefits that staking on our validator would bring to the Celo community and world. As a non-profit foundation all block rewards or contributed digital assets must reach the communities we are of service to. This document details our plans as a Celo Blockchain Validation Node provider to grow the Celo ecosystem for the wellbeing of all.

Technical Competence

- Successfully transitioned to Celo this year with over 100k blockchain transactions, over 100 ERC20 vouchers and 20k+ (1000 active weekly) users.
- Running an existing dedicated node infrastructure on both Mainnet, Alfajores and Baklava
- Registered a validator and validator group on Celo Mainnet
 -  Validator group name: GrassrootsEconomics
 - Group address: 0xd8457a4b949c1b7Bc26538F54743Aa61EEcA38B6
 - Validator address: 0xce55dda5933D94482001012504C56762103190a1
 - TheCelo link: <https://thecelo.com/groupDetail/grassrootseconomics>
- Developed a comprehensive suite of software components tailored for the Celo ecosystem. With <https://sarafu.network> as a reference implementation.
- Developed a Paper Wallet system for people to hold Celo accounts without a Smartphone or computer.
- [Latest Milestones and Technical Update](#)

Core team

- Program Director Njambi Njoroge <https://www.linkedin.com/in/njambi-njoroge-042960108/>
- Tech lead is Mohamed Sohail <https://github.com/kamikazechaser>
- Technical director is William Luke <https://github.com/williamluke4>
- Founding Director is Will Ruddick <https://www.linkedin.com/in/willruddick/>

Diversity and Inclusion

- As a non-profit foundation based in Kenya and run by Kenyans, our election as a validator would add a layer of diversity to the Celo network.
- Running on an alternative hybrid cloud provider, Netcup GmbH, adding more network diversity
- Our focus on financial inclusion aligns perfectly with Celo's mission.

Community Impact

- Our gas faucet already serves numerous communities spread across Kenya and has gone global.
- We plan to distribute CELO tokens to people worldwide, enabling them to engage in local economies of mutual aid.
- Please see our 2023 end year impacts including utilizing Celo blockchain to revive over 1,200 indigenous mutual aid practices focused on syntropic agroforestry on hundreds of farms. <https://grassecon.org/2023-report>

Certifications

- Non-Profit Status in Kenya since 2015 with fiscal sponsorships
- Recently won the [INATBA awards](#) for #refi Regenerative Finance
- Legal: Our Community Asset Vouchers and Community Inclusion Currency programs have been given the green light by legal regulatory systems in Kenya, Cameroon and Uganda with the support of partners like the Red Cross.

Objectives

Our proposal is structured around the following key objectives:

1. Enhancing Financial Inclusion: By distributing CELO and cUSD tokens and leveraging them to develop, use, pool, and connect Community Asset Vouchers on a global scale.
2. Strengthening Network Stability and Diversity: Contributing to the Celo network's resilience through dedicated validator node operations.
3. Facilitating Global Outreach: Expanding the Sarafu.Network dApp to serve diverse communities worldwide, fostering economic participation and mutual aid.
4. Supporting Community-Driven Agro-Forestry Services: Utilizing staking rewards to support liquidity pools linked to communities engaged in agro-forestry and traditional mutual services.

Proposal Details

Staking Rewards Distribution

Individuals staking CELO on our node will receive a 3.8% annual return. In alignment with our foundational principles, the validator rewards garnered by Grassroots Economics will be strategically pushed into liquidity pools. These pools are directly connected to communities

providing vital agro-forestry services, facilitating the exchange of Community Asset Vouchers for cUSD.

Community Asset Vouchers and Liquidity Pools

The communities we partner with and vet have successfully created their own vouchers on Sarafu.Network, utilizing them for traditional mutual services such as Mwerya in Kenya. These vouchers are not only used within the community but are also traded and sold in markets, enhancing local economies. By adding cUSD to these liquidity pools, communities can exchange their approved vouchers for cUSD, thereby creating bioregional networks of exchange and support. Please see our proposal for [Commitment Pooling](#), a form of liquidity pooling with stable rates.

Grassroots Economists and Regenerative Agriculture

Grassroots Economics is dedicated to training Grassroots Economists, who independently assist communities in creating vouchers on Celo and implementing agro-forestry practices. These economists are compensated with community vouchers by the communities, creating a sustainable cycle of production financing. Grassroots Economics further supports these initiatives by purchasing a portion of these vouchers after on-site validation of regenerative practices and returning them to the community group's community fund where they again can pay for regenerative services, ensuring their circulation within the community and fostering a robust community fund.

Expansion and Impact

Through the automatic operation of connected liquidity pools with cUSD, this system can seamlessly expand across Africa and potentially worldwide. The integration of Celo Validation Block rewards into this ecosystem will not only provide liquidity but will also amplify our efforts in supporting regenerative agriculture and indigenous mutual service practices.

Financial Plan for Utilization of Celo Block Validation Rewards

The financial strategy underpinning our proposal for the utilization of Celo staking rewards is meticulously designed to ensure maximum impact on agroforestry and regenerative agriculture

practices within communities vetted by Grassroots Economics. This section outlines the allocation, distribution, and anticipated outcomes of the staking rewards, demonstrating a sustainable model for community empowerment and ecosystem restoration.

Allocation of Celo Staking Rewards

Liquidity Pool Contributions: Approximately 30,000 cUSD is generated annually as block validation rewards. These funds will be directly allocated to the liquidity pool, specifically designated for supporting agroforestry and regenerative agriculture practicing communities.

Community Voucher Exchange: Each community vetted by Grassroots Economics is entitled to exchange (starting with) \$100 USD worth of their vouchers into the liquidity pool, enabling them to tap into cUSD resources for furthering their agricultural and economic activities.

Grassroots Economists Compensation

Monthly Voucher Compensation: Grassroots Economists, pivotal in training and supporting community groups, are compensated with approximately \$71 USD worth of vouchers per month from the community groups for their work. These vouchers not only facilitate access to goods and services within the community but also provide an option to exchange for cUSD in the liquidity pool.

Impact and Reach

Supporting Grassroots Economists and Communities: The annual contribution of 30,000 cUSD to the liquidity pool from block validation rewards of each ~1 Million staked Celo is capable of supporting 35 Grassroots Economists. Each economist works with at least 4 community groups yearly, translating to significant coverage and support for regenerative agriculture practices.

Expanding Regenerative Agriculture: With each economist engaging with multiple communities, our plan encompasses support for approximately 140 village groups annually. Each village group covers roughly 20 acres of land thus this equates to over 2,800 acres of land being cultivated yearly using syntropic agroforestry and other regenerative practices, directly impacting the livelihoods and food security of at least 14,000 individuals, assuming a conservative estimate of 5 people fed per farm.

Non-Linear Scaling Regenerative Agriculture

While working with 2,800 acres of regenerative agriculture across 140 villages per year only represents linear growth - each group produces trainers of trainers - who are empowered and incentivized to help other communities create Celo based Community Asset Vouchers in order to be paid for their Regenerative Agriculture work and training in those vouchers. Each of the 140 groups per year is expected to produce a minimum of one trainer that trains another 4 communities. Also note that all these CAVs are connected to each other by being allowed into liquidity pools. So as these trainers outpace the amount of cUSD available in the pools they create a network where they can connect to each other. At this growth rate we are ambitious to achieve 8,000 communities across East Africa with over one million acres of regenerative agroforestry in the next 5 years.

Economic and Ecological Impact

Nutrition and Soil Regeneration: The financial plan ensures for all the cUSD injected into the liquidity pool through staking rewards and contributions from supporters, a transformative impact is achieved. People and the planet receive life-changing support, marking a pathway into an interconnected and healthy ecosystem that not only addresses immediate nutritional needs but also focuses on long-term soil regeneration and tree planting for future generations.

This block reward reward plan demonstrates a holistic approach to leveraging blockchain technology for tangible environmental and community benefits. By strategically utilizing Celo block validation rewards, Grassroots Economics Foundation aims to foster a sustainable model of financial inclusion, community empowerment, and ecological restoration. The plan underscores our commitment to creating a more inclusive and resilient network that not only benefits the Celo ecosystem but also makes a profound impact on global communities engaged in regenerative agricultural practices.

Projections: Growth in Celo Transactions

Transaction Growth Projections

Sarafu.Network, a cornerstone of the Grassroots Economics Foundation's digital strategy, operates as a pioneering interface for token (Community Asset Voucher) creation, management, and pooling. Our journey on the Celo network has been marked by significant achievements, including a consistent daily transaction range of 300-500 throughout 2023 and the publication of over 100 vouchers (smart contracts on Celo). These milestones represent the vibrant engagement of communities, businesses, and individuals with our platform, utilizing vouchers as exchangeable assets for gift cards, loyalty points, and subscriptions.

Current Performance: Sarafu.Network has experienced an average of 300-500 transactions per day over the past year, showcasing the robust activity and reliance on our platform for economic transactions within communities.

Projected Growth: With an aggressive growth rate, we anticipate the platform will achieve over 10,000 daily transactions on the Celo network by 2025. This growth trajectory is underpinned by our continuous efforts to enhance the platform, the expansion of our user base and partners, and the increasing variety of vouchers representing diverse economic activities.

Strategic Partnerships and Horizontal Scaling

Partnerships: Our strategic alliances with organizations like the Red Cross and Cooperation Jackson are poised to create their own interfaces based on Sarafu.Network. These collaborations are instrumental for decentralized horizontal scaling, enabling us to reach a wider audience and facilitate a more profound impact globally.

Impact on the Celo Ecosystem

Validation Node Contribution: By running a validation node on the Celo network, Grassroots Economics not only supports the community through direct engagement but also contributes to the growth and impact of the Celo blockchain. This involvement ensures the network's stability, security, and diversity, aligning with our mutual goals of financial inclusion and mutual aid.

Celo Community and Ecosystem Benefits: The projected increase in transactions and the broadening of the network's use cases solidify the Celo ecosystem as a leading platform for financial empowerment and community-driven economic models. Our work, coupled with the utilization of Celo for validation and transactions, amplifies the blockchain's utility, making it a pivotal tool for achieving global financial inclusion.

Call to Action

By staking CELO on our validation node, participants will not only benefit from a 3.8% APR but will also contribute to a larger vision of ecological sustainability and cultural revival. Your support enables us to extend our impact, creating a more inclusive and resilient network that champions community empowerment and environmental stewardship..


Help us reach the goal of 1 Million acres of regenerative agroforestry and over 10,000 daily peer to peer Celo transactions in the next five years! We invite the Celo community and stakeholders to support this visionary financial plan, joining us in our mission to nurture the planet and empower marginalized communities through innovative blockchain solutions. Together, we can achieve a sustainable future for all.

Conclusion

Grassroots Economics Foundation is at the forefront of integrating blockchain technology with grassroots economic empowerment. As a newly elected Celo validator, we are poised to harness the potential of Celo staking rewards to foster significant social and ecological transformations. We invite the Celo community and stakeholders to support our proposal, joining us in our journey to build a sustainable future grounded in mutual aid and financial inclusion.

Thank you for considering our proposal to utilize Celo block validation rewards for a transformative cause.

Stake on Grassroots Economics!

-  Validator group name: GrassrootsEconomics
- Group address: 0xd8457a4b949c1b7Bc26538F54743Aa61EEcA38B6
- Validator address: 0xce55dda5933D94482001012504C56762103190a1
- TheCelo link: <https://thecelo.com/groupDetail/grassrootseconomics>

Sincerely,

Will Ruddick
Founder and Co-Director
Grassroots Economics Foundation
<https://grassecon.org> & <https://sarafu.network>