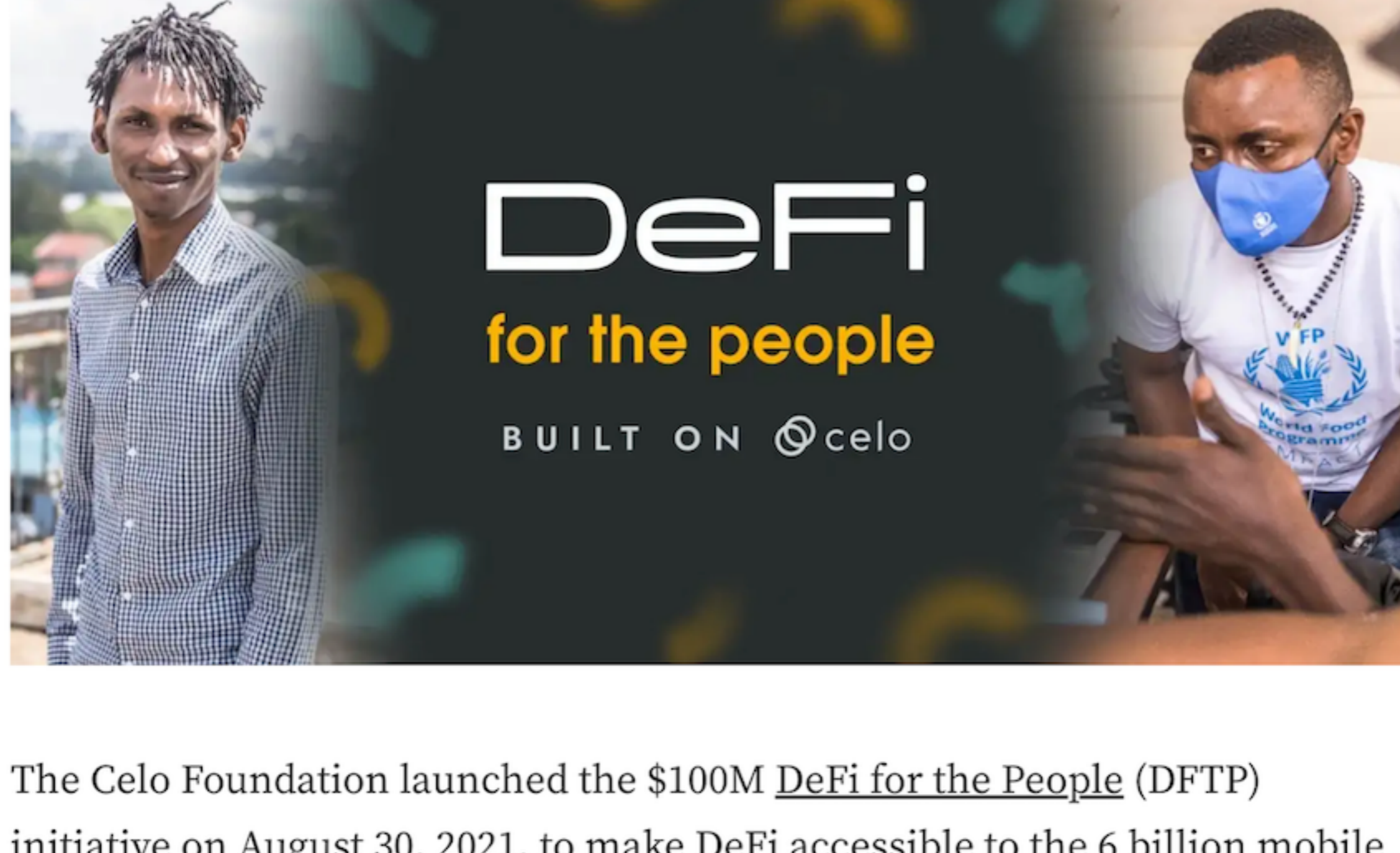




A Manifesto for DeFi for the People



The Celo Foundation launched the \$100M [DeFi for the People](#) (DFTP) initiative on August 30, 2021, to make DeFi accessible to the 6 billion mobile phone users around the world. Closely tied to Celo's core purpose: *to build a financial system that creates the conditions for prosperity — for everyone*. This post serves to 1) share the vision for DFTP with the Celo community; 2) discuss how the Celo Foundation is assessing success; and 3) explain how DFTP fits within the Celo Foundation's broader efforts.

Celo's mission isn't a casual one — it requires commitment both in design and execution. Many in the tech world embrace the mantra, "Move fast and break things." While moving fast in the Web3 space is crucial and something the Celo Foundation wholly agrees with, breaking things to quickly deliver value isn't always best for many of our core users. For us, inspiration comes from helping people like Glenda, a Philippine weaver and mother of three, who [received income assistance](#) at the height of the COVID-19 pandemic through [impactMarket](#) and [Valora](#). She used this money to open a barbecue stand in her town after textile production in the country stopped. Web3 is at its best when it gives tools to people like Ian Davies Ngugi, a Kenyan radio station manager, who lost his job due to the pandemic but was able to pay his bills and support his child through digital microwork provided by [Corsali](#) and paid through Valora. We believe that our work, as part of the Celo community, can make a profound difference in addressing the critical needs of people like Glenda and Ian in ways not possible before. At the Celo Foundation, we seek to build economically long-lasting and resilient DeFi solutions that empower people for years to come.



After losing his job due to the pandemic, Ian Davies Ngugi of Kenya was able to pay his bills through digital microwork.

The Global Mission of DeFi for the People

DeFi for the People allocates \$100M for [grants](#), incentives, educational initiatives (e.g., [Rabbithole quests](#)), and pilots to support DeFi projects and partners that align with Celo's mission of prosperity for all. These partnerships help to form a robust financial ecosystem for unbanked and underbanked people around the world to access innovative financial tools and services. Our partners include a combination of Celo-native projects and blue-chip DeFi partners, including Sushi, Curve, and Aave. Together, Celo-native projects and blue-chip DeFi partners help provide the resources and infrastructure critical for liquidity, the building blocks upon which other DeFi protocols can operate, and the DeFi tools needed by everyday people.

Celo-native projects are designed to be mobile-friendly at the outset or have a clear roadmap to becoming mobile-friendly. Lending protocol [Moola Market](#), and decentralized exchanges [Ubeswap](#) and [Mobiui](#), for example, all support a mobile-first approach. Some Celo-native projects are especially focused on social impact and financial inclusion: [impactMarket](#) is reimagining ways to deliver decentralized UBI; [ReSource Network](#) is implementing mutual credit systems through community-based finance models; and [GoodGhosting](#) is helping people save through a gamified platform and NFT rewards. Importantly, these Celo-native projects collaborate to create more robust and integrated DeFi solutions on Celo. For example, GoodGhosting's savings rate is generated by depositing assets into Moola Market.

The Celo Foundation partners with blue-chip projects for two reasons. First, these most prominent protocols quickly bring best-in-class tools and foundational pieces from other chains, thereby accelerating development on Celo and making it easier for builders to leverage these building blocks. Second, they support our thesis of a multi-chain world and, as bridging across chains becomes easier, attract new users to the Celo ecosystem. Rather than replacing Celo-native protocols with blue-chip protocols, we at the Celo Foundation believe that blue-chip protocols will strengthen Celo-native projects and give end-users additional financial tools.

To support Celo DeFi ecosystem growth, the Celo Foundation conducts pilots to explore key opportunities and use cases of Web3 technology for financial inclusion and prosperity. Most recently, we completed a pilot with the [United Nations World Food Programme](#) and Corsali utilizing Valora, [Pezesha](#), and GoodGhosting to test DeFi for digital microworkers. Early in the second quarter of 2022, the Celo Foundation plans to launch an [employer-based lending](#) pilot with Moola Market and [Kotani Pay](#), which would allow borrowers to access low-interest-rate microloans through feature phones (rather than smartphones). These pilots serve to identify new innovative use cases and business models for DeFi that support people worldwide in ways not currently explored by the Web3 industry.



World Food Programme team members help pilot participants in Kenya complete digital microwork tasks.

Looking Beyond Total Value Locked

Protocols are rapidly achieving many millions of dollars of TVL (total value of assets locked or deposited into a DeFi protocol) Much of this is due to both [crypto whales and other investors](#) with enough resources and capital to take on the risks of DeFi in the quest for rewards and yield. Thus far, the DeFi space has primarily focused on TVL as the metric for success. While TVL is a crucial facet that cannot be ignored, the success of DeFi for the People is not measured by TVL alone. The majority of TVL in any protocol does not come from underserved communities or represent the people DFTP is meant to support. Protocols with large TVL might be doing little to serve everyday needs. Similarly, protocols doing highly impactful work may have low TVL simply because the communities using them don't have large amounts of capital to deposit. For some projects, such as ReSource Network, TVL may not even be relevant to their core work.

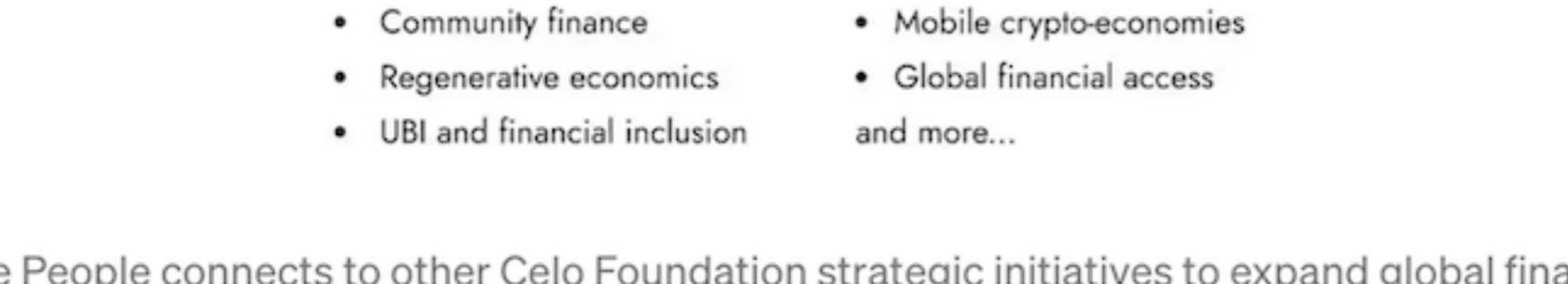
TVL is an important indicator of a protocol's scale and potential, and it's used by the Celo Foundation as a general key performance indicator (KPI) and benchmark for grantmaking. We know that TVL is crucial for a liquid financial ecosystem; however, it must be assessed in conjunction with other KPIs, including the total number of active users across regions, average TVL per liquidity provider, retention, number of transactions, gas fees, transaction fees for onramps and offramps, and improvements in livelihood based on the specific purpose of the project (e.g., allowance per beneficiary by impactMarket). TVL doesn't necessarily mean prosperity for all. Success must be defined by a broader set of metrics assessed throughout the lifecycle of DFTP.

Creating a New Economic Paradigm Through DeFi on Celo

Celo was created to be a fully-accessible, global financial system for long-term prosperity. Its mobile-first design and localized approach set the stage for a promising future. By continuing to expand its global ecosystem of partners and builders, the Celo Foundation will add [critical building blocks for community commerce, regenerative economics, and financial inclusion](#).

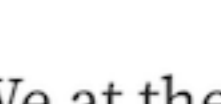
DeFi for the People is one key initiative among a broad set of interconnected Celo Foundation efforts, such as the [Celo Climate Collective](#), [local currency launches and payment integrations](#), NFTs, and partnerships with on/off ramp providers. These pieces, underpinned by [Celo's](#) price stability protocol and linked to the work of partners like [Kickstarter](#), [Mercy Corps](#), [Deutsche Telekom](#), and many others, help create new economic models that are robust, accessible, and empowering rather than fleeting and exclusionary.

The potential of DeFi on Celo comes from linking DFTP with other key initiatives



Celo's unique position in Web3:

- Community finance
- Regenerative economics
- UBI and financial inclusion
- Mobile crypto-economies
- Global financial access and more...



DeFi for the People connects to other Celo Foundation strategic initiatives to expand global financial access.

DeFi for the People is a young initiative with an ambitious vision. We at the Celo Foundation want to build a world in which everyone, including Glenda in the Philippines and Ian in Kenya, has an equal opportunity to build, share, and preserve value. We invite you to [join D4TP](#), [build on Celo](#), [apply for a grant](#), participate in a hackathon, engage with the global [Celo Discord community](#), and follow us on [Twitter](#). For a more programmatic update see our recent [Celo forum post](#). Together, we can create a new financial system accessible to everyone around the world.