

Report from the Bitcoin Delegation in the Central African Republic

Written by:

Sebastien Gouspillou
Noor El Bawab
Jean-Christophe Busnel
David Oren
Gilles Cadignan
Gloire Wanzavalere

Translated from french by Noor El Bawab

[Original document](#)

Paris, June 2nd, 2022

To the President of the Economic and Social Council of the Central African Republic – Bangui

Subject: Acknowledgements

Mr. President,

On behalf of the entire delegation, I would like to thank you for your invitation, your welcome, and for all the time dedicated to us.

Thanks to the will and commitment of all Central African representatives, we had the pleasure of meeting that we return from this trip optimistic.

We would like to enrich your reflection by sharing a short report which includes some notes we took during our stay. We have also put together a list of detailed recommendations that would benefit all, hopefully feeding your reflections as you implement the Bitcoin law.

This document will also be available to the public so that our work is fully transparent, as is the norm within the Bitcoin community.

Please accept, Mr. President, the expression of my respectful feelings.

Sebastien Gouspillou,
Spokesperson of the Bitcoin Delegation in the Central African Republic.

Table of Content

Notes on the Ground Reality	4
Access to Electricity	4
Access to Internet	4
Access to Information About Bitcoin	5
Mobile Money Usage	5
Context Bitcoin, Sango	5
Recommendations	5
Recommendation 1: Focus on Bitcoin to Facilitate Adoption.	5
Recommendation 2: Buying and Selling Bitcoin	6
Recommendation 3: Integrate the Lightning Network,	7
Recommendation 4: Mining in the Central African Republic,	8
Drawing Inspiration from the Bitcoin City Project Announced by Nayib Bukele,	9
Recommendation 5: Education Programmes,	10
1- Government Program,	10
2- Civil Society Program,	10
3- University Program.	11
Recommendation 6: Sango Wallet,	11
Recommendation 7: Taxation,	11
Recommendation 8: Issuance of Government Bonds.	11
Presentation of the Members of the Delegation	12

Notes on the Ground Reality

The main objective of this trip was to understand the Central African Republic context better and identify the main factors that will encourage or inhibit the adoption of Bitcoin in the country.

We arrived intending to explore the country's strengths and weaknesses without prejudice and propose solutions adapted to the reality on the ground.

The following table summarises these points, and we will discuss each detail to expand our conclusions and recommendations.

Strength	Weaknesses
Favourable regulations	Access to electricity
Usage of mobile money	Access to internet
Only 5% of the population is banked.	Mobile phone users
	Absence of educational organisations dedicated to Bitcoin
	Need for an ID card to buy a SIM card

Access to Electricity

The Central African Republic does not have an adequate energy network to enable an inclusive adoption of Bitcoin on its territory. The energy divide between Bangui and villages requires special attention to avoid an economic divide between cities and isolated areas. It is a must to reduce the lack of energy in the villages to include them in this financial revolution.

Access to Internet

Internet accessibility is paramount for adopting bitcoin as a legal tender. So we investigated the coverage of the internet network in the country, and here are what we learned:

- 2 million mobile phone subscribers;
- Approximately 800'000 unique subscribers;
- 300'000 customers with mobile internet access;
- 100% 3G coverage in Bangui;

- A developing project financed by the Bank of Development of Africa for fibre optics installations;
- 1'010 km of optical fibre already installed and will be made available to the public from June 2022;
- The objective of the fibre optic project is to have a coverage of 70% of the territory for 90% of the population.

Access to Information About Bitcoin

The lack of access to the Internet creates a lack of access to information. Thus, uninformed people can easily fall victim to cryptocurrency scams carried by promises of quick and easy income.

Mobile Money Usage

Although widespread, mobile money usage is still limited because:

- A significant part of the population does not have a national identity card, which is mandatory to buy a SIM card.
- High exchange rates to obtain cash limit the number of participants in this payment method.

Context Bitcoin, Sango

We know that a Sango project is under consideration, associated with the development and tokenization of resources; we have just recently discovered the site Sango.org. We specify that our action concerns the adoption of Bitcoin and its contributions to the country. It is our only area of competency.

We are not involved in the Sango project and do not have sufficient details; therefore, our analysis does not consider Sango's expected outcomes. Our recommendations express what we have learned to date.

Recommendations

Recommendation 1: Focus on Bitcoin to Facilitate Adoption.

Bitcoin is the only truly decentralised currency. Its management, security and development do not depend on any personality or foundation that may be subject to state pressure. Bitcoin is, to date, the only protocol that represents a common good to all humanity. The People of the Central African Republic could own it, all while remaining genuinely sovereign.

Choosing a cryptocurrency whose rules will not change overnight, under the influence of a person, a foundation, or a political organisation, is reassuring as a legal tender.

Such a scenario is conceivable for most other alt-coins, if not all, whose governance rests in the hands of one or more founders or a foundation. In reality, Bitcoin is the only crypto asset that doesn't follow this rule. Bitcoin is a currency, a common good, while the other crypto assets are businesses and/or securities at best.

Hundreds of crypto projects disappear every year when Bitcoin continues to prove its ability to withstand any test, thanks to its high level of decentralisation.

Focusing on Bitcoin, and only Bitcoin, will help avoid all the pitfalls of the crypto industry, and will allow people to stay away from the thousands of fraudulent projects. The Central African people have the power to take ownership of the open protocol behind Bitcoin, improve it, and interact with it without asking for permission, and this is the real monetary revolution. In two years, the delegations of bitcoin specialists invited to the other side of the world to explain bitcoin will also be from Bangui. Such initiative will come from Central Africans, who will have a substantial technological lead over the rest of the world.

Bitcoin legal tender is a significant and complex revolution for the Central African people, who need training on its usage, advantages and disadvantages. Adding other crypto-currencies adds a substantial layer of complexity in understanding and use. Not focusing on Bitcoin alone will slow the population's adoption process, or could even make it fail.

Recommendation 2: Buying and Selling Bitcoin

Buying and selling bitcoin will be a decisive phase of widespread adoption. The user should not feel imprisoned by the currency and should be able to convert it into well-known cash quickly. For this, we recommend using existing systems in the Central African Republic:

- **Leverage the network of 12,000 mobile credit retailers.** Mobile credit is one of the country's most used means of payment, so it is essential to use a known model and not disrupt users' habits. This method of buying and selling bitcoin through mobile credit retailers is a model already established in Goma (DRC) and other African countries.



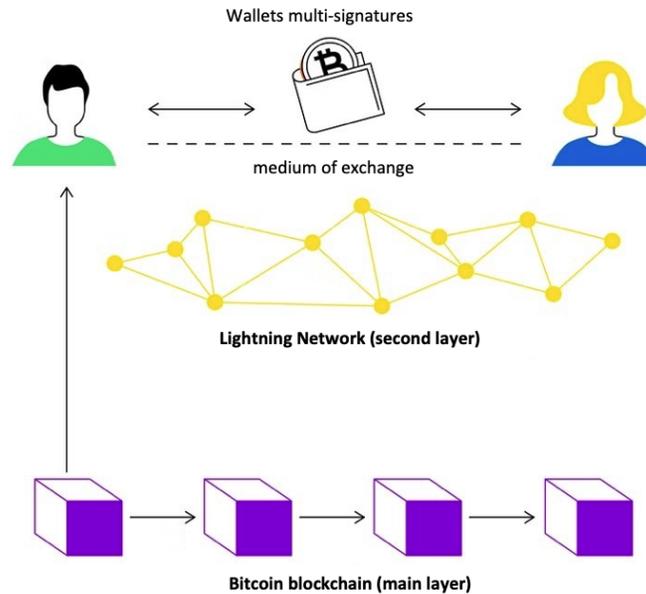
Photo 1: Example of mobile credit retailers

- Bitcoin Atm / CFA Franc: distribute ATMs in the country's main cities, in secure locations such as hotels.

Recommendation 3: Integrate the Lightning Network,

The Lightning network is a peer-to-peer payment protocol built as a second-layer application backed by the Bitcoin network. Lightning aims to enable fast transactions and solve Bitcoin's scaling problem by dramatically lowering transaction costs.

Réseau Lightning



2

Figure 1: Lightning Network Mapping

A payment is routed from A to Q via a network of payment channels. The Lightning network is made up of nodes that establish directional payment channels between them.

The Lightning Network has allowed El Salvador and the Central African Republic to consider using bitcoin as legal tender and a means for daily payments.

The deployment of Lightning nodes within CAR will ensure the sovereignty of payments, and the uncensored use of the network.

Recommendation 4: Mining in the Central African Republic,

For the time being, the Central African Republic produces very little electricity, with about 40MW of installed capacity. As we know, energy consumption curves and economic growth are correlated. Developing electricity production is therefore essential for the country's development.

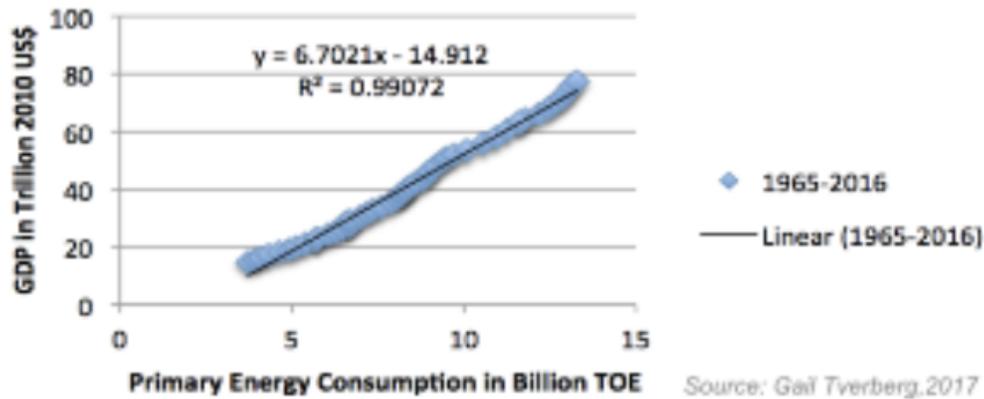


Figure 1: The correlation between energy consumption and GDP growth

The Central African Republic has abundant sources of energy. According to our sources, the hydroelectric potential could create an installed capacity of 700 to 2'000 MW. The aim is to use mining as a subsidy to tap into this underexploited clean energy potential.

Several hydropower plant projects exist in the drawers at Bangui, but unfortunately, they have never come to fruition due to a lack of financing. We asked the Ministry of Energy to identify one of these projects that would be the easiest to carry out and finance (small hydro-plant, less than 40 MW). From there, we could conduct a feasibility study for financing a hydropower plant supported by mining activity.

Fundraising to create common infrastructure, such as power plants, aligns perfectly with a nation-state's obligations toward its citizens. BigBlock Green Services' engineering teams will offer full technical and strategic support to carry out such a project.

It is also possible to fund such a project with crowdfunding. Platforms such as [CleanSat Mining](#) could help.

We invite all those interested in supporting such an initiative from anywhere in the world to contact S.Gouspillou. We believe it is a project we must build and quantify to submit a proposal to the CAR government.

Drawing Inspiration from the Bitcoin City Project Announced by Nayib Bukele,

Bitcoin City is built around a geothermal energy source. Fundraising is underway through the Volcano Bond to finance the power plants and the infrastructures with mining farms since mining reimburses the bond's investors. Power plants and mining are added as the city's needs grow. With 0 tax, entrepreneurs and investors have the proper framework to build and finance the real estate projects of the Bitcoin City in compliance with the predetermined urban plan.

The Salvadoran state needs a billion dollars to finance the plants, and the Volcano bonds have proven to be the simplest, cheapest, most transparent and most effective solution to raise these funds. The hundreds of billions needed to build the city will be funded by entrepreneurs, attracted by the tax conditions, good lands, improved security, and a hard currency, bitcoin.

In El Salvador, Bitcoin adoption is a state project: the state is committed and carries out this monetary project. Real estate development and the inherent financial risks are restricted to entrepreneurs and investors.

Recommendation 5: Education Programmes,

A considerable portion of the Central African population does not yet understand what bitcoin is and its merits as the country's legal tender. The success of the legalisation of bitcoin cannot be achieved without the involvement of government, civil society and academia.

For this to happen, it is essential to train the population to understand the added value of Bitcoin for the prosperity of the Central African Republic.

Only through raising awareness adapted to each profile will the Central African Republic benefit from a rapid and inclusive adoption. This is why it is necessary to put in the required efforts to popularise it and its usefulness through the following programs:

1- Government Program,

Launch an official awareness program among civil servants, companies and the population explaining the reasons for the adoption, its advantages and disadvantages, handling and usage of a bitcoin wallet.

Educational flyers can be distributed explaining: Why Bitcoin, its advantages over FIAT currencies and mobile credit, and tutorials on how to use the wallet.

2- Civil Society Program,

The civilian populations are supposed to use bitcoin as a currency and everyday payment network. We recommend facilitating the establishment and funding of non-profit associations whose objective would be to educate the civilian population.

A Bitcoin house (or embassy) should be quickly created in a state or municipal location in Bangui. This house/embassy will:

- Carry out workshops explaining the use of Bitcoin to the population of the capital.
- Serve as a hub for bitcoiners from all over the world who want to support the state's educational efforts.

This initiative can then be replicated across other cities. We also recommend holding a one- to a two-day conference in Bangui to train the population and business owners. This conference should be available on social networks to allow people to get information for free.



3- University Program.

In partnership with LIUPPA (research computer laboratory of the University of Pau), Surfin'Bitcoin offers support in setting up a Master's degree in Bitcoin and the Lightning Network. This program will be modelled after the one established in the prestigious [Institute of Mathematics and Physical Sciences of Benin: IMSP](#). The objective of the course is to:

- Train the youth, enable research and drive innovation
- Allow Central African youth to build and develop the economy of their own country;
- Open new job opportunities in this growing sector;
- Avoid the brain drain of Central African youth.

To successfully implement such an initiative, some universities must have Internet access at a reasonable speed to promote research and innovation in this field.

Recommendation 6: Sango Wallet,

Galoy Inc. offers to support the development and deployment of the Sango Wallet adoption strategy so that the Central African population can easily access bitcoin. At the heart of the plan, the wallet will be the key element to:

- send and receive bitcoin, whether on-chain or Lightning;
- instantly convert bitcoin into CFA Franc, and vice versa, at the user's request;
- teach users through a paid learning feature to speed up adoption;
- implement a robust security system to prevent misuse or theft of money held in the wallet.

Recommendation 7: Taxation,

Taxation is the main lever that public authorities benefit from to encourage the development of economic activity and adoption by the population:

- Have a clear and attractive tax system;
- Reduce taxation on smartphones.

Recommendation 8: Issuance of Government Bonds.

Like El Salvador's Bitcoin bonds, we recommend issuing government bonds on Bitcoin's Liquid network. These bonds would help finance the construction of the region's solar/hydro energy infrastructure and bitcoin mining. The mining infrastructure would also benefit the Central African Republic with a source of revenue. El Salvador will raise \$1 billion in bonds thanks to Bitcoin. We recommend a meeting with the team of Samson Mow, the architect of The Bitcoin Bonds of El Salvador.

Presentation of the Members of the Delegation

Even though only seven people were present in the Central African Republic the week of May 20, our delegation formed a think-tank of experts who mobilised to support all the initiatives of the State. here are the current members of the think tank:

Name	Title	Organisation
Sebastien Gouspillou	CEO	BigBlock Data Center
Richard Détente	CEO	Détente Coopération
David Oren	Co-founder	Solarly
Jean-Christophe Busnel	Organiser	Surfin'Bitcoin & StackinSat
Josselin Tonnellier	Co-founder	Surfin'Bitcoin * StackinSat
Nicolas Burtey	CEO	Galoy Inc.
Noor El Bawab	Director of Partnerships	Galoy Inc.
Gloire Wanzavalere	Co-founder	Kiveclair & Africa Bitcoin Conference
Gilles Cadignan	CEO	Woleet
Jeff Gallas	CEO	Fulmo
Lionel Jeannerat	CEO	PVHlstoire
Samson Mow	CEO	JAN3
Stacy Hebert	CEO	El Zonte Capital
Alex Gladstein	Head of strategy	Human Rights Foundation
Fodé Diop	CEO	Bitcoin Developers Academy