



# AFRICAN BLOCKCHAIN REPORT

Q1 2023 - Q2 2024



# Contents

## 01 INTRODUCTION

Introduction	4
Editorial	5

## 02 RESEARCH METHODOLOGY

Research Methodology	8
----------------------	---

## 03 EXECUTIVE SUMMARY

Global Venture Funding	11
African Venture Funding	11
Global Blockchain Venture Funding	12
African Blockchain Venture Funding	12

## 04 VENTURE FUNDING OVERVIEW

The State of Venture Funding in Africa	15
Venture Funding - A Snapshot	15
Global Venture Median & Average Deal Sizes	17
Global Venture Mega Deals	18
Blockchain Venture Funding - A Snapshot	19
Global Blockchain Venture Funding	19
African Blockchain Venture Funding	20
Quarterly Blockchain Venture Funding in Africa	23
African Blockchain Venture Funding by Nations	25
African Blockchain Funding by Industries	26
African Blockchain Funding by Round Type	29
African Blockchain Investor Watchlist	31

## 05 AFRICA FUNDED BLOCKCHAIN COMPANIES

Africa Funded Blockchain Companies	35
Blockchain Networks	36
Centralized Blockchain Financial Services	37
Data Management, Verification, & Analytics	40
Decentralized Finance (DeFi)	42
Gaming, NFTs, & Metaverse	45
Infrastructure & Developer Tools	46

## 06 CRYPTOCURRENCY REGULATIONS IN AFRICA

Regulatory Overview	51
<b>NODO</b> - Cryptocurrency Regulations in Africa	52

## 07 CONCLUSION

Conclusion	66
------------	----

## 08 ABOUT

CV VC Portfolio	70
Previous Reports	72
About	73
Disclaimer	74

## EXPERT ARTICLES

<b>CV VC</b> - Africa's Blockchain Story: A Market Overview and Future Outlook	6
<b>Absa</b> - Absa and Blockchain: A Journey of Innovation and Learning	13
<b>Lisk</b> - Embracing the Future: Why We Focus on Africa	24
<b>VALR</b> - Unlocking Crypto's Potential in Africa: The Indispensable Role of Local Liquidity in Crypto Markets	32
<b>ZARP Stablecoin</b> - Stablecoins: A Strategic Opportunity in Emerging Markets	33
<b>The Hashgraph Association</b> - Advancing Blockchain Technology in Africa: Insights from The Hashgraph Association	47
<b>Tether</b> - Tether: A Driving Force for Pioneering Financial Inclusion and Innovation in Africa	48
<b>Bybit</b> - Bybit's Initiatives in Africa's Blockchain Ecosystem	49
<b>Absa</b> - Digital Assets in Africa: The Critical Role of Regulation for Stability and Growth	62
<b>Mzansi Web3</b> - Mzansi Web3 ICP HUB SA: A Leading Light in Africa's Booming Blockchain Landscape	63
<b>EMURGO Africa</b> - A Perfect Storm for Africa's Blockchain Revolution	64
<b>Luno</b> - Cryptocurrency in Africa, closer to the ideals?	67
<b>Moore Johannesburg</b> - The Crux of Trust in Blockchain Technology	68

# 01

# INTRODUCTION



# Introduction

The 3rd edition of the African Blockchain Report offers a comprehensive examination of the rapidly evolving blockchain ecosystem across the African continent. This edition serves not only as a testament to the venture funding dynamics observed over the past 18 months but also as a forward-looking analysis of the untapped potential within the sector. This report is structured to guide readers through several pivotal themes that form the foundation of our findings.

We begin with a broad overview of the blockchain landscape in Africa, establishing the context for the in-depth analyses that follow. This section delineates the objectives, scope, and significance of the report, framing it within the wider narrative of blockchain technology's transformative impact on Africa's socio-economic environment.

The Research Methodology explains the methodologies employed in compiling the report, ensuring readers understand the data collection, analysis techniques, and the basis for the insights presented. The Executive Summary encapsulates the key findings and trends derived from the report, offering readers a quick overview of the essential points discussed in the subsequent sections.

The report's core delves into the state of venture funding in Africa, with a particular focus on blockchain ventures. This includes a global venture funding snapshot, comparisons of median and average deal sizes, and insights into mega deals. A dedicated section on blockchain venture funding further breaks

down the analysis by round type, area, and industries, supplemented by an investor watchlist highlighting key stakeholders in the African blockchain ecosystem.

The overview of venture activity in Africa is followed by an examination of the companies driving innovation within the blockchain sphere. Blockchain companies that successfully raised funds in 2023 and H1 2024 are segmented into categories such as Blockchain Networks, Centralized Blockchain Financial Services, Data Management Verification & Analytics, Decentralized Finance, Gaming, NFTs & Metaverse, and Infrastructure & Developer Tools.

The Regulations section then reviews the state of blockchain regulation in Africa, documenting regulatory developments and their implications for the ecosystem's growth in all countries on the continent.

The African Blockchain Report aims to serve as a guide for stakeholders at all levels, offering valuable insights into the current state and future possibilities of blockchain technology in Africa.

# Editorial

**CV VC is an envoy for African blockchain pioneers and is committed to ensuring that Africa's blockchain technology capacity is exemplified, encouraged, and embraced. The third edition of our African Blockchain Report is a testament to the extraordinary blockchain landscape across the continent, showcasing how the technology empowers Africans and makes a global impact.**

While Africa is home to some 30% of the world's mineral reserves, its greatest asset lies in its young population, with more than 60% of its people under the age of 25. This demographic is embracing blockchain, crypto, and Web3 technologies faster than any other global region, fueled by Africa's entrepreneurial and meritocratic spirit, where more than one in five working-age Africans start a new business. This sets the stage for Africa's emerging blockchain industry to build boldly on the foundations of youthful entrepreneurship.

The continent has witnessed remarkable growth in crypto as people use it the same way that others use fiat money for value creation and exchange. For many African nations, crypto is also a hedge against strangulating inflation, with the youth particularly drawn to its value and wealth-building opportunities with low barriers to entry. As our African Blockchain Report shows, the regulatory environment is positive, with a notable decrease in the number of countries banning crypto. In our last report, crypto was banned implicitly in 36 countries, whereas in 2023, that figure has come down to 8. The report data reveals that blockchain investments in Africa extend beyond finance and digital assets, with investors also highlighting its utility for enhancing efficiencies in areas like data verification, security, real estate, education, supply chain, energy, and communications.

This African Blockchain Report reflects a period of strategic realignment and resilience amidst broader global economic shifts. While venture funding worldwide has seen a general downturn, Africa achieved a record-high contribution to global blockchain venture capital in 2023. The continent's share of annual global blockchain venture funding grew to 1.3% in 2023. The H1 2024, Africa's share of global blockchain deals reached an all-time high of 1.8%, indicating growing interest and confidence in African ventures despite the overall market contraction.

Looking to the future, investor sentiment and preferences across African regions could shift due to changing macroeconomic and political realities, particularly with major elections for fifteen countries throughout 2024. As elections create uncertainty, investors may become more risk-averse, directing

capital towards stable regions. Wise navigation through these challenges is essential for the future of Africa's blockchain and Web3 technology to remain bright. Nonetheless, the adaptability and resilience of Africa's blockchain pioneers promise a dynamic and thriving ecosystem for investors. As the global economic landscape evolves, Africa's blockchain sector is poised to emerge strongly, underscoring its critical role in the global blockchain industry narrative. Because of sensible regulation, ethical adoption, strategic consolidation, and global opportunities for talent, Africa's blockchain tech ecosystem is rising, paving the way for a brighter future for the continent and the world.



**Mathias Ruch**

Founder & CEO, CV VC

# AFRICA'S BLOCKCHAIN STORY: A MARKET OVERVIEW AND FUTURE OUTLOOK

2023 marked the low point of a global downturn in private markets, with overall startup funding declining to \$351.4 billion, a 34% drop from 2022, and a 54% decline from the 2021 peak. This funding level hasn't been seen since pre-COVID times in 2019. The impact was even more pronounced in Web3 startups and African equity startup funding, which fell by 73% and 57%, respectively. However, Africa saw a silver lining with the emergence of venture debt, which grew by 47% to \$1.1 billion, mitigating the overall decline in total funding raised by startups.

This general trend permeated into 2024, with African startups raising \$780 million in H1/24, a third of which was venture debt. This continues the trend of decline with H1 2024 funding coming in 57% lower than H1 2023.

However, all was not doom and gloom when it came to the African Web 3.0 startup space. H1 2024 yielded the highest-ever share of African blockchain VC deals, coming in at 1.8% of global deal count, up from 1.3% in 2023. Sector-wise, Fintech, Logistics, Mobility, and Cleantech led in funding, aligning well with CV VC's focus on blockchain's utility to catalyze positive disruption for African industries.

The most positive forward-looking ecosystem developments, however, came in the form of regulatory developments. South Africa issued its first 100+ crypto asset service provider licenses, with Kenya expected to follow shortly after establishing a preliminary framework and announcing a 3% tax on digital asset trading. Nigeria also announced plans in May 2024 to roll out additional rules to combat illegal digital asset trading and ensure proper registration with the country's regulatory authorities. These moves toward regulatory clarity and stable frameworks will significantly benefit the region's three largest startup and Web3 ecosystems in the years to come.

Blockchain technology is set to transform various industries in Africa, driving ESG goals and leveraging the continent's demographic dividend to achieve accelerated scale. With strategic investments and a focus

on real use cases, CV VC aims to unlock the full potential of blockchain to foster sustainable development and economic growth across Africa. Our investment thesis for blockchain in Africa rests on three foundational pillars:

## 1. Real Use Cases & Leapfrog Potential

Africa and emerging markets at large face significant challenges due to inadequate infrastructure and fragmented ecosystems. Blockchain technology provides a unique opportunity to leapfrog traditional systems, bypassing existing inefficiencies. This potential is evident in Africa's rapid adoption of mobile technology, bypassing fixed-line telecommunications. Blockchain can similarly revolutionize sectors such as financial services, supply chain management, and identity verification by introducing transparent, secure, and efficient solutions that address systemic issues or fill the gaps left by non-existent or legacy infrastructure.

## 2. Blockchain: An Impact and ESG Catalyst

Blockchain technology holds immense promise as a driver of Environmental, Social, and Governance (ESG) goals in Africa. It enhances transparency and reduces fraud in aid distribution, ensures secure and tamper-proof digital identities, and facilitates financial inclusion for the unbanked. Additionally, blockchain can accelerate renewable energy implementation and manage carbon emissions more effectively, contributing to environmental sustainability on the continent. The technology's ability to foster trust and transparency makes it a powerful tool for addressing governance issues and promoting social equity on the continent.

## 3. The Demographic Dividend

Africa is poised to be the market of the future, driven by its youthful and growing population. By 2050, Africa will have the largest working-age population globally, with one in four people being African. This

demographic trend, coupled with rapid urbanization and increasing consumer spending (estimated to reach \$3 trillion by 2030), presents a significant market opportunity. According to the IMF World Economic Outlook, nine out of the top twenty fastest-growing economies in 2024 are African nations.

These dynamics create a fertile ground for blockchain-based solutions to drive economic growth and social development across the continent

## CV VC's Investment Hypothesis

At CV VC, our investment hypothesis is rooted in leveraging blockchain technology to catalyze technological and social megatrends in Africa. We focus on three key areas:

- **Applications Without Platform Risk:** Investing in startups that build on immutable blockchain platforms, mitigating the risks associated with centralized control
- **Catalyst Technology:** Supporting tech companies that use blockchain as a catalyst for innovation in AI, Agritech, Cleantech, and Edtech
- **Service Providers:** Investing in infrastructure providers essential for a thriving blockchain ecosystem, such as custody services, transaction processing and payment infrastructure, and KYC/Digital Identity solutions



**Brenton Naicker**

Principal & Head of Growth,  
CV VC Africa

# 02

## RESEARCH METHODOLOGY



# Research Methodology

## 1. REPORT INTENTION

This report constitutes an annual report studying the blockchain landscape in Africa. It seeks to provide insights into industry developments and venture funding activity on the continent. We aim to provide a high-level comparative synopsis to gain macro insights over time by comparing blockchain-specific venture funding to relevant sector-agnostic venture funding data globally and in other significant regions.

## 2. COMPANY DATA

We have focused on African blockchain startups that have raised funding from January 2023 through June 2024, though our historical analysis considers data back to five years prior. Various sources have been used to compile this report, including public and paid databases, research reports, LinkedIn profiles, reputable news outlets, government filings, press releases, investors, and entrepreneurs. We compare historical funding data in the region with data within our analysis period to provide insights. The report criteria are as follows:

### a. Venture Funding Overview

- i. Inclusion
  1. The company is headquartered in Africa.
    - a. The location of a company's headquarters was determined using a combination of private databases, as well as publicly accessible sources such as a company's official website, official LinkedIn profile, legal documents, and press releases.
  2. Company characteristics:
    - a. Currently operational, and
    - b. Blockchain/cryptocurrency as a primary focus, or where the technology is integral to achieving the business's primary focus, and
    - c. Successfully closed a funding round between Jan

2023 and June 2024, and

- d. The company must be deemed active.
3. Funding:
  - a. Min funding = \$100k
  - b. Disclosed and publicly verifiable funding deals:
    - i. In the case where funding has been totaled and undisclosed rounds have fallen between disclosed rounds, the undisclosed rounds have been omitted from the total figure.
  - c. All stages, and
  - d. Private funding, and
  - e. Equity funding and funding in the form of convertible notes from traditional financiers, and
  - f. Equity funding by Accelerators has been included.
- ii. Exclusion
  1. Company types:
    - a. Publicly traded businesses that trade on recognized securities exchanges (including Pink Sheets), and
  2. Funding types:
    - a. Debt (excepting convertible notes), and
    - b. Contingent funding. Where an amount of funding is promised contingent on the fulfillment of certain milestones, but the business has only received a portion of such funds, the amount not received as yet has not been included, and
    - c. Public and private grant funding. In the case where funding has been totaled, and grant funding has occurred in between equity funding rounds, the grant funding has been subtracted or omitted from the total figure, and
    - d. Secondary transactions, and
    - e. M&A rounds, and
    - f. IPO rounds, and

- g. Crypto Coin Offerings (ICOs/IEOs/ISOs/ITOs et al.) have not been included barring private venture rounds where tokens were issued, and
- h. Non-cash contributions (such as Google Cloud Credits in the case of Google-accelerated ventures), and
- i. Capitalization rounds.

### b. African Unicorns

- i. Inclusion
  1. To qualify for inclusion a business must meet the criteria of being:
    - a. A privately-owned tech company, valued at \$1 billion+, and
    - b. Venture-backed, and
    - c. Headquartered in Africa.
  2. Unicorn valuations are based on the global unicorn data reported by Pitchbook on an ongoing basis.
    - c. Mega deals are defined as venture deals of \$100m +
    - d. Funding data is often reported well after the fact. Therefore, reported funding data and related metrics are subject to revision.
    - e. Geographic regions have been aligned with Pitchbook's region breakdown. e.g. the region of North America includes Bermuda, Canada, Greenland, Mexico, USA.

## 3. GLOBAL CONTEXT AND FIGURES

- a. All financial figures in this report are portrayed in USD unless otherwise specified. All amounts have been rounded to maintain context when compared to the other figures in a specific data set.
- b. Venture Funding Overview
  - i. Where funding was raised in a currency other than USD, the USD conversation provided by Pitchbook was used.



#### 4. REGULATIONS - COUNTRY LEGAL STATUS

- a. Legal
  - i. Financial institutions are allowed to deal in and hold cryptocurrencies
  - ii. Individuals are permitted to deal in and hold cryptocurrencies
- b. Implicit Ban
  - i. Banks or other financial institutions are prohibited from dealing in cryptocurrencies or offering services to people or businesses involved in crypto.
- c. Absolute Ban
  - i. Any cryptocurrency usage, trading, holding, or mining is explicitly prohibited.
- d. Uncertain
  - i. Insufficient conclusive information was available to make an informed statement about the legality of cryptocurrencies.

#### 5. CORE DATABASES AND REPORTS UTILIZED

- a. Pitchbook
- b. Crunchbase
- c. Africa: The Big Deal - Startup Deals Database

*Should you require any further clarity surrounding the research methodologies used or believe that your company has not been included where it should have been, please don't hesitate to reach out to [reports@cvvc.com](mailto:reports@cvvc.com)*

# 03

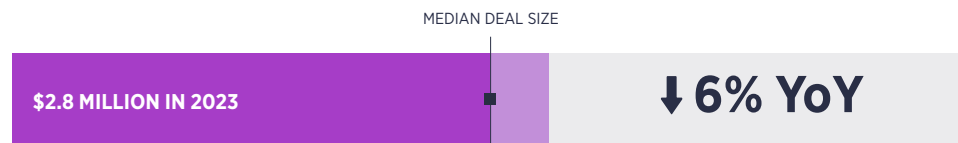
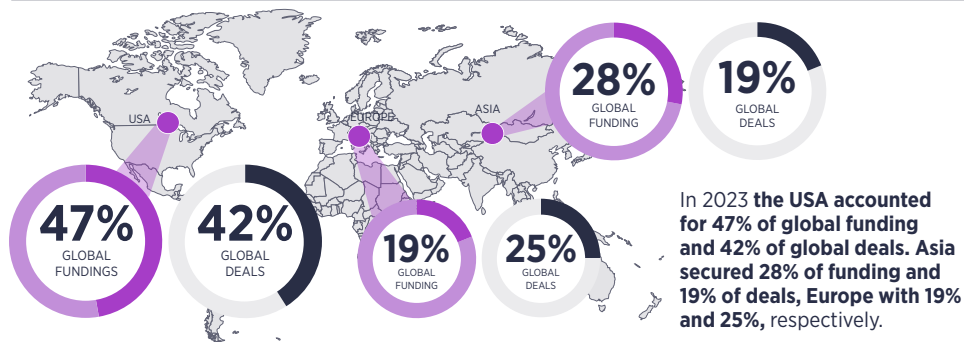
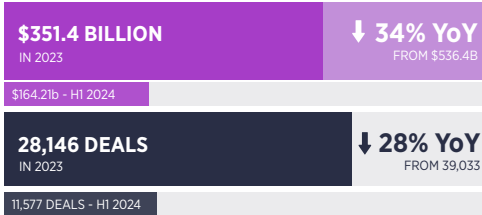
## EXECUTIVE SUMMARY



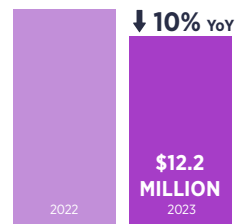
## GLOBAL VENTURE FUNDING

Global annual venture funding totaled **\$351.4b across 28,146 deals in 2023**, marking the lowest since 2019. This reflected a **34% funding decline and 28% fewer deals** than the preceding year's **\$536.4b and 39,033 deals**.

Global venture funding totaled **\$164.21b across 11,577 deals in H1 2024**.

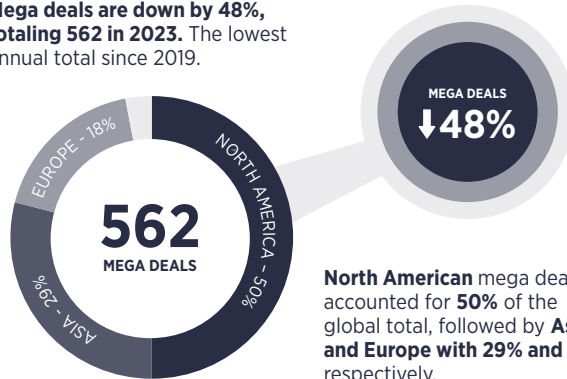


The global median deal size decreased by **6% YoY to \$2.8m in 2023**, with Africa being the lowest by region (\$1m) and North America achieving the highest (\$3.5m).



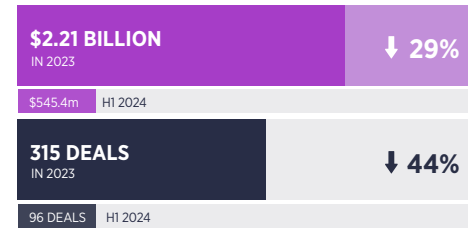
The average deal size in 2023 declined by **10% YoY to \$12.2m**.

Mega deals are down by **48%**, totaling **562 in 2023**. The lowest annual total since 2019.



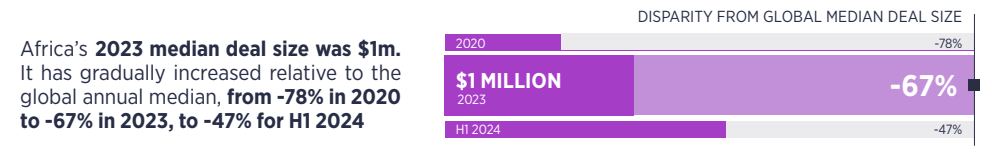
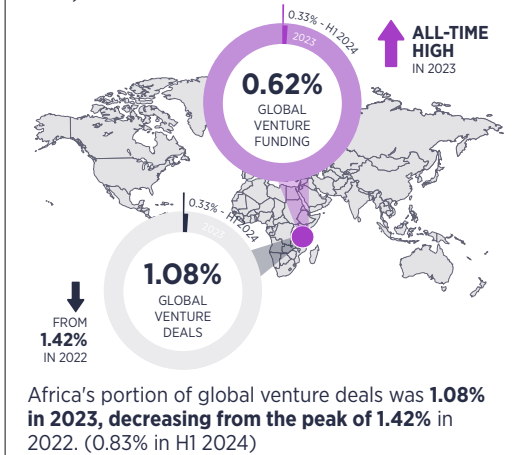
## AFRICAN VENTURE FUNDING

Africa secured **\$2.21b across 315 deals in 2023**, marking a **YoY decline of 29% and 44%**, respectively. Africa secured **\$545.4m across 96 deals in H1 2024**.



In Q2 '23, African ventures raised **\$974m**, the **third highest raising quarter since 2018**.

Africa's portion of global venture funding reached an **all-time high of 0.62% in 2023**. (0.33% in H1 2024)



Average annual venture deal size in Africa increased by 25% to \$7m in 2023. Since 2020, it has gradually increased relative to the global annual average, moving from a disparity of -77% to -42% in 2023 to -60% for H1 2024.

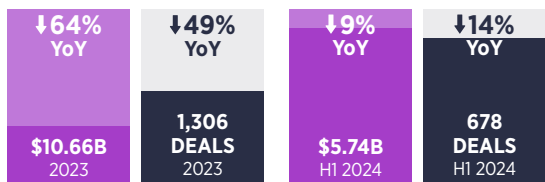


Africa had **3 mega deals in 2023 - 0.53% of the global share**, raising **\$520m** (0.33% all-time high global share). There was 1 mega deal in H1, 0.34% of the global share.

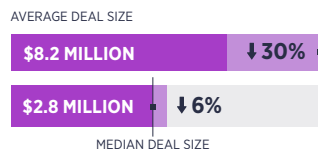


## GLOBAL BLOCKCHAIN VENTURE FUNDING

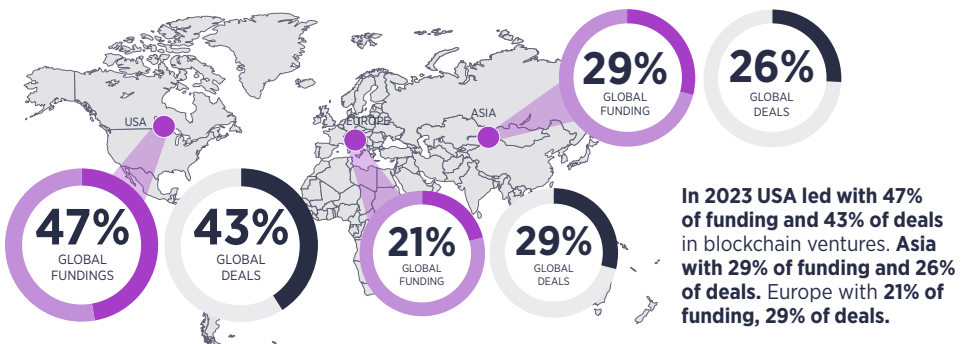
**\$10.66b in 1,306 deals in 2023, a 64% YoY funding drop and 49% fewer deals.** \$5.74b raised across 678 deals in H1 2024, marking a 9% YoY decline in funding and a 14% YoY decline in the number of deals.



Annual average deal size slid 30% to **\$8.2m in 2023 from \$11.7m** the prior year, while median deal size decreased by 6% to \$2.8m.



**Seven quarter streak of declines** in the number of blockchain venture deals ended with a **24% QoQ increase in Q1 '24.**



In 2023 USA led with 47% of funding and 43% of deals in blockchain ventures. Asia with 29% of funding and 26% of deals. Europe with 21% of funding, 29% of deals.

MEDIAN DEAL SIZE

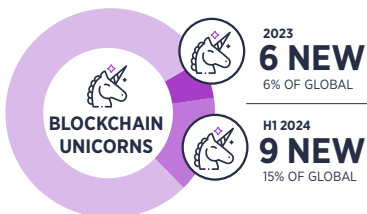


Median deal size for blockchain funding was **\$2.8m in 2023, a 6% YoY decline.** Furthermore, the global blockchain median deal size was **43% higher than the global all-sector median, declining from 46% higher in 2022.**

↓80% YoY in deals  
 ↓87% YoY in funding



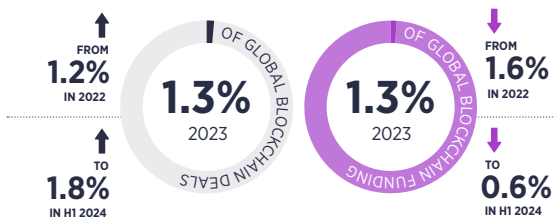
**13 blockchain mega deals globally in 2023, 2.3% of all global mega deals, down 80% in deals and 87% in funding from the previous year. 9 blockchain mega deals globally in H1 2024, 3.1% of all global mega deals.**



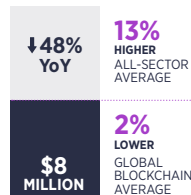
**6 new blockchain unicorns** emerged in 2023, 6% of new global unicorns. **9 new blockchain unicorns** emerged in H1 2024, 15% of new global unicorns.

## AFRICAN BLOCKCHAIN VENTURE FUNDING

In 2023, Africa's global blockchain deal share rose from 1.2% to 1.3%, while venture funding fell from 1.6% to 1.3%. In H1 2024, deal share increased to an all-time high of 1.8%, and funding decreased to 0.6%.



Annual average deal size fell by 48% YoY to **\$8m.** This average is 13% higher than the all-sector average deal size in Africa and 2% lower than the global blockchain average.



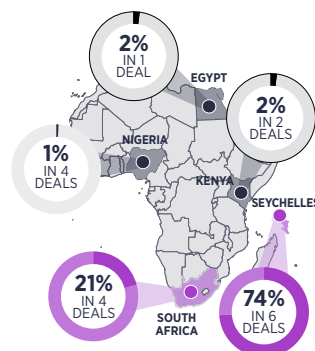
**78% of the funds raised throughout 2023 were in Q1 '23.**

- Q1 '23: 14% YoY funding increase, 0% increase in deal count
- Q2 '23: 97% YoY funding decrease, 90% decline in deal count
- Q3 '23: 40% YoY funding decrease, 33% decline in deal count
- Q4 '23: 60% YoY funding decrease, 40% decline in deal count
- Q1 '24: 84% YoY funding decline, 60% decline in deal count
- Q2 '24: 125% YoY funding increase, 700% increase in deal count

\$135.4m in funding, down 72% YoY, and completed 17 deals, down 45% YoY. Blockchain secured 6.1% of all venture funding in Africa, down from 15.1%, and maintained a 5.4% share of venture deals, down from 5.5% in 2022.



In H1 2024, African blockchain businesses raised \$34.7m across 12 deals, a 9% increase in deals but a 74% decrease in funding from H1 2023.



The 2023 median deal size was \$2m (-39% YoY), 29% below the global median, rising to \$2.2m in H1 2024, 8% above the global median. Over the past 6 years, it consistently exceeded the all-sector African median, being 100% higher in 2023.



Majority of venture deals were earlier stage activity:

	2023	H1 2024
ACCELERATOR/ INCUBATOR	3	2
PRE-SEED ROUNDS	3	0
SEED ROUNDS	2	4
EARLY STAGE VC	6	6
LATER STAGE VC	3	0



Africa has a total of **3 PRIVATE BLOCKCHAIN UNICORNS** 1 gaining its horn in 2023.

**Seychelles and South Africa contributed to 95% of all blockchain venture funding in Africa across 10 deals in 2023.**

# ABSA AND BLOCKCHAIN: A JOURNEY OF INNOVATION AND LEARNING

Absa is one of Africa's largest diversified financial services groups, offering a range of banking, insurance, wealth management, and investment solutions to individuals, businesses, and institutions across the continent. As a leading African bank, Absa is committed to driving innovation and digital transformation in the financial sector, with a focus on delivering customer-centric solutions that are convenient, secure, and affordable.

One of the key areas of innovation that Absa has been leveraging is blockchain technology, which has the potential to revolutionize various aspects of the financial industry, such as payments, remittances, trade finance, identity verification, and asset tokenization, by offering faster, cheaper, and more transparent transactions, as well as enhanced security and trust.

## Absa's Journey with Blockchain

Absa's journey with blockchain started in 2016 when we were the first bank in Africa to join the R3 Consortium, which was established with numerous Global Banks to collaborate on developing blockchain solutions for the financial industry. In that same year, Absa facilitated one of the first blockchain-enabled cross-border trade finance transactions, which proved that the technology can dramatically reduce the time, effort, and cost of trade transactions.

After a brief pause in working with blockchain technologies while we safely separated the Absa business from Barclays Plc, we picked up again in 2020 to create a blockchain-based digital identity platform that enables the verification and sharing of identity information among Absa and its customers and partners.

Absa was one of several participants in the South Africa Reserve Bank (SARB) project Khokha, where we developed a cross-border

payment solution with blockchain. This was pivotal in our starting to further develop our skills and infrastructure to learn and scale our ambitions. Creating awareness and educating our colleagues on blockchain use cases and opportunities has accelerated in the last 18 months.

## Why Blockchain is important for Absa

We believe that blockchain is an important technology for Absa, and we predict that it will continue to grow in significance as we drive our ambition to be a digitally powered business. There is little doubt that the benefits of blockchain will have an increasing impact and benefits for our clients. We feel we are still at the early stages of understanding the potential of the technology and how it can help transform our business and the products and services we offer to our clients, but at the same time, we are increasingly hearing from clients that they want to understand more about products built on blockchain.

We expect to see blockchain-enabled use cases grow as regulations continue to become clearer and awareness of the benefits grows among our customer base, alongside networks in Africa and wider improving in acceptance of the technology and how it can create value across a whole host of use cases.

The regulatory landscape is critical to our expanded participation, and there's a great deal more on that in this report.

While the data in this year's report shows a reduction in investment from 2022 to 2023, the investment landscape in 2024 shows renewed interest, and that demonstrates resilience and the understanding that Africa is an incredible place to invest in, with creative thinkers and bright minds who innovate to solve real problems in our communities and our economies.

Absa has been on a journey of innovation and learning with blockchain and has been involved in various projects and initiatives that showcase the potential and value of blockchain for the financial industry. We believe that blockchain is an important area for the future of Absa, as it aligns with our strategic ambitions, creates competitive advantage and differentiation, and prepares us for the future of finance. We are committed to continuing to explore and experiment with blockchain and leverage this technology to create value for our customers and stakeholders.



**Johnson Idesoh**  
Group Chief  
Information and  
Technology Officer,  
Absa Group



**Rob Downes**  
Head of Digital  
Assets, CIB Africa,  
Absa Group

# 04

## VENTURE FUNDING OVERVIEW



# The State of Venture Funding in Africa

This section examines the state of blockchain and cryptocurrency venture funding in Africa. It begins with an overview of all-sector venture funding on both a global and an African scale, using data from 2018 to H1 2024. This broader perspective serves as a precursor to a more focused analysis of blockchain venture funding throughout the continent.

The analysis delves into the African blockchain industry, evaluating market dynamics based on geographic distribution, industry sector, and deal type. This funding examination concludes with an investor watchlist.

At CV VC, our analysis of blockchain-specific venture funding is informed by understanding the wider global venture funding environment. We compare Africa's data against global benchmarks in each segment of our analysis. Additionally, our trend analysis and monitoring of the global economic environment are integral to developing a nuanced understanding of the broader venture funding landscape.

We now expand on such global venture funding metrics before delving into blockchain-specific venture funding.

## Venture Funding - A Snapshot

### Full Year 2023

- Global venture funding totaled \$356.77b in 2023, spanning 29,296 deals. This marked a significant 34% decrease in funding and a 26% reduction in the number of deals compared to 2022. These figures indicate the lowest annual funding amount observed since 2019.
- The majority of venture capital activity is concentrated in the USA, accounting for 47% of global funding and 41% of global deals in 2023. Asia and Europe account for the majority of the remaining VC activity, with Asia contributing 29% of funding and 19% of deals and Europe contributing 17% of funding and 29% of deals.
- Africa secured \$2.21b across 315 deals, marking YoY declines of 44% in deal count and 30% in total funds raised compared to its peak in 2022. African venture activity in 2023 accounted for 0.62% of the global venture funding — an all-time high share — and 1.08% of global venture deals. In our 2022 Report, we reported a funding share of 0.76% in the 2022 calendar year.

This has been adjusted downwards to 0.59% in this report due to a large number of deals having been reported in other regions after the fact - making this year an all-time high for Africa.

- In Q2 '23, African ventures raised \$944m, the third highest raising quarter since 2018.

### H1 2024

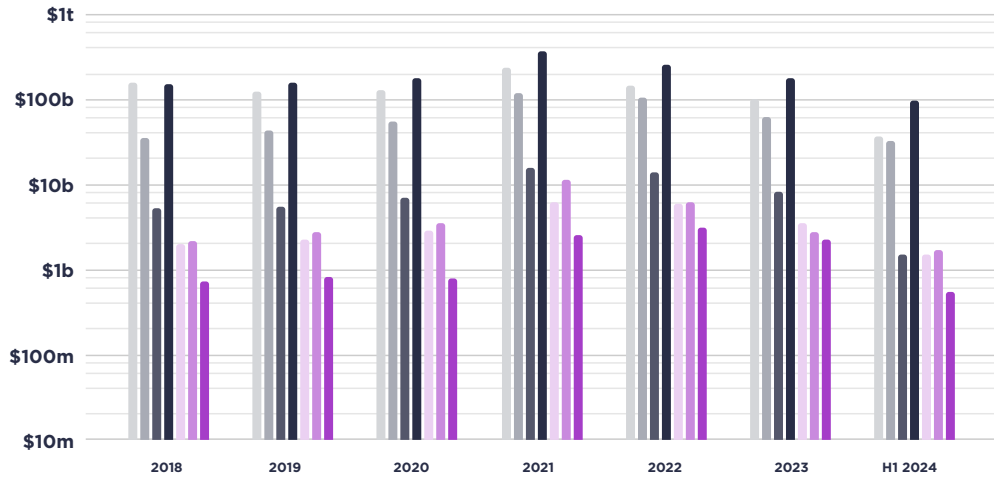
- Global venture funding totaled \$164.21b in H1 2024, spanning 11,577 deals.
- The global number of venture deals has declined for the ninth consecutive quarter.
- After experiencing nine consecutive quarters of YoY decline in funding amounts, Q2 2024 saw a 5% increase.
- Africa secured \$545.39m across 96 deals in H1 2024.

## VENTURE CAPITAL BY REGION

REGION	2021		2022		2023		YoY Growth	
	FUNDING AMOUNT	# OF DEALS	FUNDING AMOUNT	# OF DEALS	FUNDING AMOUNT	# OF DEALS	FUNDING AMOUNT	# OF DEALS
GLOBAL	\$754,570,000,000	43209	\$536,670,000,000	39,484	\$356,770,000,000	29296	-34%	-26%
AFRICA	\$2,557,880,000	463	\$3,148,910,000	559	\$2,214,100,000	315	-30%	-44%
ASIA	\$232,310,000,000	9392	\$145,650,000,000	8191	\$102,110,000,000	5633	-30%	-31%
EUROPE	\$117,870,000,000	11884	\$104,140,000,000	11144	\$62,430,000,000	8446	-40%	-24%
MIDDLE EAST	\$15,790,000,000	1177	\$14,040,000,000	1152	\$8,210,000,000	771	-42%	-33%
NORTH AMERICA	\$364,900,000,000	18329	\$256,190,000,000	16607	\$174,930,000,000	12892	-32%	-22%
OCEANIA	\$6,203,090,000	855	\$6,021,150,000	802	\$3,476,630,000	560	-42%	-30%
SOUTH AMERICA	\$11,490,000,000	826	\$6,153,090,000	769	\$2,732,490,000	505	-56%	-34%

**ANNUAL VENTURE CAPITAL BY REGION**

**FUNDING**



**ANNUAL SHARE OF ALL-SECTOR VENTURE FUNDING**

REGION	2018	2019	2020	2021	2022	2023	H1 2024
AFRICA	0.21%	0.25%	0.21%	0.34%	0.59%	0.62%	0.33%
ASIA	43.92%	36.92%	34.09%	30.79%	27.14%	28.62%	22.22%
EUROPE	10.20%	12.78%	14.54%	15.62%	19.40%	17.50%	19.71%
MIDDLE EAST	1.50%	1.60%	1.85%	2.09%	2.62%	2.30%	0.90%
NORTH AMERICA	43.31%	46.91%	47.47%	48.36%	47.74%	49.03%	58.57%
OCEANIA	0.57%	0.67%	0.78%	0.82%	1.12%	0.97%	0.92%
SOUTH AMERICA	0.62%	0.80%	0.96%	1.52%	1.15%	0.77%	1.04%

**DEALS**

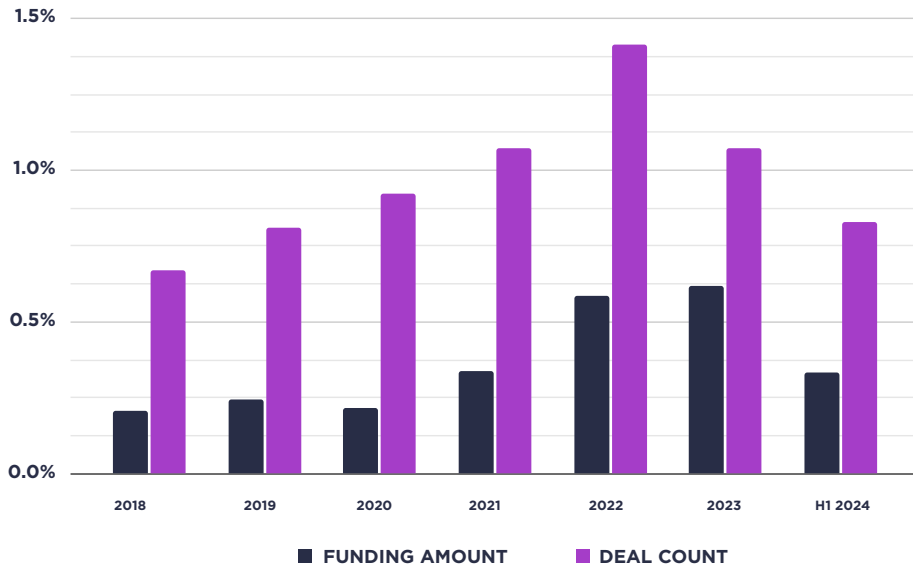


**ANNUAL SHARE OF ALL-SECTOR VENTURE DEALS**

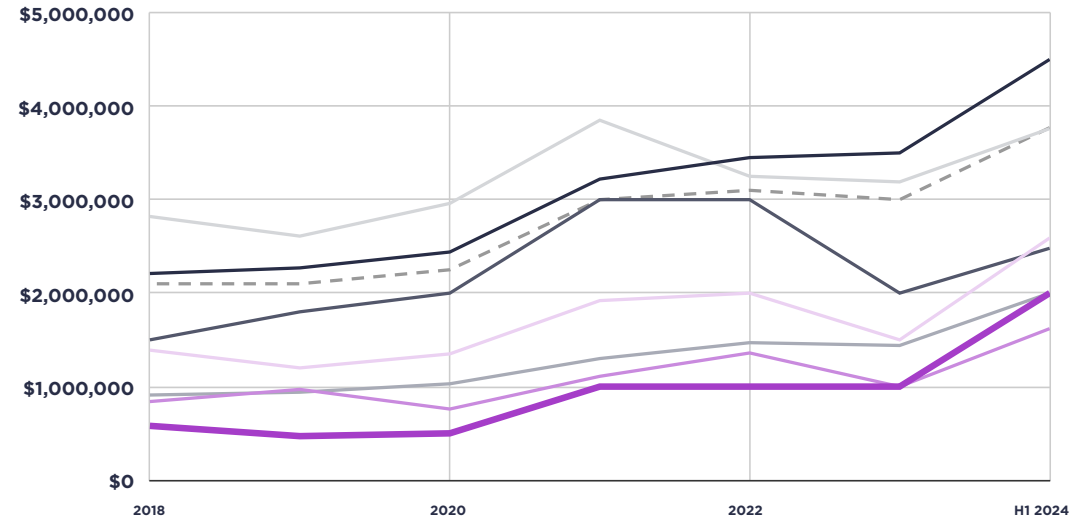
REGION	2018	2019	2020	2021	2022	2023	H1 2024
AFRICA	0.67%	0.81%	0.92%	1.07%	1.42%	1.08%	0.83%
ASIA	22.34%	19.86%	20.32%	21.74%	20.75%	19.23%	19.63%
EUROPE	28.79%	29.98%	30.36%	27.50%	28.22%	28.83%	25.7%
MIDDLE EAST	2.73%	2.60%	2.76%	2.72%	2.92%	2.63%	2.48%
NORTH AMERICA	42.92%	43.64%	42.12%	42.42%	42.06%	44.01%	47.15%
OCEANIA	1.36%	1.71%	1.80%	1.98%	2.03%	1.91%	1.55%
SOUTH AMERICA	1.20%	1.26%	1.46%	1.91%	1.95%	1.72%	1.82%



**ANNUAL AFRICAN VENTURE CAPITAL AS A % OF GLOBAL VENTURE CAPITAL**



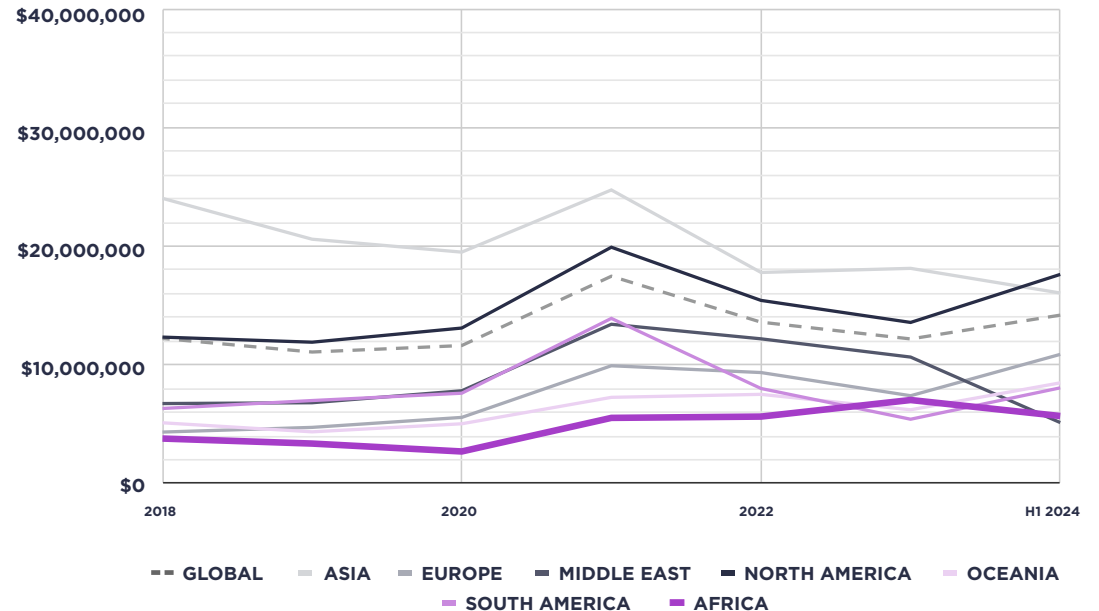
**ALL-SECTOR ANNUAL VENTURE CAPITAL MEDIAN DEAL SIZE**



**Global Venture Median & Average Deal Sizes**

- In 2023, the annual global median deal size in venture funding decreased slightly year-over-year (YoY) by 3%, settling at \$3m. Regionally, North America achieved the highest median deal size at \$3.5m, followed by Asia with \$3.2m and the Middle East with \$2m.
- The annual median deal size for venture funding in Africa was \$1m for the 3rd consecutive year. This positions Africa and South America as having the lowest venture median deal size among all continents.
- There was a 10% YoY decline in 2023 in the annual global average deal size, bringing it to \$12.2m. Asia led with the highest average deal size at \$18.1m, followed by North America at \$13.6m and the Middle East at \$10.7m.
- Africa's annual average deal size for all-sector venture funding has been on an upward trajectory for three consecutive years. In 2023, the average deal size increased by 25% YoY to \$7m.
- The disparity between the African average deal size and the global average has reduced markedly from 77% less in 2020 to only 42% less in 2023. Similarly, Africa's annual median deal size was 47% lower than the global annual median in H1 2024, rising from its low of 71% less in 2020.

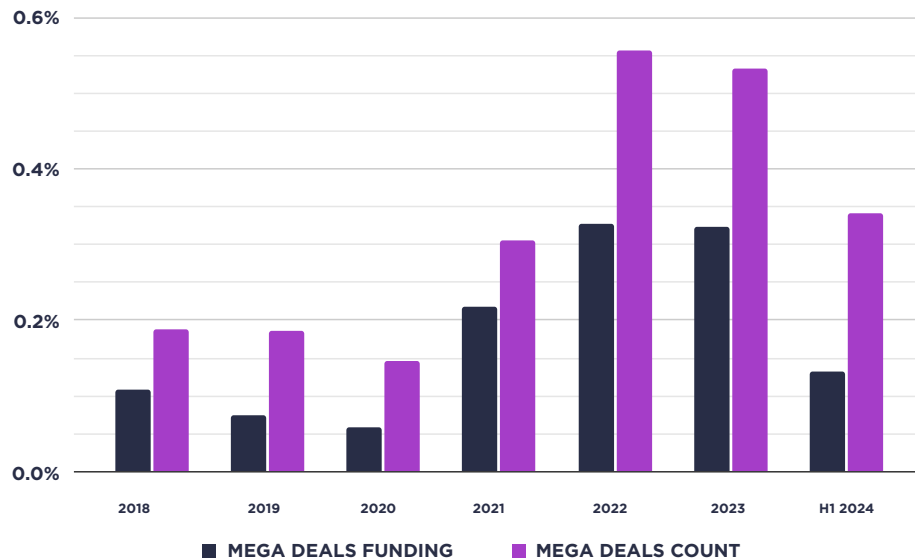
**ALL-SECTOR ANNUAL VENTURE CAPITAL AVERAGE DEAL SIZE**



### Global Venture Mega Deals

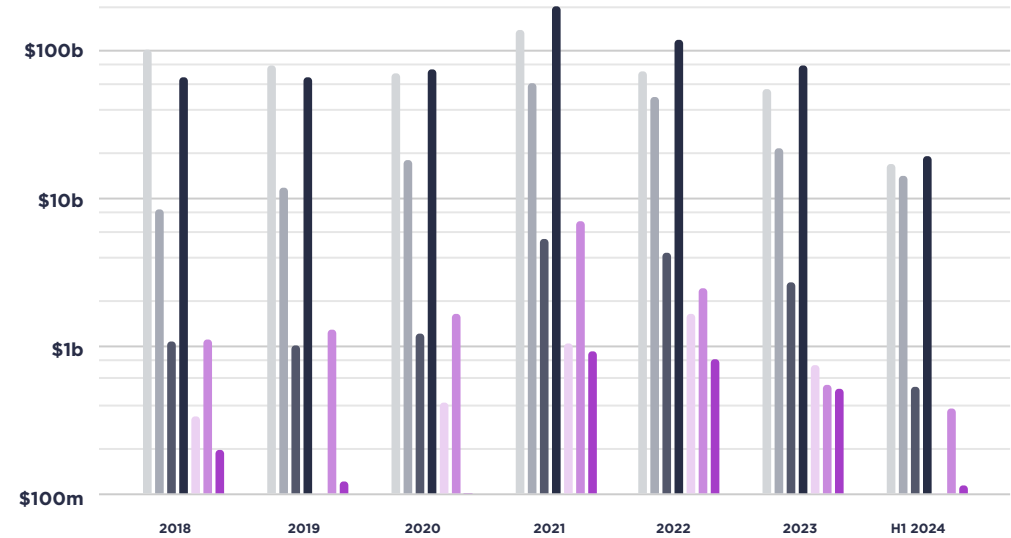
- In 2023, global mega deals (deals with funding of \$100m or more) amounted to \$157.65b raised across 562 deals - the lowest mega deal count and funding amount since 2019. This represents a YoY decline of 37% in mega deal funding and a 48% decline in the count of mega deals.
- The highest quarterly count of global mega deals was reached in Q2 '23, totaling 153, and the lowest was in Q1 '23 with 121.
- North America led the way geographically, accounting for 50% of global mega deals and funding. Asia followed with 29% of global mega deals and 33% of global mega deal funding. Europe's contribution to global mega deals was 18% in terms of deal count and 14% in terms of funding amount.
- In 2023, Africa raised \$520m through 3 mega deals, a decline of 37% in funding and 50% in deal count from the previous year. Despite these decreases, Africa's global mega deal funding share remained relatively stable at 0.32%, just below the previous year's high, and the deal count held at 0.53%, down slightly from 0.56%.

AFRICAN MEGA DEALS AS A % OF GLOBAL MEGA DEALS



ANNUAL MEGA DEALS

FUNDING



DEALS



## BLOCKCHAIN VENTURE FUNDING - A SNAPSHOT

In 2023, blockchain businesses raised \$10.66b in 1,306 deals globally, marking a significant downturn from the previous year. This represents a 64% decline in funding and a 49% decrease in the number of deals compared to 2022. While 2022 witnessed substantial investments in blockchain, it was slightly below the all-time high set in 2021 by 2.5%. Each quarter of 2023 experienced a downturn compared to the corresponding quarter of the previous year, with Q4 '23 witnessing the smallest decline at 46% and Q1 '23 the largest decline at 74%. Despite the downturn exhibited in 2023, the first quarter of 2024 saw a pivotal turnaround in the global blockchain venture landscape, halting a streak of seven consecutive quarterly declines with a notable 24% quarter-over-quarter (QoQ) increase in the number of blockchain venture deals. This trend reversal continued in the second quarter of the year - with a 17% QoQ increase in funding.

### Global Blockchain Venture Funding

#### Full Year 2023

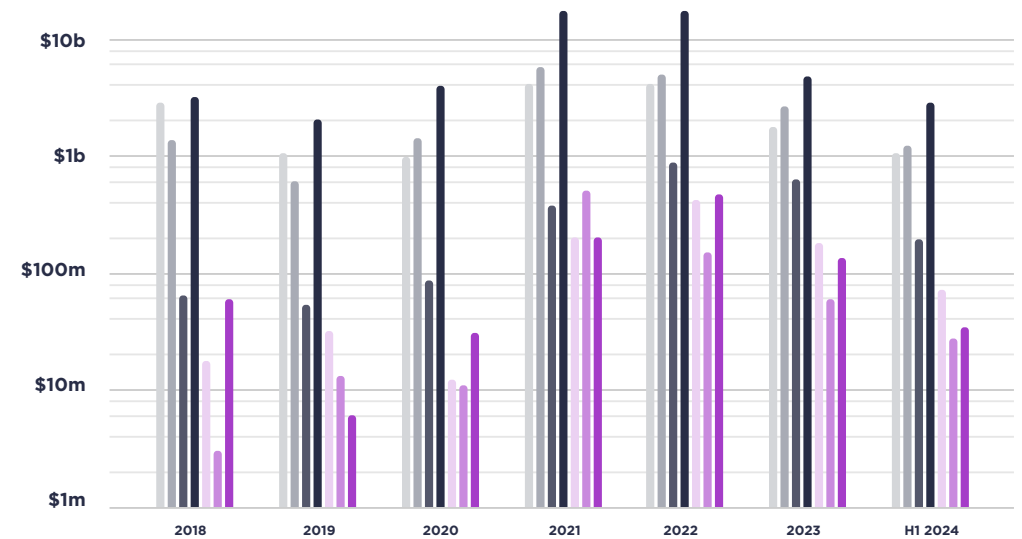
- Mirroring broader funding trends, the majority of global blockchain venture activity was concentrated in the USA in 2023, with 41% of the funding and 43% of the deals.
- The global annual median deal size for blockchain ventures fell by 6% to \$2.8m.
- In 2023, the average blockchain venture deal size dropped 30% to \$8.2m from \$11.7m in 2022.
- Only 13 global blockchain mega deals occurred in 2023, raising \$2.64b—a sharp 80% decrease in both deals and funding from the previous year.
- In 2023, blockchain mega deals made up 2.3% of global mega deals and 1.6% of their funding, dropping from 5.9% of deals and 5.1% of funding in 2022.
- In 2023, six new blockchain unicorns emerged, making up 6% of the year's new unicorns across all sectors globally—down from 10% in 2022.
- Despite growth relative to all sectors since 2018, blockchain's share of global venture activity fell in 2023 to 3% of funding and 4% of deals, down from 6% and 7% in 2022.
- Globally, the annual median deal size for blockchain venture funding was 6% lower than the all-sector median. In comparison, the annual average blockchain venture deal size was 33% less than the global annual average for all sectors.

#### H1 2024

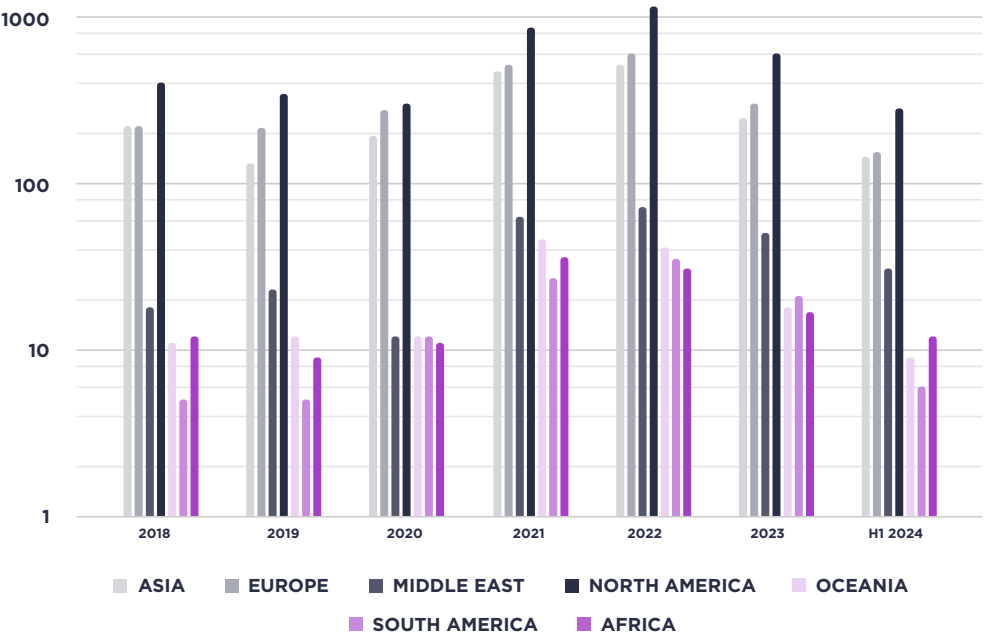
- In H1 2024, blockchain businesses raised \$5.74 billion across 678 deals globally, marking a 9% YoY decline in funding and a 14% YoY decline in the number of deals compared to H1 2023.
- The global median deal size for blockchain ventures in H1 2024 was \$3.1m, 10% higher than in the 2023 calendar year.

## ANNUAL BLOCKCHAIN VENTURE CAPITAL

### FUNDING



### DEALS



- The global average deal size for blockchain ventures in H1 2024 was \$8.5m, a 5% increase over H1 2023.
- There were 9 blockchain mega deals in H1 2024, raising \$2.33b. This reflects a 29% YoY increase in the number of mega deals and a 59% YoY increase in mega deal funding when compared to H1 2023.
- In H1 2024, blockchain mega deals made up 3.1% of global mega deals and 2.8% of their funding.
- In H1 2024, nine new blockchain unicorns emerged, making up 14.5% of the half-year's new unicorns across all sectors globally.
- In H1 2024, blockchain's share of global venture activity was 3.5% for funding and 6% for deals.

## African Blockchain Venture Funding

### Full Year 2023

- The continent's share of annual global blockchain venture deals increased from 1.2% to 1.3%, while its share of venture funding decreased from 1.6% to 1.3% compared to 2022.
- In 2023, Africa secured \$135.4m from 17 blockchain venture funding deals, marking a 45% decrease in deals and a 72% decrease in funding compared to the previous year. This level of funding positions Africa only above South America, making it one of the regions with the lowest blockchain funding among all continents.
- In Q1 '23, the bulk of African blockchain venture activity occurred, with the quarter attracting 78% of the year's total funding across 59% of all deals. In comparison to the same quarter of the previous year, only the first quarter saw an increase in the amount of funding.
- Africa saw the emergence of one new blockchain unicorn in 2023, with Scroll joining Kucoin and Bitget, taking the total to 3.
- In Africa, blockchain venture funding represented 6.1% of all-sector venture funding and accounted for 5.4% of the total deals, marking a decrease from 2022's 15.1% funding and 5.5% deal share.
- Since 2018, the annual median deal size for African blockchain venture funding has mostly been lower than the global median. In the past year, the annual median deal size for African blockchain venture funding was down to \$2m, marking a 39% decline compared to the previous year. This is 29% less than the global median blockchain deal size in 2023.
- In 2023, the average size of blockchain deals in Africa decreased significantly, dropping by 48% YoY to \$8m. This figure is only 2% below the global average deal size for blockchain venture

### ANNUAL SHARE OF BLOCKCHAIN VENTURE FUNDING

REGION	2018	2019	2020	2021	2022	2023	H1 2024
AFRICA	0.8%	0.2%	0.1%	0.7%	1.6%	1.3%	0.6%
ASIA	36.8%	27.7%	4.1%	13.3%	14.1%	16.5%	18.3%
EUROPE	17.9%	15.6%	6.0%	18.9%	16.7%	25.1%	21.2%
MIDDLE EAST	0.8%	1.4%	0.4%	1.2%	2.9%	5.9%	3.4%
NORTH AMERICA	41.7%	53.5%	17.2%	56.7%	59.4%	45.0%	49.1%
OCEANIA	0.2%	0.8%	0.1%	0.7%	1.4%	1.7%	1.3%
SOUTH AMERICA	0.0%	0.3%	0.0%	1.7%	0.5%	0.6%	0.5%

### ANNUAL SHARE OF BLOCKCHAIN VENTURE DEALS

REGION	2018	2019	2020	2021	2022	2023	H1 2024
AFRICA	1.3%	1.2%	1.3%	1.7%	1.2%	1.3%	1.8%
ASIA	24.5%	17.5%	22.5%	21.9%	20.2%	19.0%	21.5%
EUROPE	24.5%	28.8%	32.5%	24.2%	23.6%	23.0%	22.9%
MIDDLE EAST	2.0%	3.0%	1.4%	2.9%	2.8%	3.9%	4.6%
NORTH AMERICA	44.3%	46.0%	35.8%	40.3%	45.2%	46.1%	41.7%
OCEANIA	1.2%	1.6%	1.4%	2.1%	1.6%	1.4%	1.3%
SOUTH AMERICA	0.5%	0.7%	1.4%	1.2%	1.4%	1.6%	0.9%

funding and 13% higher than than the annual average across all sectors in Africa.

- In Africa, the annual median deal size for blockchain venture funding was 87% higher than the median deal size across all sectors in 2023, a decrease from 217% in 2022. Additionally, the average annual blockchain deal size was comparable to the all-sector average in 2023, contrasting with 2022, when it was 170% higher.

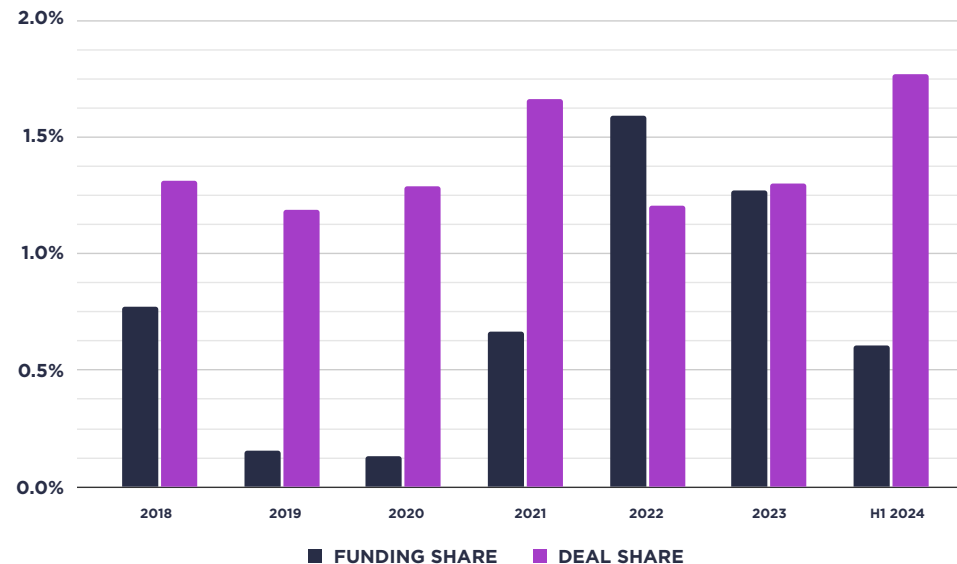
### H1 2024

- During the first half of 2024, the continent's share of global blockchain venture deals increased to 1.8% - an all-time high. Its share of global blockchain venture funding decreased to 0.6%.
- African blockchain businesses raised \$34.7m across 12 deals in H1 2024. This represents a 9% increase in the number of deals but a 70% decrease in funding compared to H1 2023.
- The median deal size for African blockchain venture funding in H1 2024 was \$2.2m, while the average deal size was \$2.9m.
- Compared to global metrics, blockchain venture activity in Africa represents a larger share of the region's total venture funding and deal count. In Africa, blockchain venture funding accounted for 6.4% of all venture funding and 12.5% of total deals, marking an all-time high in deal share. Globally, blockchain funding accounts for only 3.5% of all venture funding and 5.9% of total deals. This higher percentage of blockchain venture activity in Africa suggests a greater regional focus on blockchain solutions, driven by unique challenges that this technology can address.

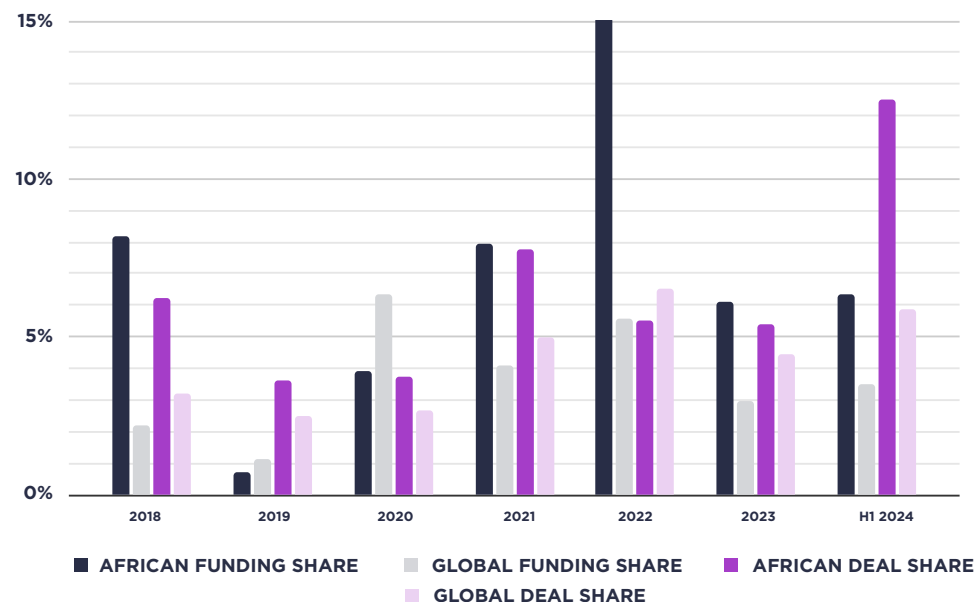
### BLOCKCHAIN VENTURE CAPITAL

REGION	2021		2022		2023		YoY GROWTH	
	FUNDING AMOUNT	# OF DEALS	FUNDING AMOUNT	# OF DEALS	FUNDING AMOUNT	# OF DEALS	FUNDING AMOUNT	# OF DEALS
GLOBAL	\$30,700,000,000	2164	\$29,940,000,000	2567	\$10,660,000,000	1306	-64.4%	-49.1%
AFRICA	\$203,472,000	36	\$476,140,000	31	\$135,410,000	17	-71.6%	-45.2%
ASIA	\$4,088,120,000	474	\$4,208,800,000	519	\$1,753,640,000	248	-58.3%	-52.2%
EUROPE	\$5,800,350,000	523	\$4,990,000,000	605	\$2,672,230,000	301	-46.4%	-50.2%
MIDDLE EAST	\$383,520,000	63	\$873,220,000	73	\$633,170,000	51	-27.5%	-30.1%
NORTH AMERICA	\$17,400,000,000	873	\$17,770,000,000	1,160	\$4,795,370,000	602	-73.0%	-48.1%
OCEANIA	\$205,960,000	46	\$426,810,000	41	\$181,510,000	18	-57.5%	-56.1%
SOUTH AMERICA	\$512,750,000	27	\$151,660,000	35	\$60,430,000	21	-60.2%	-40.0%

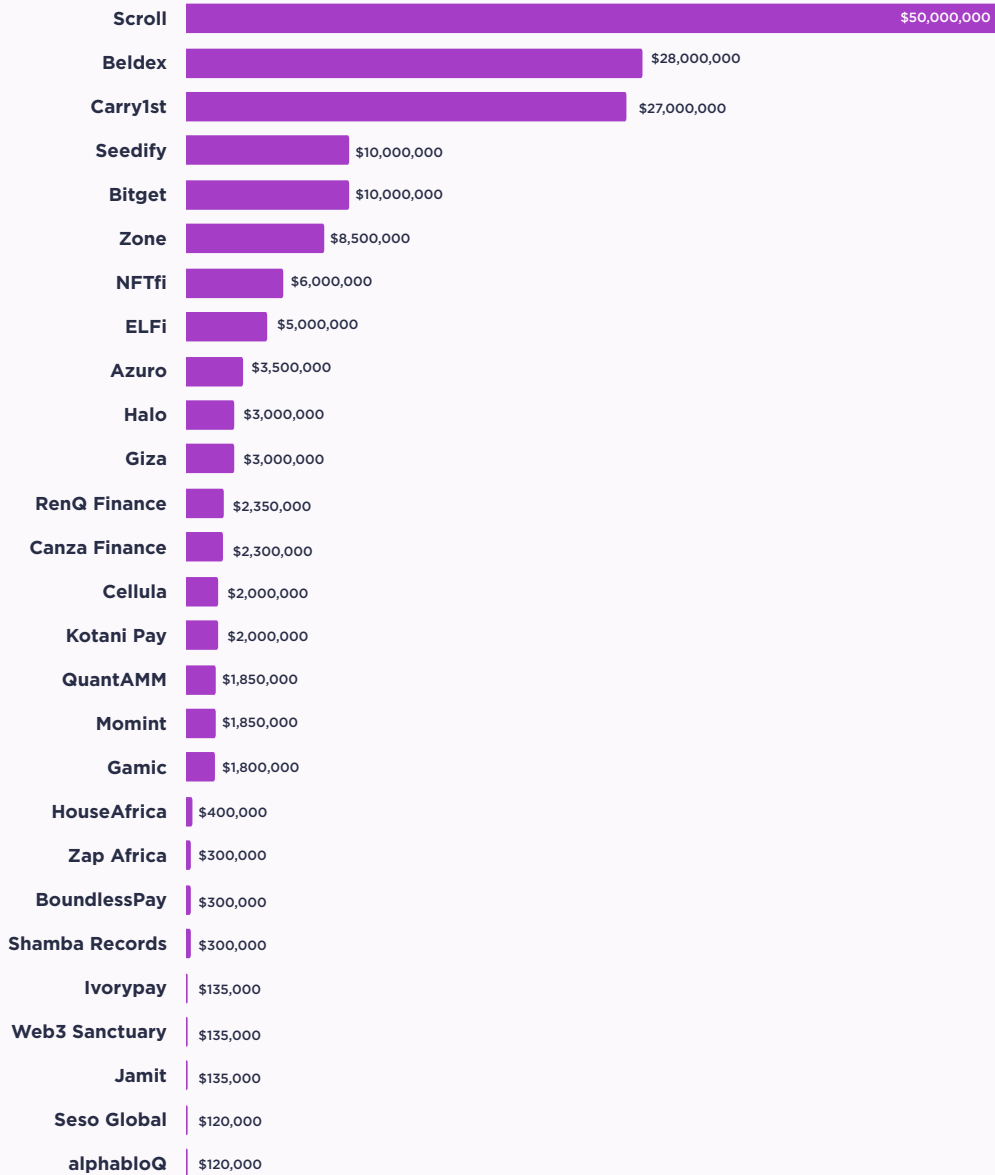
### ANNUAL AFRICAN BLOCKCHAIN VENTURE CAPITAL AS A % OF GLOBAL BLOCKCHAIN VENTURE CAPITAL



### ANNUAL BLOCKCHAIN VENTURE CAPITAL AS A % OF ALL VENTURE CAPITAL

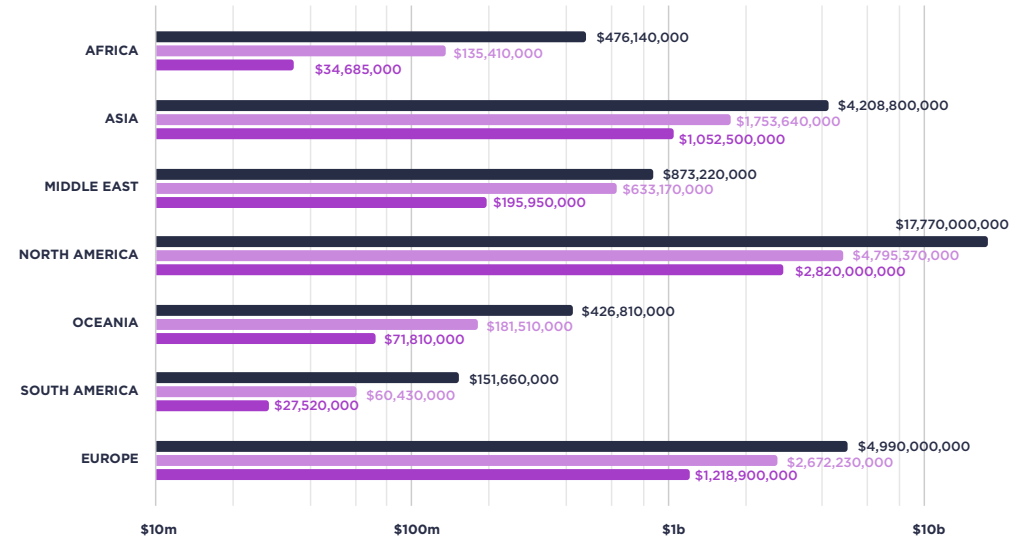


### AFRICAN BLOCKCHAIN VENTURE FUNDING ROUNDS

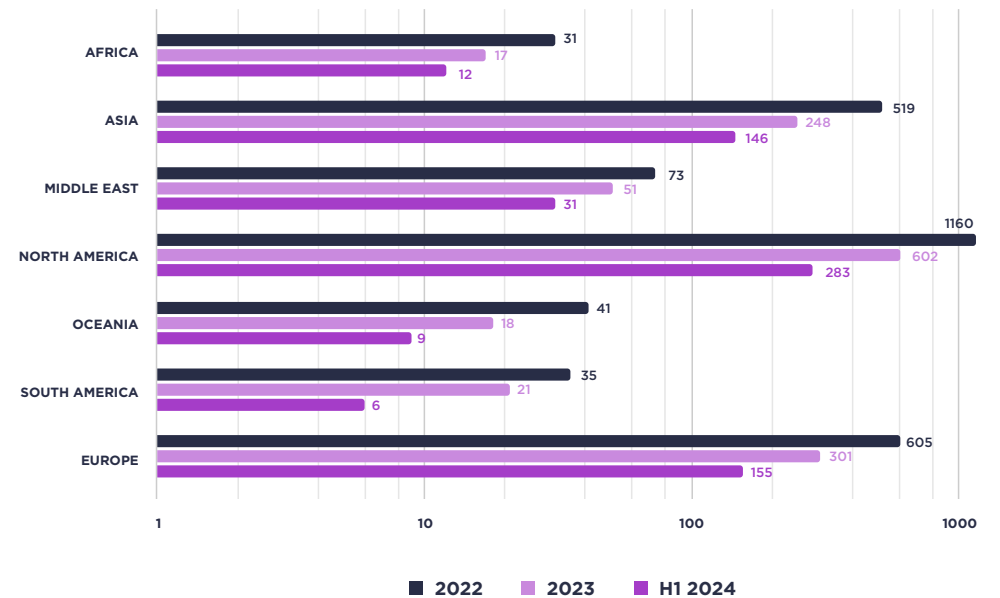


### BLOCKCHAIN VENTURE CAPITAL

#### FUNDING



#### DEALS



### Quarterly Blockchain Venture Funding in Africa

In 2023, African blockchain venture funding exhibited significant fluctuations reflective of broader economic trends:

**Q1 2023:** The year started strongly with \$106m across 10 deals, a 14% YoY increase, setting a positive tone early in the year.

**Q2 2023:** Funding sharply fell to \$10m, a 97% decrease, with a corresponding 90% reduction in deal activity, mirroring global economic constraints.

**Q3 2023:** A modest recovery occurred, with \$15.1m funded, though still 40% lower YoY.

**Q4 2023:** The decline continued, with funding dropping to \$4.6 million, down 60%.

**Q1 2024:** The new year began with \$17.2m from 5 deals, indicating ongoing challenges but also potential for a gradual recovery.

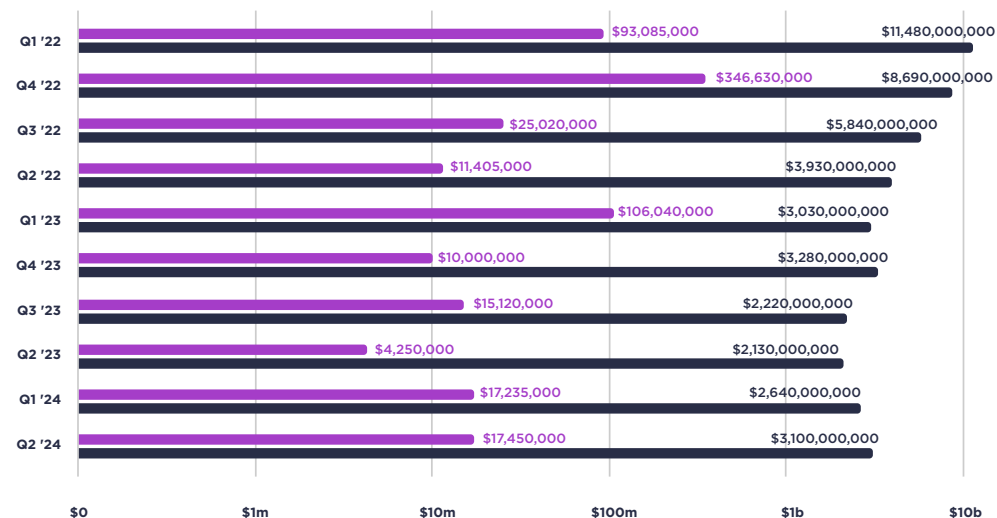
**Q2 2024:** Funding reached \$17.5m, reflecting a significant 75% increase YoY, with deal activity also rising to 7 deals, marking a 600% YoY increase.

These dynamics highlight the volatility within the African blockchain funding environment and its alignment with global venture capital trends. Despite these variances, Africa's role in the global market has been impactful, demonstrating resilience and potential for future growth.

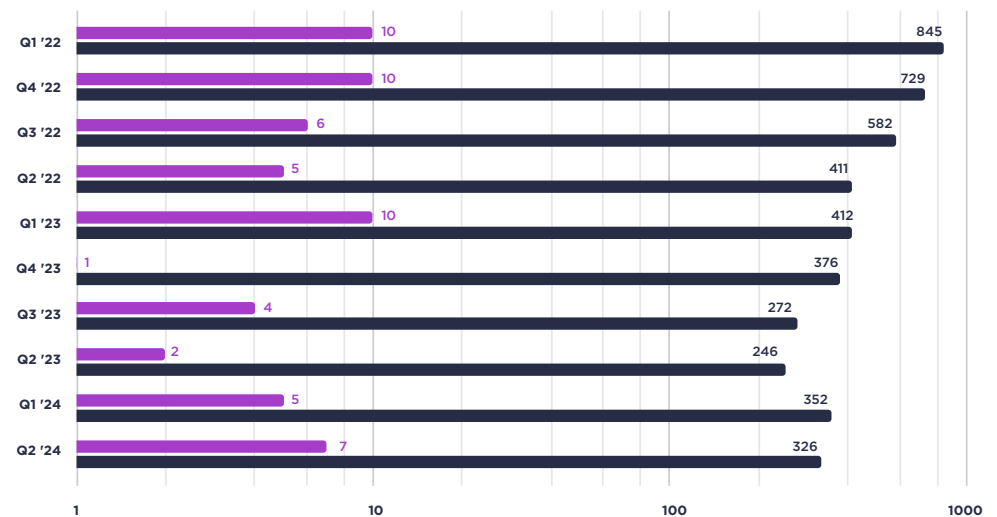
Q1 2023		Q2 2023		Q3 2023		Q4 2023		Q1 2024		Q2 2024	
\$106m	+14% YoY	\$10m	-97% YoY	\$15.1m	-40% YoY	\$4.3m	-63% YoY	\$17.2m	-84% YoY	\$17.5m	+75% YoY
10 deals	0% YoY	1 deals	-90% YoY	4 deals	-33% YoY	2 deals	-60% YoY	5 deals	-50% YoY	7 deals	+600% YoY

### QUARTERLY BLOCKCHAIN VENTURE CAPITAL

#### FUNDING



#### DEALS



# EMBRACING THE FUTURE: WHY WE FOCUS ON AFRICA

In the ever-evolving landscape of blockchain technology, our strategic decision to focus on Africa is a move brimming with potential. At Lisk, we prioritize this continent, recognizing its transformative opportunities for our company and the global community.

## Unleashing Africa's Potential

Africa is a continent teeming with possibilities. While still developing, its economies are increasingly engaging with global markets and showing remarkable growth. Though these economies may lack some attributes of developed nations, such as high per capita income and well-established financial markets, they offer significant early investment opportunities with substantial rewards despite the inherent risks.

## The Surge of Blockchain Adoption

Economic growth in Africa often parallels the adoption of blockchain technology. The continent has seen impressive progress in this regard. In 2022 alone, African blockchain startups raised an astonishing \$474 million in funding, marking a 429% increase from the \$90 million raised in 2021. Africa's funding growth rate is the highest globally, in stark contrast to the stagnant levels seen in the US.

This highlights Africa's emerging role as a significant player in the global blockchain arena. For example, countries like Nigeria, South Africa, and Kenya have turned to cryptocurrencies amid economic instability, demonstrating the immense potential for innovation and practical applications of blockchain technology.

## Blockchain: Opportunities Over Risks

While so-called developed countries tend to legitimately approach blockchain cautiously due to concerns over market volatility and

scams, the technological and economic advancements it offers provide practical solutions to many daily challenges Africans face.

Blockchain technology can offer stable stores of value and secure cross-border payment solutions, helping individuals manage economic uncertainties and participate in the global economy while rarely having the opportunity to access the traditional banking system. This potential is reflected in the high levels of crypto awareness and understanding in countries like Nigeria, South Africa, and Kenya, where cryptocurrencies are viewed as opportunities rather than risks.

A recent report by [Consensys](#) on global blockchain adoption and awareness highlights Nigeria's high crypto awareness, with 99% of respondents familiar with cryptocurrencies and 70% clearly understanding blockchain technology.

In South Africa, 98% of the population is aware of cryptocurrencies, with many viewing them as the future of money and digital ownership rather than merely speculative assets. This deep understanding of blockchain technology in Africa will likely enable the region to reshape financial systems and empower people globally.

## The True Spirit of Blockchain

Africa's positive demographic trends and eagerness to embrace new technologies make it clear that the continent is a key driver for widespread blockchain adoption.

Unlike developed countries with entrenched legacy systems, African nations offer a fresh canvas for blockchain technologies to thrive. By establishing a presence in these regions and collaborating with local communities, governments, and businesses, we aim to develop solutions tailored to their unique needs and challenges.

## Lisk's Blockchain Incubation Hub

Recognizing Africa's immense potential, Lisk, in a shared effort with CVLabs, decided to open its Blockchain Incubation Hub on the continent. Based on the African ground, it aims to cultivate local talent, nurture innovative ideas, and provide essential support for startups to flourish through a dedicated program.

This initiative again reaffirms our focus on Africa and our strong belief in the continent's vast potential. As we stand on the cusp of a new era of technological advancement, the potential for blockchain to reshape the world has never been greater, and Africa is set to lead this transformation.



**Adrien Geneste**

Head of Marketing, Lisk

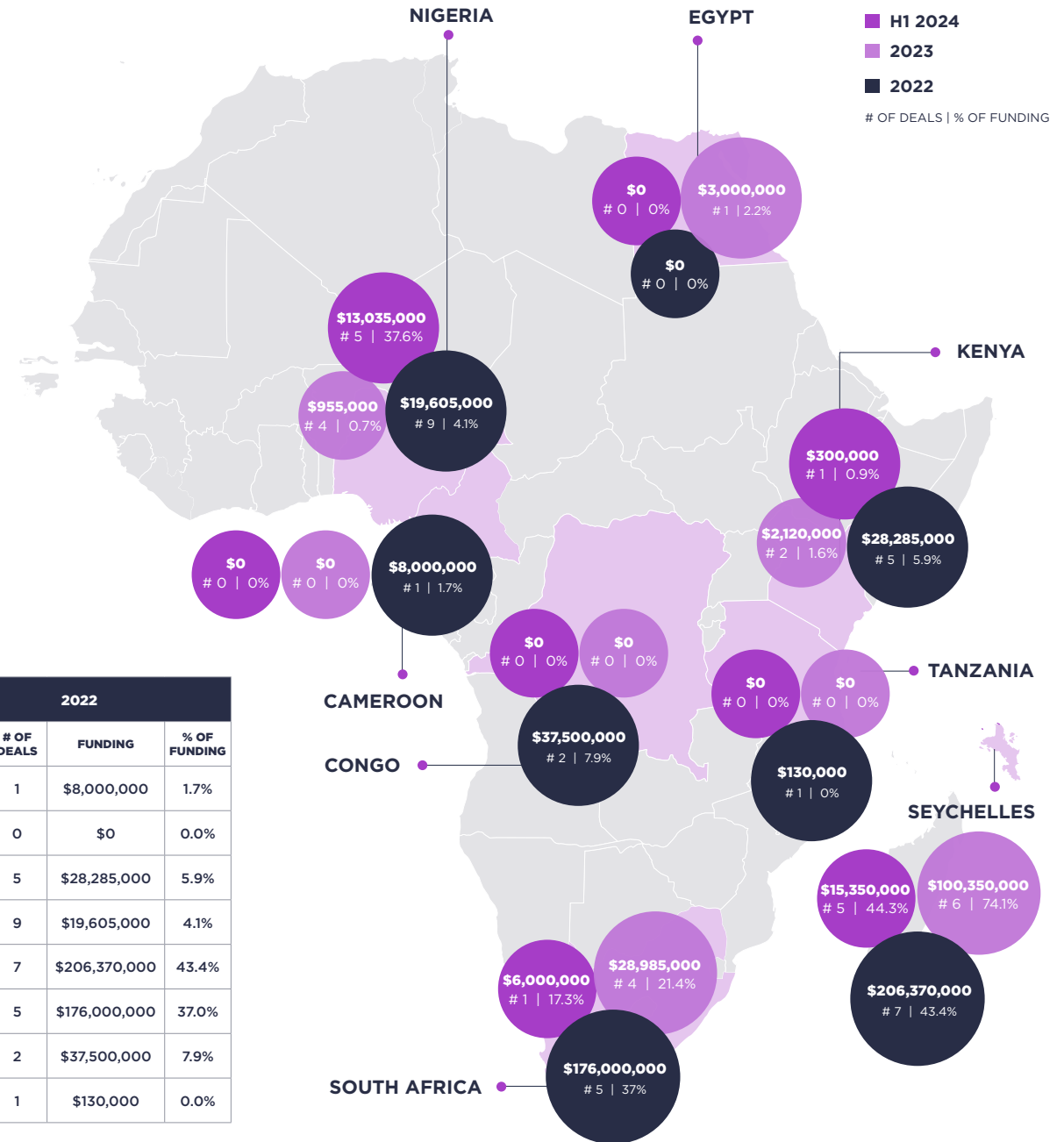


# African Blockchain Venture Funding by Nations

In 2023, blockchain venture capital was successfully raised by only five countries across Africa, with Seychelles and South Africa collectively accounting for 95% of the continent's total blockchain venture funding. Remarkably, Seychelles led this investment for the sixth year, securing over half of all funds.

## ANNUAL BLOCKCHAIN VENTURE FUNDING IN AFRICA BY NATIONS

COUNTRY	H1 2024				2023				2022			
	% OF DEALS	# OF DEALS	FUNDING	% OF FUNDING	% OF DEALS	# OF DEALS	FUNDING	% OF FUNDING	% OF DEALS	# OF DEALS	FUNDING	% OF FUNDING
CAMEROON	0.0%	0	\$0	0.0%	0.0%	0	\$0	0.0%	3.3%	1	\$8,000,000	1.7%
EGYPT	0.0%	0	\$0	0.0%	5.9%	1	\$3,000,000	2.2%	0.0%	0	\$0	0.0%
KENYA	8.3%	1	\$300,000	0.9%	11.8%	2	\$2,120,000	1.6%	16.7%	5	\$28,285,000	5.9%
NIGERIA	41.7%	5	\$13,035,000	37.6%	23.5%	4	\$955,000	0.7%	30.0%	9	\$19,605,000	4.1%
SEYCHELLES	41.7%	5	\$15,350,000	44.3%	35.3%	6	\$100,350,000	74.1%	23.3%	7	\$206,370,000	43.4%
SOUTH AFRICA	8.3%	1	\$6,000,000	17.3%	23.5%	4	\$28,985,000	21.4%	16.7%	5	\$176,000,000	37.0%
CONGO	0.0%	0	\$0	0.0%	0.0%	0	\$0	0.0%	6.7%	2	\$37,500,000	7.9%
TANZANIA	0.0%	0	\$0	0.0%	0.0%	0	\$0	0.0%	3.3%	1	\$130,000	0.0%

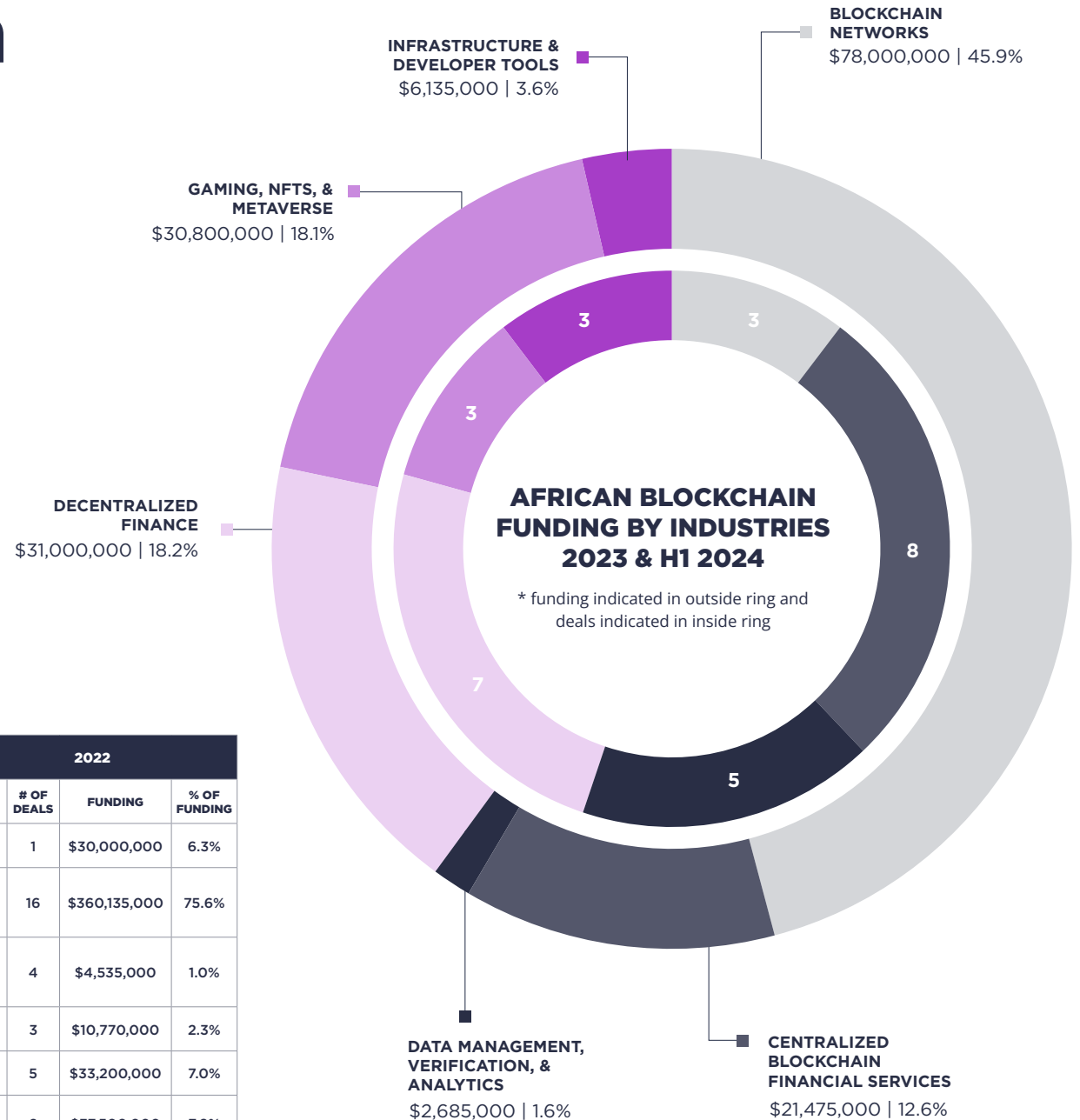


# African Blockchain Funding by Industries

In recent years, the African blockchain landscape has witnessed dynamic growth and diversification across various sectors. The funding trends highlight investments in Blockchain Networks, Centralized Blockchain Financial Services, Infrastructure & Developer Tools, Decentralized Finance (DeFi), Gaming, NFTs & Metaverse, and Data Management, Verification & Analytics. Each sector's unique contributions and technological advancements underscore the expanding role of blockchain in driving financial inclusion, enhancing digital interactions, and fostering economic development across the continent. The data reflects both the challenges and opportunities within the ecosystem, with shifts in funding patterns indicating evolving investor interests and emerging priorities in the blockchain space.

## ANNUAL BLOCKCHAIN VENTURE FUNDING IN AFRICA BY INDUSTRIES

INDUSTRY CATEGORY	H1 2024			2023			2022					
	% OF DEALS	# OF DEALS	FUNDING	% OF FUNDING	% OF DEALS	# OF DEALS	FUNDING	% OF FUNDING	% OF DEALS	# OF DEALS	FUNDING	% OF FUNDING
BLOCKCHAIN NETWORKS	0.0%	0	\$0	0.0%	17.6%	3	\$78,000,000	57.6%	3.2%	1	\$30,000,000	6.3%
CENTRALIZED BLOCKCHAIN FINANCIAL SERVICES	16.7%	2	\$8,800,000	25.4%	35.3%	6	\$12,675,000	9.4%	51.6%	16	\$360,135,000	75.6%
DATA MANAGEMENT, VERIFICATION, & ANALYTICS	16.7%	2	\$435,000	1.3%	17.6%	3	\$2,250,000	1.7%	12.9%	4	\$4,535,000	1.0%
DECENTRALIZED FINANCE	41.7%	5	\$18,650,000	53.8%	11.8%	2	\$12,350,000	9.1%	9.7%	3	\$10,770,000	2.3%
GAMING, NFTS, & METAVERSE	16.7%	2	\$3,800,000	11.0%	5.9%	1	\$27,000,000	19.9%	16.1%	5	\$33,200,000	7.0%
INFRASTRUCTURE & DEVELOPER TOOLS	8.3%	1	\$3,000,000	8.6%	11.8%	2	\$3,135,000	2.3%	6.5%	2	\$37,500,000	7.9%



**Blockchain Networks:** In 2023, the funding amount for Blockchain Networks reached \$78 million through three deals, capturing 58% of the total funding for the year. This significant investment highlights the importance of advanced cryptographic protocols and Ethereum Layer 2 scalability solutions in enhancing blockchain scalability and security. Funded technologies in this sector include privacy-focused solutions that ensure user anonymity through advanced cryptographic protocols, and scalability solutions that leverage zero-knowledge proofs to enhance efficiency and reduce transaction costs while maintaining security and decentralization. These investments underscore the need for robust, scalable, and secure blockchain infrastructures to support diverse applications, ranging from financial transactions to secure digital communications. The growth from 6% funding in 2022 illustrates the increasing recognition of the need for such infrastructures to support the expanding blockchain ecosystem.

**Infrastructure & Developer Tools:** The Infrastructure & Developer Tools sector emphasizes essential tools and protocols for the creation, deployment, and scalability of blockchain applications. Key areas that received investment include AI integration with blockchain, SocialFi ecosystems, and educational platforms for Web3 development. These technologies are critical for enabling the widespread deployment and enhancement of blockchain applications across various industries. In 2023, funding in this sector reached \$3.1m across two deals, a significant drop from \$37.5m in 2022. Despite this decline, the importance of the sector remains evident. In H1 2024, one business in this industry category raised \$3m. Investments in this category focus on Blockchain-as-a-Service (BaaS) platforms, tools for smart contract development, services related to blockchain nodes and APIs, cross-chain development tools, and resources for developer education and community building. These investments underscore the sector's vital role in driving innovation and ensuring the scalability and security of blockchain applications, which are essential for their adoption and integration into various industries.

**Centralized Blockchain Financial Services:** Despite a decrease in funding share to 9% from 76%, this sector remains highly active with the highest number of deals, totaling six in 2023 and two in H1 2024. This sector includes centralized exchanges for digital asset trading, payment processing platforms, and custodial services. Key investments also cover property tokenization, real estate investment, and cross-border remittance services. These technologies are essential for democratizing access to financial services and fostering economic inclusion. They provide innovative solutions such as offline payment systems, secure crypto cards, and currency swaps, addressing financial exclusion and enhancing transaction speed and security. The focus on regulatory compliance and security builds trust and confidence in the global fintech landscape. The distribution of funding across numerous small projects highlights ongoing interest and innovation in blockchain-based financial services, underscoring their role in providing accessible, efficient, and secure financial solutions.

**Decentralized Finance (DeFi):** With a rise in funding share to 9% in 2023, raising \$12.35m in two deals, the DeFi sector is rapidly growing, driven by investments in technologies that decentralize and automate financial services. Key funding areas include decentralized exchanges (DEXs), lending platforms, derivatives, and insurance. In H1 2024, the sector received \$18.65m in funding from five deals, accounting for 54% of the funding share and 42% of the deal share, highlighting its continued growth. Innovations in this sector include on-chain betting markets, cross-border payment solutions, decentralized derivatives trading, AMM management, and using NFTs as loan collateral. These advancements contribute to a more open, transparent, and inclusive financial ecosystem, illustrating the sector's role in transforming traditional financial services.

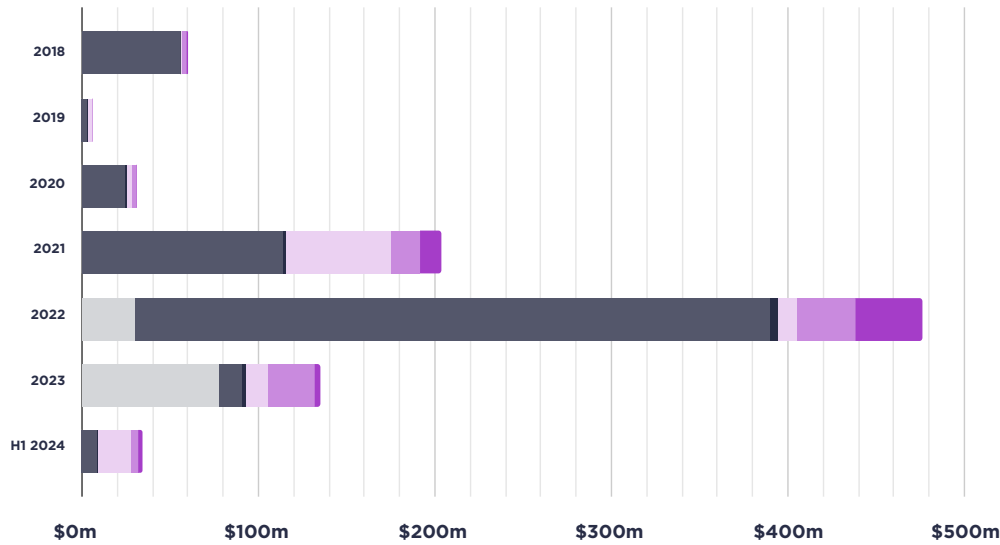
**Gaming, NFTs, & Metaverse:** This sector attracted 20% of the total African blockchain venture funding in 2023, while H1 2024 recorded two deals in this category, raising a combined \$30.8m. Funded

projects include blockchain-based gaming platforms that integrate play-to-earn models and push the boundaries of digital interaction and ownership, NFT marketplaces that enable the buying, selling, and trading of digital collectibles, and metaverse environments that offer immersive virtual experiences. These technologies are pivotal in shaping the future of digital entertainment and online communities.

**Data Management, Verification, & Analytics:** This sector attracted three deals in 2023 and another two in H1 2024, raising a total of \$2.69m. This represents only 2% of the 2023 funding and 1% of the funding in H1 2024. This sector focuses on enhancing the integrity and efficiency of data management on blockchain platforms. Investments have been made in advanced cryptographic solutions that ensure data privacy, blockchain analytics tools that provide valuable insights, regulatory compliance technologies that help entities meet evolving legal standards, and decentralized content distribution platforms that leverage blockchain for content authenticity and ownership. Additionally, blockchain solutions in agricultural supply chains, renewable energy projects, and media and content platforms have been funded, promoting transparency, traceability, financial inclusion, and secure content distribution. These technologies are essential for maintaining trust and security as blockchain applications expand into diverse areas such as finance, healthcare, agriculture, sustainable energy, and digital media.

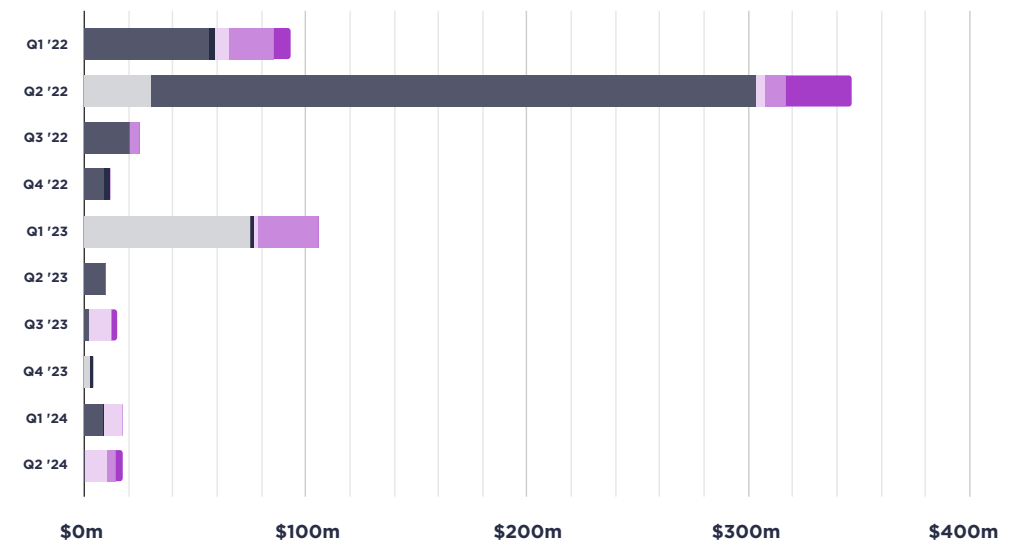
### ANNUAL AFRICAN BLOCKCHAIN VENTURE CAPITAL BY INDUSTRY CATEGORY

#### FUNDING

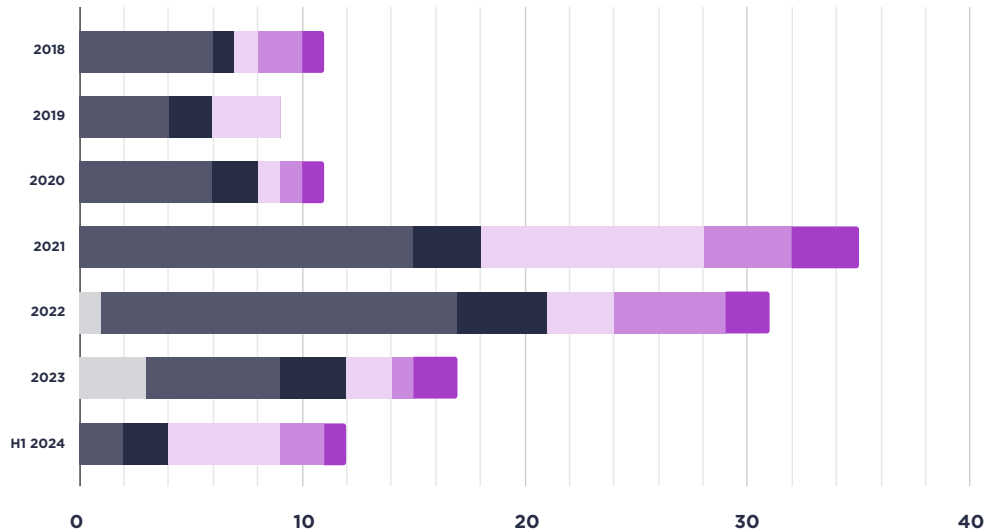


### QUARTERLY AFRICAN BLOCKCHAIN VENTURE CAPITAL BY INDUSTRY CATEGORY

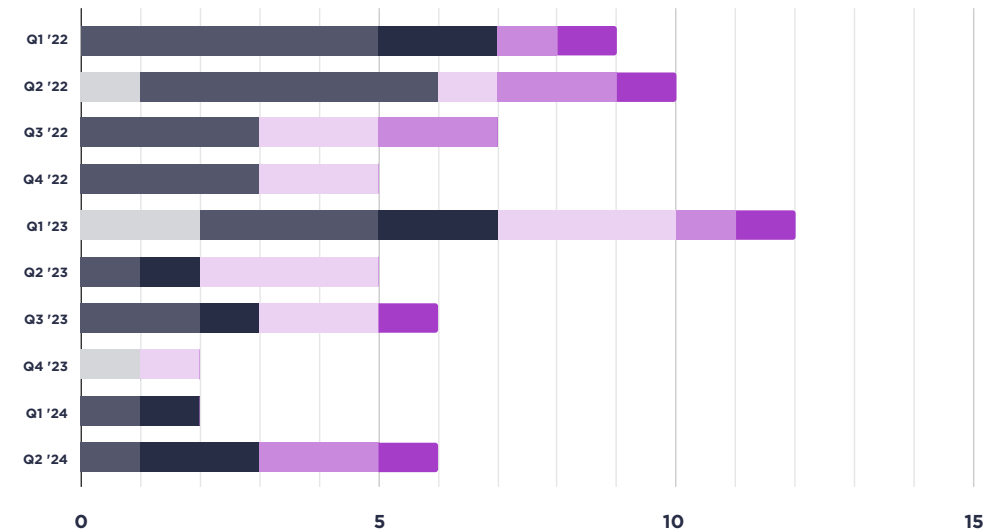
#### FUNDING



#### DEALS



#### DEALS



■ BLOCKCHAIN NETWORKS 
 ■ CENTRALIZED BLOCKCHAIN FINANCIAL SERVICES 
 ■ DATA MANAGEMENT, VERIFICATION, & ANALYTICS 
 ■ DECENTRALIZED FINANCE 
 ■ GAMING, NFTS, & METAVERSE 
 ■ INFRASTRUCTURE & DEVELOPER TOOLS

■ BLOCKCHAIN NETWORKS 
 ■ CENTRALIZED BLOCKCHAIN FINANCIAL SERVICES 
 ■ DATA MANAGEMENT, VERIFICATION, & ANALYTICS 
 ■ DECENTRALIZED FINANCE 
 ■ GAMING, NFTS, & METAVERSE 
 ■ INFRASTRUCTURE & DEVELOPER TOOLS

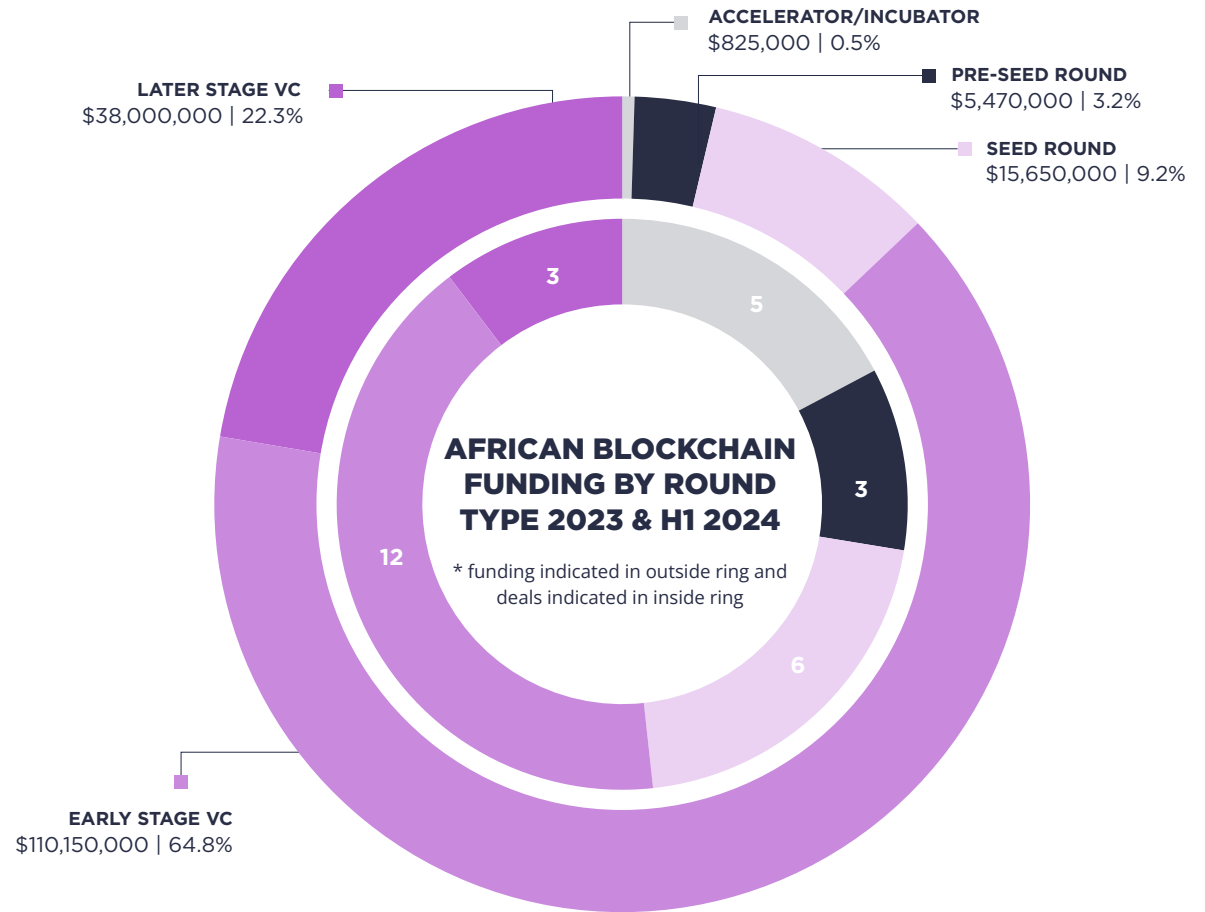
# African Blockchain Funding by Round Type

The 2023 data on blockchain venture funding in Africa, set against the previous year's backdrop, underscores the continuing maturation of the blockchain sector. While the distribution across round types remains diverse, a nuanced understanding of investment patterns reveals enduring investor commitment across the venture lifecycle.

A closer look reveals a sustained interest in both Early and Later Stage Venture Capital (VC) rounds, with these categories securing the lion's share of funding. This ongoing focus highlights a consistent investor preference for ventures with proven potential and those poised for significant growth, reflecting an optimistic outlook on the blockchain ecosystem's evolution in Africa.

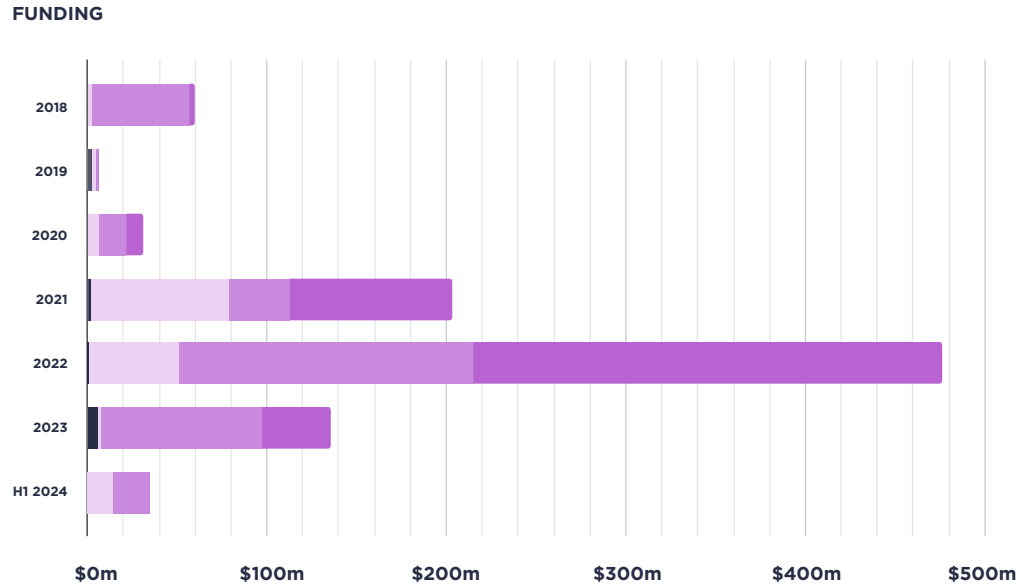
In 2023, the continued dominance of Early and Later Stage Venture Capital (VC) funding, which accounted for 94% of total funding, underscores an enduring commitment to supporting more mature blockchain ventures. This sustained focus indicates stable investor interest in established players within the blockchain ecosystem, reflecting a consistent strategy in backing ventures with proven potential and scalability.

The persistence of Accelerator/Incubator, Pre-seed, and Seed rounds in 2023 underscores the sector's dedication to fostering innovation from the ground up. Despite varying scales of investment, the presence of these rounds year after year highlights a critical infrastructure supporting blockchain startups in their formative stages.

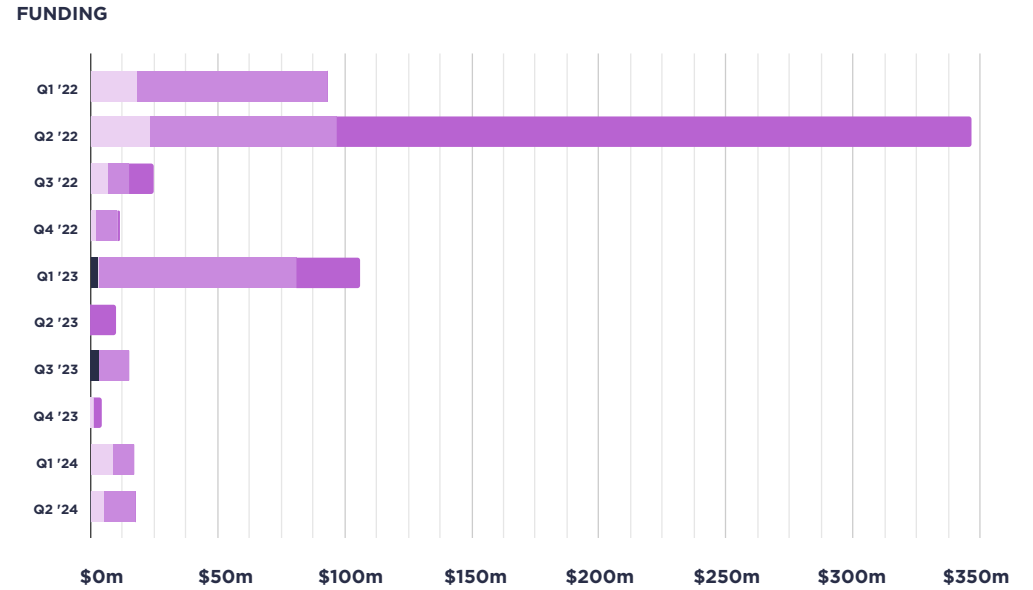


INDUSTRY CATEGORY	H1 2024			2023				2022				
	% OF DEALS	# OF DEALS	FUNDING	% OF FUNDING	% OF DEALS	# OF DEALS	FUNDING	% OF FUNDING	% OF DEALS	# OF DEALS	FUNDING	% OF FUNDING
ACCELERATOR/ INCUBATOR	16.7%	2	\$435,000	1.3%	17.6%	3	\$390,000	0.3%	0.0%	0	\$0	0.0%
ANGEL (INDIVIDUAL)	0.0%	0	\$0	0.0%	0.0%	0	\$0	0.0%	3.2%	1	\$315,000	0.1%
PRE-SEED ROUND	0.0%	0	\$0	0.0%	17.6%	3	\$5,470,000	4.0%	6.5%	2	\$620,000	0.1%
SEED ROUND	33.3%	4	\$13,800,000	39.8%	11.8%	2	\$1,850,000	1.4%	41.9%	13	\$50,205,000	10.5%
EARLY STAGE VC	50.0%	6	\$20,450,000	59.0%	35.3%	6	\$89,700,000	66.2%	35.5%	11	\$164,000,000	34.4%
LATER STAGE VC	0.0%	0	\$0	0.0%	17.6%	3	\$38,000,000	28.1%	12.9%	4	\$261,000,000	54.8%
TOTAL		12	\$34,685,000			17	\$135,410,000			31	\$476,140,000	

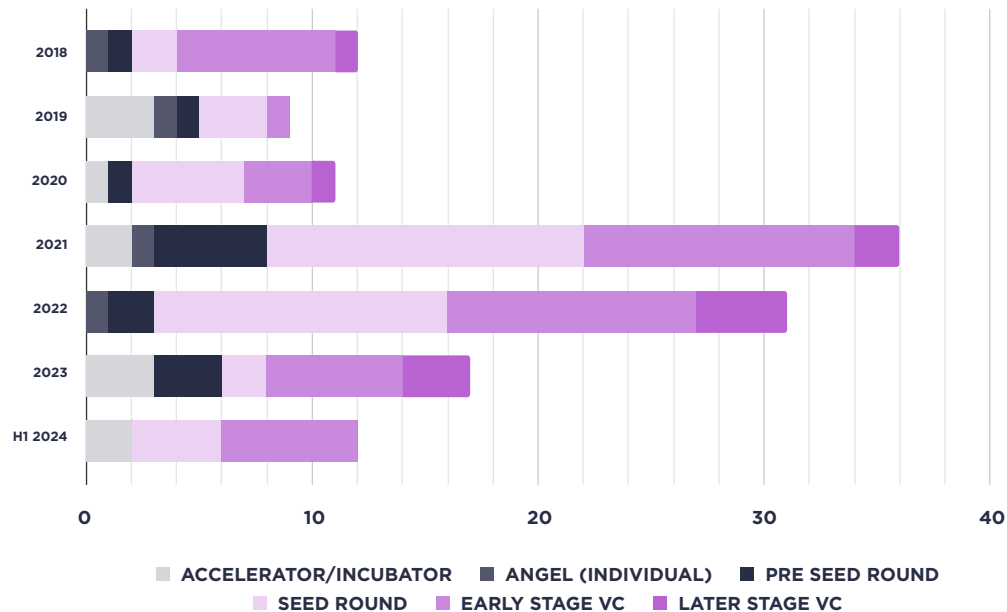
### ANNUAL AFRICAN BLOCKCHAIN VENTURE CAPITAL BY FUNDING ROUND TYPE



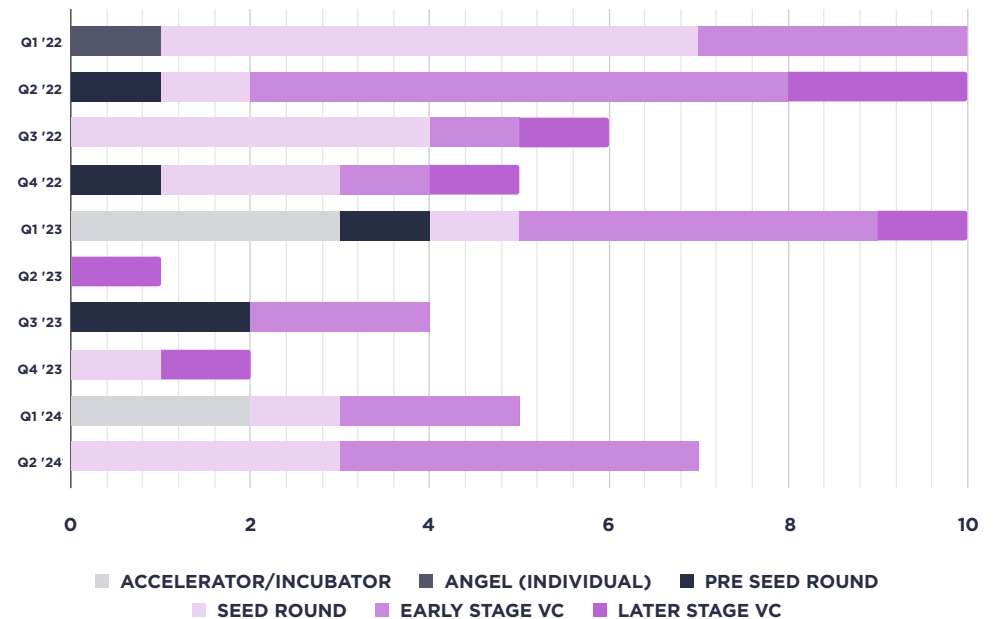
### QUARTERLY AFRICAN BLOCKCHAIN VENTURE CAPITAL BY FUNDING ROUND TYPE



### DEALS



























### DEALS



# African Blockchain Investor Watchlist

The following investors participated in at least four funding rounds of African blockchain companies:

<a href="#">Adaverse</a> 	<a href="#">Arrington Capital</a> 	<a href="#">AU21 Capital</a> 	<a href="#">Binance Labs</a> 	<a href="#">Bixin Ventures</a> 	<a href="#">Cadenza Capital</a> 
<a href="#">CMT Digital</a> 	<a href="#">Coinbase Ventures</a> 	<a href="#">CV VC</a> 	<a href="#">Delphi Ventures</a> 	<a href="#">Flori Ventures</a> 	<a href="#">Gate.io</a> 
<a href="#">Goodwell Investments</a> 	<a href="#">Hashkey Capital</a> 	<a href="#">IDG Capital</a> 	<a href="#">Kepple Africa Ventures</a> 	<a href="#">Lateral Frontiers VC</a> 	<a href="#">LD Capital</a> 
<a href="#">Mapleblock</a> 	<a href="#">NGC Ventures</a> 	<a href="#">Pantera Capital</a> 	<a href="#">Polygon Labs UI (Cayman)</a> 	<a href="#">SevenX Ventures</a> 	<a href="#">Shima Capital</a> 

# UNLOCKING CRYPTO'S POTENTIAL IN AFRICA: THE INDISPENSABLE ROLE OF LOCAL LIQUIDITY IN CRYPTO MARKETS

As with any market, the cryptocurrency market is comprised of a collection of willing buyers and sellers transacting with each other (at a price deemed to be fair by both parties). For such a market to exist and be useful to both direct and indirect market participants, liquidity is crucial. In particular, the existence of local liquidity pools is critical for a self-sustaining ecosystem to develop and grow. This article explores the multifaceted benefits of local liquidity pools, their pivotal role in the inclusion of sophisticated institutional players, and how platforms like VALR are leading the growth of this local liquidity pool in South Africa.

## Transparent and Programmable Liquidity: A Foundation for Growth

Liquidity is the ability to enter or exit a position at a market-related price at any given time. It is directly related to the number of buyers and sellers active in a marketplace and the amount of capital made available by liquidity providers or market makers in liquidity pools (such as VALR's order books).

In general, crypto markets first develop on a peer-to-peer (P2P) basis, followed by "simple buy/sell" functionality in the form of a bid/offer from a liquidity provider and off-exchange OTC desks for larger volumes. While the existence of trade by such means is important as the initial doorway to participate in a crypto market, large-scale development and trade volumes are confined to retail levels (with the exception of OTC desks, which are also utilized by institutional and corporate market participants). Markets only later ultimately develop programmatically accessible, local currency, limit order books. And rightfully so.

These local currency limit order books are what underpin growth and development within a crypto ecosystem. They provide a transparent view of market depth and liquidity, allowing this

liquidity to be accessible through APIs by larger and more sophisticated market participants and fintechs. Unlike P2P markets, which are typically limited to retail levels of liquidity and frequency of trade, centralized order books enable institutional and HFT (high-frequency trading) participation. This distinction is not trivial—it unlocks the potential for second-degree financial services that rely on visible, accessible liquidity. Suddenly, the incentive for large role players to develop additional financial products and services is present on top of this liquidity, and a distribution channel available.

VALR exemplifies this approach in South Africa, offering the deepest and most liquid market for cryptocurrencies against local currency in Africa, currently offering over 30 spot and futures pairs and support for close to 90 cryptocurrencies. The platform boasts pairs with organic depth and spreads that consistently match even those found in forex markets. The USDTZAR spot pair, for example, frequently shows hundreds of thousands of dollars of depth with spreads narrower than 0.01%. This deep liquidity, combined with a world-class API, invites a myriad of sophisticated role players to participate in the market but also mitigates the risks associated with less transparent means of crypto engagement, significantly reducing the prevalence of scams and fostering a safer investment environment. Of course, the OTC market exists in parallel to the central market and provides a channel for very large orders to cross without moving the market. These "dark pools" of liquidity are also critical for the health of a local ecosystem and enabling institutional involvement.

## Navigating Capital-Controlled Markets

Local liquidity pools present a vital gateway to the global crypto market for individuals in capital-controlled jurisdictions, providing a means for individuals to participate in the crypto market within the

confines of the regulatory boundaries set by regulators within the aforementioned jurisdictions. This is especially pertinent in Africa, where regulatory and infrastructural barriers can severely restrict access to foreign currencies and, by extension, to cryptocurrencies. Robust local order books facilitate transactions in local currencies, reducing the need for externalization of trade flows. This not only preserves the integrity of the local market but also encourages the organic development of diverse financial products and services atop this foundational liquidity within regulatory boundaries, thus creating opportunities for local businesses and market makers to thrive.

## The Ecosystem Impact: Beyond Simple Transactions

The creation of deep local liquidity is transformative, enabling banks and fintechs to introduce crypto products in local currencies. This avoids the complexities tied to foreign exchange, fostering innovation and allowing for a broad spectrum of applications, from digital wallets to sophisticated financial derivatives to borrowing and lending. Platforms like VALR remain instrumental, offering deep liquidity and enabling broader market participation. This infrastructure is crucial not just for transactional ease but for laying the groundwork for financial innovations, driving economic growth and financial inclusivity across Africa.



**Hank Coetzee**

Strategic Partnerships Manager,  
VALR



# STABLECOINS: A STRATEGIC OPPORTUNITY IN EMERGING MARKETS

With usage volumes far exceeding all other activity in blockchain networks, Stablecoins have emerged as a transformative force in the financial sector and decisively proven themselves as the killer app for crypto. Until now, this use has been predominantly of US Dollar-backed stablecoins such as Tether (USDT) and USDC, but the future looks bright for a new generation of token projects, especially those tackling specific needs in emerging markets, such as South Africa's ZARP Stablecoin.

Stablecoins are cryptocurrencies designed to maintain a stable value by being pegged to assets like gold or fiat currencies, such as the US dollar or South African Rand. This stability is crucial, as it mitigates the inherent volatility of digital currencies like Bitcoin, making stablecoins viable for everyday transactions, savings, and business operations. They combine the benefits of cryptocurrency, including fast transaction speeds, higher availability, and lower costs, with the reliability of traditional money.

Blockchain technology is now proven, with Bitcoin ETFs breaking records since their launch in the USA and traditional institutions onboard with products from Blackrock, Fidelity, and others, while the use of stablecoins for payments in emerging markets is booming. With crypto networks offering a new foundation for the global financial system, there is also increased attention being given to the tokenization of everything from equities to property and other real-world assets. Fiat currencies are not going anywhere, however, making it clear that every currency will need a corresponding stablecoin to represent its value in the new emerging system.

The use cases for stablecoins can therefore be summarised as "everything money is used for - and much more."

One of the most compelling benefits of stablecoins in Africa is enhanced financial inclusion. Many Africans are unbanked or underbanked but do have access to mobile phones and the internet. Stablecoins can be accessed and managed through smartphones, and QR codes for receiving payments can even be presented offline, bypassing the need for traditional banking infrastructure in several ways. This accessibility enables individuals and businesses to participate in the global economy, accessing services and markets previously out of reach and offering a safer alternative than cash. Getting started is as simple as downloading an app without the requirement for account application or approval. No monthly account fees, no permission required, and no minimums - the blockchain doesn't care how much money you have.

Remittances are another crucial aspect of many African economies, with large volumes of payments sent home every year by the diaspora of migrant workers and others living abroad. Traditional methods of sending remittances are costly and slow. Stablecoins dramatically reduce transaction fees and cut down transfer times from days to mere seconds or minutes, thereby increasing the efficiency of remittance flows.

Stablecoins also facilitate easier and more secure transactions for e-commerce and cross-border trade. They allow African businesses to transact with international partners without worrying about exorbitant currency conversion fees, rate fluctuations, and slow settlement times. This reliability can significantly boost trade and allow African products and services access to global markets with reliable payments that clear in seconds and minutes instead of days and weeks.

To harness the full potential of stablecoin, attracting partnerships is essential, particularly in fostering an ecosystem and building trust. Financial institutions, technology providers, and other crypto startups that are keen to embrace digital transformation and expand their services in emerging markets will benefit from the integration of a stable and reliable digital currency that enhances transactional efficiencies and enables them to automate their financial operations with stablecoins like ZARP as programmable money, tailored for the diverse financial landscape of emerging markets.

With regulatory frameworks becoming more favorable, such as in South Africa and Kenya, financial and other institutions have the opportunity to lead in a regulated, secure environment, setting standards for the continent's digital economy.

Stablecoins represent a transformative technology. The growth of projects like [ZARP Stablecoin](#) through an ecosystem of formidable local partners has led traditional players to consider their participation, too, such as Old Mutual Wealth, which manages the treasury reserves that back the value of ZARP tokens. Projects like ZARP offering on-chain representation of local currency will be necessary for every market and present a significant opportunity for those working in them.



**Simon Dingle**

Managing Director,  
ZARP Stablecoin

# 05

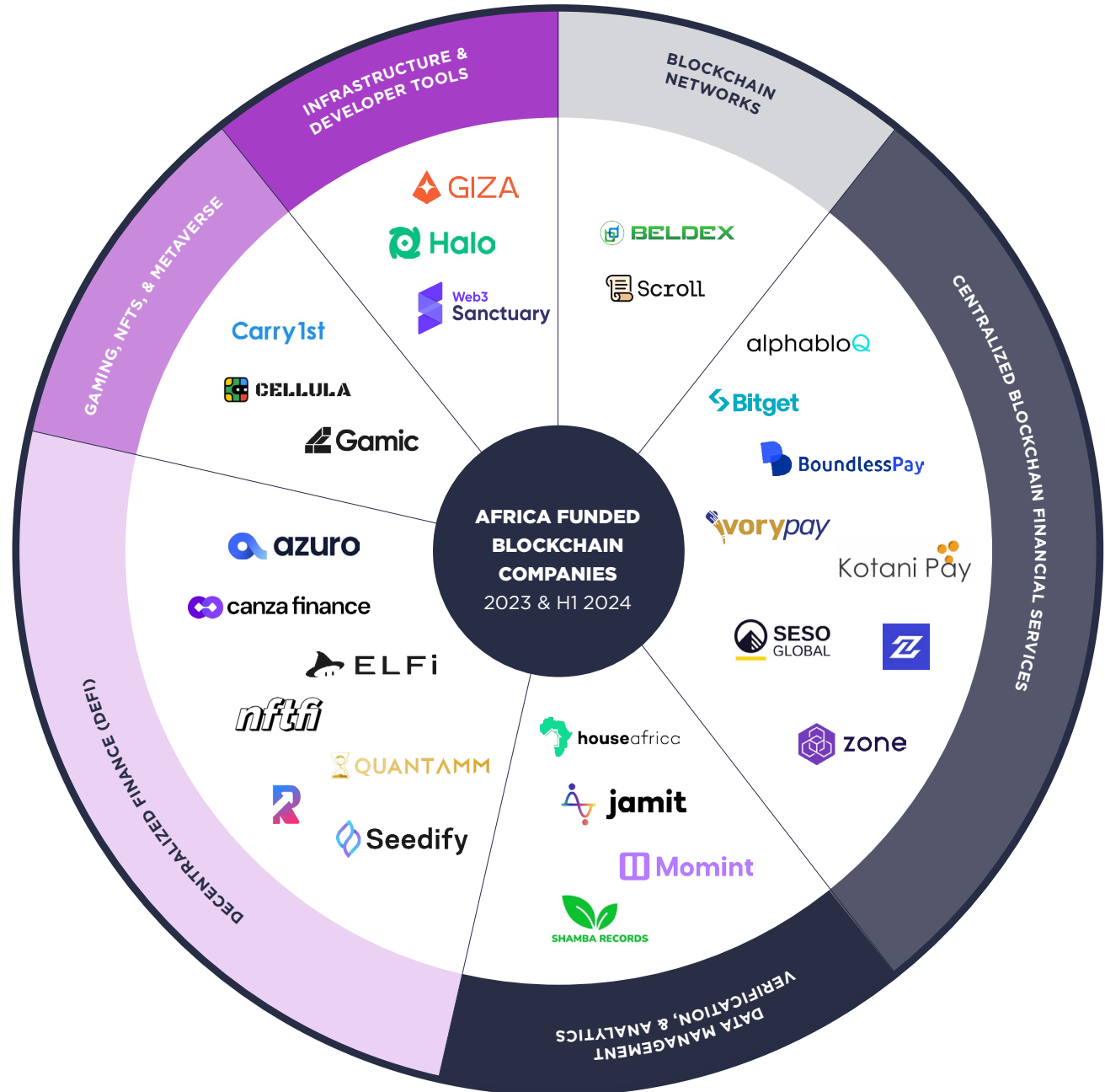
## AFRICA FUNDED BLOCKCHAIN COMPANIES OVERVIEW



# Africa Funded Blockchain Companies

This section profiles blockchain companies in Africa that have successfully secured funding during our study period, delving into their business objectives and underscoring their relevance in the blockchain industry.

Businesses in this section are presented first by the alphabetical order of their industry category, then in descending order based on the funds they raised during the period.



# Blockchain Networks

Blockchain networks refer to decentralized digital ledgers that use cryptographic techniques to record and secure transactions across multiple participants. These networks can be public, private, consortium, or hybrid-based while emphasizing transparency and immutability, using consensus mechanisms to maintain the network. Ideal for applications like cryptocurrencies and distributed applications (dApps) that require a wide reach and a high degree of trustlessness.



## Beldex

SUB CATEGORY: Public Blockchains - Layer 1 Protocols

COUNTRY: Seychelles | FOUNDED: 2018

Beldex, a privacy-centric blockchain, uses advanced cryptographic protocols and community governance to enhance user anonymity. Its technology, including the Monero-inspired RingCT protocol and a shift to Proof-of-Stake (PoS), boosts scalability and reduces environmental impact. Beldex stands out with its masternode system, which secures the network and rewards token holders. In 2023, it raised \$25m in February and \$3m in August, demonstrating investor confidence and fueling growth.

At the heart of Beldex's offering is an expansive suite of decentralized applications (dApps), including BChat for encrypted messaging, BelNet for VPN services, and the Beldex Browser, all designed to safeguard user data and provide a secure avenue for digital communication. The introduction of the Beldex Bridge further extends the platform's utility by enabling cross-chain anonymity, allowing seamless asset transfers while maintaining user privacy across different blockchain networks.

Beldex's community governance model embodies its ethos, empowering token holders with a direct stake in the platform's decision-making processes. This inclusive approach fosters a transparent and democratic ecosystem where strategic decisions are guided by the consensus of its engaged community, ensuring that the platform remains aligned with its users' needs and aspirations.

**\$3,000,000**

LAST DEAL SIZE

**13-OCT-2023**

LAST DEAL DATE

**LATER STAGE VC**

LAST DEAL TYPE

**\$28,000,000**

ALL TIME FUNDING



## Scroll

SUB CATEGORY: Scaling Solutions - Zero-Knowledge (ZK) Rollups

COUNTRY: Seychelles | FOUNDED: 2021

Scroll.io is revolutionizing Ethereum's scalability with its zkEVM Layer 2 solution, uniquely positioned to enhance efficiency and reduce transaction costs while upholding Ethereum's core values of security and decentralization. Leveraging zero-knowledge roll-up technology, Scroll facilitates seamless off-chain transaction processing, with its innovative approach allowing EVM-based applications to migrate effortlessly to its Layer 2 platform without any code modifications. This strategic compatibility underscores Scroll's commitment to a developer-friendly ecosystem, simplifying the pathway for broad adoption.

Valued at \$1.8 billion following a pivotal \$50 million funding round, Scroll's robust market confidence reflects its potential to address Ethereum's pressing scalability challenges. Distinctly focusing on quality and community-driven development over expedited market entry, Scroll aligns with Ethereum's decentralization ethos. This deliberate strategy has culminated in the successful deployment of Scroll's mainnet, highlighted by impressive testnet performances, including over 55 million transactions, signifying its readiness to support Ethereum's expansive user base.

Moreover, Scroll's proactive collaboration with the Ethereum Foundation and meaningful contributions to the zkEVM codebase demonstrate its integral role in the Ethereum ecosystem's evolution. As Scroll propels forward, its vision extends beyond scalability, aiming to facilitate the development of Web3 applications that drive mass Ethereum adoption. With over 100 projects already leveraging its testnets, Scroll is not merely scaling Ethereum but is actively shaping the future of blockchain technology.

**\$50,000,000**

LAST DEAL SIZE

**6-MAR-2023**

LAST DEAL DATE

**EARLY STAGE VC**

LAST DEAL TYPE

**\$83,000,000**

ALL TIME FUNDING

# Centralized Blockchain Financial Services

Centralized Blockchain Financial Services refers to a spectrum of financial services in the blockchain domain that are governed and operated by centralized organizations. This category includes services such as centralized cryptocurrency exchanges, credit providers, payment platforms, and custodial services, all of which operate under a centralized management structure. These services leverage blockchain technology for efficiency and innovation while maintaining central control to provide regulated, secure, and reliable financial services. They cater to both retail and institutional clients, offering solutions that range from asset trading and lending to payment processing and digital asset custody.

## alphabloQ

### alphabloQ

SUB CATEGORY: Tokenized Asset Platforms – Real Estate Tokenization Platforms

COUNTRY: Kenya | FOUNDED: 2022

alphabloQ is a platform that integrates blockchain technology with real estate investment, offering an innovative approach to property ownership and investment. It leverages property tokenization to democratize access to real estate investments, allowing investors to purchase fractional shares in properties. This model not only makes real estate investment more accessible but also introduces a level of liquidity traditionally absent from the real estate market.

The company's offerings highlight a shift towards more inclusive investment opportunities, breaking down the financial barriers that have historically limited real estate investment to individuals with significant capital. alphabloQ's use of blockchain technology ensures transparency, security, and efficiency in transactions, appealing to a new generation of investors looking for modern ways to diversify their portfolios. In regions like Africa, where there is a critical need for innovative housing solutions and investment models, alphabloQ's approach could provide a significant impact, potentially transforming the real estate landscape by enabling broader participation in the market and fostering economic growth.

**\$120,000**

LAST DEAL SIZE

**31-JAN-2023**

LAST DEAL DATE

**ACCELERATOR/  
INCUBATOR**

LAST DEAL TYPE

**\$120,000**

ALL TIME FUNDING

## Bitget

### Bitget

SUB CATEGORY: Centralized Exchanges – Crypto-to-Crypto Exchanges

COUNTRY: Seychelles | FOUNDED: 2018

Bitget distinguishes itself through a comprehensive suite of services, including spot trading, futures trading, and derivative products, all designed to provide users with the flexibility to engage the market in a manner that best suits their risk tolerance and trading style. The platform's innovative approach is further exemplified by its crypto copy trading services, which are recognized as one of the largest of their kind globally. This feature allows users to mimic the trades of experienced investors, effectively democratizing access to crypto trading strategies that were once only available to seasoned traders. Additionally, Bitget's commitment to user education and empowerment is evident through the Bitget Academy and various learning resources available on the platform, aimed at enhancing traders' knowledge and proficiency in navigating the complex crypto markets.

Bitget's operational scale and impact are underscored by its significant daily trading volume, which often exceeds \$10b, supported by over 20 million registered users worldwide. This level of activity not only highlights the platform's liquidity but also the trust and confidence it has built within the crypto trading community.

**\$10,000,000**

LAST DEAL SIZE

**4-APR-2023**

LAST DEAL DATE

**LATER STAGE VC**

LAST DEAL TYPE

**\$30,000,000**

ALL TIME FUNDING

## BoundlessPay

### BoundlessPay

SUB CATEGORY: Blockchain-based Digital Payment Solutions - Cryptocurrency Payment Gateways

COUNTRY: Nigeria | Founded: 2016

BoundlessPay is a digital banking platform that utilizes blockchain technology to optimize global financial transactions for both individual and corporate clients. It offers a suite of financial tools, including secure crypto cards that facilitate global spending and withdrawals and currency swaps for real-time exchange between cryptocurrencies and fiat. The platform also enables direct bank transfers, enhancing its utility for seamless international money movements. Moreover, BoundlessPay supports over-the-counter cryptocurrency trading, which provides liquidity and price stability for large-volume trades, and offers crypto loans that allow users to leverage their digital assets without liquidating them. This approach integrates traditional banking functionalities into a single, mobile-friendly interface tailored for a decentralized financial ecosystem.

In its mission to tackle financial exclusion, BoundlessPay has introduced an innovative offline payment system targeting Africa's unbanked population. This system leverages SMS and USSD technology to execute transactions without internet connectivity, significantly lowering barriers to financial services and addressing key remittance challenges in the region.

BoundlessPay's commitment to regulatory compliance and security was prominently recognized when it received the "Most Compliance-Focused Crypto Exchange of the Year 2022" at the Cyberchain Conference in Lagos. This accolade underscores its rigorous adherence to security measures and regulatory standards, enhancing its reputation as a trustworthy and secure platform in the global fintech landscape.

**\$300,000**

LAST DEAL SIZE

**6-FEB-2023**

LAST DEAL DATE

**EARLY STAGE VC**

LAST DEAL TYPE

**\$300,000**

ALL TIME FUNDING

# Centralized Blockchain Financial Services Continued



## Ivory Pay

SUB CATEGORY: Digital Financial Platforms – Merchant Payment Solutions

COUNTRY: NIGERIA | FOUNDED: 2022

IvoryPay offers a range of tools designed to facilitate cryptocurrency transactions for a diverse clientele including SMEs, social commerce entrepreneurs, and digital creators. These tools streamline online payments, offer flexible transaction methods, and facilitate market expansion, supporting broader economic participation and aiding the digital economy in emerging markets. By enhancing the ability of users to engage with global markets efficiently, IvoryPay contributes to the accessibility of financial services.

Integrating with the Solana blockchain ensures that IvoryPay's services are not only fast and reliable but also cost-effective. This efficiency is vital for businesses and creators looking to optimize their operations with blockchain technology. The addition of Mansa to IvoryPay's ecosystem offers a streamlined experience for managing crypto transactions, highlighting user convenience and security.

IvoryPay's commitment to digital commerce innovation is further emphasized by the IVRY Token, which incentivizes platform engagement and fosters a sense of community among its users. IvoryPay offers a suite of blockchain-based financial tools for digital commerce, making transactions efficient and accessible for a wide range of users. This suite supports the digital economy's growth by facilitating easier access to crypto payments.

**\$135,000**

LAST DEAL SIZE

**1-MAR-2023**

LAST DEAL DATE

**ACCELERATOR/  
INCUBATOR**

LAST DEAL TYPE

**\$135,000**

ALL TIME FUNDING



## Kotani Pay

SUB CATEGORY: Digital Financial Platforms - Remittance Services

COUNTRY: KENYA | FOUNDED: 2020

Kotani Pay leverages blockchain technology to offer a unique financial gateway that bridges the gap between fiat currency and cryptocurrency for the underbanked and unbanked populations in Africa. Utilizing stablecoins and a suite of APIs alongside a unique SMS wallet feature that facilitates blockchain transactions without internet access, Kotani Pay ensures that financial services are accessible, affordable, and secure. This inclusivity is extended through support for a broad range of blockchain networks, such as Polygon, Celo, Arbitrum, and others, enhancing its service's reach and efficiency in tackling high remittance fees and financial exclusion.

Recent developments highlight Kotani Pay's growing impact and recognition in the blockchain space. The startup has recently secured an additional \$2m in pre-seed funding, taking their total funding to \$3m, underscoring investor confidence in its mission and technology. This funding is aimed at enhancing its platform, expanding services, and supporting its goal of revolutionizing cross-border remittances in Africa. Kotani Pay's inclusion as a portfolio member of the UNICEF Venture Fund significantly contributed to expanding its impact, enabling it to offer refugees and gig workers access to universal basic income and other alternative income opportunities through its innovative blockchain technology. These initiatives not only signify Kotani Pay's technological innovation but also its strategic importance in the broader context of Africa's economic development, showcasing the potential of blockchain technology to address longstanding challenges in financial inclusion and cross-border transactions.

**\$2,000,000**

LAST DEAL SIZE

**5-SEP-2023**

LAST DEAL DATE

**EARLY STAGE VC**

LAST DEAL TYPE

**\$3,000,000**

ALL TIME FUNDING



## Seso Global

SUB CATEGORY: Tokenized Asset Platforms - Real Estate Tokenization Platforms

COUNTRY: Nigeria | FOUNDED: 2017

Seso Global leverages blockchain technology to revolutionize the real estate industry, particularly focusing on improving property registration and transaction processes. Their innovative platform caters to a wide range of stakeholders within the real estate sector, offering a comprehensive suite of services that include a customer relationship management system designed specifically for real estate professionals. This system enables efficient management of properties, transactions, and client interactions. By addressing the intricacies of property transactions, Seso provides a digital, transparent, and secure platform specially tailored for emerging markets and the African diaspora.

In enhancing property accessibility and financial inclusion, Seso Global has established pivotal collaborations with major financial institutions like Republic Bank and First National Bank to launch e-mortgage platforms. These initiatives signify a major leap in integrating digital technology with traditional real estate and banking sectors, demonstrating Seso's influence on financial inclusion and property ownership across Africa. Furthermore, the platform simplifies the property buying process through a unique ecosystem of services, offering buyers access to trusted properties and professional service providers for a secured end-to-end purchasing experience. The process involves searching for verified properties, booking tours (both virtual and physical), and closing deals with the aid of professional services, thereby ensuring a seamless and trustworthy transaction process.

**\$120,000**

LAST DEAL SIZE

**24-JUL-2023**

LAST DEAL DATE

**PRE-SEED**

LAST DEAL TYPE

**\$720,000**

ALL TIME FUNDING

# Centralized Blockchain Financial Services Continued



## Zap Africa

SUB CATEGORY: Centralized Exchanges - Fiat-to-Crypto Exchanges

COUNTRY: Nigeria | Founded: 2023

Zap Africa is a Nigerian software development company founded in 2023, specializing in creating blockchain-based tools to enhance financial inclusion. Their flagship product, Zap Exchange, is a non-custodial cryptocurrency trading platform that allows users to swap crypto for fiat currency securely and efficiently. The company aims to democratize access to financial services by offering better exchange rates, fast payouts, and transaction record-keeping, thus addressing longstanding barriers in the Nigerian financial ecosystem.

Recently, Zap Africa celebrated its first anniversary by securing \$300,000 in pre-seed funding and obtaining an EU Virtual Asset Service Provider (VASP) license. The funding round will help accelerate the company's product development and expansion plans. The VASP license marks a significant milestone, ensuring compliance with international standards and enhancing the company's credibility. This dual achievement underscores Zap Africa's commitment to innovation, regulatory adherence, and providing secure financial services.

Zap Africa's initiatives are particularly relevant in Nigeria, where access to secure and transparent financial services is limited. By leveraging blockchain technology, the company aims to drive changes in the fintech landscape, promoting financial inclusion and economic empowerment across the region.

**\$300,000**

LAST DEAL SIZE

**28-MAY-2024**

LAST DEAL DATE

**SEED ROUND**

LAST DEAL TYPE

**\$300,000**

ALL TIME FUNDING



## Zone

SUB CATEGORY: Digital Financial Platforms - Cross-Border Payment Solutions

COUNTRY: Nigeria | FOUNDED: 2008

Zone, transforming from its inception as AppZone, has emerged as a trailblazer in integrating blockchain technology with financial services across Africa, positioning itself as a regulated Layer-1 blockchain network. This significant pivot from a SaaS model to a blockchain infrastructure provider highlights Zone's commitment to enabling secure and efficient transactions between digital and fiat currencies. Through strategic technological integrations, like the collaboration with ThetaRay to embed AI-driven SONAR technology, Zone ensures adherence to Anti-Money Laundering (AML) standards, reinforcing a secure and compliant transaction environment for all users.

The platform is uniquely designed to support the issuance and regulation of digital currencies, including CBDCs, serving as a foundation for the burgeoning digital finance sector in Africa and potentially worldwide. Zone champions innovation with a robust developer ecosystem facilitated by APIs, network gateways, and payment rails, encouraging the development of decentralized applications across various sectors. This ecosystem aims to revolutionize digital payments, financial services, and public sector services, promoting greater efficiency and transparency. Gaining recognition from the Endeavor Global Network, Zone's efforts in redefining Africa's payments landscape underscore its pivotal role and expansive potential within the global financial framework. Zone's mission and vision reflect its aspirations to bridge every monetary store of value using blockchain technology, aspiring to create a universally interoperable global payment network.

**\$8,500,000**

LAST DEAL SIZE

**18-MAR-2024**

LAST DEAL DATE

**SEED ROUND**

LAST DEAL TYPE

**\$21,300,000**

ALL TIME FUNDING

# Data Management, Verification, & Analytics

This category encapsulates the use of blockchain for secure, tamper-proof data storage, verification, and analysis. This category enhances data integrity and authenticity by leveraging blockchain's immutability and transparency, providing reliable insights and compliance solutions. It spans applications in blockchain analytics, supply chain management, privacy and security solutions, and regulatory compliance.



## HouseAfrica

SUB CATEGORY: Data Integrity and Verification Solutions - Real Estate Tokenization Platforms  
COUNTRY: Nigeria | FOUNDED: 2019

HouseAfrica is reshaping the African real estate market through its blockchain-driven platform, Sytemap, which leverages modern geospatial capabilities to build a digital land and property registry that enables owners and other third parties to access, verify, and value properties effortlessly. Supported by a \$400k funding round and strategic partnerships with EMURGO Africa's Adaverse and Domineum, HouseAfrica underscores its commitment to streamlining land ownership processes. These efforts signify HouseAfrica's influence and innovation in addressing market inefficiencies, showcasing its unique approach through Sytemap to foster a more transparent and accessible real estate landscape across the continent.

By integrating Sytemap's capabilities with blockchain technology, HouseAfrica addresses critical market challenges, including fraud and complex ownership verification, heralding a new era in real estate investment in Africa. This synergy positions HouseAfrica at the forefront of the continent's digital transformation, illustrating the potential of blockchain to revolutionize industries beyond finance and establishing HouseAfrica as a significant player in the global digital economy.

**\$400,000**

LAST DEAL SIZE

**29-MAR-2023**

LAST DEAL DATE

**EARLY STAGE VC**

LAST DEAL TYPE

**\$530,000**

ALL TIME FUNDING



## Jamit

SUB CATEGORY: Data Integrity and Verification Solutions - Data Authentication & Certification  
COUNTRY: Nigeria | FOUNDED: 2020

Jamit App is an audio platform that integrates AI and blockchain technology to support podcasters and audio content creators. The platform offers tools for recording, publishing, and distributing audio content, serving a wide range of users including podcasters, talk show hosts, and voice creators. Utilizing blockchain technology, Jamit ensures transparency, security, and ownership of content, allowing creators to maintain control over their work. The platform aims to provide a decentralized and censorship-resistant environment for audio content creation and distribution.

Jamit's offerings include content creation tools, blockchain-based monetization options, and distribution capabilities across multiple platforms. The Podcast 3.0 protocol enhances content management and audience engagement. Additional features like digital collectibles and listener rewards offer new revenue opportunities for creators. Jamit's combination of a user-friendly interface and advanced technology sets it apart in the audio content industry, fostering a community of creators and listeners while maintaining content security and transparency.

**\$135,000**

LAST DEAL SIZE

**13-MAR-2024**

LAST DEAL DATE

**ACCELERATOR/  
INCUBATOR**

LAST DEAL TYPE

**\$235,000**

ALL TIME FUNDING



## Momint

SUB CATEGORY: Supply Chain, Enterprise, and Energy Solutions - Blockchain-Enabled Energy Management Solutions  
COUNTRY: South Africa | FOUNDED: 2021

Momint has distinguished itself through innovative initiatives that bridge technology with tangible societal and environmental benefits. Its SunCash initiative exemplifies Momint's dedication to renewable energy by enabling individuals to invest in solar cell NFTs, democratizing access to sustainable energy investments while addressing South Africa's energy crisis. This initiative, recognized for its innovation at the Burning Heroes Africa event, underscores Momint's commitment to utilizing Web3 technology for sustainable development. Momint's venture into fractional ownership showcases its innovative use of NFT technology for asset management, allowing for part-ownership in high-value assets like solar projects and historic coin collections. This model promotes accessibility and liquidity in investments traditionally out of reach for the average individual.

Furthering its mission, Momint has undertaken groundbreaking projects like the MYT Pass, tokenizing its YouTube channel to allow supporters to earn rewards by investing in educational content. This pioneering approach not only enhances community engagement but also demonstrates the potential of blockchain technology to support creators and audiences alike. Momint's partnership with Cybera ensures the security and integrity of its marketplace, setting a standard for fraud prevention and trust in digital transactions. Momint's achievements and initiatives, including hosting Africa's largest NFT auction and launching the world's first DAO-managed professional basketball team, highlight its role as a pioneer in the blockchain sector.

**\$1,250,000**

LAST DEAL SIZE

**12-OCT-2023**

LAST DEAL DATE

**SEED**

LAST DEAL TYPE

**\$2,700,000**

ALL TIME FUNDING



# Data Management, Verification, & Analytics Continued



## Shamba Records

SUB CATEGORY: Supply Chain, Enterprise, and Energy Solutions

- Supply Chain Tracking & Provenance

COUNTRY: Kenya | Founded: 2017

Shamba Records leverages blockchain technology to enhance agricultural supply chains by collecting and linking farmers' production data to markets, processing payments, and providing credit services. Founded to empower small-scale farmers, Shamba Records has developed innovative solutions such as crop tracking, pest and disease control, and market linkages. They integrate blockchain for secure payments and traceability, distinguishing them in the ag-tech landscape.

The company supports farmers by offering services that include smart contracts, bulk SMS for communication, and predictive analysis for better farming decisions. Shamba Records' relevance extends beyond agriculture by promoting financial inclusion through credit scoring and issuance, enabling farmers to access financial services that were previously out of reach. This digital transformation is crucial in a region where traditional farming methods are prevalent and access to financial services is limited.

**\$300,000**

LAST DEAL SIZE

**5-MAR-2024**

LAST DEAL DATE

**ACCELERATOR/  
INCUBATOR**

LAST DEAL TYPE

**\$300,000**

ALL TIME FUNDING

# Decentralized Finance (DeFi)

DeFi represents a paradigm shift in finance, utilizing blockchain, particularly public and permissionless blockchains, to offer a wide array of financial services without traditional intermediaries. This includes lending and borrowing platforms, decentralized exchanges, yield farming, staking, and decentralized insurance and derivatives. It also encompasses DAOs (Decentralized Autonomous Organizations) and tokenization services that democratize access to financial services and assets.



## Azuro

SUB CATEGORY: Prediction Markets - Decentralized Betting Platforms

COUNTRY: Seychelles | Founded: 2021

Azuro is a decentralized protocol designed to provide infrastructure for on-chain betting and prediction markets. It leverages blockchain technology to offer transparent, non-custodial betting solutions. Azuro's infrastructure includes modular tooling, oracle solutions, and liquidity mechanisms, allowing for the creation and operation of various betting applications on EVM-compatible chains. Azuro also introduces features such as NFT-based betting slips, which can be minted and traded on secondary markets, adding a unique collectible aspect to the betting experience.

The platform's infrastructure supports a wide array of betting markets, from traditional sports to eSports and other competitive events. Azuro's ecosystem is supported by partnerships with several key blockchain infrastructure providers, such as Chainlink for decentralized oracle services and Gnosis Chain for efficient and low-cost transactions. Additionally, Azuro is working with Chiliz to enhance the adoption of onchain sports prediction markets, leveraging Chiliz's extensive network in sports and entertainment. The protocol integrates with advanced AI-driven platforms for predictive analytics and operates on multiple blockchain networks, including Polygon and Gnosis. Azuro has a robust framework for liquidity management through its Liquidity Tree model, and its governance is managed by the Azuro DAO, enabling community participation in decision-making processes.

**\$3,500,000**

LAST DEAL SIZE

**11-APR-2024**

LAST DEAL DATE

**EARLY STAGE VC**

LAST DEAL TYPE

**\$11,000,000**

ALL TIME FUNDING



## Canza Finance

SUB CATEGORY: Payments - Decentralized Payment Gateways

COUNTRY: Nigeria | FOUNDED: 2020

Canza Finance, operating as a Web3 neobank within Africa, is dedicated to transforming cross-border payments and enhancing forex liquidity. Beyond expanding its operational licenses across Africa, Canza is developing Baki, its innovative FX DeFi platform built on the Avalanche blockchain. This platform's use of stablecoins is set to significantly lower forex fees and transaction costs, showcasing Canza's drive to utilize DeFi to overcome traditional financial challenges.

Central to Canza's offerings, Baki is complemented by a range of products, including the DeFi protocol jollof.fi, credit default swaps, the forthcoming jaraOTC trading platform, and Canza Crypto Teller Machines. These initiatives underscore Canza's commitment to democratizing financial services across Africa, granting access to essential financial tools in regions traditionally overlooked by mainstream banking services.

With its recent funding, Canza aims to secure crucial licenses, demonstrating a commitment to regulatory compliance and a proactive approach to navigating Africa's diverse financial landscape. This focus on compliance not only enhances Canza's operational legitimacy but also positions it as a leading force in Africa's burgeoning DeFi ecosystem. As Canza continues to grow, its efforts to secure a more stable and inclusive financial future for Africa reflect a broader movement toward the adoption of digital finance solutions on a global scale.

**\$2,300,000**

LAST DEAL SIZE

**16-JAN-2024**

LAST DEAL DATE

**EARLY STAGE VC**

LAST DEAL TYPE

**\$5,570,000**

ALL TIME FUNDING



## ELFi

SUB CATEGORY: Derivatives - Synthetic Assets

COUNTRY: Seychelles | FOUNDED: 2023

ELFi is a decentralized derivatives trading platform that leverages a vAMM model to facilitate leveraged trading through a multi-asset pool. Liquidity providers on ELFi earn from transaction fees and lending charges, making it an attractive platform for both traders and liquidity providers. The protocol supports advanced trading functionalities such as Multi-Assets Margin trading, offering both cross and isolated margin modes. ELFi is pioneering in its support for Portfolio Margin within the P2Pool model, which enhances risk management and listing contracts of various risk levels.

The platform has secured \$5m in strategic financing from investors, including KuCoin Ventures. This funding supports its innovative liquidity pool designs, which include low-risk stablecoin liquidity pools and LSD re-collateralized liquidity pools. These features aim to meet market and user demands more effectively by offering competitive APYs and compounded returns. ELFi is currently in the Genesis NFT public beta phase on the Arbitrum testnet, highlighting its commitment to continuous development and user engagement.

**\$5,000,000**

LAST DEAL SIZE

**20-MAY-2024**

LAST DEAL DATE

**EARLY STAGE VC**

LAST DEAL TYPE

**\$5,000,000**

ALL TIME FUNDING

# Decentralized Finance (DeFi) Continued



## NFTfi

SUB CATEGORY: Lending & Borrowing - Peer-to-Peer Lending Platforms  
COUNTRY: South Africa | FOUNDED: 2020

NFTfi leverages Ethereum blockchain technology to enable NFT owners to use their digital assets as collateral for loans. This innovative service addresses a critical need for liquidity without the necessity of asset liquidation, enhancing the utility of NFTs as both cultural and financial assets. By employing smart contracts, NFTfi ensures transactions are secure, transparent, and immutable, aligning with the core principles of blockchain technology.

In 2023, NFTfi expanded its offerings by introducing support for ERC-1155 assets, increasing the diversity of NFTs that can be collateralized on the platform. This move not only broadened its market appeal but also catered to a more varied asset holder base, thus fostering inclusivity within the NFT space. The platform also adapted to user demands for longer-term financial planning by extending the maximum loan duration to five years, reflecting its commitment to flexibility and user-centric innovation.

NFTfi's operation within the NFT lending sector is marked by impressive metrics: it has processed nearly \$557m in cumulative loan volume, with significant loan sizes and a maintained low default rate. These figures underscore the platform's robust position and trust within the community. By continuously refining its services in response to evolving market needs and technological trends, NFTfi demonstrates a proactive approach in driving forward the functionalities and acceptance of NFTs in broader financial contexts.

**\$6,000,000**

LAST DEAL SIZE

**11-MAR-2024**

LAST DEAL DATE

**SERIES A**

LAST DEAL TYPE

**\$17,890,000**

ALL TIME FUNDING



## QuantAMM

SUB CATEGORY: Decentralized Exchanges (DEXs) - Automated Market Makers  
COUNTRY: Seychelles | FOUNDED: 2022

QuantAMM is an on-chain asset management platform that introduces innovative Automated Market Maker (AMM) execution management to the decentralized finance (DeFi) space. It focuses on reducing slippage and overhead for asset rebalancing, making it more efficient than centralized exchange-based products. QuantAMM offers a range of DeFi products, including Blockchain Traded Funds (BTFs), which are available to native DeFi users in permitted regions, as well as tailored solutions for family office portfolios and institutional asset reference tokens.

The platform recently secured \$1.85m in pre-seed funding from investors such as 8VC, Mako, Marshland Capital, and 369 Capital. This funding supports QuantAMM's mission to bring advanced, battle-tested asset management strategies to the blockchain. Additionally, QuantAMM has completed prestigious accelerator programs with Longhash and Hypernest, and joined the Chainlink BUILD program.

QuantAMM is gearing up for the launch of its V1 on the Ethereum mainnet and Layer 2 solutions in Q2, with plans to expand its offerings to include cross-chain solutions and a suite of infrastructure tailored for institutional clients.

**\$1,850,000**

LAST DEAL SIZE

**6-APR-2024**

LAST DEAL DATE

**EARLY STAGE VC**

LAST DEAL TYPE

**\$1,850,000**

ALL TIME FUNDING



## RenQ Finance

SUB CATEGORY: Decentralized Exchanges (DEXs) - DEX Aggregators  
COUNTRY: Seychelles | FOUNDED: 2023

RenQ Finance bridges isolated blockchains to create a comprehensive cross-chain asset exchange network. By integrating the security of decentralized exchanges (DEXs) with the user-friendly efficiency of centralized exchanges (CEXs), RenQ enhances user experiences across its platform. The platform supports a range of DeFi activities, including swapping, farming, staking, and lending through the RenQ Wallet, which ensures top-level security with features like the RenQ Enclave and optional two-factor authentication.

At the heart of its innovation, RenQ employs a hybrid infrastructure that blends on-chain and off-chain mechanisms, facilitating liquid, slippage-free trading—vital for scalable DeFi adoption. The native governance token, RENQ, central to transactional operations and governance, empowers community involvement in platform evolution. This approach addresses DeFi inefficiencies such as high slippage and complex cross-chain transactions without compromising on decentralization, positioning RenQ as a key player in blockchain technology's future. RenQ's strategic initiatives and technological advancements are set to transform the DeFi space, promoting a more interconnected, efficient, and transparent digital finance landscape.

RenQ's strategic initiatives and technological advancements are aimed at enhancing the DeFi space, contributing to a more interconnected, efficient, and transparent digital finance landscape. As the industry progresses towards greater integration and user control, RenQ provides solutions that seek to meet the evolving demands of digital finance, highlighting its commitment to innovation and user-centric design.

**\$2,350,000**

LAST DEAL SIZE

**16-MAR-2023**

LAST DEAL DATE

**PRE-SEED**

LAST DEAL TYPE

**\$2,350,000**

ALL TIME FUNDING

# Decentralized Finance (DeFi) Continued



## Seedify

SUB CATEGORY: Launchpads - Token Launch Platforms

COUNTRY: Seychelles | FOUNDED: 2020

Seedify operates as an incubator and launchpad specializing in blockchain and Web3 projects, with a strong focus on the Web3 gaming sector. It extends its services to emerging fields like AI, infrastructure, and other advanced technologies, thus broadening the applications of blockchain technology. The ecosystem Seedify cultivates is bolstered by strategic resource allocation, robust community engagement, and comprehensive marketing strategies, ensuring projects flourish from conception to market launch.

Partnerships with innovators like Beam and Haven's Compass, pivotal to enhancing the gaming milieu, underscore Seedify's dedication to blockchain advancement. These collaborations, alongside initiatives like SeedHub and the NFT Launchpad, signify Seedify's commitment to nurturing a dynamic Web3 ecosystem. The integration of \$USDT for transactions and the pioneering Open For Everyone rounds demonstrate Seedify's adaptability to user needs and market trends.

Seedify's community-centric approach, fostering active participation through DAOs and feedback channels alongside its technological platforms, facilitates a seamless project launch process. With several success stories under its belt, Seedify is not just launching projects but spearheading industry standards for success. Ongoing strategic expansions and technological innovations underscore Seedify's role in advancing blockchain technology and Web3 gaming, solidifying its position as a key player in the industry.

**\$10,000,000**

LAST DEAL SIZE

**11-SEP-2023**

LAST DEAL DATE

**EARLY STAGE VC**

LAST DEAL TYPE

**\$10,000,000**

ALL TIME FUNDING

# Gaming, NFTs, & Metaverse

This category highlights the intersection of blockchain technology with digital entertainment and virtual environments. It includes blockchain-based gaming, platforms for creating and trading NFTs (Non-Fungible Tokens), development of metaverse applications, solutions for digital identity and avatars, and the use of blockchain in content creation and distribution beyond gaming.

## Carry1st

### Carry1st

SUB CATEGORY: Blockchain Gaming - GameFi Platforms

COUNTRY: South Africa | Founded: 2018

Carry1st is revolutionizing the mobile gaming industry in Africa by integrating blockchain technology to enhance user experiences and solve regional challenges. This technology facilitates secure, transparent, and fast transactions, which is crucial in a continent where traditional banking is limited and mobile money is prevalent. Carry1st utilizes blockchain not only for transactional efficiency but also to introduce innovative gameplay elements like play-to-earn models and Non-Fungible Tokens (NFTs).

The company has formed strategic partnerships with global gaming giants such as Riot Games, Electronic Arts, and Sony to expand mobile gaming accessibility and monetization across Africa. These collaborations leverage Carry1st's blockchain-enabled platform to provide seamless in-game purchases, demonstrating the company's pivotal role in Africa's digital economy. This approach positions Carry1st as a leader in digital entertainment, fostering an inclusive ecosystem that supports both technological advancement and economic empowerment.

Overall, Carry1st's commitment to blockchain innovation underlines its foresight in utilizing emerging technologies to serve a burgeoning market, making it a key player in regional and global blockchain landscapes. Through its innovative solutions, Carry1st is enhancing the gaming experience and shaping the future of digital transactions in Africa.

**\$27,000,000**

LAST DEAL SIZE

**29-JAN-2024**

LAST DEAL DATE

**UNDISCLOSED**

LAST DEAL TYPE

**\$57,000,000**

ALL TIME FUNDING



### Cellula

SUB CATEGORY: Blockchain Gaming - Play-to-Earn Games

COUNTRY: Seychelles | FOUNDED: 2023

Cellula is a decentralized platform focusing on the creation and evolution of artificial life on the blockchain. Using principles from Conway's Game of Life, users can create, grow, and evolve digital organisms, represented as NFTs, within a collaborative environment. The project secured \$2m in pre-seed funding led by SevenX Ventures and OKX Ventures, among others. The funds are aimed at expanding development and launching their first game. Cellula integrates elements of gamification and AI to explore new forms of life and digital ecosystems.

**\$2,000,000**

LAST DEAL SIZE

**15-APR-2024**

LAST DEAL DATE

**SEED ROUND**

LAST DEAL TYPE

**\$2,000,000**

ALL TIME FUNDING



### Gamic

SUB CATEGORY: Blockchain Gaming - GameFi Platforms

COUNTRY: Nigeria | FOUNDED: 2021

Gamic is a decentralized community super app designed to merge social interaction, financial transactions, and community growth through blockchain technology. Initially launched to address high youth unemployment in Africa, particularly Nigeria, Gamic empowers gamers by transforming games into virtual economies where players can earn and sell digital assets with real-world value.

Gamic's core features include decentralized chat for secure communication, customizable airdrop management for distributing tokens and NFTs, and an integrated wallet that supports multiple blockchain networks. The platform also facilitates social tokens and gamification to enhance user engagement and community building. Gamic's emphasis on bridging Web2 and Web3 technologies has attracted significant backing from industry leaders such as Binance Labs, Polygon, and Gate.io, helping it raise \$1.8 million in funding to further develop its groundbreaking community app.

The platform's unique value proposition lies in its ability to simplify blockchain adoption, making it accessible and engaging for both novice and experienced users. Gamic supports various blockchain projects, including its integration with Manta Network and collaboration with Astra Nova, enhancing its offerings and expanding its user base. These partnerships, along with features like in-chat airdrops, social tokens, and community-driven rewards, position Gamic as a leading platform in the Web3 landscape.

**\$1,800,000**

LAST DEAL SIZE

**14-MAY-2024**

LAST DEAL DATE

**EARLY STAGE VC**

LAST DEAL TYPE

**\$1,800,000**

ALL TIME FUNDING

# Infrastructure & Developer Tools

This category covers the foundational elements necessary for building and maintaining blockchain networks and applications. It includes Blockchain-as-a-Service (BaaS) platforms, tools for smart contract development, services related to blockchain nodes and APIs, cross-chain development tools, and resources for developer education and community building.



## Giza

SUB CATEGORY: Blockchain Network Services - Decentralized Autonomous Software Services  
COUNTRY: Egypt | FOUNDED: 2022

Giza develops technologies at the convergence of artificial intelligence (AI) and blockchain. They offer Orion, an open-source framework, and AI Actions, a platform that supports the development and deployment of AI models within blockchain applications. These products aim to enable functionalities ranging from enhancing smart contracts to facilitating complex data analyses, positioning Giza as a provider of AI integration solutions for blockchain platforms.

Recently, Giza Technologies raised \$3m in pre-seed funding from investors including CoinFund and StarkWare. This funding supports the company's efforts in utilizing zero-knowledge proofs (ZKPs)—a cryptographic technique that maintains data privacy while allowing for secure, verifiable computations on blockchain platforms without exposing underlying data. This technology is intended to improve privacy and transaction efficiency, which could be advantageous in various sectors, including finance, healthcare, and logistics.

Following the launch of its platform, Giza Technologies has continued to develop and refine its services, collaborating strategically to enhance its capabilities. Recently, the company entered into a strategic investment partnership with Avid Beam Technologies to expand its AI and video analysis offerings. This partnership reflects Giza's ongoing commitment to innovation and its strategy to enhance its market presence in smart technologies and AI solutions.

**\$3,000,000**

LAST DEAL SIZE

**11-JUL-2023**

LAST DEAL DATE

**PRE-SEED**

LAST DEAL TYPE

**\$3,000,000**

ALL TIME FUNDING



## Halo

SUB CATEGORY: Self-Custodial Wallets - Software Wallets  
COUNTRY: Seychelles | FOUNDED: 2022

Halo Social, formerly known as KuCoin Wallet, has rebranded to focus on creating a comprehensive SocialFi ecosystem. This transition, backed by significant funding from KuCoin Ventures, IDG, HashKey Capital, and other strategic partners, aims to integrate decentralized finance with social media. The platform offers a decentralized wallet aggregator that supports multi-chain aggregation, allowing users to manage a wide array of digital assets securely. Halo Social emphasizes the monetization of social influence, enabling users to earn rewards through social interactions and investment activities on the platform. The wallet also incorporates advanced AI-driven market insights to help users make informed investment decisions.

Since its rebranding, Halo Social has introduced several innovative features, such as the Halo Membership Pass and strategic integrations with platforms like Conflux. The platform has grown to support tens of thousands of tokens and NFTs, offering services like native cross-chain swaps and staking. It aims to democratize Web3 by lowering entry barriers and providing tools for users to discover valuable investment opportunities. Halo Social also plans to implement a decentralized autonomous organization (DAO) governance model, gradually transferring control to its community to foster a more inclusive and active SocialFi ecosystem.

**\$3,000,000**

LAST DEAL SIZE

**6-JUN-2024**

LAST DEAL DATE

**SEED ROUND**

LAST DEAL TYPE

**\$3,000,000**

ALL TIME FUNDING



## Web3 Sanctuary

SUB CATEGORY: Developer Education & Community - Online Courses and Tutorials  
COUNTRY: South Africa | FOUNDED: 2022

Web3 Sanctuary is an educational technology platform based in South Africa dedicated to training the next generation of Web3 developers. The company emphasizes a comprehensive learning approach, including adaptive learning paths, real-world projects, career assistance, and job placement. Web3 Sanctuary aims to make education in the field of blockchain and Web3 technologies accessible to a wide audience, leveraging partnerships with key industry players to enrich the learning experience.

Launched in 2023, Web3 Sanctuary is at a prototype stage, actively developing its platform to offer a variety of educational courses that are crucial for the burgeoning Web3 sector. The platform's curriculum is designed to empower students with the skills needed to succeed in the Web3 space, supported by a community of learners and industry professionals. This educational initiative is particularly significant in the context of Africa's rapid digital transformation and the continent's increasing influence in the global blockchain landscape.

**\$135,000**

LAST DEAL SIZE

**1-MAR-2023**

LAST DEAL DATE

**ACCELERATOR/  
INCUBATOR**

LAST DEAL TYPE

**\$135,000**

ALL TIME FUNDING

# ADVANCING BLOCKCHAIN TECHNOLOGY IN AFRICA: INSIGHTS FROM THE HASHGRAPH ASSOCIATION

The Hashgraph Association (THA), based in Switzerland's Crypto Valley, is a non-profit organization dedicated to promoting the global adoption of the Hedera network, with a particular focus on Africa. THA collaborates with various entities across the continent, providing decentralization tools essential for advancing African societies and economies.

THA is a digital enablement and empowerment leader, focusing on adopting DLT and Blockchain technologies worldwide, especially in Africa. Its aim is to promote Hedera-powered enterprise-grade solutions and decentralized applications through funding, training, innovation, and venture-building programs.

The association is ideally placed to drive and support innovation, research, and development in Distributed Ledger Technologies (DLT), enabling economic inclusion and a digital future for all, with a positive environmental, social, and governance (ESG) impact.

Since its inception, THA has been working with various parties, both private and public, to develop blockchain technology that will allow the African population to become infrastructure owners rather than just users.

## Tunisia

THA is collaborating with DAR Blockchain to build projects and facilitate growth while educating and nurturing Web3 talent.

In January 2024, THA and Dar Blockchain organized the first Hedera Hackathon with ESPIRIT and SUP'COM universities. The Hackathon, backed by the Hedera Network, aimed to boost the adoption and understanding of Distributed Ledger Technology (DLT) in the country.

THA and DAR Blockchain have been working with universities nationwide to build the knowledge and talent base needed for successful DLT implementations. THA and Dar Blockchain have lectured in four top universities, including SupCom, Esprit, Enet'COM, and ISI, and been

able to certify 50 Hedera Tunisian developers.

After the success of its first Hackathon with DAR Blockchain, THA, and DAR Blockchain will be preparing for our second Hackathon in June 2024.

## Morocco

Morocco, one of the most active crypto markets globally, is also developing frameworks for virtual assets as the interest in blockchain and DLT technologies rises among private enterprises and governmental bodies.

Expectations that a virtual asset regulatory framework will be out in 2024 have spurred the need to better understand use cases that can be developed using DLT, blockchain, and digital assets.

In preparation for the future regulatory framework, there has also been increasing demand for training in Web3 and blockchain technologies from engineering schools, universities, private companies, and government institutions.

THA has been working diligently in Morocco to build blockchain know-how and understanding. THA has witnessed a strong activity in the banking and finance sector for developing blockchain solutions to solve inefficiencies in cross-border payments.

The Moroccan financial sector seeks to reduce transaction costs and cash usage in the informal economy through DLT technologies. For this reason, THA is engaged with several banks and financial entities that are interested in experimenting with stablecoin issuance for international trade and cross-border payments. The Association is also active in an executive training program with Atijariwafa Bank, which included a business tour for executives in the Crypto Valley in Zug Switzerland.

Other sectors, like industry and transport, are looking at blockchain to improve supply chain efficiency and traceability. Meanwhile, the

government is looking into document notarization, such as official authorizations or certifications. THA has approved two significant projects involving notarization and a reconciliation platform between private companies and government entities on the Hedera platform.

THA in Morocco, as in Tunis, has organized several Hackathons with Orange Digital Center and Fab Lab with over 80 participants.

In addition, THA has partnered with two engineering schools, EMI and INPT, to train over one hundred students who have received Hedera developer certificates.

The result of these partnerships is projects such as the eSealing platform, which was incorporated as a solution in the THG product catalog. The eSealing platform allows diploma issuers, such as schools or universities, to store hashes of diplomas on Hedera, which can then be used to verify the authenticity and validity of diplomas.

At INPT University, seven students are currently working on an IoT project. They are utilizing the Hedera Consensus Service to dispatch events from IoT sensors to monitor the temperature and humidity of fresh foods.

## Conclusion

CV VCs African Blockchain Report 2022 noted that African blockchain venture funding increased by 429%, outpacing global blockchain funding, which grew 4%, with \$474m raised in Africa across blockchain deals, up 429%. THA believes its efforts in the African continent are also spurring this funding.



**Kamal Youssefi**  
President of The Hashgraph  
Association

# TETHER: A DRIVING FORCE FOR PIONEERING FINANCIAL INCLUSION AND INNOVATION IN AFRICA

Tether, the largest company in the digital assets industry with a market cap of over \$100 billion, is known to be at the forefront of innovation, education, and promoting financial inclusion in the global financial landscape. Through strategic collaborations globally, Tether has facilitated seamless transactions and educational initiatives, enabling individuals and businesses to transact securely and efficiently. Tether has also equipped individuals with the required knowledge to make informed decisions in the fast-growing digital landscape.

With its commitment to stability, transparency, and accessibility, Tether has become a giant in the digital economy. It has also extended its goals to Africa to drive financial education and inclusion across the continent. To achieve this, Tether has collaborated with a number of industries across different levels in Africa and is still part of some ongoing support.

According to several reports, Africa is [the hub for crypto adoption](#). Over the years, USD₮ has seen significant growth in usage across Africa, with various use cases providing freedom compared to traditional financial institutions. USD₮ serves as a resource for the unbanked, a tool for an evolving payment system, and has become a leader in driving the mainstream adoption of a new financial revolution.

Furthermore, Tether remains committed to leading in innovative technology as well as transparency and accountability to its customers. Recently, [Tether launched](#) its U.S. Dollar pegged Tether token ("USD₮") and Tether Gold (XAU₮), a gold-backed digital token, on The Open Network (TON). The TON blockchain works with Telegram, meaning USD₮ and soon XAU₮ on TON, have the potential to provide a simple, borderless experience for peer-to-

peer (P2P) payments for Telegram's user base, which Telegram estimates at over 900 million global users.

## Africa collaboration

Tether recognizes the continent's immense potential and has several remarkable collaborations to drive socio-economic development. Some of these recent initiatives include [sponsoring the Africa Tech Summit](#) and the [African Bitcoin Conference in Ghana](#). Tether aims to foster a conducive environment for digital asset adoption while ensuring compliance with regulatory frameworks. Other collaborative initiatives also include [Tether's collaboration with Bitnob](#) and the [sponsorship of the Bitcoin Pizza Day](#) in collaboration with the crypto Bootcamp community.

## Use Case Possibilities in Africa

Beyond its primary role as a stable medium of exchange, Tether presents many use case possibilities in Africa, from remittances and cross-border payments to arbitrage and as a hedge against inflation. Tether's versatility is driving transformative change across diverse sectors.

## Conclusion

Tether remains steadfast in its mission to empower Africa through financial inclusion and innovation by promoting various use cases and focusing on education. Initiatives like [Tether Edu](#), which offers courses, workshops, and additional resources to foster skill development in emerging markets, exemplify this commitment. As Tether expands its presence and deepens collaborations, it remains committed to driving positive change and building a more inclusive space.



# BYBIT'S INITIATIVES IN AFRICA'S BLOCKCHAIN ECOSYSTEM

## Company Activities in Africa

Bybit has, where we are regulated, integrated into Africa's blockchain ecosystem through educational events, strategic partnerships, and supporting start-up culture. High-profile events like Crypto Fest 2023 have attracted a diverse audience, from novice traders to institutional investors, serving as educational platforms that underscore Bybit's commitment to demystifying cryptocurrency. Additionally, Bybit's partnerships with local fintech companies like Ovex and YellowCard are crucial in developing the infrastructure for seamless trading operations, enhancing relationships with both public and private sectors in Africa.

## Future Expansion Plans

Bybit's vision for Africa includes solidifying its presence as African users' primary gateway to cryptocurrency trading. Following its successful expansion into South Africa with new derivatives products and a fiat on-ramp service, Bybit plans to replicate this model in other African countries upon being duly licensed. These services have seen significant uptake, indicating a growing appetite for diverse trading products among African users. Bybit's expansion strategy involves navigating complex regulatory landscapes to ensure compliance while advocating for more transparent regulatory frameworks.

## Use Cases in Africa

Bybit's presence in licensed Africa addresses financial inclusion and remittance inefficiencies. By leveraging blockchain technology, Bybit provides faster, cheaper, and more transparent cross-border transactions, which are crucial for African families relying on remittances. For instance, expatriates can send money home via Bybit's platform, significantly reducing transaction fees and

time compared to traditional methods. Additionally, Bybit, where licensed, promotes using stablecoins like USDT to offer financial stability in regions with volatile currencies, benefiting businesses involved in trade between the African region and other countries. These initiatives highlight blockchain technology's versatility and reinforce Bybit's role in driving impactful use cases across the continent.

## Opinions on the African Blockchain Ecosystem

The African blockchain ecosystem is characterized by the need for further development in some countries due to a limited understanding of the technology among policymakers. Bybit recognizes the importance of bridging this knowledge gap and is actively involved in educational initiatives to foster a more informed regulatory environment. Collaborating with academic institutions and industry bodies, Bybit hosts workshops and seminars to demystify blockchain technology and its applications. These efforts extend to grassroots levels, with plans to organize events in schools and community centers to cultivate a new generation of crypto-savvy individuals. This strategy aims to create a conducive environment for blockchain innovation in Africa.

## The Blockchain for Good Ecosystem

The African blockchain ecosystem shows consistent growth and burgeoning interest in cryptocurrency among tech-savvy youth. High unemployment rates have spurred interest in decentralized finance (DeFi) as a potential avenue for economic participation. Bybit sees immense potential in this demographic, offering training programs and resources through its Blockchain for Good Alliance (BGA) initiative. BGA focuses on offering blockchain technology training, boosting socially beneficial projects, managing initiatives, and providing financial backing to ensure the success of impactful

endeavors, promoting a more inclusive and beneficial use of blockchain for humanity.

Furthermore, Bybit supports traders and social influencers who lead communities that teach people how to trade crypto, building a knowledgeable and skilled user base. Bybit's insights underscore Africa's readiness for blockchain-driven innovation, focusing on empowering the youth to leverage their digital skills for economic gain.

## Comparison to the Global Blockchain Ecosystem

Africa's blockchain ecosystem has grown significantly in recent years. Unlike Europe and Latin America, where established financial systems drive blockchain adoption, Africa's adoption is primarily grassroots, fueled by a need for financial inclusion and economic empowerment. For instance, while Switzerland has become a global hub for digital assets due to its favorable regulations and El Salvador leverages Bitcoin to transform its economy, African countries are emerging markets for blockchain technology. Bybit believes that countries within Africa can unlock substantial economic benefits with regulatory support. The company advocates for policies that curb financial malpractice and capitalize on the continent's youthful population. Bybit's engagement in Africa aims to advocate for a future where blockchain technology drives socio-economic development.



**Helen Liu**  
Chief Operating  
Officer, Bybit

# 06

## CRYPTOCURRENCY REGULATIONS IN AFRICA



# Cryptocurrency Regulations in Africa

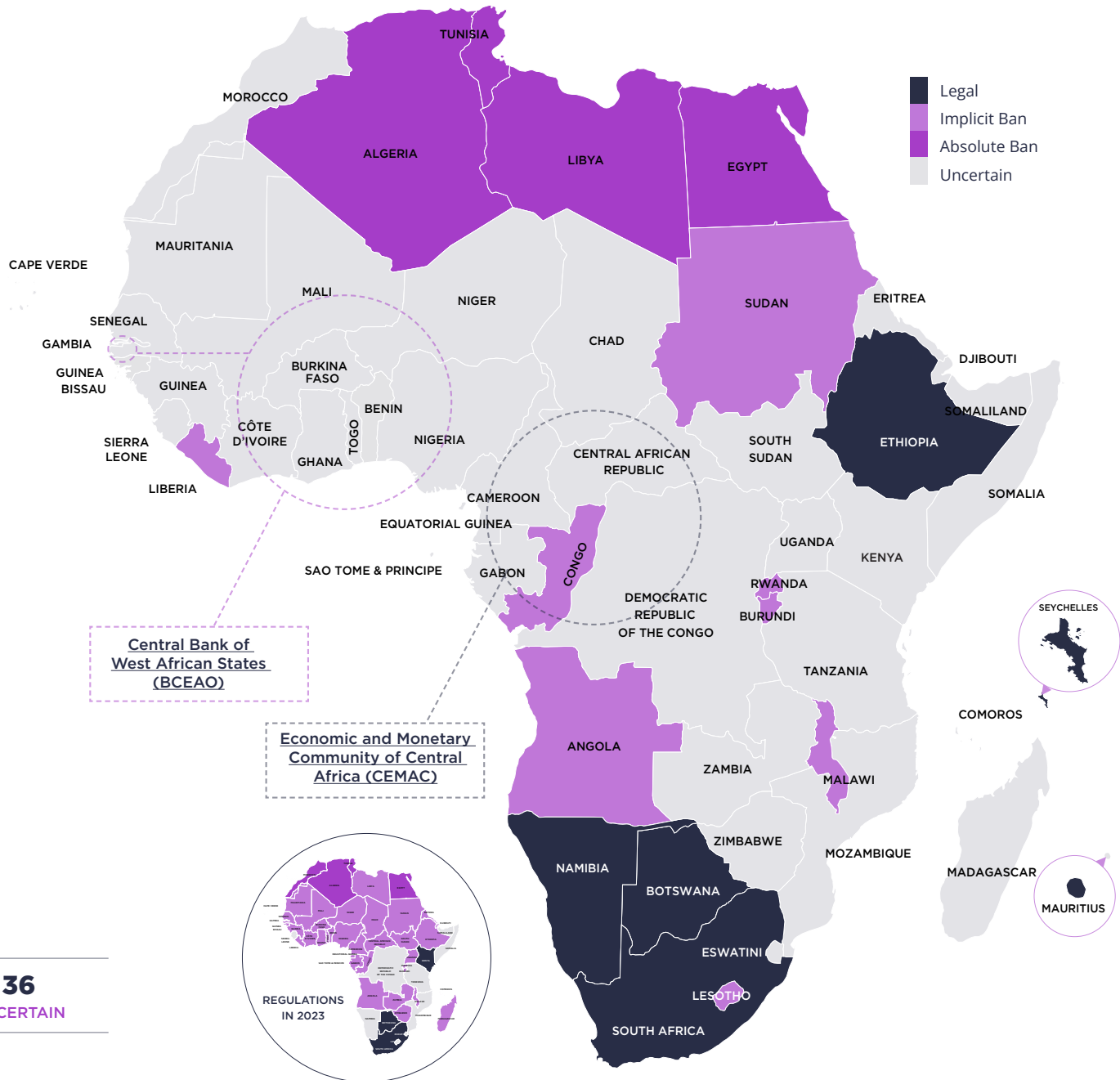
## REGULATORY OVERVIEW

In a regulatory quagmire of apprehension and ambivalence, frontrunner countries like South Africa and Mauritius have demonstrated how a progressive stance toward cryptocurrency can be beneficial. This is the type of regulatory approach that inspires others to follow suit.

This section provides an overview of some of the most regulatory progressive African jurisdictions. We consider the regulators' initial stance on the technology versus the current stance, what the market's response to regulations has been, and the country's Central Bank Digital Currency stance/developments. Finally, we conclude each section with an outlook for the future of regulations in the jurisdiction.

## CRYPTOCURRENCY REGULATIONS

The current regulatory stance of the 54 countries in Africa:



# Cryptocurrency Regulations in Africa

Africa has experienced significant shifts in its regulatory position toward blockchain and cryptocurrencies. At large, there remains a staunch cautiousness toward the asset class, but more and more governments are shifting their positions from bans, our latest data show.

Our last report highlighted 36 countries where crypto was banned implicitly. In 2023, that figure drastically came down to 8, meaning that several countries shifted their ban positions on crypto, albeit in inconclusive terms, which explains the surge in the Uncertain category.

The results—which record no increase in the number of legal countries—suggest that while several African governments are shifting from implicit bans, they are not quick to legalize crypto. For most, the fears of losing fiscal controls in already struggling economies are enough reason to court central bank digital currencies, which are being explored in most corners of the continent. That too, however, has recorded little progress in terms of launches—or traction, as in Nigeria's case.

With 2023 being a record year of devaluation of African currencies, the challenge of legalizing crypto was to possibly watch it (especially dollarized crypto assets) compete with local currencies for adoption; African central banks were not sure they could handle that.

This report will be the first to categorize more than 30 countries in Africa as uncertain crypto markets—a rather bold claim that turns around from last year's report, which puts the figure at nine. While this may make it tempting to rule out the progress of crypto regulations in Africa, a nuanced understanding offers a different response.

Some countries that capture this nuance include Nigeria, Morocco, and Uganda. Nigeria, in 2023, upturned a 2-year implicit ban on crypto and drafted guidelines to bank crypto operators; Morocco announced the completion of its crypto bill, which was being engaged by stakeholders at the highest government level; and Uganda accepted crypto companies into a central bank-backed regulatory sandbox—all landmark regulatory shifts that showcase a brighter outlook for crypto but does not translate into crypto legality. If anything, the market uncertainty could point to favorable projections for crypto in these regions.

This section provides an overview of some notable advancements in cryptocurrency regulations in Africa. We consider the regulators' initial stance on the technology versus the current stance, the market's response, and Central Bank Digital Currency developments. Finally, we conclude each profile with the requisite compliance demands and an outlook for the future of regulations in selected countries.

## REVISITING LAST YEAR'S COVERAGE

In the 2022 report, South Africa, Botswana, Angola, Zambia, and Namibia were profiled. The past year came with significant advancements in each of these countries concerning cryptocurrencies, with South Africa and Botswana profiled as completely legal climes for crypto.

## 2023 PROFILES

There have been noticeable shifts in crypto policy within the past year. Some have been dramatic—like Kenya losing its legal classification and Namibia gaining the same. However, many shifts, though positive, did not translate into crypto legality. The following is a summary of the gradual advancements and appreciated regulatory transparency from several countries that have made strides over the past year.

## KENYA

### 1. Is it legal?

Uncertain (previously legal)

The status of crypto regulation in Kenya is uncertain. Although the government hasn't publicly reversed the ban on cryptocurrencies, it's working to create a robust regulatory framework for them. As far back as 2015, the Central Bank of Kenya (CBK) issued a public notice that discouraged Kenyans from trading digital assets such as Bitcoin as they are not legal tender and are unregulated in the country. But that stance is changing generally. In 2023, Parliament introduced a 3% tax on digital assets, an unprecedented form of government recognition of the growing popularity of crypto in the East African country. However, Kenya still has yet to recognize cryptocurrencies as legal tender.

### 2. Market Overview

#### A. Market Developments

In 2023, a proposed amendment that aims to incorporate digital currencies into the definition of securities by amending the Capital Markets Act, Cap 485, gained the support of legislators. Proposed by a local legislator, the bill was approved by the Finance and National Planning Committee of Kenya's National Assembly, and it has proceeded to a second reading at the National Assembly. According to the proposed bill, digital asset companies will be provided with a license after registering with the Capital Markets Authority, maintaining a record of all crypto transactions, and paying taxes on gains from undertaken transactions.

Concurrently, the Kenyan government enlisted the help of a private digital assets lobby group, Blockchain Association of Kenya (BLK),

to draft a crypto bill. In 2024, the body completed a draft bill that proposed creating a regulatory sandbox for crypto companies before licensing, a licensing framework, a consumer protection framework, and Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) measures. The bill is subject to review by the Finance and National Planning Committee of Kenya's National Assembly, which might decide to adopt it into law in a lengthy law-making process or extract insights from it to adjust aspects of related bills.

The country is speeding up its crypto regulation process amid a Financial Action Task Force's (FATF) greylisting. Director General Saitoti Maika of the Financial Reporting Center said *"the concern has been that Kenyans are trading, and yet we don't know, as a country, to what extent the proceeds that flow in this space are likely to get into the financial system."* "There is a working group focused on developing a policy document that will serve as a guide for creating a legal framework that will outline what needs to be done and who the regulator for this sector will be," he added.

Kenya's latest crypto regulatory push involved [establishing](#) a technical working group that involved multiple key agencies including the Central Bank to create a framework for the usage of digital assets in the country.

#### B. CBDC

In 2022, the CBK initiated a discussion paper to explore the applicability of a Central Bank Digital Currency (CBDC) - that was the country's last known effort at developing a CBDC.

#### 3. Compliance Requirements:

Not applicable as regulations are still in development

#### 4. Outlook

The Kenyan government alongside private individuals is collaborating to create a conducive environment for crypto companies in the East African country. The drafting and potential adoption of the new crypto

bill is set to raise investors' confidence in the country's crypto industry.

#### 5. Boots on the Ground Commentary:



**Michael Kimani**

Chairman, Blockchain Association of Kenya

#### Q: What are the factors driving the Kenya government's move to regulate cryptocurrencies in the country?

**A:** The primary driver for regulatory action in Kenya stems from the government's financial constraints and a growing appetite for revenue generation. Another factor is external pressure from international financial institutions, possibly stemming from a desire to mitigate money laundering risks in East Africa. Additionally, the government's imperative to safeguard consumer interests underscores the need for regulatory clarity. Lastly, the challenges faced by startups seeking to establish crypto projects, exacerbated by the lack of clear pathways for market entry through the sandbox, highlight the urgency of addressing regulatory gaps.

#### Q: The BAK, a private organization, drafted a crypto regulation bill to be reviewed by the Kenyan legislature. Can you go over the key components of this bill?

**A:** The bill focuses on establishing a clear licensing framework for startups and businesses setting up shop in Kenya. It proposes a joint regulatory sandbox that involves multiple agencies to streamline approval for crypto blockchain startups. It includes provisions for Anti-Money Laundering compliance to combat illicit transactions, particularly in the crypto sector. The bill also encourages consumer education and awareness during product or service onboarding.

## GHANA

### 1. Is it legal?

Uncertain (previously implicit ban)

Crypto regulations in Ghana can be classified as uncertain despite calls for outlawing crypto by the country's Security and Exchange Commission (SEC) since 2019. The government is making new efforts to understand and regulate the technology. Despite this previous government effort to stifle crypto usage in the country, it has only continued to rise. According to Chainalysis's Global Crypto Adoption Index published in September 2023, Ghana ranks as the 29th fastest-growing cryptocurrency adoption market globally.

In 2019, the SEC published a circular warning Ghanaians against investing in crypto because it is unregulated and not legal tender. In July 2023, Ghanaian authorities reiterated this position, prohibiting the country's financial institutions from engaging in crypto-related transactions.

### 2. Market Overview

#### A. Market Developments

After years of persecuting cryptocurrency trading and usage in the country, Ghana's authorities started paying attention to digital money transfers. This eventually led to curiosity about the workings of cryptocurrencies. In 2022, the Ghanaian government, using the Electronic Transfer Levy Act 2022 (Act 1075), imposed a 1% tax on electronic transfers in a bid to generate revenue from the growing use of digital payment services in the country. However, shortly after July 2023, Ghanaian regulators reiterated that the crypto ban was still in effect. But in December 2023, Ghana's SEC director-general, Daniel Ogbamey-Tetteh, announced the launch of a task force within the SEC that will help it develop the capacity to regulate crypto assets.

In May 2024, Ghana's Vice President, Mr Mahamudu Bawumia [announced](#) that the next phase of the country's digitization efforts

would be to fully adopt blockchain technology in its government operations.

## B. CBDC

In 2021, the Central Bank of Ghana (CBG) announced it was developing the digital version of the Ghanaian cedi - the eCedi. Shortly after completing its pilot, it decided against the full rollout of the eCedi due to economic challenges. Unlike other CBDCs that require internet access, the eCedi works offline through smart cards for transactions, allowing consumers to use eCedi without needing internet or mobile connectivity.

In late 2023, the Bank of Ghana organized a 12-week eCedi hackathon with EMTECH, a central banking infrastructure provider. This initiative aimed to engage fintech experts, developers, and innovators in creating groundbreaking products for the eCedi and enhancing the Ghanaian ecosystem. The eCedi hackathon took place until December 15, with the Bank of Ghana seeking solutions for nine different use cases, including consumer-to-business transactions, government disbursements, and products designed to facilitate cross-border payments.

## 3. Compliance Requirements:

Not applicable due to a lack of regulations

## 4. Outlook

Ghana heavily relies on digital transactions for daily activities. According to the Payment Systems Oversight Annual Report of December 2021, there were 48,308,945 mobile money accounts in the country. This surge in mobile money usage prompted the government to impose levies on these transactions. However, with the rise of Ghanaian currency depreciation and inflation rates, many Ghanaians are turning to cryptocurrencies, a form of digital money, as a hedge against the unstable economy, despite warnings from the SEC and CBG. As the country's economic woes continue, citizens are expected to continue to turn to cryptocurrencies. Similarly, the

country's leadership prioritization of technological advancement will lead to the country embracing technologies such as cryptocurrencies.

## 5. Boots on the Ground Commentary:



**Ebenezer Ghanney**  
Founder of WeWire

### Q: What challenges and obstacles do blockchain startups face when navigating regulation or regulators in Ghana? I noticed you mentioned some already

**A:** The main challenge lies in the lack of regulatory clarity within the industry. Many crypto exchanges, including ours, face scrutiny from regulators due to this uncertainty. Regulators often target the payment gateways, and bank accounts these exchanges use rather than providing clear guidance to the companies themselves. This lack of transparency creates significant hurdles for operators in the space.

### Q: What steps can policymakers take to create a conducive regulatory environment for blockchain innovation?

**A:** It's important that the government collaborate with banks and payment service providers to monitor and report high-value crypto transactions. Regulatory decisions often lack input from industry stakeholders, highlighting the need for a more inclusive approach. It would be great if the government brought us in; this would provide them with deeper insights into user behavior and potential risks. Reflecting on my retail crypto experience, it became clear that apparent high-volume retail activity was businesses utilizing retail traders as intermediaries.

### Q: Building like a fintech product and working with crypto components. How has the experience been, and are there specific regulatory orders that you have asked to face?

**A:** We recently had one of our company bank accounts closed because we were dealing with cryptocurrencies. As a result, we decided to limit our services exclusively to businesses. By catering solely to businesses, we engage with a more informed clientele who possess a higher level of sophistication in their operations compared to retail customers. This deliberate focus also serves to preempt any future issues with regulators. We have implemented rigorous security measures and stringent controls to fortify our compliance framework.

## EGYPT

### 1. Is it legal?

#### Absolute Ban

There is an absolute ban on cryptocurrencies in Egypt. Egypt has maintained a hostile stance towards trading cryptocurrencies. In March 2023, the Central Bank of Egypt (CBE) issued its fourth public warning statement on cryptocurrency trading in recent times. Violators of these warnings may face imprisonment and fines ranging from one to ten million pounds, signaling the apex's commitment to deterring Egyptians from handling cryptocurrencies. Besides, the Central Bank of Egypt and the banking sector Law No. 194 of 2020 prohibits issuing, trading, or promoting cryptocurrency, creating or operating their trading platforms, and carrying out any related activities that remain in force.

### 2. Market Overview

#### A. Market Developments

Sanctions are starting to take their toll on cryptocurrency adoption

and volumes in the North African country. Egypt, which ranked 24th for global crypto adoption and posted the highest growth rate of any country in the MENA region in 2022, dropped out of the top 30—Chainalysis' [Geography of Cryptocurrency report](#).

## B. CBDC

According to a [report](#) in January, Egypt plans to issue a central bank digital currency (CBDC), the e-pound, by 2030. The Central Bank of Egypt (CBE) will issue this digital currency, which is expected to boost the competitiveness of Egypt's national currency and enhance the efficiency of monetary policy. Details of the North African country's CBDC goals are explained in a report of a study commissioned by the Egyptian Council of Ministers' Information and Decision Support Center. Dubbed the "Document on the Most Important Strategic Directions of the Egyptian Economy for the New Presidential Period (2024-2030)," the document identifies critical policies for the Egyptian economy over the next six years.

## 3. Compliance Requirements:

Adherence to the Central Bank of Egypt and the banking sector Law No. 194 of 2020, which establishes a regulatory framework for cryptocurrency firms.

## 4. Outlook

The Egyptian government's stance on crypto hasn't changed since 2018 when Shawki Allam, Egypt's Grand Mufti, the most senior religious authority in Egypt, said the use of cryptocurrencies was forbidden under Islamic law, and CBE followed suit with Law No. 194 in 2020. However, signs from the end of 2023 show that imminent change might occur from the Egyptian government's desire to save its depreciating currency by launching an Egyptian digital pound.

## NAMIBIA

### 1. Is it legal?

Legal (previously uncertain)

In 2022 cryptocurrency regulation in Namibia was marked by uncertainty, with a history of [banning](#) the banking sector from providing services to cryptocurrency exchanges while also considering the possibility of [allowing cryptocurrency payments](#) within the country.

In 2023, the government of Namibia [officially signed a law](#) called the Namibia Virtual Assets Act 2023 to regulate the Virtual Asset Service Providers operating in the country. The Act also aims to ensure consumer protection, prevent market abuse and combat money laundering, among other things. It is the country's first bill setting out how cryptocurrencies should be treated and was passed by the National Assembly.

## 2. Market Overview

### A. Market Developments

Namibia passed the Virtual Assets Act into law in July. The act requires a regulator to oversee the crypto sector and includes licensing requirements for service providers like exchanges. However, there is some unclarity. For one, the act requires a regulator to oversee the sector, but a watchdog has yet to be chosen.

### B. CBDC

Although the Namibian Central Bank had expressed interest in creating a CBDC in 2022, there has not been any significant progress in the country's CBDC development since then.

## 3. Compliance Requirements:

Virtual Assets Acts

## 4. Outlook

The Virtual Assets Act is a dramatic turnaround from the Namibian central bank's previous stance that crypto exchanges since 2017 were illegal in the country. The act's enactment is set to increase clarity on crypto regulation in the country. Still, the absence of a crypto regulator, which is to be determined by the finance minister, might make investors uneasy for now.

## BOTSWANA

### 1. Is it legal?

Legal (previously legal)

In February 2022, the Botswana government [unveiled](#) the Virtual Assets Act, which regulates the sale and trade of virtual assets, licensing of virtual asset service providers, and issuers of initial token offerings. The Act sets forth licensing requirements for crypto exchanges looking to operate within the country. License holders are mandated to safeguard users' assets, mitigate market abuse, and establish protocols for acquiring a beneficial interest in their business.

Since the Botswana Virtual Assets Act was enacted on 22 February 2022, the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) has [clamped down](#) on unregistered crypto dealers in Botswana. In March 2023, the regulator directed unregistered crypto services provider FS Global Properties Limited Botswana to cease operations. The Virtual Asset Act contains licensing requirements for crypto exchanges interested in the country. License-holders will need to protect users' assets and "[prevent market abuse and provide measures for the acquisition of a beneficial interest in their business.](#)"

## 2. Market Overview

### A. Market Developments

Africa's largest local crypto exchange, Yellow Card, [announced](#) that it is

working with the Non-Bank Financial Institutions Regulatory Authority and the Bank of Botswana on innovations to create an enabling environment that allows more players into the cryptocurrency space. Yellow Card was the first cryptocurrency company to secure a Virtual Asset Provider license in Botswana last year. Chris Maurice, CEO and co-founder of Yellow Card, said that *“Botswana punches above its weight.”* The CEO highlighted the opportunity to leverage Botswana's unique position as a nation with a modest population, leading ICT infrastructure, and a concentration of affluent individuals in the capital city of Gaborone to enhance the company's footprint within the country.

#### B. CBDC

Botswana has expressed interest in developing a CBDC, but there hasn't been any publicly disclosed progress since then.

### 3. Compliance Requirements:

Botswana Virtual Assets Act

### 4. Outlook

Crypto companies interested in the country are expected to follow the process and register under the NBFIRA to avoid being shut down or penalized.

## SEYCHELLES

### 1. Is it legal?

Legal (formerly legal)

Seychelles, which drew in the most funding for African crypto businesses in 2022, is one of the most crypto-friendly nations on the continent. While crypto is not recognized as legal tender by the Seychelles' central bank, it is widely used as a means of exchange within the country. In a press statement released in November 2023, the Financial Services Authority (FSA) said Seychelles was working

on a legislative framework to regulate VASPs and VAs, with the expectation to be finalized by 2024. The government is also clamping down on unregistered virtual asset service providers, 50 of which were published in the statement that advised consumers to remain cautious about such VASPs.

## 2. Market Overview

### A. Market Developments

After coming under scrutiny from countries such as the US, the Seychelles crypto regulatory market has evolved from its reputation as a lax haven with relaxed KYC standards into a structured market with more monitoring from the government. In 2021, the Seychelles had no clear regulations for cryptocurrencies or cryptocurrency-focused businesses in place other than them having to comply with AML and CFT considerations. Now, registering a cryptocurrency license company involves a process of incorporation, signing up with the FSA, and a separate registration as a VASP. Also, crypto companies operating in Seychelles are expected to be FATF-compliant.

In January, the FSA issued a public notice clarifying that it had not licensed any international crypto companies operating within Seychelles. These companies are generally termed International Business Companies (IBC). Additionally, ICOs are still not currently regulated in the country, but the 2024 regulations could come with revised guidelines since Seychelles continues to be a preferred destination for many ICO issuers.

Seychelles is also aiming for a 2024 review of its position on the watchlist of the Financial Action Task Force, and completing its virtual assets bill remains critical to this process.

### B. CBDC

In 2022, Seychelles approved the policy proposal to regulate its CBDC, e-money, in Seychelles. The country is still in the research and development phase of its central bank digital currency but is aligned with the IMF in the vision of CBDCs as an optimal means of money movement.

### 3. Compliance Requirements:

Seychelles crypto license, VASP registration, FATF-compliant

### 4. Outlook:

In 2024, Seychelles is poised to solidify its position as a crypto-friendly jurisdiction while enhancing regulatory oversight. The expected legislative framework for Virtual Asset Service Providers (VASPs) and Virtual Assets (VAs) is anticipated to be finalized, fostering a more structured market environment. As Seychelles aligns with international standards, compliance requirements for crypto businesses are likely to become more stringent, focusing on FATF compliance and registration with the Financial Services Authority (FSA). Additionally, the country may make significant strides in developing and potentially launching its Central Bank Digital Currency (CBDC), demonstrating a commitment to embracing innovative financial technologies.

## MOROCCO

### 1. Is it legal?

Uncertain (formerly Absolute Ban)

Morocco has been classified as “uncertain” as it finds itself between an absolute ban on crypto enacted in 2017 and a yet-to-released crypto bill proposed by the country's apex bank, Bank Al-Maghrib (BAM). The 2017 ban, the first of its kind on the continent, came on the heels of massive crypto adoption in the country that raised questions about fiscal stability. However, the ban did little to stifle crypto adoption as Morocco continues to top global crypto rankings. The 2022 global adoption index from blockchain analytics firm Chainalysis ranks Morocco as the second fastest-growing market for crypto adoption in Africa — behind only Nigeria. In 2023, the country made the Top 20 Global Crypto Adoption Index.



## 2. Market Overview

### A. Market Developments

In 2022, Morocco's central bank engaged the International Monetary Fund (IMF), the World Bank, and the central banks of Sweden, France, and Switzerland to investigate their experiences and methods of regulating crypto-related activities. These engagements birthed progress for the space, marked by an announcement in June that BAM was to launch a bill to regulate crypto.

2023 reports from the BAM were that the bill was completed, and the apex bank was already engaging stakeholders, a "long process" that would allow broader contribution to the policy. The BAM seems to be taking its time still, as the bill and its content remain only in private coffers till the middle of 2024.

### B. CBDC

In 2021, Morocco's central bank established a committee to look into the prospects of a CBDC in the nation. According to data available at CBDB Tracker, a global tracker of countries exploring the technology, Morocco is still at the research and development stage of its CBDC prospect.

### 3. Compliance Requirements:

Not applicable under current "ban" circumstances

### 4. Outlook

In 2024, Morocco's crypto regulatory landscape is poised for transformation amid ongoing efforts to reconcile its historic ban on cryptocurrencies. With significant crypto adoption despite the ban, Morocco faces pressure to establish clear regulatory frameworks to govern the sector. The proposed crypto bill by Bank Al-Maghrib (BAM) signals a shift toward regulation, yet its delayed release underscores the complexities of policymaking in this space. Moreover, Morocco's exploration of a Central Bank Digital Currency (CBDC) could lead to an embrace of crypto that augurs well for local crypto adoption.

## ANGOLA

### 1. Is it legal?

#### Implicit Ban (formerly Implicit Ban)

2022's report highlighted Angola as one of the African countries warming up to crypto as the country then announced plans to regulate the industry. The regulations, however, turned out to be anti-crypto. The bill passed in December 2023 criminalizes the mining of cryptocurrencies such as Bitcoin, stipulating jail time of up to five years for offenders. Further, the law attempts to crack down on crypto by limiting "the circulation of virtual currencies not issued by the central bank". The Angola government believes this position will preserve the integrity of its energy systems, which is driving a booming Bitcoin mining market in the region. A [Cambridge University report](#) spotlighted Angola as Africa's third largest Bitcoin market, a position that industry experts believe could have been optimized for national revenue generation. Before this law, Angola had maintained its stance against crypto as it constantly warned nationals to avoid the asset class while completely restricting financial institutions from dealing with them.

### 2. Market Overview

#### A. Market Developments

The new law forces Bitcoin mining operators out of the country and dampens overall crypto enthusiasm. While it remains unclear what methods the central bank will adopt to limit the spread of virtual currencies, operators believe that crypto natives could adopt stealth strategies in mining and transacting crypto. These strategies may also spell trouble for crypto operators as lawmakers continue to implement the ban on mining activities.

#### B. CBDC

Angola has expressed interest in launching its central bank digital currency and claims to have a working paper.

### 3. Compliance Requirements:

Not applicable under current "ban" circumstances

### 4. Outlook:

In the coming year, Angola could intensify its stance against crypto, which would negatively impact crypto-focused businesses seeking regulatory compliance. Bitcoin mining activity is also expected to drop significantly.

## MAURITIUS

### 1. Is it legal?

#### Legal (previously Legal)

Mauritius continues to consolidate its leading position in the regulatory sphere of the African blockchain ecosystem. The crypto-forward country has issued guidance notes on "security token offerings" since 2019 but finally crafted a comprehensive policy framework in 2021 dubbed the Virtual Asset and Initial Token Offering Services Act (VAITOS Act). The regulations, which came into force in 2022, delineate the difference between securities and virtual assets, a long-standing dispute in the crypto world that has triggered legal clashes between the US SEC and global crypto companies such as Coinbase and Binance. Mauritius is currently on the FATF, OECD, and EU's whitelist.

### 2. Market Overview

#### A. Market Developments

Mauritius' regulatory framework is quite broad, with five separate classes, including virtual custodians, marketplaces, broker-dealers, advisory, and wallet services providers. The regulator, The Financial Services Commission (FSC), has also issued guide notes on security tokens and NFTs and is expected to release some on stablecoins and decentralized autonomous organizations. Despite these, the

government seeks to broaden the regulatory scope by wrapping the metaverse into financial services. The FSC has begun surveys to this effect.

## B. CBDC

The Bank of Mauritius has announced that its plans to launch a central bank digital currency are making strides. A pilot project is expected to kick off in 2024.

## 3. Compliance Requirements:

Under the VAITOS Act, banks or license holders under the National Payment Systems Act may apply for a license, subject to written approval from the Bank of Mauritius. Other applicants to the Financial Services Commission (FSC) for a VASP license must specify the desired license class, be a registered company in Mauritius, have operations managed from Mauritius, maintain a physical office in Mauritius, and ensure that all relevant individuals meet the FSC's "fit and proper" criteria.

## 4. Outlook

Mauritius is expected to refine its crypto regulatory framework further, building on the Virtual Asset and Initial Token Offering Services Act (VAITOS Act) implemented in 2022. Anticipated trends include expanding oversight to emerging sectors like decentralized finance (DeFi) and non-fungible tokens (NFTs) and exploring virtual asset trading in the metaverse. Progress towards launching a central bank digital currency (CBDC) by the Bank of Mauritius is also forecasted, promising to revolutionize the financial landscape.

## RWANDA

### 1. Is it legal?

Implicit Ban (previously Implicit Ban)

Rwanda has positioned itself against cryptocurrencies since 2018,

when it warned citizens to avoid the asset class or engage "at their own risk." Then, in 2023, the National Bank of Rwanda (NBR) ordered banks to stop facilitating crypto transactions, marking a downhill momentum for the legality of crypto operators in the country.

## 2. Market Overview

### A. Market Developments

Rwanda, globally recognized for its forward-facing business regulations, has made no public intentions about drafting a crypto bill to date. For a market with a relatively sophisticated policy outlook, the lack of any crypto regulatory process may tell the story of a state-backed opposition to the asset class.

### B. CBDC

Rwanda has been researching ways to roll out a CBDC for the past half-decade. However, the project did not seem to be prioritized until 2024. In May, the National Bank of Rwanda opened its feasibility studies that recommended retail tokenized CBDC, and announced pilot tests within the second half of the year.

## 3. Compliance Requirements:

Not applicable under current "ban" circumstances

## 4. Outlook

The outlook for cryptocurrency regulation in Rwanda appears uncertain, with the country maintaining an implicit ban on cryptocurrencies and showing little interest in drafting legislation. While it is likely that crypto transactions will continue as operators have not criminalized the activity, such regulatory stiffness will prevent foreign entrants and altogether dampen market sentiments.

## NIGERIA

### 1. Is it legal?

Uncertain (previously Implicit Ban)

Recent guidelines from the Central Bank of Nigeria (CBN) have permitted banks to create accounts for virtual asset service providers, marking a landmark turn from the 2021 directive to unbank crypto operators. The regulations, however, still ban banks and financial institutions from handling crypto or offering it directly to their customers. This follows a move by the SEC to regulate crypto in 2022, with the issue of its guidelines on offering and holding digital assets. For most operators, the SEC's license was impossible to get as it required banking relationships, which were illegal until recently. In terms of regulatory clarity, the policy outlook of the Nigerian crypto ecosystem has improved since last year's report, but the market's nuances paint a less rosy picture.

## 2. Market Overview

### A. Market Developments

#### Burdensome Regulations

While the CBN's move to connect banks to VASPs is lauded and finally brings clarity to the crypto regulatory landscape in the country, industry stakeholders have outlined some concerns with the guidelines including:

- i. Requiring VASPs to provide details of every transaction done on their platforms
- ii. Mandating crypto platforms to conduct transactions in naira only
- iii. Prohibiting cash withdrawals and cheque clearing
- iv. Requiring VASPs to limit their users to two withdrawals in a quarter
- v. Requiring VASPs to obtain an SEC license that costs over \$110,000 to apply.

The guidelines also require VASPs to report to the CBN, while the SEC mandates a series of reports from VASPs. This situation highlights the need for policy frameworks to be harmonized.

“This situation is a quandary for operators in the space who are proactive about regulations,” said Lasbery Oludimu, Vice President of Legal for pan-African exchange Yellow Card. *“We continue to note unclear and conflicting provisions between the CBN and SEC’s guidelines, but we hope that, with time, these policies can be harmonized and clarified.”*

In March 2024, the SEC increased its requirements for getting a crypto license in the country, increasing the registration fee from 30 million naira (\$18,620) to 150 million naira (\$93,000); the processing fee from 300,000 naira (\$186) to one million naira (\$620); and the minimum paid-up capital from 500 million naira (\$331,000) to one billion naira (\$662,000), 25% of which must be insured by a Fidelity Bond.

Following industry outcry, the SEC in June announced intentions to amend its rules due to ‘current realities’, requiring all VASPs to register for an “Accelerated Regulatory Incubation Programme” within 30 days. Meanwhile, the country’s national blockchain policy remains crypto-averse.

#### Extractive Taxation

A series of amendments to the 2022 Finance Act introduced a 10% tax on crypto.

Section 3(a) of the Capital Gains Tax Act is amended by inserting the phrase “digital assets” after the word “debt” as follows: “Subject to any exceptions provided by this Act, all forms of property shall be assets for the purposes of this Act, whether situated in Nigeria or not, including options, debts, digital assets, and incorporeal property generally.” According to Adewale Ajayi, a partner at KPMG, digital assets [include](#) cryptocurrencies, non-fungible tokens, and other tokenized assets.

Made in June 2023, this amendment preceded the CBN’s reversal of the implicit ban on crypto, reflecting the individuality of regulations

that govern Nigeria’s crypto space. However, the law has yet to be enforced, and experts have argued that the industry is too nascent to implement such laws.

#### Clampdown on crypto exchanges

The Nigerian government recently restricted access to crypto websites, including Binance, Coinbase, and Kraken, amid allegations that they—Binance especially—were [enabling a P2P trading market](#) that was determining the value of the naira outside the CBN’s controls, leading to further depreciation of the naira. Two Binance officials were arrested just before the company pulled the plug on naira-related trade pairs on its platform. Several local crypto exchanges also [delinked naira from their platforms](#), describing it as a goodwill gesture supporting the local currency.

#### B. CBDC

Nigeria was the first African country and the second in the world to launch its CBDC project dubbed e-Naira. However, adoption has been abysmal, with [about 98.5% of wallets unused](#), according to the IMF, which describes the adoption as “disappointingly low”. Efforts at boosting the adoption through disbursing aids and stipends for government workers have not yielded promising results. Nigerian commercial banks have also not demonstrated proactive marketing of the eNaira, probably stemming from fears of losing capital balances in the wake of mass eNaira adoption. Many of these banks have also plugged into [another project that puts the naira on the blockchain](#), led by the Africa Stablecoin Consortium.

#### 3. Compliance Requirements:

SEC license, account opening, and transaction monitoring. Latest requirements include the formation of Nigerian entities by global VASPs, the appointment of Nigeria-resident CEOs or Managing Directors, and the incorporation with the Corporate Affairs Commission.

#### 4. Outlook

Nigeria’s uncertain future is posed by its simultaneous embrace and crackdown on digital assets. The country continues to top global crypto inflow, and inflation has made stablecoins a haven for many. The government knows, from experience, that it can’t shut down crypto adoption, so it wants to profit from it, but not at the expense of its fiat value.

Doing crypto in Nigeria will mean that operators must demonstrate a commitment to avoiding crypto-linked naira manipulations, and major exchanges may face escalating pressure to comply with the government’s data-sharing and tax mandates.

Interest in and adoption of crypto are expected to continue on an upward trajectory, bolstered by a developing policy framework.

#### 5. Boots on the Ground Commentary:



**Obinna Iwuno**

President, Stakeholders in Blockchain Association of Nigeria (SiBAN)

**Q: How do you assess the current regulatory climate in Nigeria, and what reforms do you recommend?**

**A:** The regulatory landscape in Nigeria needs improvement. While there’s a national blockchain policy and roadmap, implementation still needs to be improved. Key reforms include classifying players in the industry, creating specific definitions for virtual assets, and learning from regulatory frameworks in other countries. Also, current policies, such as the latest reforms by Nigeria’s SEC, pose threats to

the local crypto economy. It could lead to foreign exploitation of the local industry and data.

### Q: Can you suggest policy reforms to encourage local participation and investment in blockchain technology?

**A:** Policymakers should consider creating regulatory frameworks prioritizing local players while allowing controlled entry for international companies through local subsidiaries. Adjusting regulatory requirements to favor local players can support economic growth and ensure that benefits from blockchain adoption remain within Nigeria. International companies should operate through local entities or partnerships to contribute meaningfully to the local economy. Additionally, investment in the blockchain sector, through initiatives like a blockchain innovation fund is critical for long-term growth and competitiveness.

## UGANDA

### 1. Is it legal?

Uncertain (formerly uncertain)

Uganda is markedly uncertain as it shifts across barring financial institutions from facilitating crypto trades to setting up a crypto-friendly regulatory sandbox. The partnership with the Blockchain Association of Uganda to consider crypto business models under the National Payments Systems Sandbox Regulations was seen by many as a U-turn from an anti-crypto stance. Yet, a [landmark ruling](#) from a Ugandan high court described crypto as unlawful and not accepted as a general payment instrument. Meanwhile, close to 2% of Ugandans still trade crypto, according to [CoinTelegraph](#).

### 2. Market Overview

#### A. Market Developments

Uganda is taking a pro-blockchain, anti-crypto approach to its

regulations. Fears of undermining fiscal policies drove the Bank of Uganda to restrict payment service providers from touching crypto. Still, a desire to tap into global technology is making the government consider crafting better regulations for the space. Towards the end of 2023, a private pro-blockchain bill was pushed to Uganda's parliament, while policy papers currently remain under the review of the Capital Markets Authority. The private member bill is seeking to regulate crypto as virtual assets.

#### B. CBDC

In 2022, Uganda [announced](#) its interest in exploring a CBDC, but efforts remain in preliminary stages.

### 3. Compliance Requirements:

Not applicable under current "ban" circumstances

### 4. Outlook:

The outlook for Uganda will depend on its ability to encompass crypto and digital assets into its overall blockchain strategy. Crypto businesses already serve a tech-savvy slice of the population, albeit mostly in the capital city. A stiffness towards digital assets regulation will restrict the country's crypto adoption to Kampala and leave out interested global players seeking regulatory clarity.

### 5. Boots on the Ground Commentary:



**Suleiman Murunga**  
Director, MUDA

### Q: Can you describe the state of blockchain tech in Uganda?

**A:** Blockchain adoption is low in Uganda and is driven by crypto usage

for cross-border transactions, most of which are done in the capital city of Kampala. Stablecoins adoption is growing locally, too, mainly as a means of exchange—not to hedge against devaluation as the local shilling is fairly stable. As for regulations, they are not favorable for digital assets in Uganda, at least not yet. The government seems to have a pro-blockchain, anti-crypto stance. While the Ugandan government takes blockchain union groups seriously, it's yet to translate into actual policy action around blockchain and crypto.

### Q: Can you suggest some policy reforms that could boost blockchain adoption in Uganda??

**A:** I'd like to see regulators focus more on regulating the use cases than its underlying technology. Blockchain businesses can operate in several forms, including exchanges, payment service providers, cross-border remittances, etc. It's more effective to apply laws to specific business use cases; crypto laws would likely fall within the exchange category.

## SOUTH AFRICA

### 1. Is it legal?

Legal (previously legal)

Since March 2024, South Africa's [Financial Sector Conduct Authority](#) (FSCA) has [approved](#) operating licenses for 138 crypto asset service providers (CASPs) under the Financial Advisory and Intermediary Services (FAIS) Act. This is out of the 383 applications the FSCA received. The most recognizable companies that obtained these licenses are the global crypto exchanges Luno and VALR.

Some of the business models of approved CASPs include advisory services, exchanges, payment gateways, crypto-to-crypto and crypto-to-fiat-conversion, crypto asset arbitrage, tokenisation, provision of index-based products, and wallet services.

The FSCA's decision to tighten regulations is influenced by previous crypto scams, including the investigation into Mirror Trading International (MTI), a cryptocurrency trading platform in South Africa. MTI [swindled](#) hundreds of thousands of individuals out of approximately \$589 million. The US Commodities and Futures Trading Commission [sued](#) MTI for its role in what was labeled as "the largest fraudulent scheme involving Bitcoin" at the time. Similarly, Africrypt, a crypto investment company based in South Africa, [defrauded](#) investors of around \$3.6 billion worth of bitcoin.

Since these incidents, South Africa has maintained its position as the country with the most advanced and robust regulatory environment for cryptocurrencies in Africa. Cryptocurrency is legal in South Africa, and the availability of a supportive regulatory framework for cryptocurrencies, which allows individuals and businesses to use cryptocurrencies legally, has made the country a mature crypto market.

## 2. Market Overview

### A. Market Developments

#### FSCA licensing

This license approval is a culmination of the regulatory process that started in 2022 and was consolidated in 2023. In October 2022, the FSCA declared crypto assets as financial products effectively placing them under the regulator's jurisdiction.

Subsequently, in April 2023, South Africa mandated all crypto exchanges in the country to register with the FSCA. Failure to comply with this directive attracted enforcement actions such as fines or business closure. By June 2023, the FSCA opened the process for accepting license applications, receiving 355 applications in the process.

On March 12, 2024, the FSCA approved 59 licenses for crypto firms including Luno, VALR, and Zignaly. On April 22, 2024, the FSCA (Financial Sector Conduct Authority) revealed it had granted licenses

to 75 crypto firms so far. By June 30, 2024, the FSCA had approved an additional 63 license applications, bringing the total number of licensed Crypto Asset Service Providers (CASPs) in South Africa to 138. According to the regulator, licensed crypto companies will be regulated under the country's existing Financial Advisory and Intermediary Services Act (FAIS).

Regulating the assets grants the South African Reserve Bank's Financial Surveillance Department explicit authority to compel South African crypto asset trading platforms to report crypto-asset transactions. "The authorised service providers will be subject to ongoing supervision after licensing, while investigations into people conducting crypto-related financial services without authorisation will begin," said Felicity Mabaso, a divisional executive at the FSCA, during the announcement of the license approvals.

South Africa has witnessed a rise in the use of crypto for retail payments. Pick n Pay, the third largest retail store in South Africa, in partnership with the crypto payments company CryptoConvert [launched](#) a payments system that allows customers to pay for goods directly with bitcoin (BTC) at more than 1,500 stores in the country. In September 2023, two of the biggest cryptocurrency firms in South Africa, Luno and VALR, partnered with CryptoConvert to facilitate Bitcoin payments at Pick n Pay directly through their apps.

### B. CBDC

South Africa's effort to create CBDC is minimal despite its involvement in three CBDC projects: Project Khokha 1 and 2 (PK1 and PK2) and Project Dunbar in the past year. According to South African Reserve Bank (SARB) Governor Lesetja Kganyago Kganyago during a panel at the World Economic Forum 2023 Annual Meeting in Davos, local demand from the public for CBDCs still needs to be established. "Is this a solution looking for a problem or do we have some real problem that we are trying to solve?" the apex bank's boss said.

This stance changed in 2024 when South Africa's annual budget

[showed](#) that the country intends to promote the adoption of digital payments, which includes analyzing stablecoins and blockchain to "improve the lives and livelihoods of marginalized groups."

### 3. Compliance Requirements:

FSCA's crypto asset service providers (CASPs) license

### 4. Outlook:

In 2023, the FSCA's new licensing regime, through clear requirements, aims to boost confidence in South Africa's blockchain industry and economy. Despite its advanced economy, South Africa is still on the Financial Action Task Force (FATF) grey list. Establishing a trustworthy crypto environment for consumers and investors could be a strategic step in addressing this issue. The country has implemented a reliable regulatory framework with defined requirements to protect investors from potential fraud and promote accountability in the digital asset sector.

#### Regulations Section Authors:



**Chidubem Emelumadu**  
Content Operations Lead, NODO



**Caleb Nnamani**  
Reporter, NODO



**Sultan Quadri**  
Reporter, NODO

# DIGITAL ASSETS IN AFRICA: THE CRITICAL ROLE OF REGULATION FOR STABILITY AND GROWTH

As increasing institutions (and individuals) gear up to navigate the digital asset market in Africa, it is crucial to recognize the importance of effective regulation in shaping a secure and credible market environment. This discussion highlights the role of regulatory frameworks, focusing on recent South African regulatory developments and how they benefit participation in the market for Absa and our clients.

## The Imperative for Robust Regulation in Africa's Crypto Market

In Africa, digital assets, such as cryptocurrencies and blockchain technologies, are subject to significant fluctuations and speculative activities. Effective regulation is key in Africa, with countries such as Nigeria, Mauritius, Kenya, and South Africa (to name a few) taking steps to establish clear crypto regulatory frameworks or working towards these. In South Africa, current data indicates that more than 10% of South Africans are already engaging with digital assets, a figure projected by the Financial Sector Conduct Authority (FSCA) to surge to 43% by 2030 in their market study report. This significant growth trajectory underscores the urgent need for a robust regulatory framework to support stable market expansion and protect consumers. By advocating for robust regulations, we want to ensure the protection of our client's investments from market unpredictability, which in turn attracts cautious investors and contributes to market stabilization.

The African digital asset market, while burgeoning, is susceptible to fraud and scams. Local regulatory bodies are emphasizing the need for stringent security standards and legal measures to combat fraudulent activities, which are also required by global regulators as part of the broader financial market and ratings. Trust is critical in banking, and in the African context, regulatory

clarity in such an environment is invaluable, ensuring that all market participants can operate with certainty and in compliance with established financial practices. To that end, in South Africa, the FSCA has confirmed the issuance of licenses to 138 crypto asset service providers out of 383 applications received. By ensuring ongoing engagement and alignment with the continent's evolving regulatory landscape, Absa reinforces its commitment to legal and ethical financial practices, thereby mitigating potential legal risks and sanctions and positioning ourselves as a compliance-first institution.

## Harnessing Regulation for Growth: Enhancing Innovation and Inclusion in Africa's Digital Markets

Regulations serve a dual purpose: beyond risk management and compliance, they are designed to foster growth and innovation. By supporting such regulations, we can play a pivotal role in the industry's advancement, ensuring that investments contribute to the technological evolution of digital assets, thus benefiting the broader financial ecosystem. This is due to the global nature of digital assets, which also necessitates international regulatory collaboration.

For instance, the South African Reserve Bank's exploration into the feasibility of a digital Rand underscores the potential transformative impact of regulated digital currencies on the broader economy. With African markets increasingly integrating into global financial systems, adherence to international regulatory standards is essential. This facilitates smoother cross-border transactions, enhances market accessibility, and prevents regulatory arbitrage—exploiting differences in regulations across authorities. For example, in Europe, the implementation of the Markets in Crypto Assets regulation is set to establish comprehensive rules for

crypto assets and service providers, fostering a uniform regulatory environment across the European Union.

With a growing emphasis on sustainability, African regulators are incorporating Environmental, Social, and Governance (ESG) criteria into digital asset regulations, such as the impact of financial inclusion across unbanked populations. With high mobile penetration rates and substantial remittance flows (as well as inflationary pressures), this is driving cryptocurrency adoption, supporting financial inclusion, and streamlining cross-border transactions. As such, a focus on ESG aligns with our corporate responsibility goals and attracts clients who value sustainability and inclusion in their investment choices.

In summary, for Absa, navigating the regulation of the digital asset market in Africa is fundamental to our strategy as we explore this innovative field. It ensures the stability, security, and integrity of our operations and client investments, fostering a trustworthy environment conducive to growth and innovation.



**Nkhiseng Ralepeli**

Absa CIB Digital  
Product Manager:  
Stablecoin



**Robyn Lawson**

Absa CIB Digital  
Product Manager:  
Custody

# MZANSI WEB3 ICP HUB SA: A LEADING LIGHT IN AFRICA'S BOOMING BLOCKCHAIN LANDSCAPE

## Relevant company activities

As Africa witnesses an unprecedented wave of blockchain innovation, fueled by a burgeoning young, tech-savvy demographic and an increasing recognition of blockchain's transformative impact, Mzansi Web3 emerges as a cornerstone in this dynamic evolution. Operating as a regional nucleus for the Internet Computer Protocol (ICP), devised by the visionary Dfinity Foundation, Mzansi Web3 is at the forefront of steering this promising development.

## Empowering Developers and Fostering Growth

Understanding that the bedrock of any thriving blockchain environment lies in developer competency, Mzansi Web3 has committed itself to nurturing talent. Through an array of workshops, hackathons, and premium educational offerings, the hub has successfully endowed over 100 developers from Botswana, Zambia, and Zimbabwe with the competencies necessary for leveraging the Internet Computer's capabilities. This initiative marks Mzansi Web3 ICP HUB SA's profound dedication to cultivating the next cadre of African blockchain pioneers.

The influence of Mzansi Web3 transcends educational endeavors. By actively supporting events in collaboration with entities like HER DAO and WeThinkCode, the hub has enlightened web2 developers on the merits of transitioning to Web3. Furthermore, through the ICP grants program, Mzansi Web3 has allocated \$100,000 in just two quarters to fuel promising blockchain ventures, events, and community efforts within the region. This gesture underscores a deep-rooted commitment to the continent's blockchain future, with two high-caliber projects in the process of potentially receiving six-figure grants.

Mzansi Web3's commitment has garnered national acclaim, with its achievements spotlighted on national television. Engaging in

masterclasses with delegates from five African nations, the hub aims to mold the continent's blockchain strategy and highlight ICP's potent tech stack as a solution to tangible challenges.

## Future Expansion

The ICP hubs network has also set up hubs in East and West Africa which focus on similar initiatives, based on the needs, potential and opportunities in their respective regions. Multiple individual hubs allows for rapid growth locally, but provides Hub Leaders with opportunities to share insights, resources and networks, which results in more efficient capital expenditure and faster progress.

## Usecases

We are seeing huge interest from projects that involve Real World Assets tracking and Agritech solutions gravitating to ICP. For example, Tier 1 start up Momint (One of Africa's best blockchain protocols), who was recently named South African Blockchain start up of the year, have decided to move over to the Internet Computer, while Earthstream, founded by South African Mathematician Viroshan Naicker and well respected pioneer from the web 2 era Gavin Marshal, are using ICP's technology to build decentralized traceability software and hardware that supports end to end supply chain monitoring, ecological metric collection and precision agriculture at scale.

Similarly, Tswaanda from Zimbabwe, founded by Confidence Nyirenda, is empowering farmers to grow their business sustainably, through access to decentralized markets, resources and technology.

Another notable project is Impact Chain, which is a product aimed at improving societal and environmental impacts using blockchain and AI for efficient analysis and reporting, making assessments accurate and accessible.

## Opinion and insights on African Blockchain Ecosystem

The African blockchain ecosystem stands as a testament to the continent's resilience, innovation, and untapped potential. We see a future where blockchain technology is not just an adjunct to the African tech landscape but a foundational pillar driving economic growth, social equity, and governance reform across the continent.

Africa's unique challenges, from financial inclusion to supply chain transparency, present fertile ground for blockchain solutions. Our experience at Mzansi Web3 ICP HUB SA has shown us that the enthusiasm and talent for blockchain technology in Africa are unmatched. Young, tech-savvy individuals across the continent are eager to harness this technology, not only to solve local issues but also to compete on a global stage. This eagerness is palpable in the increasing number of blockchain startups, community-led initiatives, and educational programs sprouting across the continent.

However, the journey is not without its challenges. Infrastructure deficits, regulatory ambiguities, and a significant digital divide pose hurdles to widespread blockchain adoption. Despite these challenges, we view them as opportunities for innovation and growth.



**Shaheer Karrim**

Co-Founder, Mzansi Web3

# A PERFECT STORM FOR AFRICA'S BLOCKCHAIN REVOLUTION

Africa, the world's youngest and fastest-growing continent, is experiencing a surge in blockchain adoption. This evolving ecosystem, propelled by a combination of factors, has the significant potential to transform financial inclusion, identity management, and environmental solutions.

Africa's embrace of blockchain stems from several key challenges and opportunities. A large portion of the population remains unbanked, lacking access to traditional financial services. Blockchain, with its decentralized nature and low barriers to entry, offers an alternative financial system. Mobile money penetration is already high across Africa, creating a familiar digital infrastructure for integrating crypto and blockchain-based solutions.

Africa boasts a young, tech-savvy population eager to explore new technologies. This entrepreneurial spirit fuels innovation in the blockchain space, with startups emerging to address local needs. Recognizing the transformative potential, governments are exploring using blockchain for land registry, identity management, and fostering transparency in governance.

Financial inclusion is a significant theme in Africa's blockchain narrative. Decentralized finance (DeFi) offers a glimpse into a future where individuals have greater control over their assets. Cryptocurrencies and stablecoins can facilitate remittances, a crucial source of income for many African families, offering faster and potentially cheaper transactions compared to traditional money transfer services. Startups like [Fonbnk](#), [Canza Finance](#), [VALR](#), [Bitmama](#), and [Kotani Pay](#), supported by EMURGO Africa, are tackling cross-border payments with blockchain-based solutions.

Blockchain also offers secure and verifiable digital identities, a critical need in a continent where traditional identity documents are often unreliable or inaccessible. In Ethiopia, IOG's blockchain-based digital identity work is helping a large number of students and teachers

eliminate fraud in the education sector, according to IOG's director of African operations, John O'Connor.

## Money and Climate: The Big Headaches

Africa is the hardest hit continent by climate change despite contributing the least to the problem. Thousands of Africans have perished as a result of severe drought in the Horn of Africa region, flooding in Nigeria, South Africa, and Uganda, and devastating tropical storms in Madagascar and Mozambique.

The World Meteorological Organization warns that a temperature rise of 4°C relative to pre-industrial levels could reduce Africa's GDP by up to 12.12%. At the same time, the World Health Organization estimates that climate change will claim the lives of 250,000 more Africans per year between 2030 and 2050.

Africa remains disproportionately affected by climate change catastrophes and urgently needs financing for climate adaptation and resilience. The Climate Policy Initiative projects that Africa needs \$2.8 trillion in climate finance between 2020 and 2030, or \$250 billion annually. However, the continent has limited climate finance flows, so by 2030, Africa could have a gap of \$200-\$400 billion annually.

While carbon credits offer a modest way of financing climate change adaptation, a multitude of hurdles stand in the way. Complex bureaucratic procedures, a lack of transparency, a lack of standardized regulations, and difficulties tracking funds hinder access to crucial resources.

The current climate finance system relies heavily on intermediaries, leading to delays and inefficiencies. This is where blockchain technology and EMURGO Africa offer a glimmer of hope. Blockchain, with its inherent transparency and immutability, can streamline processes. Imagine a system where project proposals are submitted

on a tamper-proof ledger, with real-time tracking of funding allocation and utilization. This would not only enhance transparency but also bolster trust among donors and recipients, such as governments and nonprofits.

EMURGO Africa's investment in [Changeblock](#), an environmental credit exchange platform that aims to address most of the challenges in climate credit access in Africa, is a testament to its commitment to streamlining verifications for carbon offsets on the continent.

Africa harbors millions of dollars worth of carbon credits, especially in the Congo Basin, which absorbs 1.5 billion tons of carbon each year and holds roughly 8% of the world's forest-based carbon. Approximately 23% of global emissions are now covered by some form of carbon credit pricing, with the carbon credit market reaching a record \$851 billion in 2021. But Africa only gets the smallest share of this money.

To bring Africa on par with the US, Europe, and China in terms of carbon credit access, Changeblock plans to work with individual countries such as South Africa, Morocco, Kenya, Malawi, Gabon, Nigeria, Egypt, and Togo, as well as the Africa Carbon Markets Initiative (ACMI), to help grow the market.

Through EMURGO Labs, we offer educational initiatives and community-building efforts that are crucial for blockchain adoption in climate finance. Building capacity within African institutions and local communities is essential to implement these solutions effectively and inclusively.



**Yosuke Yoshida**  
Co-CEO, EMURGO Africa



# 07

## CONCLUSION



# Conclusion

As 2023 unfolded and the first half of 2024 progressed, the landscape of venture funding experienced notable fluctuations across the globe, a trend that did not spare the African continent. The venture funding arena saw a significant contraction from the record-setting figures of 2021 and 2022. Globally, venture funding diminished by 34% year-over-year, settling at \$356.77b from a high of over \$536b in the preceding year, with the number of deals also decreasing by 26% to 29,296. Despite these downturns, 2023's funding volume and deal activity surpassed the low-water mark set in 2019, highlighting the enduring vibrancy of the venture capital ecosystem.

Within this global tableau, Africa's venture funding sphere mirrored the broader challenges, witnessing a 30% downturn in general venture funding, amounting to \$2.21b across 315 deals. This reduction, however, should be viewed within the context of a global retraction in venture capital investment, signaling a strategic realignment rather than a retreat from the innovative potential the continent harbors. Interestingly, Africa's proportion of global venture funding saw a slight increase, reaching an all-time high of 0.62%, a testament to its growing importance and resilience within the global venture ecosystem.

The blockchain sector, a focal point of this report, was not immune to the prevailing economic headwinds, experiencing a contraction in both funding and deal count. In 2023, African blockchain ventures raised \$135.4m across 17 deals, marking a significant downturn from the previous year. Yet, even amid these challenges, the sector's average deal size in Africa remained only marginally lower than the global average, underscoring the sustained investor interest and confidence in the region's blockchain startups. Africa's contribution to global blockchain and deals rose to 1.3% in 2023 and even further

to an all-time high of 1.8% during the first half of 2024. Despite this growth in deals, the continent's share of venture funding decreased from 1.6% to 1.3% compared to 2022. African blockchain businesses raised \$34.7m across 12 deals in H1 2024.

In a year marked by strategic recalibration, the African blockchain landscape saw notable shifts in investment towards Blockchain Networks, and Gaming, NFTs, & Metaverse, capturing 58% and 20%, respectively of total venture funding. These trends underscore a pronounced investor confidence in foundational blockchain technologies and innovative finance solutions, highlighting the continent's strategic pivot towards sectors that promise to redefine and drive future growth. This focused investment approach reflects the dynamic growth areas within the African blockchain ecosystem and affirms the region's emerging role as a crucible for technological innovation and financial transformation on the global stage.

In addition to the sector-specific trends, the distribution of blockchain venture funding across African countries showcased significant concentration, with Seychelles and South Africa collectively accounting for 95% of the continent's total blockchain venture funding. This geographical concentration underscores the varying levels of blockchain ecosystem development across the continent, highlighting key regions that are emerging as hubs for blockchain innovation and investment. The remainder of the funding was made up by Nigeria, Kenya, and Egypt.

Looking ahead, the adaptability and resilience of Africa's blockchain sector bode well for its future. The continent's innovative spirit, coupled with strategic investments in foundational technologies and financial innovations, promises a dynamic and thriving ecosystem

for investors, entrepreneurs, and policymakers alike. As the global economic landscape evolves, Africa's blockchain sector is poised to not only navigate these changes but to emerge stronger, underscoring its critical role in the global blockchain narrative.

# CRYPTOCURRENCY IN AFRICA, CLOSER TO THE IDEALS?

## Could cryptocurrency truly fulfill its decentralized potential in African countries and other developing nations? The experts and the numbers suggest so.

While the US and other Western nations account for the majority of global cryptocurrency trading volumes, Africa is increasingly emerging as a leader in cryptocurrency adoption. Nigeria, for example, ranked second in the [2023 Chainalysis Crypto Adoption Index](#), with the top spot going to India – another developing nation you don't hear much about in cryptocurrency conversations. The US ranked fourth, behind Vietnam.

Africa has a history of leapfrogging technologies, where the adoption of a technology solution in a specific region bypasses older, more established ones. The mobile phone market is a prime example, as are digital agriculture and mobile money services such as MPESA. But can it do the same in crypto?

Luno recently published its first quarterly [State of Crypto in Africa Report](#), with people on the ground in African crypto hubs such as Nigeria providing a glimpse of the current state of cryptocurrency in these regions. It paints a picture of a continent primed for financial innovation and with a huge opportunity to leapfrog other regions, but it also reveals serious challenges moving forward that will need work to overcome.

### Opportunities and hurdles

Africa's hurdles are crypto's opportunities. Kayode Babarinde, the Executive Director of the Africa Blockchain Institute, argued in the Luno report that *"actual use of cryptocurrency in day-to-day activities such as payments is generally driven by financial exclusion, high volumes and high costs of remittances."*

These are important problems to solve. "By providing a secure

platform for financial transactions, decentralized finance applications can extend services to the unbanked and underbanked populations, fostering economic growth and stability," Babarinde explained.

Philip Adiamah of Chainalysis agreed, noting that *"while residents of wealthier nations may buy and sell more cryptocurrency than those of emerging markets, the latter has a greater day-to-day need for cryptocurrency, very much in line with the original vision for Bitcoin and the sector at large."*

But does this mean that more people are adopting crypto in these regions? At the moment, the picture is mixed.

The Stellar Development Foundation (SDF) team recently traveled to Africa and met with industry builders in Ghana, Nigeria, and Kenya. According to Jason Chlipala, Chief Business Officer at the cryptocurrency platform, the trip revealed optimism about the technology from the people building these solutions to the people using them. *"Entrepreneurs said they embrace the opportunity to fail fast and keep moving. On the other side of the equation, customers keep themselves open to a range of financial solutions to find solutions that will work better for them. Whether people realize it or not, this technology is already powering tools that they know and use,"* Chlipala noted. *"The utility is real."*

### The challenges

Despite the scale of the opportunity and apparent willingness to realize it, many obstacles stand in the way of widespread adoption and use. Some infrastructural challenges are unique to Africa and other developing nations, while regulatory challenges are a global phenomenon.

"The absence of traditional financial infrastructure in many

African countries has created a demand for alternative financial solutions such as cryptocurrency," Babarinde explained. "On the other hand, the absence of robust internet and technological infrastructure in certain regions also hinders the widespread adoption and use of blockchain technology. Blockchain networks typically require a stable and reliable power supply to ensure continuous operation. Regions with frequent power outages may struggle to sustain the infrastructure needed for blockchain nodes."

So, is Africa primed to be ground zero for the use of crypto in the real world and to lead the decentralised revolution? How close are we to realising this potential? At the moment, the picture is still unclear, but a combination of need and innovation is bringing it into increasingly sharp focus. Luno's *State of Crypto in Africa report* aims to track this progress to help investors understand the shifting landscape and what it means for the future of crypto.

Download the Luno report [here](#) for more interviews and deep dives into cryptocurrency adoption in Africa.

*\* Investing in cryptocurrency may result in the loss of capital as the value can fluctuate. This information is not intended to be nor does it constitute financial, tax, legal, investment, or other advice; nor is it a call to trade. The information is intended as general market commentary for information purposes only. Before making any decision or taking any action regarding your finances, you should consult a qualified Financial Advisor.*

# THE CRUX OF TRUST IN BLOCKCHAIN TECHNOLOGY

## Introduction

In the ever-evolving landscape of blockchain technology, trust stands as a cornerstone, embodying both a fundamental human emotion and a critical element in business and technological interactions. The paradox of trust, marked by its dual nature of vulnerability and necessity, warrants a thorough exploration to understand its role and challenges within this dynamic field.

TrustReserve, exemplified by Moore Blockchain & Digital Assets Johannesburg, strives to be a centralized hub of trusted solutions, offering cutting-edge technology and services. At the forefront of this mission, we aim to establish an industry-wide institutional-grade framework, ensuring a secure ecosystem where trust is built and maintained through robust technological innovations and ethical standards.

## The Irony of Trust

Trust inherently requires vulnerability, demanding that individuals and organizations expose themselves to potential risks by relying on the integrity and competence of others. This vulnerability is paradoxically essential for building strong trust, as genuine connections and cooperation often necessitate the risk of betrayal.

In personal relationships, trust grows organically through shared experiences and values. In contrast, in professional environments, trust is often constructed to facilitate transactions or influence opinions, relying more on crafted perceptions than genuine reliability. This manufactured trust poses significant risks when appearances do not align with reality.

## Trustless Systems in Blockchain

Blockchain technology addresses the complexities of traditional trust mechanisms by introducing "trustless systems," which operate without requiring trust among participants. These systems utilize cryptographic techniques and decentralized networks to ensure security and transparency, highlighting a profound irony: while aiming to build trust, we simultaneously create systems designed to eliminate its necessity.

Traditional systems, reliant on interpersonal trust and central authorities, often fail due to breaches of trust, corruption, and inefficiencies. Trustless

systems mitigate these vulnerabilities by removing the need for trust through technology, acknowledging the shortcomings of traditional mechanisms while leveraging technological advancements to fulfill roles previously dependent on personal or institutional trust.

## Web 3 and the Trust Paradox

Web 3, the next phase of the internet's evolution, heavily relies on blockchain technology, decentralized finance (DeFi), and non-fungible tokens (NFTs). Despite promising unparalleled security and transparency, Web 3 faces significant trust challenges. Widespread mistrust, driven by a lack of understanding, fear of new technology, and high-profile security breaches, hampers its acceptance.

Historically, trust in technology has evolved from reliance on a few information providers (Web 1.0) to distributed content creation with inherent privacy and misinformation issues (Web 2.0). Web 3 aims to return to decentralized ownership and control but must overcome inherent distrust exacerbated by technological complexity and past abuses.

## Building Trust in Web 3

Addressing trust issues in Web 3 requires adherence to several key principles:

- **Transparency:** Open-source projects and auditable processes are crucial for building trust, ensuring actions are visible and verifiable by all participants.
- **Security:** Robust security practices, including rigorous code audits and bug bounties, are essential to prevent vulnerabilities and hacking incidents.
- **Accountability:** Mechanisms must be in place to hold entities accountable for their actions within decentralized frameworks, including community governance models and ethical standards.

## Technological Solutions

Technological innovations play a pivotal role in enhancing trust in blockchain systems:

- **Smart Contracts:** These self-executing contracts automate and enforce agreements transparently and without bias, though their reliability depends on the code they are written in.
- **Verification Systems and Oracle Networks:** Reliable oracle systems ensure that real-world data triggering contract actions are accurate and tamper-proof.
- **Cryptographic Techniques:** Advances in cryptography secure data and ensure privacy, addressing trust issues related to data integrity and confidentiality.

## The Human Element

Despite robust technological solutions, the human aspect remains critical in shaping a trustworthy blockchain ecosystem. Community governance models leverage collective wisdom for more democratic and transparent decision-making processes. Ethical frameworks and compliance standards guide behavior and ensure the responsible use of technologies.

## Conclusion

The paradox of trust in blockchain technology reveals our complex relationship with trust. While striving to build reliable and secure systems, we continuously seek ways to circumvent the need for trust. Understanding this dynamic is crucial for navigating the evolving landscape of blockchain technology, ensuring that trust, both organic and manufactured, remains at the forefront of our interactions.

As we progress, the challenge lies in balancing the paradox of trust—embracing its vulnerability and necessity while leveraging technology to create more secure and transparent systems. This balance will ultimately determine the success and acceptance of blockchain technology in transforming our digital and economic landscapes.



**Dale Russel**

























Director, Moore Blockchain & Digital Assets JHB

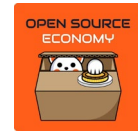
# 08

## CV VC



# CV VC Portfolio

<p>Accelchain</p> 	<p>Altify</p> 	<p>Assembl</p> <p>EXITED</p> 	<p>Asvin</p> 	<p>BlockFrauds</p> 	<p>Blocksport</p> 
<p>Coala Pay</p> 	<p>Coinrule</p> 	<p>Cybera</p> 	<p>DSENT</p> 	<p>DoxyChain</p> 	<p>Fastagger</p> 
<p>Float Capital</p> 	<p>Flovtec</p> 	<p>Forward</p> 	<p>Fungies</p> 	<p>Gentwo</p> 	<p>GK8</p> <p>EXITED</p> 
<p>HouseAfrica</p> 	<p>Ive.One</p> 	<p>IvoryPay</p> 	<p>Jamit</p> 	<p>Lawyerd</p> 	<p>Leto</p> 

[Math for Money](#)[Mazzuma](#)[Natix](#)[Novum](#)[Nuvlio](#)[Open Source Economy](#)[Orvium](#)[Plend](#)[Pravica](#)[Proof](#)[Provably](#)[Pyrpose](#)[Rens](#)[Scorechain](#)[ServBlock](#)[Shamba Records](#)[SodaWorld](#)[Sprinter](#)[Tracifier](#)[Truly](#)[Utopia](#)[Vereign](#)[Web3 Sanctuary](#)[Wild Cards](#)

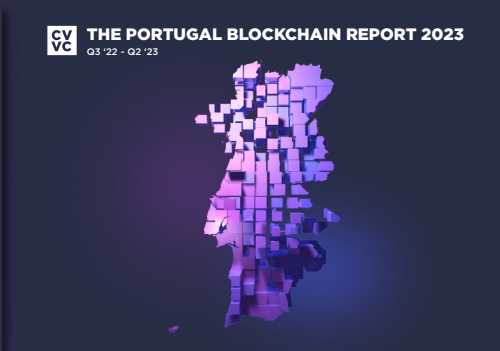
EXITED

[Xion](#)[Xtreamly](#)[Zero Code](#)

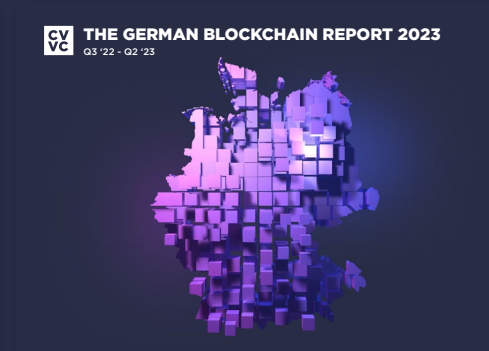
# Previous Reports



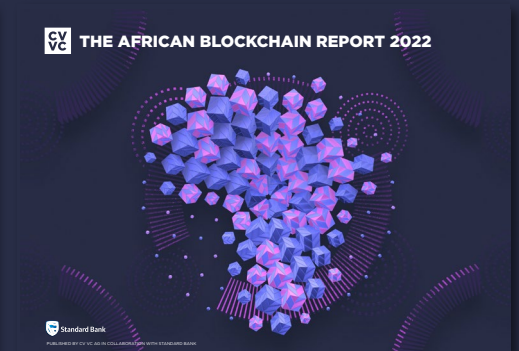
VIEW ONLINE



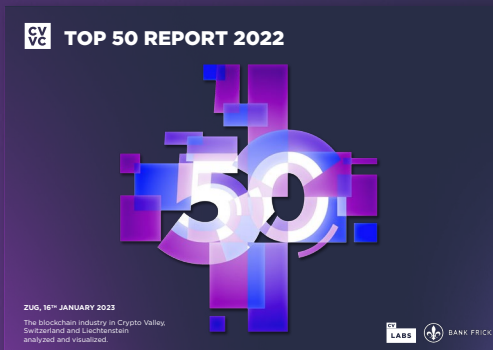
VIEW ONLINE



VIEW ONLINE



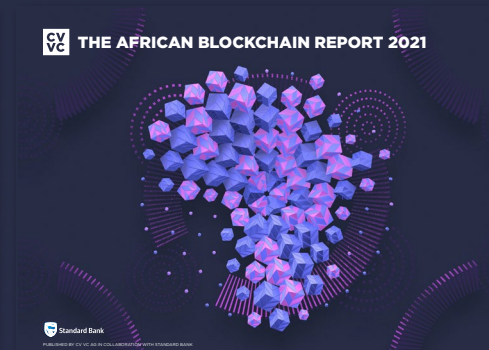
VIEW ONLINE



VIEW ONLINE



VIEW ONLINE



VIEW ONLINE



VIEW ONLINE

Download all our reports online:  
<https://www.cvvc.com/insights>



# About



CV VC is a private blockchain venture capital firm providing seed funding and an acceleration program to transformative technology teams worldwide. Qualified investors can gain exposure to blockchain technology and digital assets with CV VC's investment product suite, which includes venture capital portfolios and portfolios of liquid hedge funds. CV VC's expertise also extends to offering blockchain industry consulting and advisory services to corporates and governments.

As pioneers in Crypto Valley, the birthplace of Ethereum and home to numerous blockchain unicorns, CV VC is at the forefront of shaping Web3 dynamics. With a track record of 66 investments in

blockchain startups, CV VC embodies an entrepreneurial spirit, championed by its visionary founders and board members. These include Alex Wassmer, an esteemed industrialist serving as Chairman of CV VC, Yvonne Bettkober of the Volkswagen Group, Philipp Rösler ex Vice-Chancellor of Germany, Mathias Ruch as founder & CEO and Olaf Hannemann as co-founder and CIO. CV Labs is the ecosystem business pillar of CV VC, operating its accelerator and hubs across Switzerland, Liechtenstein, South Africa, Germany, and Portugal.

# Disclaimer

CV VC AG has prepared the content and information provided in this report (the “Report”) solely for informational purposes. The Report should not be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any token, security, or financial instrument, or to participate in any transaction or trading activity in this or any other jurisdiction in which such solicitation or offer would be unlawful under the securities laws of that jurisdiction. The contents are not a representation by the covered companies and are based upon or derived from information generally believed to be reliable, although no representation is made that it is accurate or complete. CV VC AG accepts no liability with regard to the reader’s reliance on the Report.

The information provided in the Report may be subject to change and is limited in scope. The content and figures in the Report have been collected and analyzed by CV VC AG, and are based on data from various sources, including other reports and databases. CV VC AG has generated its own

review and insights from the collected data. Company logos were obtained from their respective official company websites. You are not permitted to publish, transmit, or otherwise reproduce this Report or information from this Report, in whole or in part, in any format without the written consent of CV VC AG. In addition, you are not permitted to alter, obscure, or remove any copyright, trademark, or any other notices provided to you in connection with the information.

Absa Group is a sponsor of this report; however, they did not conduct the research. Consequently, Absa Group does not assume liability for any claims made in this report or errors in the report data.

**CV VC AG**

Dammstrasse 16  
6300 Zug  
Switzerland

+41 41 562 73 71  
www.cvvc.com  
reports@cvvc.com

**Authors:**

Hank Coetzee, IvyParse Research  
Albert Stoffberg, IvyParse Research

**Cover Illustration:**

Ian Gavin

**Editor:**

Wesley Patrick

**Download the full report online:**

**<https://www.cvvc.com/insights>**