

In this proposal, we're asking to **contribute 50,000 ADA** towards free (subsidized) community data feeds.

*TL;DR 100,000 ADA already contributed to fund free community Oracle data feeds managed by the Charli3.io team – we want to grow this fund.*

## **S1. Background**

### **Community Data Feeds**

The Charli3.io team operates a decentralized oracle ecosystem that is natively built on Cardano and was the first project audited by CertiK (Level 2). Our anticipated launch date for live data feeds is Q2 2022. We have a talented team of around 18 team members working diligently to bring data feeds to market. Our company's community is already quite large with 12k dedicated token holders, 45k Twitter followers, and more. Click here for a quick overview of the company from the 9/21 summit: (<https://www.youtube.com/watch?v=DJXOHZNCrSk&t=135s>).

In 2021, our team decided the best way to give back specifically to the Cardano developer community was to leverage the solution we were already working on. We put aside funds to make basic data feeds accessible and affordable to all developers (small or large) to help accelerate growth in our community.

The Charli3 team allocates 50,000 ADA to bring free community data feeds for all Cardano developers.

### **Project Catalyst Fund7**

With the mission of growing a fund to support the community data feeds, we asked the Project Catalyst community to vote to allocate an additional 50,000 ADA. In Fund7, the community spoke and voted to grow the fund! See (<https://cardano.ideascale.com/c/idea/384686>) for more details. As of March 4<sup>th</sup> 2022, there is already 100,000 ADA in the fund!

Project Catalyst votes to contribute 50,000 ADA to the fund!

## **S2. Growing the fund**

With the validation from the Cardano community through the Catalyst vote, we are now approaching Input Output, the Cardano Foundation, and our business partners to contribute to this community fund.

We kindly ask to contribute 50,000 ADA to help grow the fund too!

### **Timeline and Goal**

In order to make the community feeds a reality, there are a few steps that must take place.

1. Charli3 builds a portal to engage with the community to vote on what data feeds ought to be included in the community feeds.
2. Charli3 proposes initial data feeds
  - a. Basic price feeds (ada/usd, btc/ada, etc.) to start
  - b. Feeds that could run reliably for 12 months
3. Community votes on which price feeds they want from the short-list
4. Charli3 launches and maintains the feeds
  - a. Data is placed on-chain in individual UTXOs
  - b. The C3 team covers the costs of negotiating data from providers and maintaining the network costs, while the community fund goes towards fees paid out to our ecosystem to launch and sustain these feeds
  - c. The C3 team monitors the feeds to ensure larger projects do not abuse them
5. As we continually fundraise to increase our funds, we will add more data feeds in step 1 (likely on a quarterly basis to start)
6. In a future expansion, we are building a developer portal with integration guides that will eventually turn into self-service options (this out of scope of the fund7 proposal and may be a fund8 proposal).

**Our fundraising goal is to raise 200,000 ADA** that will be kept in a separate treasury from the Charli3 company funds and is controlled by the community and their votes. We may leverage a DAO solution

**Our long term goal** is to eliminate basic off-chain data feeds as a barrier for launching a new project on Cardano. As a company, having 1000 unique projects consuming our community data feeds is a milestone goal.

### **S3. How Funding will be used**

- **See Appendix for a rudimentary flow-chart of how funds are used**
- **Additional details in the fund7 proposal too:**  
(<https://cardano.ideascale.com/c/idea/384686>)
- **Community Treasury**
  - All funds are in held in a separate wallet from Charli3's company
  - No funds will move from this treasury unless the community has approved it through a democratic voting process
- **Ecosystem Costs**
  - ADA will be converted into C3 token to pay our ecosystem
  - The Charli3 team will provide transparent cost breakdowns of each feed at time of voting (e.g. the C3 team estimates that it will take x amount of C3 to put on-chain the ADA/USD price)
  - Since our solution is decentralized, the pricing is primarily determined by the ecosystem partners (that is data providers, node operators, and network costs), every quarter will we update the community on costs of current feeds and propose new feeds if possible.
  - A portion that covers network costs goes back to Charli3 (to pay bills)
- **No Profit and auditability**
  - Unlike our paid data feeds, Charli3 does not take a profit margin on community data feeds
  - In the event, we overestimate fees (which is possible in the beginning) we will audit every quarter to determine what costs ought to go back to the treasury fund
- **Full Disclosure on Pricing**
  - There are a few unknown variables that may impact pricing including the costs of whatever scaling solution we employ (hydra, zkrollups, etc.)
  - Monitoring of usage to ensure that the availability of data meets community supply
  - Pilot project is 12 months as we learn more about the costs associated with running on Cardano's infrastructure and the demand for the feeds, we will slowly add feeds and adjust as we go; our goal is to ultimately run the community feeds indefinitely and will contribute company profit towards maintaining them into the future if we can do so

- **What data feeds will be provided?**
  - The ones that the community vote on
  - C3 is looking to launch a small set of price feeds to start to get a better idea of the costs associated with providing them and the demand from the community
  - For example, providing ADA/USD is not as simple as turning on a switch. Our team will need to determine the frequency of updates... obviously these feeds won't be real-time as 200,000 ADA will run out quite quickly. We are hoping to make available 5-10 price feeds updated potentially hourly for 12 months. As we progress, if our forecasts are wrong or the demand changes, we will increase frequency and number of available UXTOs to ensure 200,000 ADA will get us to 12 months.
- **Key Challenges**
  - Unknown costs
  - Unknown demand
  - Projects competing to consume on-chain data
  - Integration challenges for developers (Fund8 we have an upcoming proposal to build out a dev portal that will eventually be a self-service portal)
  - Abuse by larger projects
  - Difficulty forecasting how much data 200,000 ADA will provide in 12 months
- **How we are meeting these challenges**
  - The former retired CFO of UBS Securities Canada will be onboarding as an advisor to help us forecast and model this project
  - Transparency with the community; letting them know not everything is known and there is variability
  - Maintaining community empowerment through treasury movement / dividing our community funding from company funds
  - Working with our business partners to raise funds proactively

# Appendix 1

