

# seed madagascar

sustainable environment, education & development

## Cryptocurrency Statement

Cryptocurrencies are currently receiving negative publicity over concerns that the mining process requires a high amount of energy consumption, and thus is having a damaging impact on the environment. The primary concerns are that, while renewable sources could be used for the mining process, cryptocurrency companies are seeking the cheapest possible energy source, which is often coal-powered electricity<sup>1</sup>. As a result, many companies, including Tesla, have opted to avoid using bitcoin in the name of protecting the environment<sup>2</sup>.

There is, however, an important counter-argument to the issue of cryptocurrency and its relationship with the environment. It is important to note that cryptocurrencies are still a relatively new form of currency and, as they transition more into mainstream usage, society will naturally adapt to its needs. Experts have suggested that the benefits of cryptocurrency and its heavy reliance on electricity are instigating the decentralisation of energy production and the need for renewable energy farms that can produce high levels of electricity<sup>3</sup>. Put simply, cryptocurrencies can be seen to be driving the production of larger renewable energy farms that will have the capacity to support other industries as well.

Importantly, it must be noted that cryptocurrency mining is comparatively less energy consumptive than mining other stores of value such as gold. Gold mining is heavy reliant on grid power and fossil fuel-powered electricity; as a result, it is estimated that gold mining is roughly 50 times more expensive than bitcoin mining<sup>4</sup>. Similarly, the traditional banking system is a large consumer of energy and consequently generates significant waste; the energy required in the running of banks, ATMs and card networks across the globe is substantial and the scale remains immeasurable<sup>5</sup>. These factors suggest that cryptocurrencies are not an outlier in terms of energy consumption, and may in fact be less damaging than traditional forms of finance.

At SEED Madagascar, we have been utilising cryptocurrencies minimally as a source of income for our life-changing emergency food relief and school building projects. Having generated approximately £4,000 from this fundraising stream in the last two years, we are cautious to change our approach in response to the actions of some companies, due to our awareness of the ulterior agendas of some larger corporations. We will continue to monitor the situation surrounding cryptocurrency in the coming months and assess the positives and

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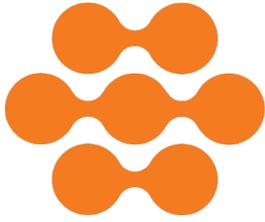
<sup>1</sup> <https://www.theguardian.com/technology/2021/feb/27/bitcoin-mining-electricity-use-environmental-impact>

<sup>2</sup> <https://www.theverge.com/2021/5/13/22434617/renewable-energy-bitcoin-pollution-tesla-elon-musk>

<sup>3</sup> <https://www.eversolarthing.com/blog/cryptocurrency-energy-consumption/>

<sup>4</sup> <https://www.forbes.com/sites/lawrencewintermeyer/2021/03/10/bitcoins-energy-consumption-is-a-highly-charged-debate--whos-right/?sh=75f032597e78>

<sup>5</sup> <https://docsend.com/view/adwmdeeyfvqwecj2>



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negatives in accordance with unbiased data and research to ensure we are making the correct decision. Of course, environmental conservation is at the heart of what we do here at SEED, and we will act appropriately to ensure our internal processes do not contradict our core values.

Thank you for reading.