



# 2020

IN REVIEW



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## From the Chair of the Board

*2020 was a very tough year for all of us. We lost our friends and family members, were forbidden from travel and striking the work/life balance seemed impossible. There are some good things that came out of it, though - world definitely got pushed into a digital revolution.*

*Web conferencing platforms became outstanding, schools around the world adapted to online teaching and so did healthcare professionals. This is great news for the self-sovereign identity movement - today more than ever people recognize the need for a reliable, trustworthy system that gives them access to services without any physical proofs.*

*Sovrin has been incredibly proud to work with organizations like ToIP, Good HealthPass, CCI and others to bring those opportunities to life. Our working groups publish some outstanding work and we continue to explore all aspects of SSI - from tech through governance to ethics. 2020 was meaningful to the Foundation as it finalized the transition and is slowly moving to the regular day-to-day management.*



**Marta Piekarska-Geater**

**Trustee**

**Board Chair since June 2021**

## Transition to sustainability

2020 was a year full of extraordinary changes. For most obvious reasons for the world in general but also for Sovrin in particular.

2019 came to a close with significant momentum for Sovrin. December 2019 brought an update to the Governance Framework, new Stewards, an SSI Incubator and a highly productive Hyperledger Aries interop workshop.

Still fueled by many success stories, the Sovrin community started full steam into 2020 with publication of its GDPR paper, demonstrating how SSI is privacy-by-design best practice in the European Union's General Data Protection Regulation context.

Sovrin's new membership program - re-emphasizing the Foundation's nonprofit work in governance, network operations, community engagement and SSI advocacy - was launched in late January 2020, striving to acquire financial contributions from both individuals and organizations of the global SSI community.

Despite the fact that new Stewards were onboarded, community involvement remained intense and strong, and donors with even the "premium donor" Desert Financial Credit Union were found, a sustainable financial model for the Sovrin Foundation in its current operating mode (2019 cost base: 3.9m USD) could not be established. The much hoped for Sovrin Token could not be productively launched in a regulatory compliant fashion and remained in test mode only. Supplier invoices remained open, totaling in a major amount, and in late 2019, a loan repayable in two years had to be taken to cover the most immediate financing needs.



**Dr. Andre Kudra**

**Trustee**

**Co-chair Transition Committee  
March-June 2020**



On March 13, 2020, Sovrin Foundation's Executive Director & CEO, Heather Dahl, announced that the organization moves to volunteer staff operations, with the Board of Trustees carrying out their duties and the Sovrin Network remaining fully operational. Shortly after, the Board of Trustees reiterated their commitment to evolving Sovrin and developing a new operating model. Transition had begun. A Transition Committee of 12 volunteers was instated, which organized its work taskforce-style in six streams:

- Immediate Stabilization / Financing
- Communications
- Sovrin MainNet
- Network of Networks / Sovrin Ecosystem
- Long-Term Sustainability
- Sovrin Token

In the course of the following weeks, intense days (and nights) were spent on ensuring Sovrin's stability. Crucial parts were agreeing and implementing immediate sustainability and cost-cutting measures as well as deriving a sound strategy for continuous operations.

The term "Minimum Viable Foundation", MVF in brief, was coined during that time. It was tremendously helpful for the transition team to count on key former staff members to help out in certain areas, as unpaid volunteers. The community stuck together and leveraged renowned events such as the Internet Identity Workshop (IIW) for discussions on the evolution of the Sovrin Ecosystem.

The onboarding of Stewards continued as usual during the transition period. In May 2020, the Trust over IP (ToIP) Foundation was launched, backed by many members of the Sovrin community, and the new Sovrin Steward Council was kicked off. Another major turning point for Sovrin was traversed in June 2020. After two months of an intensive community feedback process overseen by the Sovrin Transition Committee, it became clear a leadership shift was warranted. Fully backed by the existing Board of Trustees, five major contributors to the Sovrin community were presented as initial nominees for a new board:

- Nicky Hickman (Secretary)
- Stephen Curran (Vice-Chair)
- André Kudra (Convener of Nominating Committee)
- Philippe Page (Treasurer)
- Sam Smith (Chairperson)

They were formally elected at the Foundation's annual meeting on June 17, 2020, which marked the end of a three-month transition.

The new Trustees sent a strong message about the primacy of the mission-driven vision that includes the stability and sustainability of Sovrin MainNet, while pursuing the larger Identity for All mission. Sam Smith as the newly elected interim Chair thanked the outgoing Trustees, who ensured to remain committed to achieving Sovrin's core mission, and to promoting the interests of the Sovrin community as a whole. The chairs of the Sovrin Governing Bodies - Steward Council, Technical Governance Board (TGB), Identity for All (I4A) Council, Economic Advisory Council - were seated as ex-officio Trustees at the next board meeting.



Throughout the major organizational, financial, and personnel restructure, the Sovrin MainNet continued to operate with very high stability, which it maintained since its go-live on July 31, 2017.

Also, Steward onboarding went on, a call to the community was issued, seeking more Trustees to achieve a mix of people from various backgrounds and locations, and task forces were launched for analyzing future feasibility of a token and public write access for the ledger.

Six weeks after being instated, the Board of Trustees presented a path forward, moving the Foundation from transition to sustainability mode. Key achievements were putting forbearance agreements with current creditors in place, allowing a staged repayment and letting new financial contributions flow into MVF, not towards relieving debt.

The monthly run rate was significantly reduced and key stakeholders of the Sovrin community pledged a donation to ensure financial stability for the next months. Community involvement went to new heights, with Doc-a-thons for drafting core principles of SSI as Universal Service, Sovrin's Vice-Chair Stephen Curran leading the highly successful Hyperledger Indy Interop-a-thon which made "Network of Networks" more real, and major wallet portability achievements.

Sovrin continued to move at pace with the successful conclusion of Sam Smith's tenure as Chair and his replacement with Chris Raczkowski in September 2020, who joined the Board a month earlier, following community nomination by the Sovrin Governance Framework Working Group which he co-chaired. Chris' aim was transforming the Foundation into a sustainable social enterprise which continues to lead the development of SSI and Identity for All.

The remainder of the year continued to be busy, i.e. with connecting task forces with ToIP, releasing the Internet of Things (IoT) whitepaper, more new Stewards and interop work. The collaboration produced a highlight in December 2020 when the Principles of SSI were published in 16 languages. After five months of work of the global SSI community, convened by Sovrin, the twelve principles represent the consensus on the SSI core ethics and policies.

Despite all this SSI momentum and strong community support with countless volunteers contributing hours upon hours, Sovrin's financial situation could not ultimately be stabilized. All the heavy lifting of 2020 bought the Foundation more time but the core problem remained. Financial contributions received in 2020 and revenues from ledger transactions were just about enough to cover basic operating expenses, leaving major debt positions and a loan due in December 2021 unresolved.

#### Staff - until March 2020

- **Heather Dahl**
- **Kayla Glover**
- **Reilly Glover**
- **Ken Ebert**
- **Stephen Fulling**
- **Helen Garneau**
- **Nathan George**
- **Anna Johnson**
- **Maya Kanehara**
- **Matt Norton**
- **Lynn Bendixsen**
- **Adam Burdett**
- **Stephen Gubler**
- **Mike Lodder**
- **James Schulte**



# Investing for the Future

## 2020 Financial Report

Inspired by the sharp and insightful title of an SSI blog post published by a prominent SSI advocate, my Treasurer report of Sovrin in 2020 is called "The Ugly, the Bad & the Good".

First, the Ugly, a financial crash occurred in late February. It turned overnight a full-fledged Foundation, responsible for maintaining the Sovrin Network, into a Volunteer-based Foundation still responsible for running the Sovrin network. Due solely to its finance, in Q1 2020, the Sovrin Foundation was under an existential threat. I want to take this opportunity to thank the supporters that kept the lights on in these uncertain moments. In a matter of weeks, they brought the 2019 average monthly burn rate of \$328,000 down to approximately \$4,000. A rate sustained for the rest of 2020.

Second, the Bad, dealing with debt, an income model under heated debate, and virtually no recurring revenues. When the new board took office, the debt was estimated to \$2.3 million. Over two third was coming from unpaid bills from service providers, and the Foundation signed three forbearance agreements with its three most prominent ones. Also, it repaid its dues to all the others. The forbearance agreements keep the Foundation out of financial harm. They protect the Foundation until it reaches a sustainable form where debt repayment would not endanger its growth. In addition, creditors agreed to lower their initial claim. The rest of the Foundation's debt comes from two loans. One private loan contracted in late 2019 of \$0.5 million due in December 2021 and a state Small Business Loan of \$0.2 million with a 30 years duration.

Finally, the Good. Thanks to the stability of the Sovrin MainNet and the Foundation's active promotion of interoperability among networks, the Sovrin Foundation attracted new Stewards and Endorsers. This presence in the SSI community enabled organisations using the Sovrin network to generate businesses that translated, for the Foundation, to an increase in ledger write revenues. The income started to grow despite billing only Sovrin MainNet activities at a pre-crash level and keeping StagingNet Net plus Builder Net free. \$17'000 may sound low, but it is over 400% increase YoY mostly due to the second half of 2020. Also, it indicates a positive trend for the future—a trend confirmed by the 2021 Year-to-September figure of \$55'851. Thus, there is market recognition of the value of the Sovrin MainNet backed by a solid, opinionated Sovrin community.



**Philippe Page**

**Trustee**

**Treasurer**





From a financial perspective, 2020 started with existential threat to the Sovrin Foundation. Then the problems were confined, not hidden. Therefore, we end 2020 with much more than hope and conviction. We are acutely aware of the severe challenges but have a roadmap to overcome them. 2021 will be as critical as 2020, but it starts with the Good.

## SOVRIN FOUNDATION

## STATEMENT OF SUPPORT AND EXPENSE

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(DOLLARS IN THOUSANDS)

	2020	2019
<b>Corporate contributions:</b>		
Evernym – private sales & legal costs	US\$—	US\$ 1'062
Contributions	420	657
Training	—	175
SBA grant	10	
Other income	6	
Ledger write fees	17	3
Interest	--	--
Total support and revenue	US\$ 453	US\$ 1'897
<b>Costs and Expenses</b>		
Payroll	358	1'671
Outside contractors	78	407
Legal	387	1'532
Travel and conferences	15	121
Operating costs	87	112
Facilities and equipment	42	88
Total cost and expense	967	3'931
Excess (deficit) of support and revenue over expense	(US\$ 514)	(US\$ 2'034)
Debt forgiveness	324	
Net Income	(US\$ 190)	

## Balance Sheets As of December 31, 2020 and 2019

Cash	US\$ 46	US\$ 222
Pledges receivable	14	178
Security Deposit	0	12
Total Assets	US\$ 60	US\$ 412
Accounts payable	US\$ 0	US\$ 1'384
Notes payable long term	1'510	500
Notes payable short term	500	
Other liabilities	64	
Total liabilities	2'074	1'884
Earned surplus (deficit)	(2'014)	(1'472)
Total liabilities and equity	US\$ 60	US\$ 412



# Technical Report

## The Sovrin Network and its Stewards



**Stephen Curran**

**Trustee**

**Vice-chair**

### Sovrin Network and Steward 2020 highlights include:

#### MainNet

The technical crown jewel of the Sovrin Foundation is the Sovrin MainNet which continues to provide a solid base utility layer for global SSI. In 2020, MainNet experienced just one “write” outage for a total of 5 minutes, translating to 99.999% availability. Since that event in February, 2020, MainNet has had 100% uptime. Automated monitoring was put in place in 2020 to continuously track both node availability and transaction activity, with notifications sent out as soon as a node goes offline. Technically, MainNet is in better shape than ever before. Huge kudos and thanks to the Sovrin Foundation Network Operations team led by Wade Barnes.

There were 4 upgrades made to Sovrin MainNet in 2020, including a time-sensitive upgrade to address a reported vulnerability in August 2020. The upgrade was done within the reporting party’s timeframe before publication of the vulnerability (i.e., before it was known to the general public).

The primary concern on the horizon with MainNet is the need for an upgrade of the underlying operating system on which the Sovrin nodes run. Indy currently only supports the outdated Ubuntu 16.04, and an upgrade is needed to Ubuntu 20.04. This upgrade has been hampered by the need to unravel and replace a complex, aged continuous integration/continuous deployment (CI/CD) pipeline. This is necessary to make it possible (and easy) to test changes to the Indy software and underlying dependencies. This work is near completion thanks to a concerted effort from the Sovrin Foundation, BC Government and IDunion.

In 2020, there were approximately 3,500 transactions executed on MainNet. While this is less than in 2019, that is because a monitoring task that executed a transaction every 5 minutes throughout 2019 was stopped. Looking ahead to the 2021 report, through August 2021, volume is already more than 16,000 transactions.

#### Steward Qualification Committee

Chair:

- Stephen Curran

Members:

- Jamie Stirling
- Daniel Hardman
- Markus Sabadello
- Sankarshan Mukhopadhyay

#### Technical Governance Board

Chair:

- Chair in 2020: Marta Geater-Piekarska
- Co-Chair: Nathan George

Members:

- Jason Law
- Jan Camenisch
- Markus Sabadello
- Marta Geater-Piekarska
- Axel Nennker
- Steve McCown
- Avesta Hojjati
- Mike Bailey
- Stephen Curran
- Chris Eckl
- Sebastian Weidenbach
- Richard Esplin
- Maciej Jedrzejczyk



## StagingNet and BuilderNet

Like MainNet, Sovrin StagingNet and BuilderNet continue to be rock-solid, with the same multiple 9's of uptime, and no downtime since February 2020. From a network operations perspective, all of the networks are monitored in the same way, and responses to node outages are handled in the same way.

## Stewards

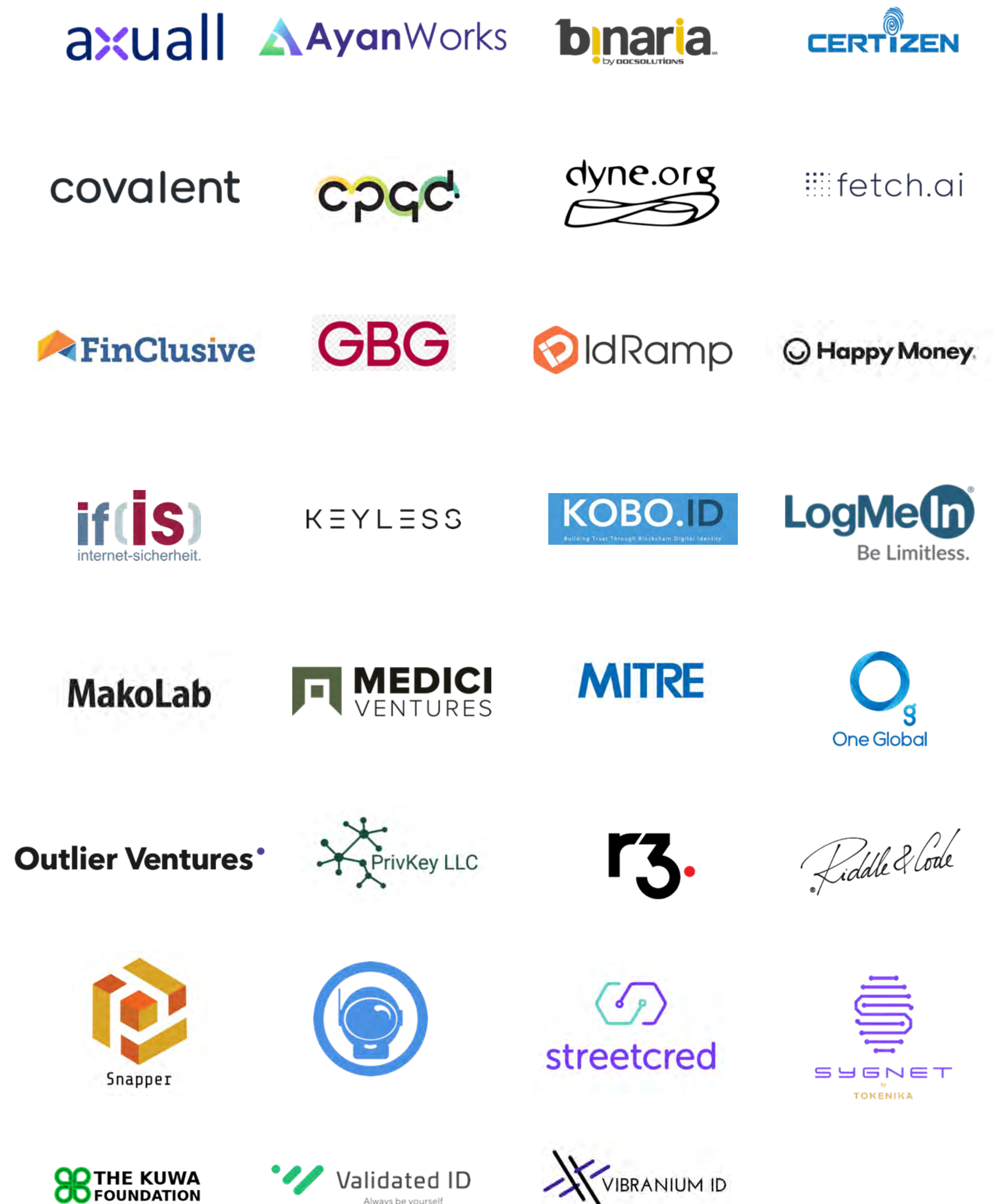
In 2020, the Sovrin Foundation added 12 new Stewards. For a variety of reasons, only 6 of those organizations actually spun up a node and joined the Sovrin Networks. As well, 4 Stewards on MainNet removed their nodes, resulting in a net gain of 2 nodes for the year. Today, Sovrin MainNet has 18 nodes, allowing for up to 5 node failures before losing write access, Staging has 14 nodes and BuilderNet 18 nodes, for an even 50 active nodes. Once the Ubuntu 20.04 version of Indy Node is available, the Network Operations team will adjust the location of some of the nodes to better balance the per network node counts.

## “Network-of-networks” Initiative

In September 2020, the Sovrin Foundation hosted a “network-of-networks” conference to encourage the seamless use of multiple Indy networks by SSI agents. The event was well attended and generated interest in creating a new “did:indy” DID Method. Work continued on that through the rest of 2020, and the new DID method is ready for implementation. We are currently looking for collaborators on the initiative to complete the technical work.



## Approved Stewards in 2019



Go **here** for a complete list of current Sovrin Stewards

## New Stewards in 2020





# Governance



## Governance Framework V3 and Principles of SSI

The SGFWG has traditionally drawn participants from a wide range of Sovrin community members and has thus been reasonably well balanced between Europe, North America and the Asia Pacific region. The Co-Chairs of the Sovrin Governance Framework Working Group were in 2020 from the US, Canada and India.

As per the Charter, the purpose of the Governance Framework Working Group (GFWG) is to develop and revise the Sovrin Governance Framework (SGF) to serve as the business, legal, and technical policy foundation of Sovrin Infrastructure, including serving as the foundation for other domain-specific governance frameworks (DSGF).

Subsequent to the availability of the version 2.0 of the Sovrin Governance Framework, the Working Group has been focused on developing a new version of the framework which addresses the topics of governance for the Sovrin Utility and defines the governance framework for the Sovrin Ecosystem. This perspective is designed to enable the Sovrin Foundation to work towards the mission of “Identity for All”.

### Highlights from 2020 include:

- Principles of SSI

The Sovrin Foundation introduced the Principles of SSI as a set of guiding principles which can be adopted by any digital trust ecosystem. The Principles were designed and developed through a collaborative process of feedback and were released in 16 languages. The members of the Sovrin community contributed the translated text making it possible to present the principles in a more inclusive and internationalized manner.

- Sovrin {Utility | Ecosystem} Governance Framework

The development of the next version of the Sovrin Governance Framework focused on specifics of the Sovrin Ledger Utility and an opportunity to design the cooperation principles for the Sovrin Ecosystem. Building on the emerging conversation around network-of-networks, these 2 efforts were initiated through a community workshop (a ‘Doc-a-thon’) exploring the purpose and scope of these governance frameworks as well as sketching some of the initial outlines of the requirements.

An additional aspect of the community workshops has been the unanimous adoption of more inclusive language. This intentional choice of language resulted in stepping away from the terminology of “master” document and using the term ‘primary’ instead.



**Sankarshan  
Mukhopadhyay**

**Co-chair,**

**Sovrin Governance  
Framework  
Working Group**

### **Chairs:**

- Drummond Reed
- Chris Raczkowski
- Sankarshan Mukhopadhyay

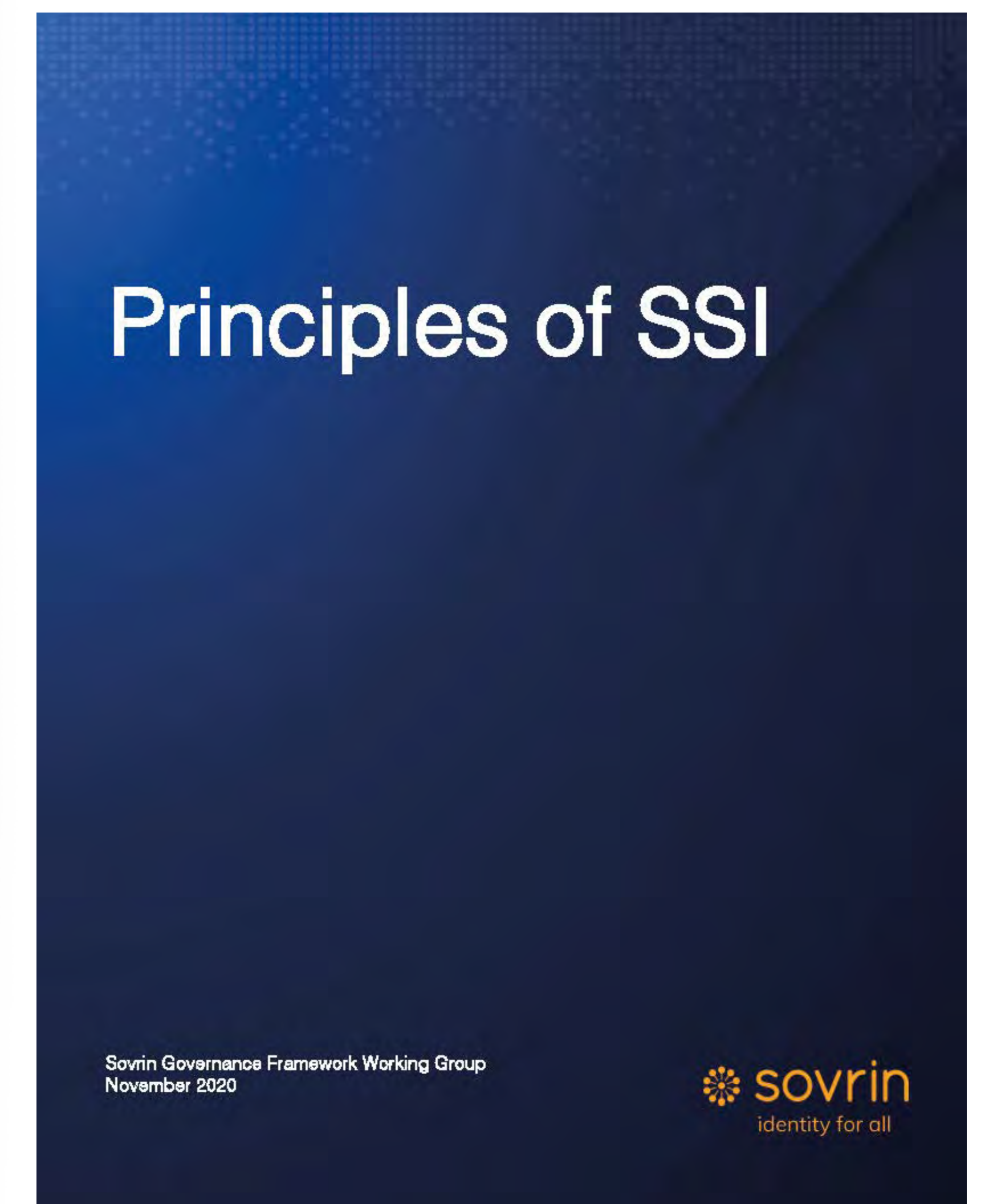




- Participation in Identity and Trust topics

The members of the Sovrin Governance Framework Working group have been regular participants in events such as the Internet Identity Workshop (IIW). The first fully developed version of the Principles of SSI were presented at the IIW in order to stimulate discussion and debate around the need for the principles. Members have also been actively involved in discussions around the topics of digital identity and particularly SSI in other forums where the focus has been on providing a more traditional critique of the harms presented by the present set of technologies.

For details on participating on any of the SGFW Task Forces, please see the [Governance Framework](#) page on [sovrin.org](https://sovrin.org) and scroll down to the section titled: “Participation in the Sovrin Governance Framework Working Group”.





## Compliance and Payments Task Force

The purpose of the CPTF is to advance financial inclusion globally through the use of SSI and other innovations in regtech and fintech. To meet these objectives, a key activity is to develop and promote the Rulebook, an innovative best practices framework that extends traditional banking compliance and payments guidance to emerging fintech and digital and virtual asset processes.

### Highlights from 2020 include:

- Release of the Rulebook in December 2020

was a great milestone. Its release comes at an important time in the era of increased decentralization of financial services and crypto and fintech sectors growing, where this expansion needs to be met with network participants fulfilling their anti money laundering (AML) and financial crimes compliance (FCC) obligations in order to protect the integrity of this new financial ecosystem.

- Development of Digital Identity Whitepaper

This white paper established the foundational elements of identity, and the approaches related to digital identity and sovereign identity principles that work to strengthen and support financial inclusion initiatives and required Know Your Customer (KYC) and FCC controls and operations, including as related to the risk-based approach within financial regulatory compliance.

- AML and KYC modernization push

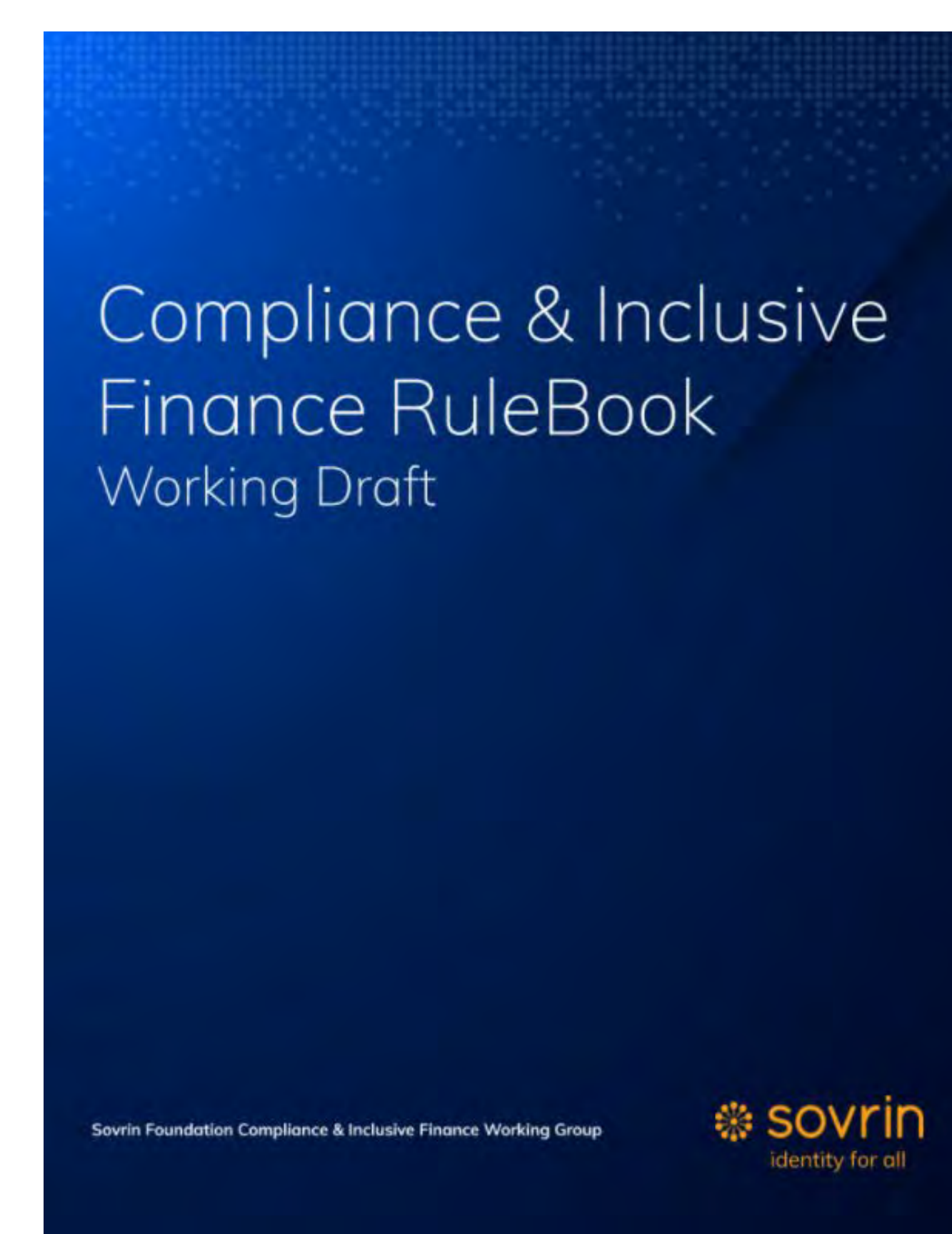
In order to reap the benefits of virtual asset and fintech's ability to reach the financially excluded, and better align intended FCC controls to the changing operational and technology realities of this fast growing sector, a reframing is necessary of AML Compliance applications by taking an 'activities and practices' approach. The Rulebook's activities and practices approach is helping the regulatory community better understand the paradigm shift and promote the modernization of AML regulatory framework.

### Chair:

- Amit Sharma

### Members:

- 140 members plus from UK, US, Canada, Netherlands, Finland, Italy





## SSI & IoT Working Group

The purpose of the SSI & IoT Working Group is to inform and influence technical standards, business strategies, and government policies addressing IoT systems such that they are consistent with and to the greatest extent possible implement the Principles of SSI. This aim is pursued with global partners in academia, industry, and government by: (1) Conducting generative research into the challenges and opportunities centered on digital identity and authority in connected, multiparty IoT systems, and (2) Identifying and developing value propositions, risk management frameworks, and policy considerations unique to SSI within these connected IoT systems.

### Highlights from 2020 include:

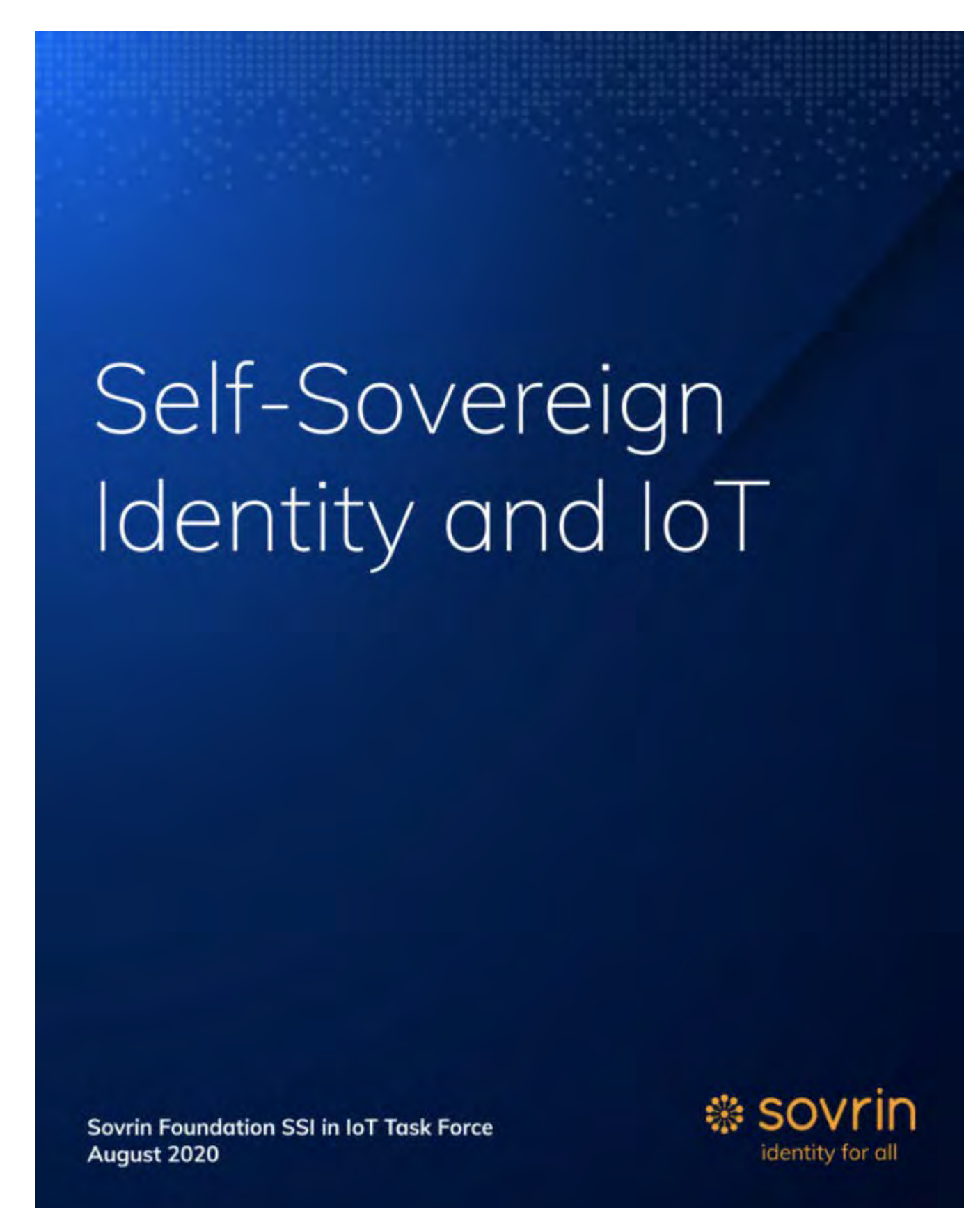
- **Publishing of the SSI in IoT White Paper**  
In this white paper we compliment a generative argument, developing several pressing problems within IoT, with framework technical and business arguments that support value propositions for SSI in IoT.  
However, this white paper is not meant to be either an exhaustive analysis of alternatives, nor a deeply technical exposition. Instead, our aim is to highlight compelling business opportunities to create and capture value, motivating rigorous collaboration between what might otherwise be disparate SSI and IoT communities.
- **Creation of SSI in IoT Working Group Charter**

#### Chair:

- Michael Shea

#### Members:

- 41 members, 8-10 on a typical weekly call from Austria, Belgium, Brazil, Canada, Greece, Ireland, Switzerland, UK, and US





## Steward Council

The council had many insightful discussions with the Sovrin Stewards and created three workstreams within the steward council; health, technical and community.

### Highlights from 2020 include:

- **First Steward Council Election**
- **The health workstream** provided insights into monitoring Steward nodes and culminated in creating a public Sovrin Metrics Dashboard and the soon to be released, open-source and easy to install Sovrin Steward Node Management solution thanks to Wade, Conner and Kole Barnes.
- **The technical workstream** did an excellent job at informing Stewards of technical issues, challenges and upgrades coming to Sovrin Networks that impact all stewards.
- **The community workstream** provided valuable presentations from the steward community, such as the Yoma ecosystem, Trinsic and the eIDAS bridge. We will be continuing to showcase the excellent work from the Sovrin Stewards in the upcoming year.

#### Chairs:

- Lohan Spies, DIDx
- Alexander Blom, Bloqzone

#### Members:

- Riley Hughes, Trinsic
- Richard Esplin, Evernym
- Xavier Vila, Validated ID
- Kevin Wittek, Institute for Internet Security
- Steven McCown, Anonymo Labs
- Mike Vesey, idRamp
- Kirankalyan Kulkarni, AyanWorks Technology Solutions

## Sovrin Guardianship Working Group

The purpose of the Guardianship Working group is to inform technical standards, business strategies and government policies regarding guardianship and digital identity. We ensure the guidance is consistent with the Principles of SSI, Identity for All, and meets the legislative requirements for the governing jurisdiction. This collaborative community is made up with global partners from academia, business and government.

### Highlights from 2020 include:

- Presentation to UK Justice Department "New Perspectives on Using Data in the Public Sector"
- Started to work on two papers: Technical Requirements and implementation Guidelines for Guardianship.

#### Chairs:

- **EMEA/America's:** Jamie Stirling
- **APAC:** John Phillips and Joe Spencer

#### Members:

Approximately 30 members from UK, Canada, Netherlands, Germany, Australia, US

Each committee meets monthly with 4-10 in attendance.



## I4A Council

### Highlights from 2020 include:

- **Reconstituting the I4A Council**  
Since March 2020, the I4A Council has been re-established with two new Co-Chairs (Nicky Hickman and Darrell O'Donnell). Regular, monthly meetings are occurring with a focus on two main activities: creating the Theory of Change (see below) and sharing community lessons, with global leaders sharing projects that impact all levels of society, particularly those where inclusion is problematic.
- **Theory of Change**  
The I4A Council created a document that proposes a thesis that can be broadly applied to the Sovrin Foundation and its mission.
- **Community Outreach**  
with leadership from Nicky Hickman, the I4A Council has been bringing in thought leaders from around the globe. Typically a project that is working on inclusion (or avoiding exclusion) is brought into each monthly meeting, sharing lessons learned and pointing out where more work/research is needed.

#### Chair:

- Nicky Hickman



